



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 SECOND QUARTER ENDED 31 JANUARY 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31.1.2023	31.1.2022	31.1.2023	31.1.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	24,991	27,751	50,810	49,947
Cost of Sales	(20,562)	(23,420)	(41,451)	(42,553)
Gross profit	4,429	4,331	9,359	7,394
Other Operating Income	236	310	562	471
Operating Expenses	(3,664)	(3,133)	(7,636)	(5,630)
Non-operating Expenses	(224)	0	0	0
Finance Costs	(35)	(14)	(48)	(28)
Share of results of an associate	95	68	189	84
Profit before tax	837	1,562	2,426	2,291
Tax Income	0	0	0	0
Net profit for the financial period	837	1,562	2,426	2,291
Other comprehensive income for the financial period :				
Transfer of revaluation surplus to retained profits	0	0	0	0
Realisation of revaluation surplus upon depreciation	0	0	0	0
Total comprehensive income for the financial period	837	1,562	2,426	2,291
Basic earnings per share (sen)	0.07	0.28	0.21	0.41



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<i>Notes to Statement of Comprehensive Income</i>				
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31.1.2023	31.1.2022	31.1.2023	31.1.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation and Amortisation	(1,398)	1,090	(2,634)	(2,140)
Depreciation of right of use assets	(9)	0	(18)	0
Fair value (loss)/gain on investment in quoted shares	(224)	0	0	0
Forex gain/(loss)	39	(52)	9	(90)
(Loss) on disposal of property, plant and equipment	(290)	0	(240)	0
Interest expense	(35)	(14)	(48)	(28)
Interest income	6	124	13	228
Property, plant and equipment written off	0	0	0	(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.

Saved 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 JANUARY 2023

	UNAUDITED As Of	AUDITED As Of
	31.1.2023	31.7.2022
	RM'000	RM'000
(A) Non-Current Assets		
Property, plant and equipment	57,006	51,170
Investment property	16,551	10,160
Investment in associate	773	584
Right of use assets	240	258
Total Non-Current Assets (A)	74,570	62,172
(B) Current Assets		
Inventories	17,351	15,924
Receivables, deposits and prepayments	23,567	32,169
Current tax assets	905	888
Other investments	23,356	30,082
Cash and cash equivalents	13,077	8,344
Total Current Assets (B)	78,256	87,407
TOTAL ASSETS (A+B)	152,826	149,579
EQUITY AND LIABILITIES		
Equity		
Share capital	168,289	162,816
Treasury share	(118)	(118)
Reserves	(23,058)	(25,484)
(TE) TOTAL EQUITY	145,113	137,214
Liabilities		
(C) Non-Current Liabilities		
Long-term bank borrowings	816	1,216
Lease liability	112	112
Deferred taxation	1,100	1,100
Total Non-Current Liabilities (C)	2,028	2,428
(D) Current Liabilities		
Trade and other payables and accruals	4,997	8,883
Lease liability	170	171
Short-term bank borrowings	183	548
Current tax liabilities	335	335
Total Current Liabilities (D)	5,685	9,937
(TL) TOTAL LIABILITIES (C+D)	7,713	12,365
TOTAL EQUITY AND LIABILITIES (TE+TL)	152,826	149,579
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)	0.1272	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 SECOND QUARTER ENDED 31
JANUARY 2023**

	Share Capital	Treasury Shares	Revaluation Reserve	Warrant Reserve	ESOS Reserve	Merger Deficit	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.08.2022	162,816	(118)	2,955	24,969	0	(29,296)	(24,112)	137,214
Profit (representing total other comprehensive income) for the financial period	0	0	0	0	0	0	2,426	2,426
Transaction with owners:								
Issuance of shares pursuant to Exercise of Warrants B	0	0	0	0	0	0	0	0
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants B	0	0	0	0	0	0	0	0
Issuance of shares pursuant to Exercise of								
- ISIS	0	0	0	0	0	0	0	0
- Private Placements	5,473	0	0	0	0	0	0	5,473
Grant of ESOS to employees	0	0	0	0	0	0	0	0
Transfer of ESOS reserve upon exercised	0	0	0	0	0	0	0	0
	5,473	0	0	0	0	0	0	5,473
Balance as at 31.1.2023	168,289	(118)	2,955	24,969	0	(29,296)	(21,686)	145,113



