



SAUDEE
Group Berhad

200801036832
(838172-P)



UNLOCKING A
NEW WORLD
OF FLAVOURS

ANNUAL REPORT 2023



COVER RATIONALE

UNLOCKING A NEW WORLD OF FLAVOURS

A professional chef lifts open a cloche to unveil a sizzling half globe, exemplifying Saudee Group Berhad's ambitions to become a global leader in frozen food products.

Through the unyielding passion of its team, Saudee Group remains strongly committed to the pursuit of food quality and innovation, striving to become global stewards of fine flavours through well-loved flagship brands like Saudi Gold and Farm's Gold.

Driven to debunk myths on prepackaged foods and deliver greater value to consumers via nutritious on-shelf products, Saudee's relentless innovation and brand building initiatives is putting it on the upswing to become a growth leader in the competitive food industry, as it delights taste buds through creating myriad unforgettable taste experiences!

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of Saudee Group Berhad will be conducted on a virtual basis from the Broadcast Venue at Lot 4.1, Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan and online remote voting using the remote participation and voting platform on Wednesday, 10 January 2024 at 2.30 p.m. for the following purposes :-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2023 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 4)
2. To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions :-
 - (a) "THAT Datuk Sham Shamrat Sen Gupta, who retires pursuant to Paragraph 102(1) and (2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 1
 - (b) "THAT Dato' Arjunaidi Bin Mohamed, who retires pursuant to Paragraph 107(2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 2
 - (c) "THAT Mr. Ng Kok Hok, who retires pursuant to Paragraph 107(2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 3
3. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:-

4. To approve the payment of Directors' fees of not exceeding RM250,000.00 (FY2023:RM250,000.00) to Directors of the Company for the financial year ending 31 July 2024. Ordinary Resolution 5
5. To approve the payment of benefits of not exceeding RM36,000.00 to the Directors of the Company from 11 January 2024 until the next Annual General Meeting of the Company. Ordinary Resolution 6
6. **Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**
 - (a) "THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Paragraph 62 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act." Ordinary Resolution 7
7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

By order of the Board

Adeline Tang Koon Ling
(LS 0009611)
SSM PC No. 202008002271

Wong Yuet Chyn
(MAICSA 7047163)
SSM PC No. 202008002451

Secretaries

Penang
Date : 30 November 2023

NOTES

1. (a) The Fifteenth Annual General Meeting ("AGM") will be conducted on a virtual basis from the Broadcast Venue. Members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.
- (b) The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Act and Paragraph 68 of the Company's Constitution which require the Chairman of the Meeting to be present at the main venue of the Meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.

2. Appointment of Proxy

- (a) A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.
- (b) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
- (c) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.
- (e) Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a Member of the Company is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds.
- (g) The instrument appointing a proxy must be deposited with the Share Registrar's office at Workshire Share Registration Sdn. Bhd. of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia or e-mail to infosr@wscs.com.my or fax to 03-6413 3270 not less than twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
- (h) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.

3. Members entitled to attend the Fifteenth AGM

For the purpose of determining a member who shall be entitled to attend the Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Paragraph 72(1) and (2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 29 December 2023. Only a Depositor whose name appears in the Record of Depositors as at 29 December 2023 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the Fifteenth AGM.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Audited Financial Statements for the financial year ended 31 July 2023

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

5. Ordinary Resolution No. 1 – Re-election of Director who retires in accordance with Paragraph 102(1) and (2) of the Company's Constitution

Paragraph 102(1) and (2) of the Company's Constitution provides that an election of directors shall take place each year. 1/3 of the directors for the time being shall retire from office at each AGM but shall be eligible for re-election at the said meeting. If the total number of the directors is not 3 or a multiple of 3, the number nearest to 1/3 will retire. The Directors to retire in every year shall be those who have been longest in office since their last election.

Datuk Sham Shamrat Sen Gupta who will be retiring and offering himself for re-election at the Fifteenth AGM was evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that his performance was satisfactory and recommended his re-election for shareholders' approval.

Based on the assessment conducted on Datuk Sham Shamrat Sen Gupta's independence, the Board is satisfied that he has complied with the criteria of independence prescribed under Main Market Listing Requirements of Bursa Malaysia Securities Berhad and remain his independence in exercising his judgement and carry out his roles as the Independent Director.

