



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 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31.10.2022 RM'000	31.10.2021 RM'000	31.10.2022 RM'000	31.10.2021 RM'000
Revenue	25,819	22,196	25,819	22,196
Cost of sales	(20,889)	(19,133)	(20,889)	(19,133)
Gross profit	4,930	3,063	4,930	3,063
Other operating income	326	161	326	161
Operating expenses	(3,972)	(2,477)	(3,972)	(2,477)
Non-operating income	224	-	224	-
Finance costs	(13)	(14)	(13)	(14)
Share of results of an associate	94	16	94	16
Profit before tax	1,589	749	1,589	749
Tax income	-	-	-	-
Net profit for the financial period	1,589	749	1,589	749
Other comprehensive income for the financial period :				
Transfer of revaluation surplus to retained profits	-	-	-	-
Realisation of revaluation surplus upon depreciation	-	-	-	-
Total comprehensive income for the financial period	1,589	749	1,589	749
Basic earnings per share (sen) (Note B12)	0.16	0.18	0.16	0.18



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Notes to Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2022 RM'000	Preceding Year Corresponding Quarter 31.10.2021 RM'000	Current Year-To-Date 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000
Depreciation and amortisation	(1,236)	(1,050)	(1,236)	(1,050)
Depreciation of right of use assets	(9)	-	(9)	-
Fair value gain on investment in quoted shares	224	-	224	-
Forex gain/(loss)	(30)	(38)	(30)	(38)
Gain on disposal of property, plant and equipment	50	-	50	-
Interest expense	(13)	(14)	(13)	(14)
Interest income	7	104	7	104
Inventories written down	-	-	-	(21)
Property, plant and equipment written off	-	(21)	-	(21)

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 2022 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.



SAUDEE
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022

		UNAUDITED	AUDITED
		As at	As at
		31.10.2022	31.7.2022
	Note	RM'000	RM'000
Non-Current Assets			
Property, plant and equipment		52,684	51,170
Investment property		16,551	10,160
Investment in associate		678	584
Right of use assets		248	258
		70,161	62,172
Current Assets			
Inventories		13,515	15,924
Receivables, deposits and prepayments		27,408	32,169
Current tax assets		888	888
Other investments	B7	26,855	30,082
Cash and cash equivalents		7,639	8,344
		76,305	87,407
TOTAL ASSETS		146,466	149,579
EQUITY AND LIABILITIES			
Equity			
Share capital		162,816	162,816
Treasury share		(118)	(118)
Reserves		(23,895)	(25,484)
TOTAL EQUITY		138,803	137,214
Non-Current Liabilities			
Long-term bank borrowings	B8	1,216	1,216
Lease liability		112	112
Deferred taxation		1,100	1,100
		2,428	2,428
Current Liabilities			
Trade and other payables and accruals		4,650	8,883
Lease liability		166	171
Short-term bank borrowings	B8	419	548
Current tax liabilities		-	335
		5,235	9,937
TOTAL LIABILITIES		7,663	12,365
TOTAL EQUITY AND LIABILITIES		146,466	149,578
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)		0.1399	0.1521

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 2022 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 2022

	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 1.08.2022	162,816	(118)	2,955	24,969	-	(29,296)	(23,759)	137,214
Profit (representing total other comprehensive income) for the financial period	-	-	-	-	-	-	1,589	1,589
Transaction with owners:								
Issuance of shares pursuant to Exercise of Warrants B	-	-	-	-	-	-	-	-
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants B	-	-	-	-	-	-	-	-
Issuance of shares pursuant to Exercise of								
- ESOS	-	-	-	-	-	-	-	-
- Private Placements	-	-	-	-	-	-	-	-
Grant of ESOS to employees	-	-	-	-	-	-	-	-
Transfer of ESOS reserve upon exercised	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balance as at 31.10.2022	162,816	(118)	2,955	24,969	-	(29,296)	(23,759)	138,803



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JULY 2022

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Non Distributable Reserves		Merger Deficit RM'000	Distributable Retained Profits RM'000	Total RM'000
				Warrant Reserve RM'000	ESOS Reserve RM'000			
Balance as at 1.08.2021	146,234	(118)	3,042	24,977	-	(29,296)	(19,793)	125,046
Loss (representing total other comprehensive income) for the financial period	-	-	(87)	-	-	-	(4,319)	(4,406)
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)	-	-	-	-
Issuance of shares pursuant to Exercise of								
- ESOS	7,562	-	-	-	-	-	-	7,562
- Private Placements	8,378	-	-	-	-	-	-	8,378
Grant of ESOS to employees	-	-	-	-	623	-	-	623
Transfer of ESOS reserve upon exercised	623	-	-	-	(623)	-	-	-
	16,582	-	-	(8)	-	-	-	16,574
Balance as at 31.7.2022	162,816	(118)	2,955	24,969	-	(29,296)	(23,759)	137,214

