



## **SUPREME CONSOLIDATED RESOURCES BHD**

(Company No. 1194146-D)

(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR 6-MONTHS FINANCIAL PERIOD ENDED  
("FPE") 31 MARCH 2020 ("FPE 2020")**

**(APPENDIX 6A, PART A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD)**

### **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SUPREME CONSOLIDATED RESOURCES BHD ("SUPREME" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

---

	<b>UNAUDITED</b> <b>31.03.2020</b> RM'000	<b>AUDITED</b> <b>30.09.2019</b> RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	23,971	17,523
Right-of-use assets	376	447
Investment in properties	3,946	3,983
Intangible assets	182	196
Goodwill	21,992	21,992
	<u>50,467</u>	<u>44,141</u>
<b>CURRENT ASSETS</b>		
Inventories	24,366	20,933
Trade receivables	26,766	18,528
Other receivables, deposits and prepayments	315	1,583
Cash and bank balances	7,559	8,349
Fixed deposits with licensed banks	4,442	6,085
Current tax assets	144	144
	<u>63,592</u>	<u>55,622</u>
Asset held for sales	923	923
	<u>64,515</u>	<u>56,545</u>
<b>TOTAL ASSETS</b>	<u>114,982</u>	<u>100,686</u>

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

---

	<b>UNAUDITED</b> <b>31.03.2020</b> RM'000	<b>AUDITED</b> <b>30.09.2019</b> RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	59,867	59,867
Retained profits	10,636	8,802
<b>TOTAL EQUITY</b>	<u>70,503</u>	<u>68,669</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	7,553	6,900
Lease liabilities payables	210	261
Deferred tax liabilities	326	326
	<u>8,089</u>	<u>7,487</u>
<b>CURRENT LIABILITIES</b>		
Bank borrowings	28,286	18,169
Lease liabilities payables	103	106
Trade payables	5,314	4,014
Other payables and accruals	2,005	1,895
Current tax liabilities	682	346
	<u>36,390</u>	<u>24,530</u>
<b>TOTAL LIABILITIES</b>	<u>44,479</u>	<u>32,017</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>114,982</u>	<u>100,686</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2020**

	Individual 6 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
REVENUE	82,155	70,370
COST OF SALES	<u>(70,416)</u>	<u>(60,022)</u>
GROSS PROFIT	11,739	10,348
OTHER INCOME	282	2,363
	<u>12,021</u>	<u>12,711</u>
ADMINISTRATIVE EXPENSES	(6,700)	(7,513)
FINANCE COSTS	<u>(737)</u>	<u>(639)</u>
PROFIT BEFORE TAXATION	4,584	4,559
INCOME TAX EXPENSES	<u>(1,250)</u>	<u>(781)</u>
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	3,334	3,778
	<u>2.78</u>	<u>3.15</u>
EARNINGS PER SHARE (SEN)		
NO OF SHARES ('000)	<u>120,000</u>	<u>120,000</u>
EBITDA	5,819	5,799
GP MARGIN (%)	14.3%	14.7%
PBT MARGIN (%)	5.6%	6.5%
PAT MARGIN (%)	4.1%	5.4%

- 1) GP margin is computed based on GP divided by revenue
- 2) PBT margin is computed based on PBT divided by revenue
- 3) PAT margin is computed based on PAT divided by revenue

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2020**

---

	<b>Share Capital RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
<b>The Group</b>			
Balance as at 01.10.2018 (restated)	53,430	5,099	58,529
Issuance of shares	6,570	-	6,570
Share issue expenses	(133)		(133)
Profit after taxation, representing total comprehensive income for the financial year	-	6,207	6,207
Dividend	-	(2,504)	(2,504)
Balance as at 30.09.2019/1.10.2019	59,867	8,802	68,669
Dividend	-	(1,500)	(1,500)
Profit after taxation, representing total comprehensive income for the financial period	-	3,334	3,334
Balance as at 31.03.2020	59,867	10,636	70,503

---

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2020**

---

	<b>6 MONTHS UNAUDITED</b>	
	31.03.2020	31.03.2019
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,584	4,559
Adjustments for -		
Provision for inventories	600	0
Depreciation of property, plant & equipment	498	587
Amortisation of intangible assets	14	14
Interest expense	725	612
Lease liabilities interest	11	26
Gain on disposal of property, plant and equipment	(8)	(2,093)
Interest income	(75)	(88)
Operating profit before working capital changes	6,349	3,617
Increase in inventories	(4,033)	(2,418)
Increase in trade and other receivables	(6,971)	(3,113)
Increase/(Decrease) in trade and other payables	1,410	(3,015)
<b>CASH FOR OPERATIONS</b>	<b>(3,245)</b>	<b>(4,929)</b>
Interest paid	(725)	(612)
Lease liabilities interest paid	(11)	(26)
Interest received	75	88
Income tax paid	(914)	(1,141)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(4,820)</b>	<b>(6,620)</b>

---

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>6 MONTHS UNAUDITED</b>	
	31.03.2020	31.03.2019
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,880)	(3,360)
Purchase of investment properties	0	(967)
Increase in fixed deposits pledged to a licensed bank	0	(905)
Withdrawal of fixed deposits	1,643	832
Proceeds from disposal of property, plant and equipment	52	2,620
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(5,185)</b>	<b>(1,780)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares, net of share issue expenses	0	6,570
Dividend paid	(1,500)	(2,004)
Increase in bank borrowings	10,019	3,545
Repayment of lease liabilities	(54)	(130)
Repayment of term loan	(719)	(346)
Drawdown of term loan	1,469	951
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>9,215</b>	<b>8,586</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(790)</b>	<b>186</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>8,349</b>	<b>9,800</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>7,559</b>	<b>9,986</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial report.

# SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Company No: 1194146-D

## PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

---

### 1. BASIS OF PREPARATION

- 1.1 These condensed consolidated interim financial statements, for the six months FPE 2020 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“**MASB**”), paragraph 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to this unaudited interim financial statements.

- 1.2 The accounting standards and/or interpretations adopted by the Group in this interim financial statements are consistent with those adopted in the most recent audited consolidated financial statements for the financial year ended 30 September 2019.
- 1.3 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on this unaudited interim financial statements except for the adoption of MFRS 16 Leases.

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. MFRS 16 requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months whereby the right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. For a lessor, MFRS 16 continues to allow the lessor to classify its leases as either operating leases or finance leases and to account them differently.



## SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

### PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

---

#### 2. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the FPE 2020.

#### 3. CHANGES IN CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no material changes in critical accounting estimates and judgements during the FPE 2020.

#### 4. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases or repayments of debt and equity securities during the FPE 2020.

#### 5. DIVIDENDS PAID

On 28 November 2019, the Company declared a final dividend of 1.250 Sen per ordinary share amounting to RM1,500,000. The dividend was paid on 16 January 2020.

#### 6. SEGMENTAL INFORMATION

##### 6.1 Business Segments

The Group's business operations comprise the distribution and warehousing of F&B products from third party brands, focusing on Frozen Food, Chilled Food, Dairy Products and Dry F&B as follows:

	Unaudited 6 months			
	31.03.2020		31.03.2019	
	RM'000	%	RM'000	%
<b>Food and beverages distributed:-</b>				
Frozen Food	56,224	68%	43,072	61%
Chilled Food	16,248	20%	11,236	16%
Dairy Products	4,712	6%	5,323	8%
Dry F&B	4,971	6%	10,739	15%
<b>TOTAL GROUP</b>	<b>82,155</b>	<b>100%</b>	<b>70,370</b>	<b>100%</b>

##### 6.2 Geographical Information

The Group's revenue is based on the customers who are located in Sarawak and Sabah.

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

### **PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

---

#### **7. VALUATION OF PROPERTY AND EQUIPMENT**

There was no valuation on property and equipment during the FPE 2020.

#### **8. CAPITAL COMMITMENTS**

	31.03.2020 RM'000	31.03.2019 RM'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u>5,307</u>	<u>11,840</u>

#### **9. CONTINGENT ASSETS AND LIABILITIES**

There were no material contingent assets and liabilities.

#### **10. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the FPE 2020.

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

### **PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

---

#### **B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of RM82.16 million for the FPE 2020 which represents an increase of RM11.79 million or 16.8% compared to RM70.37 million for the FPE 31 March 2019 (“**FPE 2019**”). The increase is mainly due to additional revenue of RM13.15 million generated from the sale of Frozen Food and RM5 million from the sale of Chilled Food. The increase in the sale of Chilled Food is mainly attributed by the sale of butter and cheese products during the period. The drop in Dry F&B of RM5.7 million for FPE 2020 is mainly due to the cease of distributorship of “F&N” beverages in June 2019.

#### **Group Profit (“GP”) and GP Margin**

Our Group recorded a GP of RM11.74 million (GP margin of 14.3%) for FPE 2020 as compared to RM10.35million (GP margin of 14.7%) for the FPE 2019. The slight increase of RM1.39 million was mainly contributed by the increase in the sale volume of Frozen Food. The lower GP margin for FPE 2020 was mainly due to the incremental sale to wholesalers at lower margin.

#### **Profit after Taxation (“PAT”) and PAT Margin**

The Group recorded a slightly lower PAT of RM3.334 million (PAT margin of 4.1 %) for the FPE 2020 as compared to RM3.778million (PAT margin of 5.4%) for the FPE 2019. The higher PAT margin for FPE 2019 is mainly due to the gain of disposal of our Miri Warehouse of RM2.09 million. The underlying PAT after adjusting the gain on disposal of Miri Warehouse and listing expenses of RM1 million is RM2.688 (PAT Margin of 3.8%) for FPE 2019 which is lower than FPE 2020.

#### **B2. COMMENTARY ON PROSPECTS**

The movement control order (“**MCO**”) imposed by the Malaysian government to reduce the rate of the spreading of the COVID-19 virus is expected to have adverse impact on the Company’s financial and operational performance for the second half of the financial year.

Nevertheless, the Group will continue to focus on customer service and cost containment to maintain its competitiveness. Our Group is also looking at expanding its product range and distribution network.

Amid the growing concern over the economic damage caused by the spread of the COVID-19 virus, the Board of Directors of the Company expects the Group’s performance for the remaining period of this financial year to be challenging.

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

### **PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

---

#### **B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE**

Save for the combined profit guarantee of PAT totaling RM5.1 million for the financial year ended 30 September 2019 as disclosed in Section 9.1 (i) of our Information Memorandum which was duly completed and fulfilled, the Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

### **PART C: OTHER INFORMATION**

---

#### **C1. STATUS OF CORPORATE PROPOSALS**

There was no corporate proposal announced but pending completion as at the date of this report.

#### **C2. UTILISATION OF PROCEEDS**

The proceeds from the IPO of RM6.57 million have been fully utilized

#### **C3. MATERIAL LITIGATION**

There is no material litigation as at the date of this report.

#### **C4. DIVIDEND**

The Directors do not recommend any dividend as at the date of this report.

#### **C5. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW**

There were no material events subsequent to the end of the current financial period.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**