



**SAUDEE**

Group Berhad

(Company No.: 838172-P)

(Formerly known as Sinaria Corporation Berhad)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MAY 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31.05.2014 RM'000	31.05.2013 RM'000	31.05.2014 RM'000	31.05.2013 RM'000
Revenue	36,638	38,750	149,111	145,552
Cost of sales	(31,661)	(33,574)	(129,286)	(124,092)
Gross profit	4,977	5,175	19,825	21,460
Other operating income/(loss)	920	645	1,033	950
Operating expenses	(5,019)	(5,138)	(16,902)	(18,928)
Finance costs	(981)	(669)	(2,933)	(2,650)
Profit before tax	(103)	13	1,023	832
Tax income/(expense)	285	(238)	(273)	(510)
Net profit for the period	182	(225)	750	322
Other comprehensive income not reclassified to Profit and Loss Account:				
Deferred Tax relating to change of tax rate	(87)	-	(87)	-
Total comprehensive income for the period	95	(225)	663	322
Profit attributable to:				
Equity holders of the Company	182	(225)	750	322
Non-controlling interests	-	-	-	-
Earnings per share (Note B11)	182	(225)	750	322
Basic (Sen)	0.20	(0.25)	0.83	0.36
Diluted (Sen)	-	-	-	-



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**Notes to Statement of Profit and Loss and Other Comprehensive Income**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.05.2014 RM'000	Preceding Year Corresponding Quarter 31.05.2013 RM'000	Current Year-To-Date 31.05.2014 RM'000	Preceding Year Corresponding Period 31.05.2013 RM'000
Interest income	49	69	257	229
Other Income	1,141	416	776	721
Forex (gain)/loss - realised	-	(113)	-	(81)
Depreciation and amortisation	(1,068)	(1,091)	(4,183)	(3,991)
Impairment on loans and receivables	(413)	(281)	(227)	(1,141)
Interest expense	(981)	(669)	(2,934)	(2,649)
(Gain)loss on disposal of property, plant and equipment	198	(6)	96	(1)

**Notes:**

*The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.*

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Securities Main Market Listing Requirements are not applicable.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MAY 2014**

	Note	UNAUDITED As at 31.05.2014 RM'000	AUDITED As at 31.05.2013 RM'000
<b>Non-Current Assets</b>			
Property, plant and equipment		34,219	34,695
Investment property		3,200	2,800
		37,419	37,495
<b>Current Assets</b>			
Property development costs		10,356	11,354
Inventories		27,884	23,224
Gain on forward contracts		-	28
Receivables, deposits and prepayments		27,675	25,385
Current tax assets		79	717
Cash and cash equivalents		10,957	11,665
		76,951	72,373
<b>TOTAL ASSETS</b>		<b>114,370</b>	<b>109,868</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		45,000	45,000
Reserves		4,481	3,818
<b>TOTAL EQUITY</b>		49,481	48,818
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B7	14,262	14,077
Deferred taxation		2,394	2,307
		16,656	16,384
<b>Current Liabilities</b>			
Trade and other payables and accruals		10,258	8,758
Short-term bank borrowings	B7	37,926	35,908
Loss on forward contracts		49	-
		48,233	44,666
<b>TOTAL LIABILITIES</b>		64,889	61,050
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>114,370</b>	<b>109,868</b>
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)		0.55	0.54

**Notes:**

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.*



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTHQUARTER ENDED 31 MAY 2014 (UNAUDITED)**

	<-----Attributable to equity holders of the Company ----->					Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Distributable Retained Profits RM'000	
<b>Balance as at 01.06.2013</b>	45,000	-	1,818	(29,296)	31,296	<b>48,818</b>
Other Income not reclassified to P&L account			(87)			(87)
Profit for the period represents total comprehensive income for the period	-	-	-	-	750	750
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31.05.2014</b>	<b>45,000</b>	<b>-</b>	<b>1,731</b>	<b>(29,296)</b>	<b>32,046</b>	<b>49,481</b>
<b>Balance as at 01.06.2012</b>	45,000	-	1,818	(29,296)	30,974	<b>48,496</b>
Profit for the period represents total comprehensive income for the period	-	-	-	-	322	322
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31.05.2013</b>	<b>45,000</b>	<b>-</b>	<b>1,818</b>	<b>(29,296)</b>	<b>31,296</b>	<b>48,818</b>

