



**SAUDEE**  
Group Berhad

(Company No.: 838172-P)

(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 SECOND QUARTER ENDED 30 NOVEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.11.2014 RM'000	Preceding Year Corresponding Quarter 30.11.2013 RM'000	Current Year-To-Date 30.11.2014 RM'000	Preceding Year Corresponding Period 30.11.2013 RM'000
Revenue	39,336	40,366	80,842	78,824
Cost of sales	(35,150)	(35,406)	(72,072)	(68,796)
Gross profit	4,186	4,960	8,770	10,028
Other operating income	40	168	326	131
Operating expenses	(4,429)	(4,030)	(8,332)	(7,954)
Finance costs	(830)	(660)	(1,596)	(1,284)
Profit before tax	(1,033)	438	(832)	921
Tax income/(expense)	42	(214)	(32)	(384)
Net profit for the period	(991)	224	(864)	537
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	(991)	224	(864)	537
Total comprehensive income attributable to:				
Equity holders of the Company	(991)	224	(864)	537
Non-controlling interests	-	-	-	-
Earnings per share (Note B11)	(991)	224	(864)	537
Basic (Sen)	(1.10)	0.25	(0.96)	0.60
Diluted (Sen)	-	-	-	-



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

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year-To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30.11.2014</b>	<b>30.11.2013</b>	<b>30.11.2014</b>	<b>30.11.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	49	49	98	145
Other Income	35	53	272	84
Forex gain/(loss) - realised	(44)	66	(44)	(98)
Depreciation and amortisation	(392)	(1,028)	(777)	(2,046)
Impairment on loans and receivables	-	-	-	(27)
Interest expense	(829)	(660)	(1,586)	(1,284)

**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 2014 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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(Company No.: 838172-P)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 NOVEMBER 2014**

	Note	UNAUDITED As at 30.11.2014 RM'000	AUDITED As at 31.05.2014 RM'000
<b>Non-Current Assets</b>			
Property, plant and equipment		33,871	34,219
Investment property		3,200	3,200
		37,071	37,419
<b>Current Assets</b>			
Property development costs		9,174	10,356
Inventories		27,915	27,884
Receivables, deposits and prepayments		30,255	27,675
Current tax assets		258	79
Cash and cash equivalents		8,901	10,957
		76,503	76,951
<b>TOTAL ASSETS</b>		<b>113,574</b>	<b>114,370</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		45,000	45,000
Reserves		3,616	4,481
<b>TOTAL EQUITY</b>		<b>48,616</b>	<b>49,481</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B7	13,701	14,262
Deferred taxation		2,394	2,394
		16,095	16,656
<b>Current Liabilities</b>			
Trade and other payables and accruals		9,143	10,258
Short-term bank borrowings	B7	39,671	37,926
Financial liabilities at FV through profit & loss		49	49
		48,863	48,233
<b>TOTAL LIABILITIES</b>		<b>64,958</b>	<b>64,889</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>113,574</b>	<b>114,370</b>
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)		0.54	0.55

**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 2014 and the accompanying explanatory notes attached to the interim financial statements.*



**SAUDEE**  
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(Company No.: 838172-P)

(Formerly known as Sinaria Corporation Berhad)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 NOVEMBER 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 01.06.2014</b>	45,000	-	1,731	(29,296)	32,046	<b>49,481</b>
Profit for the period represents total comprehensive income for the period	-	-	-	-	(865)	<b>(865)</b>
Dividend paid	-	-	-	-	-	-
<b>Balance as at 30.11.2014</b>	<b>45,000</b>	<b>-</b>	<b>1,731</b>	<b>(29,296)</b>	<b>31,181</b>	<b>48,616</b>
<b>Balance as at 01.06.2013</b>	45,000	-	1,818	(29,296)	31,296	<b>48,818</b>
Profit for the period represents total comprehensive income for the period	-	-	-	-	537	<b>537</b>
Dividend paid	-	-	-	-	-	-
<b>Balance as at 30.11.2013</b>	<b>45,000</b>	<b>-</b>	<b>1,818</b>	<b>(29,296)</b>	<b>31,833</b>	<b>49,355</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 2014 and the accompanying explanatory notes attached to the interim financial statements.*



**SAUDEE**

Group Berhad

(Company No.: 838172-P)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2014 (UNAUDITED)**

