



SAUDEE
Group Berhad

(Company No.: 200801036832 (838172-P))

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31.10.2021	31.10.2020	31.10.2021	31.10.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	22,196	19,726	22,196	19,726
Cost of sales	(19,133)	(17,549)	(19,133)	(17,549)
Gross profit	3,063	2,177	3,063	2,177
Other operating income	161	427	161	427
Operating expenses	(2,477)	(2,127)	(2,477)	(2,127)
Finance costs	(14)	(362)	(14)	(362)
Share of results of an associate	16	45	16	45
Profit before tax	749	160	749	160
Tax income	-	105	-	105
Net profit for the financial period	749	265	749	265
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	749	265	749	265
Basic earnings per share (sen) (Note B11)	0.10	0.17	0.10	0.17



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Notes to Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2021 RM'000	Preceding Year Corresponding Quarter 31.10.2020 RM'000	Current Year-To-Date 31.10.2021 RM'000	Preceding Year Corresponding Period 31.10.2020 RM'000
Depreciation and amortisation	(1,050)	(1,121)	(1,050)	(1,121)
Forex gain/(loss)	(38)	50	(38)	50
Gain on disposal of investment properties	-	158	-	158
Loss on disposal of property, plant and equipment	-	(22)	-	(22)
Interest expense	(14)	(362)	(14)	(362)
Interest income	104	13	104	13
Property, plant and equipment written off	(21)	(1)	(21)	(1)
Reversal of impairment loss on receivables	-	135	-	135

Notes:

The Unaudited 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 July 2021 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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Note	UNAUDITED As at 31.10.2021 RM'000	AUDITED As at 31.7.2021 RM'000
Non-Current Assets			
Property, plant and equipment		33,204	32,887
Investment property		550	550
Investment in associate		345	329
Right of use assets		49	49
		34,148	33,815
Current Assets			
Inventories		10,403	9,693
Receivables, deposits and prepayments		19,145	13,589
Current tax assets		865	841
Cash and cash equivalents		70,511	80,906
		100,924	105,029
TOTAL ASSETS		135,072	138,844
EQUITY AND LIABILITIES			
Equity			
Share capital		146,253	146,234
Treasury share		(118)	(118)
Reserves		(20,329)	(21,070)
TOTAL EQUITY		125,806	125,046
Non-Current Liabilities			
Long-term bank borrowings	B7	717	237
Lease liability		-	-
Deferred taxation		990	990
		1,707	1,227
Current Liabilities			
Trade and other payables and accruals		7,328	12,448
Lease liability		52	52
Short-term bank borrowings	B7	179	71
Current tax liabilities		-	-
		7,559	12,571
TOTAL LIABILITIES		9,266	13,798
TOTAL EQUITY AND LIABILITIES		135,072	138,844
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)		0.1756	0.1746

Notes:

The Unaudited 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 July 2021 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Non Distributable Reserves Warrant Reserve RM'000	ESOS Reserve RM'000	Merger Deficit RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance as at 1.08.2021	146,234	(118)	3,042	24,977	-	(29,296)	(19,793)	125,046
Profit (representing total other comprehensive income) for the financial period	-	-	-	-	-	-	749	749
Transaction with owners:								
Issuance of shares pursuant to Exercise of Warrants B	11	-	-	-	-	-	-	11
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants B	8	-	-	(8)	-	-	-	-
	19	-	-	(8)	-	-	-	11
Balance as at 31.10.2021	146,253	(118)	3,042	24,969	-	(29,296)	(19,044)	135,806



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Non Distributable Reserves Warrant Reserve RM'000	ESOS Reserve RM'000	Merger Deficit RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance as at 1.08.2020	68,660	(118)	3,129	4,500	-	(29,296)	(17,827)	29,048
Profit (representing total other comprehensive income) for the financial period	-	-	(87)	-	-	-	(4,286)	(4,373)
Transaction with owners:								
Issuance of shares pursuant to Private Placement I	7,109	-	-	-	-	-	-	7,109
Shares issued expenses	(130)	-	-	-	-	-	-	(130)
Issuance of shares pursuant to Exercise of Warrants A	10,899	-	-	-	-	-	-	10,899
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants A	2,180	-	-	(2,180)	-	-	-	-
Expiration of Warrants A	-	-	-	(2,320)	-	-	2,320	-
Issuance of shares pursuant to Private Placement II	11,828	-	-	-	-	-	-	11,828
Shares issued expenses	(66)	-	-	-	-	-	-	(66)
Issuance of shares pursuant to Right Issued with free warrants	71,223	-	-	-	-	-	-	71,223
Shares issued expenses	(1,024)	-	-	-	-	-	-	(1,024)
Issued of Warrants B	(25,355)	-	-	25,355	-	-	-	-
Issuance of shares pursuant to Exercise of Warrants B	532	-	-	-	-	-	-	532
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants B	378	-	-	(378)	-	-	-	-
	77,574	-	-	20,477	-	-	2,320	100,371
Balance as at 31.7.2021	146,234	(118)	3,042	24,977	-	(29,296)	(19,793)	125,046