**Notes:**

*The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.*



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED  
31 MAY 2014(UNAUDITED)**

	Current Period Ended 31.05.2014 RM'000	Preceding Year Corresponding Period Ended 31.05.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,023	832
Adjustments:		
Allowance for slow moving inventories	-	83
Amortisation and depreciation	4,183	3,991
Impairment loss on property, plant and equipment	-	256
Unrealised gain on fair value adjustment of Investment Properties	(400)	-
Impairment loss on loans and receivables	227	1,141
Interest expense	2,934	2,649
Interest income	(257)	(229)
(Gain)/Loss on disposal of property, plant and equipment	(96)	1
Property, plant and equipment written off	200	
Reversal of allowance for slow moving inventories	(45)	(943)
Reversal of impairment loss on loans and receivables	-	(454)
Unrealised loss/(gain) on financial instr. at fair value through profit/loss	49	(28)
Unrealised loss on foreign exchange	-	32
Operating profit before working capital changes	7,818	7,331
Property development costs	998	(10,976)
(Increase) / Decrease in inventories	(4,615)	3,296
(Increase) / Decrease in receivables	(2,517)	6,587
Increase / (Decrease) in payables	1,500	(5,891)
Financial instruments at fair value through profit and loss	27	112
Cash generate from operations	3,211	459
Tax paid	(375)	(442)
Tax refunded	740	197
Net cash generate from operating activities	3,576	214
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	257	229
Proceeds from disposal of plant, property and equipment	130	105
Purchase of plant, property and equipment	(1,958)	(1,546)
Net cash used in investing activities	(1,571)	(1,212)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	-	5,200
Net increase in short-term borrowings	2,693	3,800
Interest paid	(2,965)	(2,995)
Repayment of term loan	(1,500)	(1,252)
Repayment of hire purchase obligations	(640)	(756)
Net cash (used in)/from financing activities	(2,412)	3,997
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(407)	2,999



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED  
31 MAY 2014 (UNAUDITED)**

**CASH AND CASH EQUIVALENTS AT BEGINNING OF  
FINANCIAL PERIOD**  
**CASH AND CASH EQUIVALENTS AT END OF FINANCIAL  
PERIOD**

	7,714	4,715
	<b>7,307</b>	<b>7,714</b>

Fixed and short-term deposits with licensed banks \*  
Cash and bank balances  
Bank overdrafts

<b>Current Period</b>	<b>Preceding Year</b>
<b>Ended</b>	<b>Corresponding</b>
<b>31.05.2014</b>	<b>Period Ended</b>
<b>RM'000</b>	<b>31.05.2013</b>
	<b>RM'000</b>
6,444	8,089
4,512	3,577
(3,649)	(3,952)
<b>7,307</b>	<b>7,714</b>

\* The time deposits of the group have been pledged as security for credit facilities granted to the Group.

**Notes:**

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 MAY 2014**

**PART A – SELECTED EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING  
STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING**

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**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB).

The condensed consolidated interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 May 2013 and the accompanying explanatory notes attached. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

**2. Changes in accounting policies**

The quarterly consolidated interim financial statements have been prepared by applying accounting policies consistent with that used in the most recent audited financial statements for the year ended 31 May 2013 except for the adoption of the following new/ revised/ amendments to FRS which are applicable to the Group with effect from 1 June 2013:-

FRS 10 Consolidated financial statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of Interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 Employee Benefits

FRS 127 Separate Financial Statements

FRS 128 Investment in Associate and Joint Ventures

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosures in Other Entities – Transition Guidance

The adoption of the above pronouncements does not have significant impact to the Group.

