



## **SUPREME CONSOLIDATED RESOURCES BHD**

Registration No. 201601023207 (1194146-D)  
(Incorporated in Malaysia under the Companies Act, 2016)

### **FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 30 SEPTEMBER 2022**

#### **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)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

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	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>30.09.2022</b>	<b>30.09.2021</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	25,890	26,970
Investment properties	1,532	1,563
Right-of-use assets	7,253	7,788
Intangible assets	22	78
Goodwill	21,992	21,992
	<u>56,689</u>	<u>58,391</u>
<b>Current assets</b>		
Inventories	28,788	32,097
Trade receivables	32,688	24,470
Other receivables, deposits and prepayments	413	1,769
Fixed deposits with licensed banks	1,373	1,573
Cash and bank balances	16,229	11,416
Short-term investments	1,601	2,562
Current tax assets	1,096	683
	<u>82,189</u>	<u>74,570</u>
<b>TOTAL ASSETS</b>	<u><b>138,878</b></u>	<u><b>132,962</b></u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>30.09.2022</b>	<b>30.09.2021</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	59,867	59,867
Retained profits	22,262	17,651
<b>Total equity</b>	<u>82,129</u>	<u>77,518</u>
Bank borrowings	6,975	8,416
Lease liabilities	-	207
Deferred tax liabilities	752	727
	<u>7,728</u>	<u>9,350</u>
<b>Current liabilities</b>		
Bank borrowings	41,824	37,532
Lease liabilities	-	114
Trade payables	3,414	4,448
Other payables and accruals	3,329	3,949
Current tax liabilities	455	52
	<u>49,022</u>	<u>46,095</u>
<b>Total liabilities</b>	<u>56,750</u>	<u>55,444</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>138,878</u></u>	<u><u>132,962</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD/YEAR ENDED 30 SEPTEMBER 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 30.09.2022 RM'000	Audited 30.09.2021 RM'000	Unaudited 30.09.2022 RM'000	Audited 30.09.2021 RM'000
REVENUE	115,372	93,552	209,953	187,541
COST OF SALES	(105,916)	(85,133)	(188,325)	(165,768)
GROSS PROFIT	9,456	8,419	21,628	21,773
OTHER INCOME	383	296	687	679
	9,839	8,715	22,315	22,452
ADMINISTRATIVE EXPENSES	(2,713)	(2,133)	(9,528)	(9,609)
FINANCE COSTS	(819)	(685)	(1,421)	(1,341)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	220	(621)	220	(621)
PROFIT BEFORE TAXATION	6,527	5,276	11,586	10,881
INCOME TAX EXPENSES	(1,944)	(1,460)	(3,459)	(3,235)
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	4,583	3,816	8,127	7,646
EARNINGS PER SHARE (SEN)	3.82	3.18	6.77	6.37
NO OF SHARES ('000)	120,000	120,000	120,000	120,000
EBITDA	8,679	7,082	15,703	14,143
GROSS PROFIT MARGIN (%)	8.2%	9.0%	10.3%	11.6%
PROFIT BEFORE TAX MARGIN (%)	5.7%	5.6%	5.5%	5.8%
PROFIT TAX AFTER MARGIN (%)	4.0%	4.1%	3.9%	4.1%

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 2021 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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	<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 01.10.2020	59,867	14,025	73,892
Profit after taxation, representing total comprehensive income for the financial year	-	7,646	7,646
Dividend	-	(4,020)	(4,020)
Balance as at 30.09.2021/1.10.2021	59,867	17,651	77,518
Dividend	-	(3,516)	(3,516)
Profit after taxation, representing total comprehensive income for the financial year	-	8,127	8,127
Balance as at 30.09.2022	59,867	22,262	82,129

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The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	12 MONTHS ENDED	
	UNAUDITED 30.09.2022 RM'000	AUDITED 30.09.2021 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	11,586	10,881
<b>Adjustments for -</b>		
Amortisation of intangible assets	56	56
Bad debts written off	17	13
Impairment losses:		
- trade receivables	483	726
Depreciation of:		
- investment properties	31	31
- property, plant and equipment	2,448	1,543
- right-of-use assets	219	347
Intangible assets written off	-	6
Inventories written off	478	2,564
Finance costs	1,421	1,341
Property, plant and equipment written off	7	-
Dividend income:		
- short-term investment	(39)	(62)
Gain on disposal of property, plant and equipment	-	(123)
Gain on disposal of right-of-use assets	-	(16)
Bad debts recovered	(5)	-
Interest income	(57)	(101)
Reversal of impairment losses on trade receivables	(702)	(105)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>	<b>15,943</b>	<b>17,101</b>
Decrease/(Increase) in inventories	2,831	(19,326)
Increase in trade and other receivables	(6,655)	(3,671)
Decrease in trade and other payables	(1,655)	(202)
<b>CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>10,464</b>	<b>(6,098)</b>
Interest paid	(1,421)	(1,341)
Interest received	57	101
Tax paid	(3,443)	(3,480)
Tax refunded	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>5,657</b>	<b>(10,818)</b>

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Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	30.09.2022	30.09.2021
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,061)	(4,475)
Proceeds from disposal of property, plant and equipment	2	267
Proceeds from disposal/(Purchase) of short-term investments	1,000	(2,500)
Withdrawal of fixed deposits tenure more than 3 months	224	1,462
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>165</u>	<u>(5,246)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,516)	(4,020)
(Additions to)/Withdrawal to pledged fixed deposits	(23)	1,047
Increase in bankers' acceptance	5,194	13,806
Repayment of hire purchase obligations	(140)	-
Repayment of lease liabilities	-	(110)
Repayment of term loans	(1,679)	(2,133)
Drawdown of term loans	-	2,066
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<u>(164)</u>	<u>10,656</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,658	(5,408)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	10,380	15,788
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>16,038</u>	<u>10,380</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.

