



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 THIRD QUARTER ENDED 30 APRIL 2023				
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30.4.2023	30.4.2022	30.4.2023	30.4.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	23,367	23,756	74,177	73,703
Cost of Sales	(20,137)	(20,700)	(61,588)	(63,253)
Gross profit	3,230	3,056	12,589	10,450
Other Operating Income	373	19	935	490
Operating Expenses	(3,117)	(2,976)	(10,753)	(8,606)
Finance Costs	(14)	(20)	(62)	(48)
Share of results of an associate	95	83	284	167
Profit before tax	567	162	2,993	2,453
Tax Income	0	0	0	0
Net profit for the financial period	567	162	2,993	2,453
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	567	162	2,993	2,453
Basic earnings per share (sen)	0.05	0.02	0.26	0.35



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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
	30.4.2023	30.4.2022	30.4.2023	30.4.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation and Amortisation	(1,398)	(1,090)	(4,032)	(3,230)
Depreciation of right of use assets	(9)	0	(27)	0
Fair value (loss)/gain on investment in quoted shares	(431)	0	(431)	0
Forex gain/(loss)	122	(45)	131	(135)
(Loss) on disposal of property, plant and equipment	0	0	(290)	0
Interest expense	(14)	(20)	(62)	(48)
Interest income	12	18	25	246
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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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023		
	UNAUDITED As Of	AUDITED As Of
	30.4.2023	31.7.2022
	RM'000	RM'000
(A) Non-Current Assets		
Property, plant and equipment	61,734	51,170
Investment property	16,551	10,160
Investment in associate	866	584
Right of use assets	231	258
Total Non-Current Assets (A)	79,382	62,172
(B) Current Assets		
Inventories	15,270	15,924
Receivables, deposits and prepayments	21,736	32,169
Current tax assets	913	888
Other investments	31,943	30,082
Cash and cash equivalents	8,732	8,344
Total Current Assets (B)	78,594	87,407
TOTAL ASSETS (A+B)	157,976	149,579
EQUITY AND LIABILITIES		
Equity		
Share capital	168,289	162,816
Treasury share	(118)	(118)
Reserves	(22,491)	(25,484)
(TE) TOTAL EQUITY	145,680	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	9,653	8,883
Lease liability	170	171
Short-term bank borrowings	110	548
Current tax liabilities	335	335
Total Current Liabilities (D)	10,268	9,937
(TL) TOTAL LIABILITIES (C+D)	12,296	12,365
TOTAL EQUITY AND LIABILITIES (TE+TL)	157,976	149,579
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)	0.1277	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 THIRD QUARTER ENDED 30 APRIL 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	2,993	2,993
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 30.4.2023	168,289	(118)	2,955	24,969	0	(29,296)	(21,119)	145,680



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 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 THIRD QUARTER ENDED 30 APRIL 2023		
	Current Year-To- Date	Preceding Year Corresponding
	30.4.2023	31.7.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,993	(3,960)
Adjustments:		
Allowance for impairment loss on receivables	0	283
Amortisation and depreciation	4,032	5,004
Depreciation of right of use assets	27	146
Gain on fair value adjustment of investment properties	0	(1,412)
Interest expense	62	71
Interest income	(25)	(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	431	7,192
Property, plant and equipment written off	0	21
Share of results of an associate	(284)	(254)
Revaluation of investment property	0	622
Unrealised loss on foreign exchange	(131)	(54)
Operating profit before working capital changes	7,395	5,990
Decrease/(Increase) in inventories	654	(3,626)
Decrease/(Increase) in receivables	10,433	(18,181)
Decrease/(Increase) in payables	639	(5,798)
Cash generated from/(used in) operations	19,121	(21,615)
Tax paid	(17)	(49)
Net cash from/(used in) operating activities	19,104	(21,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	25	503
Changes in fixed deposits pledged to license banks	0	81
Additional in investment property	0	(8,198)
Investment in quoted investments	(10,050)	(28,705)
Proceeds from disposal of property, plant and equipment	141	223
Withdrawal of short term investment	8,028	21,518
Purchase of investment property	(6,391)	0
Purchase of property, plant and equipment	(14,886)	(21,514)
Net cash used in investing activities	(23,133)	(36,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(62)	(64)
Issuance of shares	5,473	15,951
Repayment of hire purchase obligations	(599)	(425)
Repayment of lease liabilities	(5)	(127)
Net cash from financing activities	4,807	15,335
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	778	(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	8,732	7,954



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 APR 2023		
	Current Year-To-Date	Preceding Year Corresponding
	30.4.2023	31.7.2022
	RM'000	RM'000
Fixed and Short-Term deposits with licensed banks	390	390
Cash and Bank balances	8,342	7,954
	8,732	8,344
Less: Fixed and short-term deposits with licensed banks pledged as security for credit facilities granted to the Group	(390)	(390)
	8,342	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 THIRD QUARTER ENDED 30 APRIL 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.