6. Ordinary Resolutions No. 2 and 3 – Re-election of Director who retire in accordance with Paragraph 107 (2) of the Company's Constitution

Paragraph 107(2) of the Company's Constitution provides that any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Dato' Arjunaidi Bin Mohamed and Mr. Ng Kok Hok who will be retiring and offering themselves for re-election at the Fifteenth AGM were evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that their performances were satisfactory and recommended their re-election for shareholders' approval.

Based on the assessment conducted on Dato' Arjunaidi Bin Mohamed and Mr. Ng Kok Hok's independence, the Board is satisfied that they have complied with the criteria of independence prescribed under Main Market Listing Requirements of Bursa Malaysia Securities Berhad and remain their independence in exercising their judgements and carry out their roles as the Independent Directors.

7. Ordinary Resolution No. 5 – Proposed payment of Directors' fees

Pursuant to Section 230(1) of the Companies Act 2016, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in accordance with the remuneration framework of the Group. The proposed Ordinary Resolution 5 is to facilitate the payment of Directors fees on current year basis. In the event the Directors' fees proposed is insufficient, the Board will seek the approval from the shareholders at the next AGM for additional fees to meet the shortfall.

8. Ordinary Resolution No. 6 – Proposed payment of Directors' benefits (excluding Directors' fees)

The Directors' benefits (excluding Directors' fees) comprise the allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the period from 11 January 2024 until the next AGM. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. Ordinary Resolution No. 7 - Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7, if passed, will grant a renewed general mandate ("Renewed Mandate") and empower the Directors of the Company to issue and allot shares up to an amount not exceeding 10% (ten per centum) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, capital expenditure, working capital and/or acquisitions. In order to avoid any delay and costs involved in convening a general meeting, it is considered appropriate to seek shareholders' approval for a Renewed Mandate. This Renewed Mandate unless revoked or varied by the Company in general meeting will expire at the next AGM of the Company or the expiration of the period within which the next AGM is required to be held.

As at the date of this notice, 347,000,000 new shares in the Company have been issued pursuant to the mandate granted to the Directors at the Fourteenth AGM held on 28 December 2022 which will lapse at the conclusion of the Fifteenth AGM.

Personal Data Privacy

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Arjunaidi Bin Mohamed

(Appointed w.e.f. 16 January 2023)

Independent Non-Executive Chairman

Tay Ben Seng, Benson

Executive Director

Chen Chee Peng

Independent Non-Executive Director

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Ong Poh Lin Abdullah

(Appointed w.e.f. 3 November 2022)

Independent Non-Executive Director

Ng Kok Hok

(Appointed w.e.f. 28 April 2023)

Independent Non-Executive Director

Sim Yee Fuan

(Resigned w.e.f. 28 April 2023)

Senior Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Ng Kok Hok

Independent Non-Executive Director

Member

Chen Chee Peng

Independent Non-Executive Director

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

NOMINATING COMMITTEE

Chairman

Chen Chee Peng

Independent Non-Executive Director

Member

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Ng Kok Hok

Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman

Chen Chee Peng

Independent Non-Executive Director

Member

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Ng Kok Hok

Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Chairman

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Member

Chen Chee Peng

Independent Non-Executive Director

Ng Kok Hok

Independent Non-Executive Director

Representative(s) from each major business units/divisions identified by the management from time to time.

SIS COMMITTEE

Chairman

Mak Siew Wei

Director of subsidiary company

Member

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Chong Kok

Chief Financial Officer

COMPANY SECRETARIES

Adeline Tang Koon Ling (LS 0009611)
SSM PC No. 202008002271

Wong Yuet Chyn (MAICSA 7047163)
SSM PC No. 202008002451

AUDITORS

Grant Thornton Malaysia PLT
201906003682 (LLP0022494-LCA)
AF0737
Chartered Accountants
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Georgetown, Penang, Malaysia
Tel : 604-228 7828
Fax : 604-227 9828

REGISTERED OFFICE

1-10 Medan Perniagaan Pauh Jaya
Jalan Baru, 13700 Seberang Jaya
Pulau Pinang, Malaysia
Tel : 604-390 8009
Fax : 604-390 8009
Email: infosec@wscs.com.my

