



SUPREME CONSOLIDATED RESOURCES BHD

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

**UNAUDITED FINANCIAL STATEMENTS FOR 6-MONTHS FINANCIAL PERIOD ENDED
("FPE") 31 MARCH 2023 ("FPE 2023")**

**(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)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	UNAUDITED 31.03.2023 RM'000	AUDITED 30.09.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	25,240	25,954
Investment in properties	1,517	1,532
Right-of-use assets	6,907	7,253
Intangible assets	-	22
Goodwill	21,992	21,992
	<u>55,656</u>	<u>56,753</u>
CURRENT ASSETS		
Inventories	29,240	29,177
Trade receivables	28,030	32,311
Other receivables, deposits and prepayments	327	413
Short-term investment	1,625	1,601
Current tax assets	1,206	1,467
Fixed deposits with licensed banks	1,410	1,373
Cash and bank balances	11,987	16,229
	<u>73,825</u>	<u>82,571</u>
TOTAL ASSETS	<u>129,481</u>	<u>139,324</u>

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	UNAUDITED 31.03.2023 RM'000	AUDITED 30.09.2022 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	59,867	59,867
Retained profits	24,137	22,294
TOTAL EQUITY	<u>84,004</u>	<u>82,161</u>
NON-CURRENT LIABILITIES		
Bank borrowings	6,104	6,940
Deferred tax liabilities	745	745
	<u>6,849</u>	<u>7,685</u>
CURRENT LIABILITIES		
Bank borrowings	28,532	41,859
Trade payables	5,187	3,601
Other payables and accruals	3,953	3,409
Current tax liabilities	956	609
	<u>38,628</u>	<u>49,478</u>
TOTAL LIABILITIES	<u>45,477</u>	<u>57,163</u>
TOTAL EQUITY AND LIABILITIES	<u>129,481</u>	<u>139,324</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 2022 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 COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023**

	Individual 6 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000
REVENUE	99,235	94,581
COST OF SALES	<u>(85,835)</u>	<u>(82,593)</u>
GROSS PROFIT	13,400	11,988
OTHER INCOME	<u>289</u>	<u>304</u>
	13,689	12,292
ADMINISTRATIVE EXPENSES	(6,776)	(6,631)
FINANCE COSTS	<u>(733)</u>	<u>(602)</u>
PROFIT BEFORE TAXATION	6,180	5,059
INCOME TAX EXPENSES	<u>(1,853)</u>	<u>(1,515)</u>
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>4,327</u>	<u>3,545</u>
EARNINGS PER SHARE (SEN)	<u>3.61</u>	<u>2.95</u>
NO OF SHARES ('000)	<u>120,000</u>	<u>120,000</u>
EBITDA	8,239	7,024
GP MARGIN (%)	13.5%	12.7%
PBT MARGIN (%)	6.2%	5.3%
PAT MARGIN (%)	4.4%	3.7%

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 31 MARCH 2023**

	Share Capital RM'000	Retained Profits RM'000	Total Equity RM'000
The Group			
Balance as at 01.10.2021	59,867	17,651	77,518
Profit after taxation, representing total comprehensive income for the financial year	-	8,159	8,159
Dividend	-	(3,516)	(3,516)
Balance as at 30.09.2022/1.10.2022	59,867	22,294	82,161
Dividend		(2,484)	(2,484)
Profit after taxation, representing total comprehensive income for the financial period		4,327	4,327
Balance as at 31.03.2023	59,867	24,137	84,004

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 2022 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 31 MARCH 2023**

	6 MONTHS UNAUDITED	
	31.03.2023	31.03.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,180	5,059
Adjustments for -		
Provision for inventories	543	518
Depreciation of property, plant & equipment	1,305	1,334
Amortisation of intangible assets	22	28
Interest expense	733	602
Gain on disposal of property, plant and equipment	(4)	(4)
Interest income	(49)	(41)
Operating profit before working capital changes	8,730	7,496
(Increase)/Decrease in inventories	(606)	4,475
Decrease/(Increase) in trade and other receivables	4,367	(283)
Increase/(Decrease) in trade and other payables	2,130	(3,512)
CASH FROM OPERATIONS	14,621	8,176
Interest paid	(733)	(602)
Interest received	49	41
Income tax paid	(1,245)	(1,574)
NET CASH FROM OPERATING ACTIVITIES	12,692	6,041

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023**

	6 MONTHS UNAUDITED	
	31.03.2023	31.03.2022
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(226)	(572)
(Purchase)/Disposal of short-term investment	(24)	986
(Placement)/Withdrawal of fixed deposits	(37)	242
Proceeds from disposal of property, plant and equipment	1	-
NET CASH FOR/(FROM) INVESTING ACTIVITIES	(286)	656
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,484)	(2,496)
Decrease in bank borrowings	(13,306)	(2,543)
Repayment of hire purchase obligations	(44)	(96)
Repayment of term loans	(813)	(1,429)
Drawdown of term loan	-	550
NET CASH FOR FINANCING ACTIVITIES	(16,648)	(6,014)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,242)	683
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	16,229	11,416
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	11,987	12,099

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to this interim financial report.