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 2022 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2022

	Current Year-To-Date 31.10.2022 RM'000	Preceding Year Corresponding 31.7.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,589	(3,960)
Adjustments:		
Allowance for impairment loss on receivables	-	283
Amortisation and depreciation	1,236	5,004
Depreciation of right of use assets	9	146
Gain on fair value adjustment of investment properties	-	(1,412)
Interest expense	14	71
Interest income	(7)	(503)
Inventories written down	-	(1,031)
Loss/(Gain) on disposal of property, plant and equipment	(50)	(135)
(Gain)/Loss on investment in quoted shares	(224)	7,192
Property, plant and equipment written off	-	21
Share of results of an associate	(94)	(254)
Revaluation of investment property	-	622
Unrealised loss on foreign exchange	30	(54)
Operating profit before working capital changes	2,503	5,990
(Increase)/Decrease in inventories	2,409	(3,626)
Decrease/(Increase) in receivables	4,732	(18,181)
(Decrease)/Increase in payables	(4,233)	(5,798)
Cash generated from/(used in) operations	5,411	(21,615)
Tax paid	(335)	(49)
Net cash from/(used in) operating activities	5,076	(21,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7	503
Changes in fixed deposits pledged to license banks	-	81
Additional in investment property	-	(8,198)
Investment in quoted investments	(46)	(28,705)
Proceeds from disposal of property, plant and equipment	50	223
Withdrawal of short term investment	3,497	21,518
Purchase of investment property	(6,391)	-
Purchase of property, plant and equipment	(2,750)	(21,514)
Net cash used in investing activities	(5,633)	(36,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(14)	(64)
Issuance of shares	-	15,951
Repayment of hire purchase obligations	(129)	(425)
Repayment of lease liabilities	(5)	(127)
Net cash (Used in)/ from financing activities	(148)	15,335
NET DECREASE IN CASH AND CASH EQUIVALENTS	(705)	(42,421)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	-	(13)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	7,954	50,388
CASH AND CASH EQUIVALENTS CARRIED FORWARD	7,249	7,954



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2022

	Current Year-To-Date Ended 31.10.2022 RM'000	Preceding Year Corresponding Period Ended 31.7.2022 RM'000
Fixed and short-term deposits with licensed banks	390	390
Cash and bank balances	7,249	7,954
Bank overdrafts	-	-
	7,639	8,344
Less: Fixed and short-term deposits with licensed banks pledged as security for credit facilities granted to the Group	(390)	(390)
	7,249	7,954

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2022

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 2022 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 2022. 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 2022. 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 2022 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 period under review except issuance of shares pursuant to Exercise of ISIS on 14 November 2022 of 148,736,000 shares at Exercise price of RM0.0368 amounting to RM5,473,484,

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 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000
Segment revenue		
Manufacture and sale of food products		
Manufacturing – FPP	20,454	12,802
Manufacturing – HORECA and OEM	2,385	5,259
Trading	2,980	4,135
Total Revenue for the financial period	25,819	22,196

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 2022 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 2022.

13. Capital Commitments

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

14. Financial Instruments

Derivatives

There were no outstanding derivatives as at 31 October 2022.

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 FORTH QUARTER ENDED 31 OCTOBER 2022

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 31.10.2022 RM'000	Preceding Year Corresponding Quarter 31.10.2021 RM'000	Changes (Amount) RM'000	Current Year-To-Date 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000	Changes (Amount) RM'000
Revenue – Manufacturing (FPP)	20,454	12,802	7,652	20,454	12,802	7,652
Revenue – Manufacturing (HORECA and OEM)	2,385	5,259	(2,874)	2,385	5,259	(2,874)
Revenue – Trading	2,980	4,135	(1,155)	2,980	2,980	(1,155)
Total Revenue	25,819	22,196	3,623	25,819	22,196	3,623
Earnings before Interest, Tax, Amortisation and Depreciation	2,838	1,813	1,025	2,838	1,813	1,025
Profit Before Tax	1,589	749	840	1,589	749	840
Profit After Tax	1,589	749	840	1,589	79	840

Individual Quarter

Revenue for the quarter under review (Q1 2023 vs Q1 2022) increased by RM3.62 million to RM25.82 million as compared to its preceding year corresponding quarter of RM21.20 million. The increase in sales were due to the increase in revenue of FPP product.