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
	30.4.2023	30.4.2022
	RM'000	RM'000
Segment Revenue (A+B)		
(A) Manufacture & Sale of Finished Food Products		
Manufacturing – FPP	64,350	50,479
Manufacturing – HORECA and OEM	6,847	13,109
(B) Trading of Meat & Related Raw Materials		
Trading	2,980	10,115
Total Revenue for the Financial Period	74,177	73,703

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 30 April 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 30 April 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 3 April 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 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
	30.4.2023	30.4.2022		30.4.2023	30.4.2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
A) Revenue – Manufacturing (FPP)	21,060	16,271	4,789	64,350	50,479	13,871
(B) Revenue – Manufacturing (HORECA and OEM)	2,307	4,225	(1,918)	6,847	13,109	(6,262)
(C) Revenue – Trading	0	3,260	(3,260)	2,980	10,115	(7,135)
Total Revenue (A+B+C)	23,367	23,756	(389)	74,177	73,703	474
Earnings before Interest, Tax, Amortisation and Depreciation	1,979	1,272	707	7,087	5,731	1,356
Profit Before Tax	567	162	405	2,993	2,453	540
Profit After Tax	567	162	405	2,993	2,453	540

Individual Quarter

Revenue for the quarter under review (Q3 2023 vs Q3 2022) decreased by RM0.39 million to RM23.37 million as compared to its preceding year corresponding quarter of RM23.76 million. The decrease in revenue were due to the decrease in HORECA and Trading segments by RM1.92 million and RM3.26 million respectively. However, this impact been mitigate by increase in revenue from manufacturing (FPP) segment which has been improved by RM4.79 million in current quarter under review.

The Group reported profit before tax (Q3 2023 vs Q3 2022) of RM0.57 million in current quarter as compared to profit of RM0.16 million in preceding year corresponding quarter under review. Higher profit was mainly due to improve in revenue from manufacturing (FPP) segment that contribute higher margin as compared to trading segment. This higher profit has been set off 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 RM2.99 million in cumulative quarter ended 30 April 2023 as compared to RM2.45 million in cumulative quarter ended 30 April 2022. This is mainly due to 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	Preceding	Variance
	Ended	Quarter Ended	
	30.4.2023	31.1.2023	RM'000
	RM'000	RM'000	RM'000
(A) Revenue – Manufacturing (FPP)	21,060	22,836	(1,776)
(B) Revenue – Manufacturing (HORECA and OEM)	2,307	2,155	152
(C) Revenue – Trading	0	0	
Total Revenue (A+B+C)	23,367	24,991	(1,624)
Earnings before Interest, Tax, Amortisation and Depreciation	1,979	2,270	(291)
Profit Before Tax	567	837	(270)
Profit After Tax	567	837	(270)

The revenue for the current quarter ended 30 April 2023 decreased by RM1.62 million as compared with preceding quarter ended 31 January 2023. The decrease in revenue is mainly due to reduce in revenue from manufacturing (FPP) segment during the quarter under review.

The Group generated profit before tax of RM0.57 million as compared to profit before tax of RM0.84 million. The lower of profit by RM0.27 million is mainly due to lower sales for current quarter ended 30 April 2023 as compared to preceding quarter ended 31 January 2023.

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 increase in production output from new machineries and will contribute to 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 26 June 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	20,000	0	0
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	19,000	0	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
	Total	91,565	82,742	0	8,823

7. Other Investment

The Group's other investment as at 30 April 2023 are as follows:-

	RM'000
Investment in Quoted Shares in Malaysia	31,401
Short Term Investments	542
Total	31,943

8. Group Borrowings and Debt Securities - Secured

The Group's borrowings as at 30 April 2023 are as follows:-

	RM'000
Short term borrowings:-	
Hire purchase payables	110
Long term borrowings:-	
Hire purchase payables	816
Total	926

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
	30.4.2023	30.4.2022	30.4.2023	30.4.2022
Profit attributable to ordinary equity holders of the Company (RM'000)	567	162	2,993	2,453
Weighted average number of ordinary shares in issue ('000)	1,140,580	705,982	1,140,580	705,982
Basic earnings per share (sen)	0.05	0.02	0.26	0.35

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.