



## **SUPREME CONSOLIDATED RESOURCES BHD**

(Company No. 1194146-D)  
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF OF THE FINANCIAL YEAR  
ENDED (“FYE”) 30 SEPTEMBER 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 30 SEPTEMBER 2020**

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	<b>UNAUDITED</b> <b>30.09.2020</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	26,512	17,970
Investment in properties	3,908	3,983
Right-of-use assets	3,296	-
Intangible assets	140	196
Goodwill	21,992	21,992
	<u>55,848</u>	<u>44,141</u>
<b>CURRENT ASSETS</b>		
Inventories	15,335	20,934
Trade receivables	22,363	18,528
Other receivables, deposits and prepayments	752	1,582
Cash and bank balances	15,896	8,349
Fixed deposits with licensed banks	4,050	6,085
Current tax assets	330	144
	<u>58,726</u>	<u>55,622</u>
Asset held for sales	-	923
	<u>58,726</u>	<u>56,545</u>
<b>TOTAL ASSETS</b>	<u>114,574</u>	<u>100,686</u>

**SUPREME CONSOLIDATED RESOURCES BHD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

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	<b>UNAUDITED 30.09.2020 RM'000</b>	<b>AUDITED 30.09.2019 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	59,867	59,867
Retained profits	13,900	8,802
<b>TOTAL EQUITY</b>	<u>73,767</u>	<u>68,669</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	8,867	6,900
Lease liabilities	7	-
Hire purchase payables	-	261
Deferred tax liabilities	603	326
	<u>9,477</u>	<u>7,487</u>
<b>CURRENT LIABILITIES</b>		
Bank borrowings	22,380	18,169
Lease liabilities	98	-
Hire purchase payables	-	106
Trade payables	5,094	4,014
Other payables and accruals	3,476	1,895
Current tax liabilities	282	346
	<u>31,330</u>	<u>24,530</u>
<b>TOTAL LIABILITIES</b>	<u>40,807</u>	<u>32,017</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>114,574</u>	<u>100,686</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the 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/YEAR ENDED 30 SEPTEMBER 2020**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited	Unaudited	Unaudited	Audited
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
REVENUE	81,355	74,415	163,510	144,785
COST OF SALES	(75,186)	(69,654)	(145,602)	(129,676)
GROSS PROFIT	6,169	4,761	17,908	15,109
OTHER INCOME	1,326	638	1,608	3,001
	7,495	5,399	19,516	18,110
ADMINISTRATIVE EXPENSES	(1,750)	(544)	(8,451)	(8,057)
FINANCE COSTS	(596)	(610)	(1,332)	(1,249)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	(209)	(182)	(209)	(182)
PROFIT BEFORE TAXATION	4,940	4,063	9,524	8,622
INCOME TAX EXPENSES	(1,676)	(1,634)	(2,926)	(2,415)
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	3,264	2,429	6,598	6,207
EARNINGS PER SHARE (SEN)	2.72	2.02	5.50	5.17
NO OF SHARES ('000)	120,000	120,000	120,000	120,000
EBITDA	5,550	4,673	11,369	10,472
GROSS PROFIT MARGIN (%)	8%	6%	11%	10%
PROFIT BEFORE TAX MARGIN (%)	6%	5%	6%	6%
PROFIT TAX AFTER MARGIN (%)	4%	3%	4%	4%

The Unaudited 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 30 SEPTEMBER 2020**

	Share Capital RM'000	Retained Profits RM'000	Total Equity RM'000
<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 year		6,598	6,598
Balance as at 30.09.2020	59,867	13,900	73,767

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the 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 30 SEPTEMBER 2020**