The Group reported profit before tax (Q1 2023 vs Q1 2022) of RM1.59 million in current quarter as compared to profit of RM0.75 million in preceding year corresponding quarter under review. The increase in profit before tax of RM0.84 million was mainly due to the increase in revenue from FPP segment that contributed higher margin as compared to trading activities. Furthermore, this profit also contributed by fair value gain on quoted investment of RM0.22 million.

1. Review of Performance (Continued)

Cumulative Quarter

The Group reported profit before tax of RM1.59 million in current quarter ended 31 October 2022 as compared to RM0.75 million in cumulative quarter ended 31 October 2021. This mainly due the increase in revenue from FPP segment which contributed higher margin as compared to trading activities.

2. Variation of Results against Preceding Quarter

	Current Quarter ended 31.10.2022 RM'000	Preceding Quarter ended 31.7.2022 RM'000	Variance RM'000
Revenue – Manufacturing (FPP)	20,454	18,679	1,775
Revenue – Manufacturing (HORECA and OEM)	2,385	3,600	(1,215)
Revenue – Trading	2,980	5,837	(2,857)
Total revenue	25,819	28,116	(2,297)
Earnings/(loss) before Interest, Tax, Amortisation and Depreciation	2,838	(5,886)	8,724
Profit/(loss) Before Tax	1,589	(7,135)	8,724
Profit/(loss) After Tax	1,589	(7,233)	8,822

The revenue for the current quarter ended 31 October 2022 decreased by RM2.30 million as compared with preceding quarter ended 31 July 2022. The Group generated profit before tax of RM1.59 million as compared to loss before tax of RM7.13 million mainly due to impact on loss on investment in quoted shares of RM7.19 million and ESOS expenses granted to eligible employees of RM1.35 million in preceding quarter. Besides, the revenue for FPP segment also increased by RM1.78 million which generated higher margin as compared to trading activities.

3. Prospects

Following Malaysia is moving toward endemic and several easing step to open our economy in current quarter under review. The Group foresee a positive growth in coming quarters as follows:

- 1) The Further Process Products (“FPP”) sector such as sausages, burger and nugget will improve on production output and will contribute positive growth;
- 2) Hotel, Restaurant and Café (“HORECA”) and Manufacture other Brand products (“OEM”) will continue recovery from the impact of MCO and Pelan Pemulihan Negara (“PPN”);
- 3) Furthermore, the Group will continue its effort in cost reduction and improve efficiency program to mitigate the impact and concentrate on FPP products to fulfil the demand.

4. Variance between Actual Profit and Forecast Profit

Not applicable.

5. Tax Expense/(Income)

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 2022 (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	16,850	-	3,150
Expansion of production capacity	Within 12 months	17,000	17,000	-	-
Marketing and advertisement	Within 24 months	10,000	10,000	-	-
Repayment of borrowings	Within 6 months	19,000	18,955	45	-
Acquisitions and/or investment in complementary business and/or assets	Within 24 months	15,000	14,577	-	423
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. Other Investment

The Group's other investment as at 31 October 2022 are as follows:-

	RM'000
Investment in shares quoted in Malaysia	21,782
Short Term Investments	5,073
Total	26,855

8. Group Borrowings and Debt Securities - Secured

The Group's borrowings as at 31 October 2022 are as follows:-

	RM'000
Short term borrowings:-	
Hire purchase payables	1,216
Long term borrowings:-	
Hire purchase payables	419
Total	1,635

9. Material Litigation

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

10. Material Event

There were no material events for the current financial period.

11. Proposed Dividend

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

12. 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 31.10.2022	Preceding Year Corresponding Quarter 31.10.2021	Current Year 31.10.2022	Preceding Year Corresponding Period 31.10.2021
Profit attributable to ordinary equity holders of the Company (RM'000)	1,589	749	1,589)	749
Weighted average number of ordinary shares in issue ('000)	991,844	399,924	991,844	399,924
Basic earnings per share (sen)	0.16	0.18	0.16	0.18

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.