HEAD OFFICE

Plot 331, Taman Perindustrian Sungai Petani
Fasa 3, 08000 Sungai Petani
Kedah Darul Aman
Tel : 604-442 6800
Fax : 604-442 6801
Website: www.saudee.com

SHARE REGISTRAR

Workshire Share Registration Sdn. Bhd.
(Company No. 202101030155 (1430455-D))
A3-3-8, Solaris Dutamas, No1 Jalan Dutamas
50480 Kuala Lumpur, Malaysia
Tel : 603-6413 3271
Fax : 603-6413 3270
Email: infostr@wscs.com.my

PRINCIPAL BANKERS

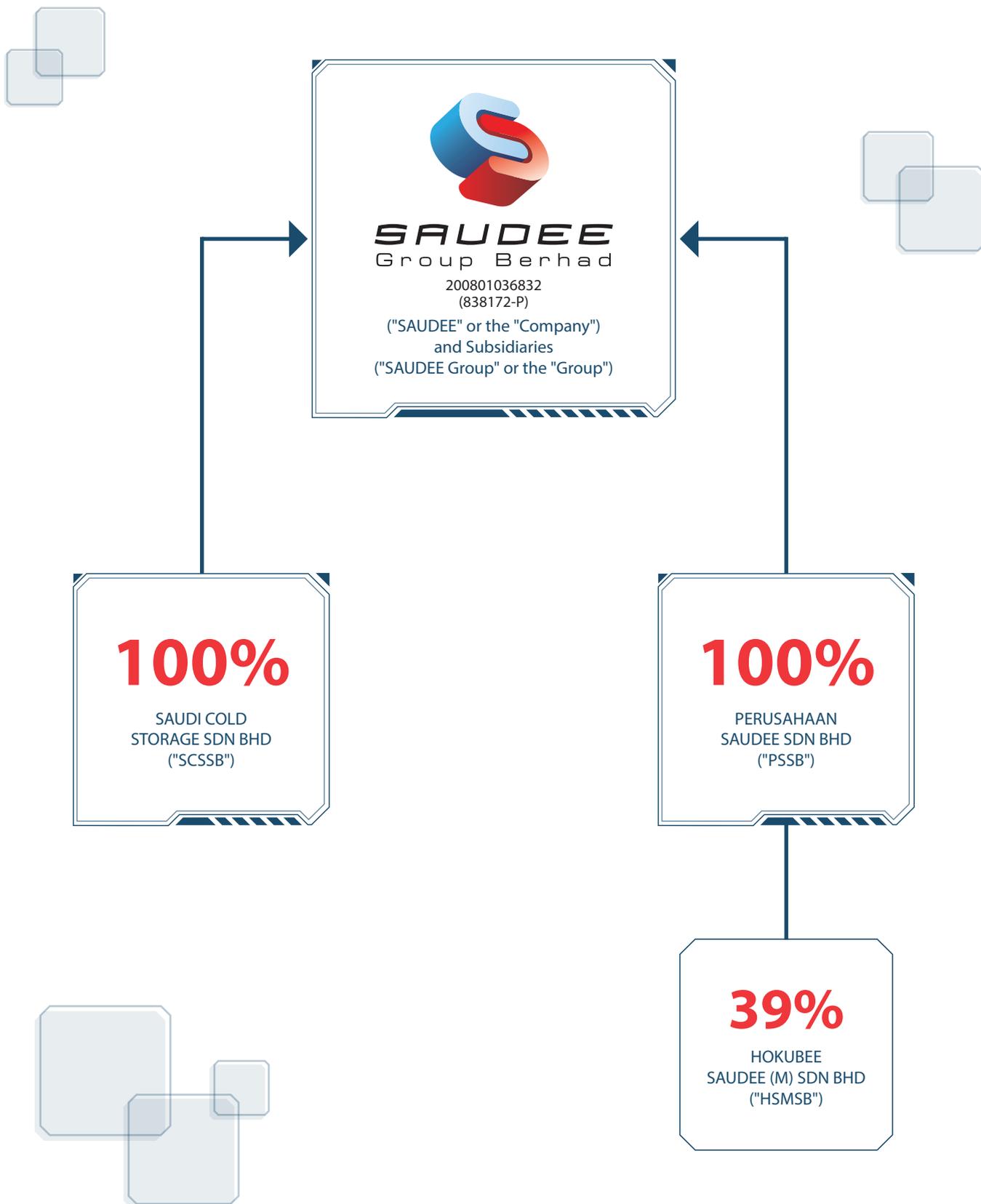
Maybank (M) Berhad
Bank Islam Malaysia Berhad
Bank Pertanian Malaysia Berhad
Amlslamic Bank Berhad
CIMB Bank Berhad
Affin Hwang Investment Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities
Berhad
Sector : Consumer Products & Services Stock
Name : SAUDEE
Stock Code : 5157