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

	Share Capital	Treasury Shares	Revaluation Reserve	Warrant Reserve	ESOS Reserve	Merger Deficit	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.08.2021	146,234	(118)	3,042	24,977	0	(29,296)	(19,793)	125,046
Loss (representing total other comprehensive income) for the financial period	0	0	(87)	0	0	0	(4,319)	(4,406)
Transaction with owners:								
Issuance of shares pursuant to Exercise of Warrants B	11	0	0	0	0	0	0	11
Transfer to Share capital from Warrant Reserve pursuant to Exercise of Warrants B	8	0	0	-8	0	0	0	0
Issuance of shares pursuant to Exercise of								
- ESOS	7,562	0	0	0	0	0	0	7,562
- Private Placements	8,378	0	0	0	0	0	0	8,378
Grant of ESOS to employees	0	0	0	0	623	0	0	623
Transfer of ESOS reserve upon exercised	623	0	0	0	(623)	0	0	0
	16,582	0	0	(8)	0	0	0	16,574
Balance as at 31.7.2022	162,816	(118)	2,955	24,969	0	(29,296)	(24,112)	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 SECOND QUARTER ENDED 31 JANUARY 2023

	Current Year- To-Date	Preceding Year Corresponding
	31.1.2023	31.7.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,426	(3,960)
Adjustments:		
Allowance for impairment loss on receivables	0	283
Amortisation and depreciation	2,634	5,004
Depreciation of right of use assets	18	146
Gain on fair value adjustment of investment properties	0	(1,412)
Interest expense	48	71
Interest income	(13)	(503)
Inventories written down	0	(1,031)
Loss/(Gain) on disposal of property, plant and equipment	290	(135)
(Gain)/Loss on investment in quoted shares	0	7,192
Property, plant and equipment written off	0	21
Share of results of an associate	(189)	(254)
Revaluation of investment property	0	622
Unrealised loss on foreign exchange	(9)	(54)
Operating profit before working capital changes	5,205	5,990
Increase in inventories	(1,427)	(3,626)
Decrease/(Increase) in receivables	8,602	(18,181)
Decrease in payables	(3,886)	(5,798)
Cash generated from/(used in) operations	8,494	(21,615)
Tax paid	(17)	(49)
Net cash from/(used in) operating activities	8,477	(21,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	13	503
Changes in fixed deposits pledged to license banks	0	81
Additional in investment property	0	(8,198)
Investment in quoted investments	(270)	(28,705)
Proceeds from disposal of property, plant and equipment	141	223
Withdrawal of short term investment	6,996	21,518
Purchase of investment property	(6,391)	0
Purchase of property, plant and equipment	(9,377)	(21,514)
Net cash used in investing activities	(8,888)	(36,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(35)	(64)
Issuance of shares	5,473	15,951
Repayment of hire purchase obligations	(289)	(425)
Repayment of lease liabilities	(5)	(127)
Net cash from financing activities	5,144	15,335
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,733	(42,421)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	0	(13)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	7,954	50,388
CASH AND CASH EQUIVALENTS CARRIED FORWARD	12,687	7,954



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023		
	Current Year-To- Date	Preceding Year Corresponding
	31.1.2023	31.7.2022
	RM'000	RM'000
Fixed and Short-Term deposits with licensed banks	390	390
Cash and Bank balances	12,687	7,954
	13,077	8,344
Less: Fixed and short-term deposits with licensed banks pledged as security for credit facilities granted to the Group	(390)	(390)
	12,687	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.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2023

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	Preceding Year Corresponding Period
	31.1.2023	31.1.2022
	RM'000	RM'000
Segment Revenue (A+B)		
(A) Manufacture & Sale of Finished Food Products		
Manufacturing – FPP	43,290	34,208
Manufacturing – HORECA and OEM	4,540	8,884
(B) Trading of Meat & Related Raw Materials		
Trading	2,980	6,855
Total Revenue for the Financial Period	50,810	49,947

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 January 2023 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 January 2023.

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 January 2023.

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.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023

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

1. Review of Performance

Review of Performance						
	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-To-Date	Preceding Year Corresponding Period	Changes
	31.1.2023	31.1.2022		31.1.2023	31.1.2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
A) Revenue – Manufacturing (FPP)	22,836	21,406	1,430	43,290	34,208	9,082
(B) Revenue – Manufacturing (HORECA and OEM)	2,155	3,625	(1,470)	4,540	8,884	(4,344)
(C) Revenue – Trading	0	2,720	(2,720)	2,980	6,855	(3,875)
Total Revenue (A+B+C)	24,991	27,751	(2,760)	50,810	49,947	863
Earnings before Interest, Tax, Amortisation and Depreciation	2,270	2,646	(376)	5,108	4,459	649
Profit Before Tax	837	1,562	(725)	2,426	2,291	135
Profit After Tax	837	1562	(725)	2,426	2,291	135

Individual Quarter

Revenue for the quarter under review decreased by RM2.76 million (Q2 2023 vs Q2 2022) from RM24.99 million as compared to its preceding year corresponding quarter of RM27.751 million. The decrease in revenue were due to the decrease in trading segment by RM2.720 million which has been discontinued due to declining or non-profitability.