**Malaysian Financial Reporting Standards (“MFRS”) Framework**

In November 2011, the Malaysian accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the MFRS framework. The issuance was made in conjunction with the MASB’s plan to converge with International Financial Reporting Standards (“IFRS”) in 2012. The MFRS framework is fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including their parents, significant investors and venturers (“Transitioning Entities”). Transitioning Entities are allowed to defer the adoption of the MFRS framework to annual periods beginning on or after 1 January 2015.

Being a Transitioning Entity as defined above, the Group has elected to defer the adoption of the MFRS framework to the financial year ending 31 May 2016. Management is currently examining the financial impacts of transition to the MFRS framework.



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**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 May 2013 were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's performance is not significantly affected by seasonal or cyclical factors.

**5. Unusual Items**

There was no item, which is unusual because of their nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

**6. Material Changes in Estimates**

There were no changes in estimates of amounts that have had a material effect in the current quarter.

**7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

**8. Dividend Paid**

There was no dividend paid in the current quarter.

**9. Segment Reporting**

	<b>Current Year-To-Date 31.05.2014 RM'000</b>	<b>Preceding Year Corresponding Period 31.05.2013 RM'000</b>
Revenue		
<b><u>Manufacturing</u></b>		
Meat-based products	92,828	105,555
Vegetable-based products	81	1,428
Flour-based products	459	137
	93,368	107,120
<b><u>Trading</u></b>		
Meat-based products	124,639	82,141
Vegetable-based products	10,098	7,679
Others	1,991	4,389
	136,728	94,209
	230,096	201,329
Inter-segments elimination	(80,985)	(55,777)
<b>Total Revenue</b>	<b>149,111</b>	<b>145,552</b>
<b>Profit Before Tax</b>	<b>1,023</b>	<b>832</b>

Segmental reporting by geographical location is not applicable as the Group's operations are substantially carried out in Malaysia.





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**10. Valuations of Property, Plant and Equipment**

The valuations of land and building have been brought forward, without amendment from the audited financial statements for the year ended 31 May 2013.

**11. Events subsequent to the Balance Sheet date**

There were no events subsequent to the end of the financial period ended 31 May 2014 that have not been reflected in the interim financial statements as at the date of this report.

**12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**13. Changes in contingent liabilities or contingent assets**

The Group does not have any material contingent liabilities since the last audited financial statements for the financial year ended 31 May 2013.

**14. Related Party Transactions**

Related parties are those defined under FRS 124 - Related Party Disclosures. The significant related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than that available to other third parties.

	<b>Transactions for the year-to-date ended 31.05.2014 RM'000</b>
Sale of frozen foods to AFSB by the Group	<b>1,130</b>
Commission paid by the Group to AFSB for sale of the Group's goods.	370

*Note : AFSB is deemed a related party as the brother of Executive Chairman of the Group is the substantial shareholder of AFSB and is deemed a person connected.*

**15. Capital Commitments**

	<b>As at 31.05.2014 Approved and Contracted for RM'000</b>	<b>As at 31.05.2013 Approved and Contracted for RM'000</b>
Property, plant & equipment	<u>658</u>	<u>2,747</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2014**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of Performance**

The revenue for the Group for the current quarter ended 31 May 2014 reduced to RM36.6 million compared to its corresponding period. This represented a reduction of 5% from that of RM 38.7million registered in the corresponding period in the previous year. This resulted in a loss before tax of RM 0.1 million for the current quarter, representing a deterioration of RM 0.1 million compared with the corresponding quarter a year ago. The main contributory factor for the variation in quarterly revenue was attributed to the fluctuating demand for trading range of meat products for the current quarter, although on a full year basis, total trading of meat products increased.

The revenue for the financial year ended 31 May 2014 was RM149.1million, which is RM3.6million higher from that of RM145.5million recorded in the corresponding period one year ago. Consequently the profit before tax for financial year ended 31 May 2014 at RM1.0million, is RM0.2million higher than the profit before tax of RM0.8million recorded in 31 May 2013.