CORPORATE STRUCTURE

AS AT 22 NOVEMBER 2023



PROFILE OF DIRECTORS

DATO' ARJUNAI BIN MOHAMED

*Malaysian, Male, Aged 60
Independent Non-Executive Chairman*

Dato' Arjunaidi Bin Mohamed was appointed to the Board on 16 January 2023 as an Independent Non-Executive Chairman.

Dato' Arjunaidi holds a Master of Science in Management from University Utara Malaysia and a Bachelor of Arts (Honours) from University Kebangsaan Malaysia.

Dato' Arjunaidi joined the Police Force in 1987 and served the Force until his retirement on 31 December 2022 as Police Chief of Selangor. During his 35 years in service, he had served the force well, with full commitments and professionalism.

Dato' Arjunaidi had served in various positions in the Police Force, including Chief Assistant Director, Special Force, Bukit Aman (2014-2016), Deputy Commander Sting (III) Special Tactical Intelligence Narcotic Group (Intelligence Targeting/Special Strike Force), Bukit Aman (2016-2019), Chief Assistant Director Narcotic (Risikan/Perhubungan Antarabangsa), Narcotic Crime Investigation Department, Bukit Aman (2019).

He has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

TAY BEN SENG, BENSON

*Malaysian, Male, Aged 38
Executive Director*

Mr. Tay Ben Seng, Benson was appointed to the Board as an Executive Director on 1 July 2021.

Mr. Tay holds a Bachelor of Commerce Degree with a double major in Marketing and Management from Curtin University Technology, Perth.

Mr. Tay joined Marquee International Sdn Bhd, a wholly owned subsidiary of Focus Dynamics Group Berhad (FOCUS) in year 2012. He spearheaded the expansion of FOCUS and has been instrumentally in the successful yet distinctive brands of FOCUS. He is extensively involved in the areas of information technology, e-commerce, business development and brand conceptualization of FOCUS. Subsequently, he was appointed as Executive Director of FOCUS in Year 2017. He is fuelled with passionate towards conceiving and innovating lifestyle concepts in the food & beverage arena. Prior to joining FOCUS, he has vast experience in numerous fields, ranging from event management to Food & Beverage operations and conceptualizing new start-ups.

Mr. Tay currently sits on the Board of Focus Dynamics Group Berhad, Oversea Enterprise Berhad and Green Ocean Corporation Berhad as an Executive Director.

He has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

PROFILE OF DIRECTORS (CONT'D)

CHEN CHEE PENG

*Malaysian, Male, Aged 60
Independent Non-Executive Director
Chairman of Nominating Committee and Remuneration Committee
Member of Audit Committee and Risk Management Committee*

Mr. Chen Chee Peng was appointed to the Board on 19 August 2020 as an Independent Non-Executive Director.

Mr. Chen holds Bachelor of Science in Computer & information Science from Ohio State University, Columbus Ohio, United States of America and Master of Business Administration from Southern Cross University, Australia.

Mr. Chen is an entrepreneur and currently is the director of Neurogine Sdn. Bhd. Neurogine Sdn Bhd focuses on mobile banking application solution provider.

Before starting Neurogine Sdn. Bhd., he was the Executive Director of DVM Technology Berhad ("DVM"). He joined the Group in 1998. He was instrumental in DVM listing in the ACE market in 2004.