The Group reported profit before tax (Q2 2023 vs Q2 2022) of RM0.84 million in current quarter as compared to profit of RM1.56 million in preceding year corresponding quarter under review. Lower profit was mainly due to lower sales, coupled with higher depreciation expenses by RM0.31 million arising from new machineries that the group invested for increase its production capacities.

Cumulative Quarter

The Group reported profit before tax of RM2.43 million in cumulative quarter ended 31 January 2023 as compared to RM2.29 million in cumulative quarter ended 31 January 2022. This mainly due the increase in revenue from FPP segment which contributed higher margin as compared to Trading activities (Discontinued).

2. Variation of Results against Preceding Quarter

Current Quarter Ended	Preceding Quarter Ended	Variance
31.1.2023	31.10.2022	
RM'000	RM'000	RM'000

(A) Revenue – Manufacturing (FPP)	22,836	20,454	2,382
(B) Revenue – Manufacturing (HORECA and OEM)	2,155	2,385	(230)
(C) Revenue – Trading	0	2,980	(2,980)
Total Revenue (A+B+C)	24,991	25,819	(828)
Earnings before Interest, Tax, Amortisation and Depreciation	2,270	2,838	(568)
Profit Before Tax	837	1,589	(752)
Profit After Tax	837	1,589	(752)

The revenue for the current quarter ended 31 January 2023 decreased by RM0.83 million as compared with preceding quarter ended 31 October 2022. The decrease in revenue mainly due to Trading segment that do not contribute good margin to the performance of the company. The revenue from trading was reduced by RM2.98 million as compared to preceding quarter under review.

The Group generated profit before tax of RM0.84 million as compared to profit before tax of RM1.59 million. The lower of profit by RM0.75 million mainly due to lower sales and coupled with increase in depreciation expenses of RM0.16 million and loss on disposal of property plant and equipment of RM0.29 million. The increase in depreciation was due to new machineries that the Group invested to increase production capacities during the quarter under review.

3. Prospects

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 due to production output and will contribute positive growth;
- 2) Hotel, Restaurant and Café (“HORECA”) and Manufacture Other Brand Products (“OEM”) will continue to improve in coming quarter; and
- 3) Furthermore, the Group will continue its effort in cost reduction and efficiency improvement program to mitigate the impact on increase in labour and utilities costs and focus 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 nor 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 24 March 2023 (being the latest practicable date) was as follows:-

Details of Utilisation	Intended Time Frame for Utilisation	Proposed Utilisation	Actual Utilisation	Deviation	Balance
		RM'000	RM'000	RM'000	RM'000
Construction of New Cold Room	Within 24 months	20,000	17,850	0	2,150
Expansion of production capacity	Within 24 months	17,000	17,000	0	0
Marketing and advertisement	Within 24 months	10,000	10,000	0	0
Repayment of borrowings	Within 6 months	19,000	18,955	45	0
Acquisitions and/or investment in complementary business and/or assets	Within 24 months	15,000	14,577	0	423
Business expansion to China	Within 24 months	8,400	0	0	8,400
Working capital	Within 24 months	961	961	0	0
Estimated expenses for the Corporate Exercises	Immediate	1,204	1,204	0	0

7. Other Investment

The Group's other investment as at 31 January 2023 are as follows:-

	RM'000
Investment in Quoted Shares in Malaysia	21,782
Short Term Investments	1,574
Total	23,356



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8. Group Borrowings and Debt Securities - Secured

The Group's borrowings as at 31 January 2023 are as follows:-

	RM'000
Short term borrowings:-	
Hire purchase payables	183
Long term borrowings:-	
Hire purchase payables	816
Total	999

	RM'000
Short term borrowings:-	
Hire purchase payables	183
Long term borrowings:-	
Hire purchase payables	816
Total	999

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	Preceding Year Corresponding Period	Current Year	Preceding Year Corresponding Period
	31.1.2023	31.1.2022	31.1.2023	31.1.2022
Profit attributable to ordinary equity holders of the Company (RM'000)	837	1,562	2,426	2,291
Weighted average number of ordinary shares in issue ('000)	1,140,580	552,953	1,140,580	552,953
Basic earnings per share (sen)	0.07	0.28	0.21	0.41

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.