	<b>Current Period</b>	<b>Preceding Year</b>
	<b>Ended</b>	<b>Corresponding</b>
	<b>30.11.2014</b>	<b>Period Ended</b>
	<b>RM'000</b>	<b>30.11.2013</b>
		<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(832)	921
Adjustments:		
Amortisation and depreciation	2,140	2,046
Bad debts written-off	-	528
Impairment loss on loans and receivables	-	27
Gain on disposal of property, plant and equipment	-	(41)
Interest income	(98)	(145)
Interest expense	1,586	1,284
Operating profit before working capital changes	2,796	4,620
Property development costs	1,182	(381)
(Increase) / Decrease in inventories	(30)	778
(Increase) / Decrease in receivables	(2,581)	(3,893)
Increase / (Decrease) in payables	(1,147)	399
Financial instruments at fair value through profit or loss	-	28
Cash generate from/(used in) operations	220	1,551
Tax paid	(179)	(184)
Tax refunded	-	420
Net cash generate from/(used in) operating activities	41	1,787
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant, property and equipment	(1,793)	(2,638)
Down payment for purchase of PPE	-	-
Proceeds from disposal of plant, property and equipment	1	353
Interest received	98	145
Net cash used in investing activities	(1,694)	(2,140)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net increase in short-term borrowings	1,176	1,766
Repayment of hire purchase obligations	(168)	(301)
Creation of hire purchase obligations	-	1,174
Repayment of term loan	(387)	(1,173)
Drawdown of term loan	-	-
Interest paid	(1,586)	(1,284)
Net cash from financing activities	(965)	182
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,618)</b>	<b>(171)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>7,307</b>	<b>7,714</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>4,689</b>	<b>7,543</b>



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SECOND QUARTER ENDED  
30 NOVEMBER 2014 (UNAUDITED)**

	<b>Current Period</b>	<b>Preceding Year</b>
	<b>Ended</b>	<b>Corresponding</b>
	<b>30.11.2014</b>	<b>Period Ended</b>
	<b>RM'000</b>	<b>30.11.2013</b>
		<b>RM'000</b>
Fixed and short-term deposits with licensed banks *	6,626	7,424
Cash and bank balances	2,275	3,537
Bank overdrafts	(4,212)	(3,418)
	<b>4,689</b>	<b>7,543</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 2014 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED  
30 NOVEMBER 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 2014 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 2014 except for the adoption of the new/ revised/ amendments to FRS which are applicable to the Group with effect from 1 January 2014.

Management foresees that the initial application of the new/ revised/ amendments FRSs will not have any significant impacts on the financial statements.

**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.

**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 2014 were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

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



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### **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 30.11.2014 RM'000</b>	<b>Preceding Year Corresponding Period 30.11.2013 RM'000</b>
Revenue		
<b>Manufacturing</b>	51,404	54,775
<b>Trading</b>	68,022	61,271
	<hr/>	<hr/>
	119,426	116,046
Inter-segments elimination	(38,584)	(37,222)
<b>Total Revenue</b>	<hr/> <b>80,842</b> <hr/>	<hr/> <b>78,824</b> <hr/>
<b>Profit / (Loss) Before Tax</b>	<hr/> <b>(832)</b> <hr/>	<hr/> <b>921</b> <hr/>

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

### **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 2014.

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

There were no events subsequent to the end of the financial period ended 30 November 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**





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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 2014.

**14. Capital Commitments**

	<b>As at 30.11.2014 Approved and Contracted for RM'000</b>	<b>As at 30.11.2013 Approved and Not Contracted for RM'000</b>
Property, plant & equipment	<u>-</u>	<u>3,395</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2014**

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

**1. Review of Performance**

The Group recorded a lower revenue of RM39.3 million for the current quarter ended 30 November 2014 as compared to that of RM40.4 million recorded in corresponding period in the previous year. For the Year-to-date revenue, it was booked at RM80.8 million, which is RM2.0 million higher from that of RM78.8 million recorded in the corresponding period a year ago. The Group recorded a loss before tax (“LBT”) for the current quarter ended 30 November 2014 of RM1.0 million compared to a profit of RM 0.4 million in the corresponding quarter. LBT for year-to-date ended 30 November 2014 was RM0.8 million, as compared to a profit before tax of RM0.9 million recorded in the corresponding period ended 30 November 2013.

In view of its expanding market, sales and future growth expectation, the Group has embarked on a process of upgrading its manufacturing and operational capacity starting from January 2014. New products are being prepared for launching into the market in the first half of 2015 which is expected to further boost sales as well as the Group’s overall profitability. The investments, in advance of the resulting new product launches and its accompanying sales growth, is having a temporary effect of depressing profitability until the new products are launched.