Mr. Chen currently sits on the Board of Trive Property Group Berhad, DGB Asia Berhad, XOX Technology Berhad and NetX Holdings Berhad as an Independent Non-Executive Director.

He has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

DATUK SHAM SHAMRAT SEN GUPTA

*Malaysian, Male, Aged 45
Independent Non-Executive Director
Chairman of Risk Management Committee
Member of Audit Committee, Nominating Committee, Remuneration Committee and SIS Committee*

Datuk Sham Shamrat Sen Gupta was appointed to the Board on 1 July 2021 as an Independent Non-Executive Director.

He is a Fellow of the Institute of Administrative Management (UK), Fellow of the Malaysian Institute of Management (MIM, Malaysia), Member Institute of Leadership & Management (UK), Member of the Chartered Management Institute (UK), Member of the Institute of Management Services (UK) and completed his undergraduate and postgraduate studies from Australia.

Datuk Sham worked in AFFINBANK Corporate HQ in the Marketing & Retail Banking Department. He was appointed General Manager, South East Asian Operations of an I.T. company in K.L. and also for a short period after that as General Manager of a Security Systems company. Datuk Shamrat joined a HR and Training Company as Marketing/International Relations Director where he eventually served as Executive Director. Datuk Shamrat is the founding director and currently Chief Executive Officer of S & S Quest Resources Sdn Bhd (formed in 2010) a G7, Bumiputera civil construction and management consulting company and is a Director/investor in multiple other private listed entities in the fields of Consulting, IT, Rail Infra and F&B among others.

Datuk Sham currently sits on the Board of D'nonce Technology Berhad and PNE PCB Berhad as an Independent Non-Executive Director.

He has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

PROFILE OF DIRECTORS (CONT'D)

ONG POH LIN ABDULLAH

*Malaysian, Female, Aged 36
Independent Non-Executive Director*

Madam Ong Poh Lin Abdullah was appointed to the Board on 3 November 2022 as an Independent Non-Executive Director.

She graduated from Universiti Tunku Abdul Rahman in 2011 with a Bachelor Degree of Engineering (Hons) Biomedical.

Madam Ong started her career working in Universiti Tunku Abdul Rahman as research assistant in 2011. Subsequently, she joined IBG Manufacturing Sdn Bhd as Laboratory Consultant in 2014 and left in 2016. Currently, she is a Senior Admin Manager in Seakyin Holdings (M) Sdn Bhd, who responsible in managing and administrating the processing of invoices, organising and updating internal records accurately and timely as well as training and monitoring new teammates.

Madam Ong currently sits on the Board of Advance Information Marketing Berhad, AE Multi Holding Berhad, D'nonce Technology Berhad and AT Systematization Berhad as an Independent Non-Executive Director.

She has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

She has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

NG KOK HOK

*Malaysian, Male, Aged 62
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nominating Committee, Remuneration Committee and Risk Management Committee*

Mr. Ng Kok Hok was appointed to the Board on 29 April 2023 as an Independent Non-Executive Director.

Mr. Ng is a Chartered Accountant of Malaysian Institute of Accountants, Associate Member of the Chartered Institute of Management Accountants, Chartered Global Management Accountants and Financial Planning Association of Malaysia. Mr. Ng has more than 30 years' experience in finance, treasury and strategic management.

Prior to his retirement in May 2021, he was attached to VCPlus Limited (formerly known as Anchor Resources Limited), a Singaporean Company listed on Singapore Stock Exchange as a Chief Financial Officer.

Mr Ng currently sits on the Board of MTouche Technology Berhad and Meridian Berhad as an Independent Non-Executive Director.

He has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD AZMAN BIN MANAF

Malaysian, Male, Aged 74
Group Advisor
Date appointed on 6 April 2010
Diploma in Food Technology

Mr. Mohd Azman has been in food processing industry for over 30 years and with multinational companies (MNCs) for about 6 years. Upon graduation from Maktab Teknik 1970, he went to Japan for a practical course in semi-conductor with Shin-Etsu Handotai Co., Ltd. and served the company for 5 years. When he returned to Malaysia, he joined Intel Malaysia Sdn Bhd and Hewlett Packard (M) Sdn Bhd as Front Line Manager with total combined tenure of about 10 years for the said two (2) companies from 1975 to 1985. He then started his career in the food industry at Van Houten (M) Sdn Bhd as a Factory Manager from 1985 to 1995. After he obtained his Diploma in Food Technology from Soligen, Germany, he joined Trade Ocean (M) Sdn Bhd in Vietnam in 1996 as the Plant Manager specialising in frozen food until he left in 2000. He then expanded his career by joining Barkath Group of Companies as a Factory and Group Export Manager from 2000 to 2010. In 2010, he joined SAUDEE Group as the General Manager.