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (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 2023 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 2022 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 2022.
- 1.3 During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

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

- 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 period:-

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

MFRS 17 Insurance Contracts

Effective Date

1 January 2023

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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

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 FPE 2023.

3. CHANGES IN CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no material changes in critical accounting estimates and judgements during the FPE 2023.

4. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases or repayments of debt and equity securities during the FPE 2023.

5. DIVIDENDS PAID

On 29 November 2022, the Company declared an interim dividend of 2.07 sen per ordinary share amounting to RM2,484,000. The dividend was paid on 17 January 2023.

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

6. SEGMENTAL INFORMATION

6.1 Business Segments

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

	Unaudited 6 months			
	31.03.2023		31.03.2022	
	RM'000	%	RM'000	%
Food and beverages distributed:-				
Frozen food	71,653	72%	67,581	72%
Chilled food	17,634	18%	16,378	17%
Dairy products	5,574	6%	6,917	7%
Dry F&B	4,374	4%	3,705	4%
TOTAL GROUP	99,235	100%	94,581	100%

6.2 Geographical Information

The Group's revenue is based on the country in which the customers are located. The information on the disaggregation of revenue based on geographical region is summarised below:-

	Unaudited 6 months			
	31.03.2023		31.03.2022	
	RM'000	%	RM'000	%
Malaysia	98,863	99.6%	94,125	99.5%
Myanmar	372	0.4%	456	0.5%
TOTAL GROUP	99,235	100%	94,581	100%

7. VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation on property and equipment during the FPE 2023.

8. CAPITAL COMMITMENTS

	31.03.2023 RM'000	31.03.2022 RM'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u>368</u>	<u>289</u>

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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 2023 except that on 11 May 2023 the Board approved a 100% acquisition of Supreme Trading Sdn Bhd, which has a paid-up capital of RM100 for a consideration of RM1,000.

B1. REVIEW OF PERFORMANCE

The Group recorded revenue of RM99.2 million for the FPE 2023 which represents an increase of RM4.6million or 4.9% compared to RM94.5million for the FPE 31 March 2022 (“**FPE 2022**”). The increase is mainly due to additional revenue of RM4.1 million and RM1.2 million from the sale of Frozen meat product and Chilled food respectively. The drop in Dairy products of RM1.3 million mainly from UHT milk sales due to competitive market condition.

Dry F&B products increase slightly by RM0.6 million as a result of recovery of food service segment.

Group Profit (“GP”) and GP Margin

Our Group recorded a GP of RM13.4million (GP margin of 13.5%) for FPE 2023 as compared to RM12.0million (GP margin of 12.7%) for the FPE 2022. The increase of RM1.4 million was mainly contributed by the higher margin in sales of Frozen Food Product segment.

Profit after Taxation (“PAT”) and PAT Margin

The Group recorded higher PAT of RM4.3 million (PAT margin of 4.4 %) for the FPE 2023 as compared to RM3.5million (PAT margin of 3.7%) for the FPE 2022. The higher PAT for FPE 2023 is mainly due to higher gross profit.

B2. COMMENTARY ON PROSPECTS

With the softening of consumer demand due to rising inflationary pressure and high interest rate, the economic and business environment remains challenging.

The Group will continue to work closely with our suppliers, focus on customer service and cost containment to maintain our competitiveness. We are committed to expand our product line including obtaining new agencies to complement our products portfolio.

The Group is cautiously positive on the business prospects of the Group’s financial performance and are taking proactive steps in monitoring and managing our resources, costs and operations effectively.

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (1194146-D)

PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Registration No. 201601023207 (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. MATERIAL LITIGATION

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

C3. DIVIDEND

The Directors approved an interim single tier dividend of 0.85 sen per ordinary share, amounting to RM1,020,000 for the FYE 2023 on 11 May 2023. The entitlement date for the interim single tier dividend is 6 June 2023 and will be paid on 20 June 2023.

C4. 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]