**2. Variation of Results against Preceding Quarter**

	<b>Current Quarter ended 31.05.2014 RM'000</b>	<b>Preceding Quarter ended 28.02.2014 RM'000</b>	<b>Variance RM'000</b>
Revenue	36,638	33,651	2,987
Profit/(loss) Before Tax	(103)	206	309

The revenue for the current quarter ended 31 May 2014 improved by RM3.0million against the preceding quarter ended 28 February 2014 to arrive at RM36.6million although it was slightly lower than the revenue for the corresponding quarter as already noted above. This reflects the normal fluctuations experienced. The loss in the current quarter is due to an increase in overheads coupled with a slight reduction in revenue.

**3. Current Year Prospects**

The current year is expected to be more challenging as the central bank is trying to rein in household debts and has in July 2014, raised interest rates by 25 basis points. On 1st April 2015, we will see the introduction of the Goods and Services Tax (GST). To address these challenges, the management has put into action, plans to boost the performance of the Saudee group by enhancing operational efficiency and effectiveness.

The transformational initiative that was planned in previous quarters has progressed satisfactorily. The management team has been strengthened and we expect to see the results of these efforts in the coming years starting from the next financial year ending May 2015.

The current focus for the business in Malaysia is on enhancing production capacity and enlarging market shares for the company's products. Another prong of the strategy involves improving sales margins via cost efficiency, operational efficiency, product quality and new product development. These improvements are envisaged to compliment the group's plans to further develop its markets overseas.



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**4. Variance between Actual Profit and Forecast Profit**

Not applicable.

**5. Taxation**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.05.2014 RM'000	Preceding Year Corresponding Quarter 31.05.2013 RM'000	Current Year-To-Date 31.05.2014 RM'000	Preceding Year Corresponding Period 31.05.2013 RM'000
Current year				
Income tax	(223)	51	(272)	(71)
Deferred tax	428	(255)	(72)	(405)
	<b>205</b>	<b>(204)</b>	<b>(344)</b>	<b>(476)</b>
Prior year				
Income tax	8	25	(1)	25
Deferred tax	72	(59)	72	(59)
	<b>80</b>	<b>(34)</b>	<b>71</b>	<b>(34)</b>
	<b>285</b>	<b>(238)</b>	<b>(273)</b>	<b>(510)</b>

The tax expense rate for quarterly is higher than 25% but it is lower than 25% for financial year ended.

**6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this interim financial report.

**7. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 May2014 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings:-</b>			
Bank overdrafts	3,649	-	3,649
Bankers' acceptances	32,797	-	32,797
Hire purchase payables	687	-	687
Term loan	793	-	793
	<b>37,926</b>	<b>-</b>	<b>37,926</b>
<b>Long term borrowings:-</b>			
Hire purchase payables	1,989	-	1,989
Term loan	12,273	-	12,273
	<b>14,262</b>	<b>-</b>	<b>14,262</b>
<b>Total</b>	<b>52,188</b>	<b>-</b>	<b>52,188</b>



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### 8. Gains and losses arising from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes in financial liabilities in the current quarter.

### 9. Material Litigation

There were no material litigations for the current financial period to date.

### 10. Proposed Dividend

There was no dividend proposed or declared for the current quarter under review.

### 11. Earnings Per Share

#### Basic

The basic earnings per share has been calculated by dividing the Company's profit for the current financial quarter and current financial year to-date by the number of ordinary shares in issue during the current financial quarter and current financial year under review.

	Individual Quarter		Cumulative Quarters	
	Current Quarter 31.05.2014	Preceding Year Corresponding Quarter 31.05.2013	Current Year 31.05.2014	Preceding Year Corresponding Period 31.05.2013
Profit attributable to ordinary Equity holders of the Company (RM'000)	182	(225)	750	322
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000
Basic Earnings per Share (cent)	0.20	(0.25)	0.83	0.36

#### Diluted

The Company does not have any convertible share or convertible financial instruments for the current financial quarter under review.

### 12. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 31.05.2014 RM'000	As at 31.05.2013 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	56,068	55,445
Unrealised	(1,952)	(2,287)
	<hr/> 54,116	<hr/> 53,158
Consolidation adjustments and eliminations	(22,070)	(21,862)
Total group retained profits as per consolidated financial statements	<hr/> 32,046	<hr/> 31,296



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The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010. The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Bhd and is not made for any other purposes.

**13. Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.