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

	<b>Current Quarter ended 30.11.2014 RM’000</b>	<b>Preceding Quarter ended 31.08.2014 RM’000</b>	<b>Variance RM’000</b>
Revenue	39,336	41,506	(2,170)
Profit/(loss) Before Tax	(1,033)	200	(1,233)

The Group recorded lower revenue of RM39.3 million for the current quarter ended 30 November 2014, decreased by RM2.2 million as compared to that of RM41.5 million achieved in the preceding quarter ended 31 August 2014. Although the market has been very competitive, the Group has embarked on an aggressive promotion campaign to maintain its revenue and market share.

**3. Current Year Prospects**

2015 is anticipated to be a challenging year. It started with a severe weakening of the Ringgit against the US Dollar which pushes up the cost of imports of the Group’s raw materials. The major flood towards the end of December 2014 that hit several states in Peninsula Malaysia was one of the worst floods in more than 30 years and it badly affected sales in those affected areas. The 1<sup>st</sup> April launch of GST introduced an element of uncertainty as to how the market will response and many traders have taken cautionary approach in their market forecast. However the reduction of fuel cost will reduce our products delivery costs to a limited extent. In view of these challenges Saudee Group is taking a cautious approach to its strategy for the year 2015.

We remain confident that the frozen processed foods (“FPP”) market will continue to grow, contributed by growing demand for convenient and easy to prepare meals. FPP are easier to prepare compare to that of fresh food and can be stored in the freezer for an extended period of time whilst still maintaining a very healthy image that appeals to health-conscious consumer of today.

**3. Current Year Prospects (Continued...)**



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The Group has in the past primarily concentrated in the lower income group, which resulted in gradual decline of profitability as increased costs are not passing on to the consumers. To overcome this scenario, the Group's management has earmarked a few transformation initiatives for future growth and sustainability.

- Brand building exercise to target middle income segment where the purchasing decision shift from price to brand name and quality. New innovative products tailored specifically to the needs of this identified segment will be launched. This will diversify the customer concentration of the Group and hence provide a sustainable profit for the Group to the future.
- Expansion into international business through export. The Group has made significant progress in the penetration of South East Asia and Middle East market and will continue to grow its international business.
- Expansion of its general trade market through aggressive deployment of freezer to counter the erosion of profit margins in the Modern Trade sales.

Whilst the Group is working on the expansion of business, the management is vigilant about the need to tighten the credit control policy. The Group is improving the efficiency and effectiveness of the credit control through the use of standard and reputable ERP system.

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

Not applicable.

#### 5. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year 30.11.2014 RM'000	Preceding Year Corresponding Quarter 30.11.2013 RM'000	Current Year-To- Date 30.11.2014 RM'000	Preceding Year Corresponding Period 30.11.2013 RM'000
Current year				
Income tax	42	(5)	(32)	(25)
Deferred tax	-	(200)	-	(350)
	<b>42</b>	<b>(205)</b>	<b>(32)</b>	<b>(375)</b>
Prior year				
Income tax	-	(9)	-	(9)
Deferred tax	-	-	-	-
	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>(9)</b>
	<b>42</b>	<b>(214)</b>	<b>(32)</b>	<b>(384)</b>

#### 6. Status of Corporate Proposals

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



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**7. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 November 2014 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings:-</b>			
Bank overdrafts	4,212	-	4,212
Bankers' acceptances	33,973	-	33,973
Hire purchase payables	693	-	693
Term loan	793	-	793
	39,671	-	39,671
<b>Long term borrowings:-</b>			
Hire purchase payables	1,815	-	1,815
Term loan	11,886	-	11,886
	13,701	-	13,701
<b>Total</b>	<b>53,372</b>	<b>-</b>	<b>53,372</b>

**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 30.11.2014	Preceding Year Corresponding Quarter 30.11.2013	Current Year 30.11.2014	Preceding Year Corresponding Period 30.11.2013
Profit attributable to ordinary Equity holders of the Company (RM'000)	(991)	224	(864)	537
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000
Basic Earnings per Share (Sen)	(1.10)	0.25	(0.96)	0.60

**11. Earnings Per Share (Continued...)**



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**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:

	<b>As at 30.11.2014 RM'000</b>	<b>As at 31.05.2014 RM'000</b>
Total retained profits of the Company and its subsidiaries:-		
Realised	55,203	56,068
Unrealised	(1,952)	(1,952)
	<hr/> 53,251	<hr/> 54,116
Consolidation adjustments and eliminations	(22,070)	(22,070)
Total Group retained profits as per consolidated financial statements	<hr/> 33,181	<hr/> 32,046

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.