Notes:

The Unaudited 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 July 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

	Current Year-To-Date 31.10.2021 RM'000	Preceding Year Corresponding 31.7.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	749	(4,465)
Adjustments:		
Allowance for impairment loss on receivables	-	1,595
Amortisation and depreciation	1,050	4,324
Depreciation of right of use assets	-	113
Gain on derecognition of right of use assets	-	(1)
Gain on disposal of investment properties	-	158
Gain on fair value adjustment of investment properties	-	1
Interest expense	14	1,293
Interest income	(104)	(147)
Inventories written down	-	446
Loss/(Gain) on disposal of property, plant and equipment	-	31
Property, plant and equipment written off	21	8
Share of results of an associate	(16)	(66)
Reversal of impairment loss on receivables	-	(199)
Unrealised loss on foreign exchange	38	42
Operating profit before working capital changes	1,752	2,816
Decrease in inventories	(710)	489
Decrease/(Increase) in receivables	(5,594)	2,179
(Decrease)/Increase in payables	(5,120)	4,844
Cash generated from operations	(9,672)	640
Tax paid	(24)	(543)
Tax refunded	-	1
Net cash (used in)/from operating activities	(9,696)	98
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	104	147
Proceeds from disposal of investment property	-	4,108
Proceeds from disposal of property, plant and equipment	-	50
Purchase of property, plant and equipment	(1,388)	(2,054)
Net cash used in investing activities	(1,284)	(2,251)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(16,632)
Interest paid	(14)	(1,293)
Issuance of shares	11	100,371
Withdrawn/(Placement) of term deposits pledged as security	-	5,119
Repayment of hire purchase obligations	(113)	(350)
Repayment of lease liabilities	-	(113)
Proceed from hire purchase payables	701	(7,502)
Net cash from financing activities	585	79,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	(10,395)	81,949
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	80,516	(1,433)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	70,121	80,516



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

	Current Year-To-Date Ended 31.10.2021 RM'000	Preceding Year Corresponding Period Ended 31.7.2021 RM'000
Fixed and short-term deposits with licensed banks	472	472
Cash and bank balances	70,039	80,434
Bank overdrafts	-	-
	70,511	80,906
Less: Fixed and short-term deposits with licensed banks pledged as security for credit facilities granted to the Group	(390)	(390)
	70,121	80,516

Notes:

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2021

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

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 July 2021 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 significant accounting policies, methods of computation and basis of consolidation adopted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 July 2021. The Group also applied the standards, IC Interpretations and amendment to standard that have been issued by the Malaysian Accounting Standards Board (“MASB”) with effective date for annual period beginning on or after 1 January 2020. Initial application of the standards is not expected to have any material impacts to the financial statements of the Group.

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 July 2021 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 and year-to-date.

6. Material Changes in Estimates

There were no changes in estimates of amounts that have had a material effect in the current quarter and year-to-date.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current period and year-to-date under review except issuance of shares pursuant to Exercise of Warrant B of 75,000 shares issue at issuance price of RM0.15 per shares amount to RM11,250.

8. Dividend Paid

There was no dividend paid in the current period and year-to-date under review.

9. Segment Reporting

	Current Year-To-Date 31.10.2021 RM'000	Preceding Year Corresponding Period 31.10.2020 RM'000
Segment revenue		
Manufacture and sale of food products		
Manufacturing – FPP	12,802	11,526
Manufacturing – HORECA and OEM	5,259	3,776
Trading	4,135	4,424
Total Revenue for the financial period	22,196	19,726

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

10. Events subsequent to the Balance Sheet date

There were no events subsequent to the end of the financial period ended 31 October 2021 that have not been reflected in the interim financial statements as at the date of this report.

11. Changes in the Composition of the Group

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

12. Contingent liabilities or contingent assets

The Group does not have any material contingent assets since the last financial period ended 31 October 2021.

13. Capital Commitments

There were no capital commitments during the current period under review.

14. Financial Instruments

Derivatives

There were no outstanding derivatives as at 31 October 2021.

Fair Value Changes of Financial Liabilities

The Group does not remeasure its financial liabilities at fair value after the initial recognition.

Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

As at end of the current quarter under review, the carrying amounts of receivables, cash and cash equivalents and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

There were no transfers between levels of fair value hierarchy during the current quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021

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

1. Review of Performance

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31.10.2021 RM'000	Preceding Year Corresponding Quarter 31.10.2020 RM'000	Changes (Amount) RM'000	Current Year-To-Date 31.10.2021 RM'000	Preceding Year Corresponding Period 31.10.2020 RM'000	Changes (Amount) RM'000
Revenue – Manufacturing (FPP)	12,802	11,526	1,276	12,802	11,526	1,276
Revenue – Manufacturing (HORECA and OEM)	5,259	3,776	1,483	5,259	3,776	1,483
Revenue – Trading	4,135	4,424	(289)	4,135	4,424	(289)
Total Revenue	22,196	19,726	2,470	22,196	19,726	2,470
Earnings before Interest, Tax, Amortisation and Depreciation	1,813	509	1,304	1,813	509	1,304
Profit Before Tax	749	160	589	749	160	589
Profit After Tax	749	265	484	749	265	484

Individual Quarter

Revenue for the quarter under review (Q1 2022 vs Q1 2021) increased by RM2.47 million to RM22.20 million as compared to its preceding year corresponding quarter of RM19.73 million. The increase in sales were due to the increase in revenue of FPP and OEM product after opening of interstate travel in October 2021.

The Group reported profit before tax (Q1 2022 vs Q1 2021) of RM0.75 million in current quarter as compared to profit of RM0.16 million in preceding year corresponding quarter mainly due to the increase in demand from existing customers after ease of MCO by Malaysia Government in October 2021.

2. Variation of Results against Preceding Quarter

	Current Quarter ended 31.10.2021 RM'000	Preceding Quarter ended 31.7.2021 RM'000	Variance RM'000
Revenue – Manufacturing (FPP)	12,802	11,003	1,799
Revenue – Manufacturing (HORECA and OEM)	5,259	2,315	2,944
Revenue – Trading	4,135	4,983	(848)
Total revenue	<u>22,196</u>	<u>18,301</u>	<u>3,895</u>
Earnings/(Loss) before Interest, Tax, Amortisation and Depreciation	1,813	(3,565)	5,378
Profit/(Loss) Before Tax	749	(4,788)	5,537
Profit/(Loss) After Tax	<u>749</u>	<u>(4,814)</u>	<u>5,563</u>

The revenue for the current quarter ended 31 October 2021 was higher by RM3.89 million as compared with preceding quarter ended 31 July 2021. The Group generated profit before tax of RM0.75 million as compared to loss before tax of RM4.79 million mainly due to allowance for impairment loss on receivables of RM1.38 million and recognised of sales tax and penalty of RM1.66 million in preceding corresponding quarter.

3. Prospects

Following the announcement of National Recovery Plan (Pelan Pemulihan Negara (PPN)) by Malaysian Government in June 2021, the Group foresee a recovery of business in coming quarters as follows:

- 1) The FPP sector such as sausages, burger and nugget recover at faster pace after all state in Malaysia under PPN Phase 4;
- 2) HORECA and OEM show some recovery from the impact of MCO and PPN.;
- 3) Furthermore, the Group will continue its effort in cost reduction and improve efficiency program to mitigate the impact and concentrate on low margin FPP products to fulfil the demand.

4. Variance between Actual Profit and Forecast Profit

Not applicable.

5. Tax Expense/(Income)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2021 RM'000	Preceding Year Corresponding Quarter 31.10.2020 RM'000	Current Year-To- Date 31.10.2021 RM'000	Preceding Year Corresponding Period 31.10.2020 RM'000
Current year				
RPGT	-	337	-	337
Deferred tax	-	(442)	-	(442)
	-	(105)	-	(105)

There is no tax expenses been recognised during the quarter under review due to utilisation of unabsorbed tax losses carried forward.

6. Status of Corporate Proposals

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

The status of the utilization of the proceeds from Private Placement and Rights Issue with Free Warrants B as at 28 December 2021 (being the latest practicable date) was as follows:-

Details of utilisation	Intended timeframe for utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance RM'000
Construction of a cold room	Within 24 months	20,000	-	-	20,000
Expansion of production capacity	Within 12 months	17,000	6,871	-	10,129
Marketing and advertisement	Within 24 months	10,000	2,060	-	7,940
Repayment of borrowings	Within 6 months	19,000	18,571	-	429
Acquisitions and/or investment in complementary business and/or assets	Within 24 months	15,000	-	-	15,000
Business expansion to China	Within 24 months	8,400	-	-	8,400
Working capital	Within 24 months	961	-	-	961
Estimated expenses for the Corporate Exercises	Immediate	1,204	1,204	-	-

7. Group Borrowings and Debt Securities - Secured

The Group's borrowings as at 31 October 2021 are as follows:-

	RM'000
Short term borrowings:-	
Hire purchase payables	179
Long term borrowings:-	
Hire purchase payables	717
Total	896

8. Material Litigation

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

9. Material Event

There were no material events for the current financial period.

10. Proposed Dividend

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

11. Earnings Per Share

The 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 Quarter	
	Current Quarter 31.10.2021	Preceding Year Corresponding Quarter 31.10.2020	Current Year 31.10.2021	Preceding Year Corresponding Period 31.10.2020
Profit attributable to ordinary equity holders of the Company (RM'000)	749	265	749	265
Weighted average number of ordinary shares in issue ('000)	399,924	159,129	399,924	159,129
Basic earnings per share (sen)	0.10	0.17	0.10	0.17

12. Authorisation for issue

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