# SUPREME CONSOLIDATED RESOURCES BHD

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Registration No. 201601023207 (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 year ended 30 September 2022 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 consolidated financial statements for the financial year ended 30 September 2021 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 2021.
- 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)**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.



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

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### 1 BASIS OF PREPARATION (CONT'D)

- 1.4 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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:-

<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: Reference to the Conceptual Framework	1 January 2022
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: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group 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 2022.

### 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 2022.

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

#### 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 2022

#### 5 DIVIDEND PAYMENT

On 30 May 2022, the Board declared a first interim dividend of RM0.0085 per ordinary share on 120 million shares amounting to RM1,020,000 in respect of the financial year ended 30 September 2022. The dividend was paid on 24 June 2022.

#### 6 SEGMENTAL INFORMATION

6.1 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			
	30.09.2022		30.09.2021		30.09.2022		30.09.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Frozen food	90,160	78%	62,879	64%	157,741	75%	126,785	68%
Chilled food	13,095	11%	20,471	24%	29,473	14%	39,931	21%
Dairy products	7,039	6%	6,722	8%	13,956	7%	13,624	7%
Dry F&B	5,078	5%	3,480	4%	8,783	4%	7,201	4%
<b>TOTAL GROUP</b>	<b>115,372</b>	<b>100%</b>	<b>93,552</b>	<b>100%</b>	<b>209,953</b>	<b>100%</b>	<b>187,541</b>	<b>100%</b>

#### 6.2 Geographical Information

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

#### 7 VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation on property and equipment during the financial period/year ended 30 September 2022.

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

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#### **8 CAPITAL COMMITMENTS**

	Unaudited 30.09.2022 RM'000	Audited 30.09.2021 RM'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u>115</u>	<u>301</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 financial period/year ended 30 September 2022.

## SUPREME CONSOLIDATED RESOURCES BHD

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

#### B1. REVIEW OF PERFORMANCE

	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	115,372	93,552	209,953	187,541
Group Profit ("GP")	9,456	8,419	21,628	21,773
Profit after Taxation ("PAT")	4,583	3,816	8,127	7,646

#### Review of 2<sup>nd</sup> Half year ended 30 September 2022 Vs 2<sup>nd</sup> half year ended 30 September 2021

The Group recorded revenue of RM115.3million for 2<sup>nd</sup> half year ended 30 September 2022 which represents an increase of RM22million or 23.3% compared to RM93.5 million for 2<sup>nd</sup> half year ended 30 September 2021. The main contributor for the increase is from the sale of frozen food especially frozen meat which recorded an increase of RM27 million compared to 2<sup>nd</sup> half year ended 30 September 2021. The lifting of the movement restriction control has a positive effect on the Group's revenue.

GP increased by 10.6% from RM8.4million to RM9.4million for the 2<sup>nd</sup> half year ended 30 September 2022 as compared to the preceding corresponding financial period mainly contributed by the higher sales volume from frozen food which contributed 75% of total sales.

The increase in revenue has resulted in the increase of PAT by 20% from RM3.8 million to RM4.5million in 2<sup>nd</sup> half year ended 30 September 2022 as compared to the preceding corresponding financial period.

#### Review of results for the financial year ended 30 September 2022 ("FYE 2022") Vs the financial year ended 30 September 2021 ("FYE 2021")

The Group recorded revenue of RM210 million for the FYE 2022 which represents an increase of RM22million or 11.9% compared to RM187 million for the FYE 2021. The increase is mainly due to additional revenue of RM30.9million generated from frozen product from our wholesale business. Chilled food sales decreased by RM10.4million mainly due to low consumer demand and general market sentiment for cheese and butter products. Dairy products remained in the region of RM13 million. The resumption of dining out has push up the demand for dry F&B product from RM7.2million to RM8.7 million.

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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 RM21.6 million (GP margin of 10.3%) for FYE 2022 as compared to RM21.7million (GP margin of 11.6%) for the FYE 2021.

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

The Group recorded a slightly higher PAT of RM8.1million (PAT margin of 3.9%) for the FYE 2022 as compared to RM7.6 million (PAT margin of 4.1%) for the FYE 2021. The increase in PAT of RM0.5million are contributed by the increase in revenue. The lower PAT margin for the FYE 2022 are resulted from the lower gross profit margin achieved.

Effective tax rate for FYE 2022 was at 29% (FYE 2021: 29%) mainly due to certain expenses disallowed for tax purpose.

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

The economic and business environment remains uncertain and challenging due to the cost pressures from rising of minimum wages, inflation and weakening of Ringgit Malaysia against US dollars.

The Group is cautiously positive on the business prospects of the Group's financial performance and will continue to focus on operational efficiencies and cost effectiveness.

We continue to seek opportunities to achieve sustainable growth by expanding our product and service line including attracting new agencies to complement our products portfolio and broaden our base.

### **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.

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

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### **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. MATERIAL LITIGATION**

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

#### **C3. DIVIDEND**

The Directors approved second interim single tier dividend of RM0.0207 per ordinary share, amounting to RM2,484,000 for the FYE 2022 on 29 November 2022. The entitlement date for the interim single tier dividend is 30 December 2022 and will be paid on 17 January 2023.

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