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	30.09.2020	30.09.2019
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,524	8,622
Adjustments for -		
Amortisation of intangible assets	56	56
Allowance for impairment losses on trade receivables	264	190
Bad debts written off	19	15
Inventories write down	241	545
Depreciation of investment property	75	6
Depreciation of property, plant and equipment	752	1,142
Depreciation of rights-of-use assets	215	-
Preliminary expenses written off	-	3
Interest expense	1,540	1,249
Impairment losses on property, plant and equipment	333	-
Property, plant and equipment written off	2	40
Gain on disposal of property, plant and equipment	(65)	(2,291)
Interest income	(196)	(264)
Reversal of impairment losses on trade receivable	(54)	(8)
Operating profit before working capital changes	12,709	9,305
Decrease in inventories	5,358	2,057
Increase in trade and other receivables	(3,220)	(1,141)
Increase/(Decrease) in trade and other payables	2,646	(3,606)
CASH FROM OPERATIONS	17,493	6,615
Preliminary expenses paid	-	(3)
Real property gain tax	-	(420)
Interest paid	(1,540)	(1,249)
Interest received	196	264
Income tax paid	(3,088)	(2,140)
Income tax refund	32	26
NET CASH FROM OPERATING ACTIVITIES	13,093	3,093

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	30.09.2020	30.09.2019
	RM'000	RM'000
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,289)	(9,779)
Purchase of investment properties	-	(3,190)
Decrease/(Increase) in fixed deposits pledged to a licensed bank	535	(1,668)
Withdrawal of fixed deposits	-	804
Proceeds from disposal of property, plant and equipment	135	3,114
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(11,619)</b>	<b>(10,719)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares, net of share issue expenses	-	6,437
Dividend paid	(1,500)	(2,504)
Drawdown/(Repayment) in bank borrowings	5,707	(2,588)
Repayment of hire purchase obligation	-	(597)
Repayment of lease liabilities	(106)	-
Repayment of term loan	(2,113)	(810)
Drawdown of term loan	4,024	6,190
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>6,012</b>	<b>6,128</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,486	(1,499)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8,302	9,800
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<b>15,788</b>	<b>8,302</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the 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

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### 1. BASIS OF PREPARATION

- 1.1 These condensed consolidated interim financial statements, for the six months period ended 30 September 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 combined 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 consolidated financial statements for the financial year ended 30 September 2019.
- 1.3 During the current financial year, the Group and the Company 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 4: Extension of the Temporary Exemption from Applying MFRS 9

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

#### **MFRS 16: Leases**

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

The Group and the Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year/period:-



# SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

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

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<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and the Company upon their initial application.

### **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 financial year ended 30 September 2020.

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

There were no material changes in critical accounting estimates and judgements during the financial period/year ended 30 September 2020

## SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

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

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#### 4. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases or repayments of debt and equity securities during the financial period/year ended 30 September 2020

#### 5. SEGMENTAL INFORMATION

##### 5.1 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 and dairy food and dry food as follows:

Food and beverages distributed:-	Individual 6 months ended				Cumulative 12 months ended			
	30.09.2020		30.09.2019		30.09.2020		30.09.2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Frozen food	51,813	64%	48,192	65%	108,037	66%	91,264	63%
Chilled food	19,703	24%	13,180	18%	35,951	22%	24,416	17%
Dairy products	6,805	8%	4,640	6%	11,517	7%	9,963	7%
Dry F&B	3,034	4%	8,403	11%	8,005	5%	19,142	13%
<b>TOTAL GROUP</b>	<b>81,355</b>	<b>100%</b>	<b>74,415</b>	<b>100%</b>	<b>163,510</b>	<b>100%</b>	<b>144,785</b>	<b>100%</b>

##### 5.2 Geographical Information

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

#### 6. VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation on property and equipment during the financial period/year ended 30 September 2020.

## **SUPREME CONSOLIDATED RESOURCES BHD**

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

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#### **7. CAPITAL COMMITMENTS**

	Unaudited 30.09.2020 RM'000	Audited 30.09.2019 RM'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u>3,546</u>	<u>11,986</u>

#### **8. CONTINGENT ASSETS AND LIABILITIES**

There were no material contingent assets and liabilities.

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

There were no changes in the composition of the Group during the financial period/year ended 30 September 2020.

## SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Company No: 1194146-D

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

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#### B1. REVIEW OF PERFORMANCE

	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	81,355	74,415	163,510	144,785
Group Profit ("GP")	6,169	4,761	17,908	15,109
Profit after Taxation ("PAT")	3,264	2,429	6,598	6,207

#### Review of 2<sup>nd</sup> Half year ended 30 September 2020 Vs 2<sup>nd</sup> half year ended 30 September 2019

The Group recorded revenue of RM81.5 million for 2<sup>nd</sup> half year ended 30 September 2020 which represents an increase of RM7.0 million or 9.4% compared to RM74.4 million for 2<sup>nd</sup> half year ended 30 September 2019. The main contributor for the increase is from the sale of chilled food (i.e. butter, cheese and dairy cream) which recorded an increase of RM6.5 million compared to 2<sup>nd</sup> half year ended 30 September 2019. The decrease on dry F&B is mainly due to the discontinuation of agency and the general slowdown of food service industry in Sarawak due to COVID-19.

GP increased by 29.6% from RM4.8 million to RM6.1million for the 2<sup>nd</sup> half year ended 30 September 2020 as compared to the preceding corresponding financial period mainly contributed by the higher sales volume from chilled food. The discontinued of identified agency during the preceding corresponding financial period has also contributed to the increase.

The increase in GP has resulted in the increase of PAT by 34% from RM2.4 million to RM3.2 million in 2<sup>nd</sup> half year ended 30 September 2020 as compared to the preceding corresponding financial period.

#### Review of results for the financial year ended 30 September 2020 ("FYE 2020") Vs the financial year ended 30 September 2019 ("FYE 2019")

The Group recorded revenue of RM163.5 million for the FYE 2020 which represents an increase of RM18.80million or 12.9% compared to RM144.78 million for the FYE 2019. The increase is mainly due to additional revenue of RM16.8million generated from frozen food meat from our wholesales business. Chilled food sales increased by RM11.5million mainly from the sales of butter and cheese product to bakery ingredient shop and supermarket. Dairy products increased by RM1.55 million from RM9.96 to RM11.5 million contributed mainly from milk product and dairy cream. The drop in dry F&B of RM11.13 million mainly resulted from the discontinued of identified agencies at end of 2019.

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

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#### **GP and GP Margin**

Our Group recorded a GP of RM17.9 million (GP margin of 11%) for FYE 2020 as compared to RM15.1million (GP margin of 10%) for the FYE 2019. The slight increase of RM2.8 million was mainly contributed by the increase in the sale volume from frozen food and chilled food. The higher GP margin for FYE2020 was also resulted from the discontinuation of the identified agency which fetched a low GP margin.

#### **PAT and PAT Margin**

The Group recorded a slightly higher PAT of RM6.59million (PAT margin of 4%) for the FYE 2020 as compared to RM6.20million (PAT margin of 4%) for the FYE 2019. The increase in PAT of RM0.4million are contributed by the increase in revenue. PAT margin for the FYE 2020 remained the same as FYE2019's PAT margin.

Effective tax rate for FYE 2020 was at 30% compared to FYE 2019 of 28% mainly due to certain expenses disallowed for tax purpose.

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

The business environment continues to be challenging with the rising expenses and disruption in the supply chain from COVID-19 pandemic which affect the global and local market. Appropriate actions and reviews have been in place to ensure the continuity of our Group's business activities, including a safe and healthy environment for our workforce.

The Group will continue to focus on customer service and cost containment exercise to maintain our competitiveness. Our Group continues to expand its product range and distribution network.

Amid the growing concern over the economic challenges faced by the spread of the COVID-19 virus, the Board of Directors is cautiously optimistic on the business prospects of the Group's financial performance for the financial year ending 30 September 2021.

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

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

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

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#### **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 approved an interim single tier dividend of RM0.025 per ordinary share, amounting to RM3,000,000 for the FYE 2020 on 27 November 2020. The entitlement date for the interim single tier dividend is 18 December 2020 and will be paid on 15 January 2021.

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