CHONG KOK

Malaysian, Male, Aged 49
Chief Financial Officer
Date appointed on 1 March 2017
Bachelor of Accounting. Member of the Malaysian Institute of Accountants

He started his career with an international audit firm in 1999 as Audit Associate. He left the firm as a Supervisor in 2004 and joined a manufacturing company as the Accountant. He then left the manufacturing company in 2007 and joined a listed company principally involved in the precision engineering as its Group Accountant before being promoted to Senior Financial Controller. He left the precision engineering company in 2017 and joined SAUDEE Group as Chief Financial Officer.

PATRICK TING

Singaporean, Male, Aged 61
Date appointed on 1 June 2022
Chief Executive Officer
Bachelor of Business Management

Mr. Patrick Ting started his career in the United States of America in IT at one of the major telecommunications company in USA and at Morgan Stanley NYC, before moving back to Asia in the early 90s to start a career in new start-ups, corporate re-structuring, change and strategic management, management consulting, and M&A in a wide range of industries across Asia Pacific and Indochina. He has held the top management position for the last 25 years, either as MD, COO and/or CEO at various companies.

He has a degree in Decision Management System from University of Maryland, USA and a Master of Business Management in International Business from George Washington University, USA.

Mr. Patrick currently sits on the Board of Permaisuri Industries Berhad as an Executive Director.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

ADDITIONAL INFORMATION ON KEY SENIOR MANAGEMENT:

1. **Family Relationships with any Director and/or Major Shareholder**

None of the key senior management has any family relationship with any Director and/or major shareholders of our Company nor any conflict of interest in any business arrangement involving the Company.

2. **Directorship in Public Companies and Listed Issuers**

Save for Mr. Patrick Ting, none of our key senior management sits on the board of any public companies and listed issuers.

3. **No Conflict of Interest**

All our key senior management do not have any conflict of interest with our Company.

4. **Non-Conviction of Offences**

All the key senior management have not been convicted of any offences (other than traffic offences) within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 July 2023.

FINANCIAL HIGHLIGHTS

FIVE- YEAR GROUP PERFORMANCE CHART

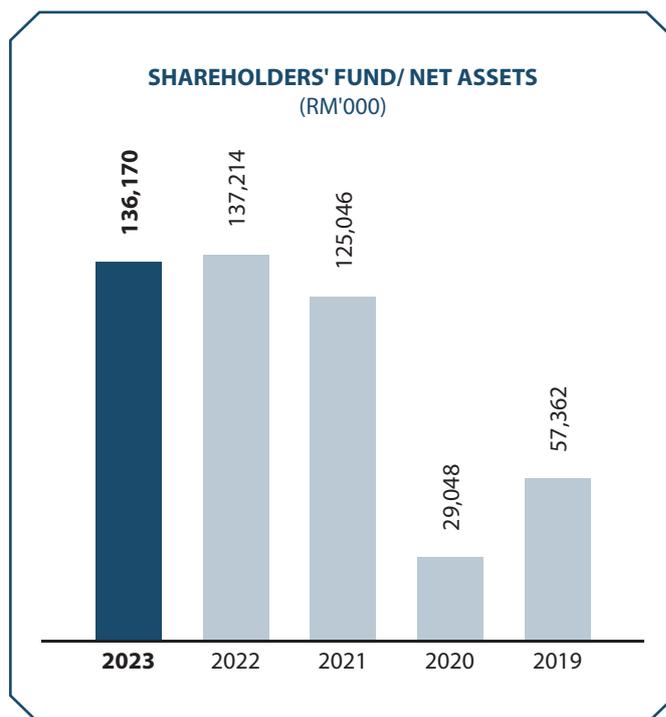
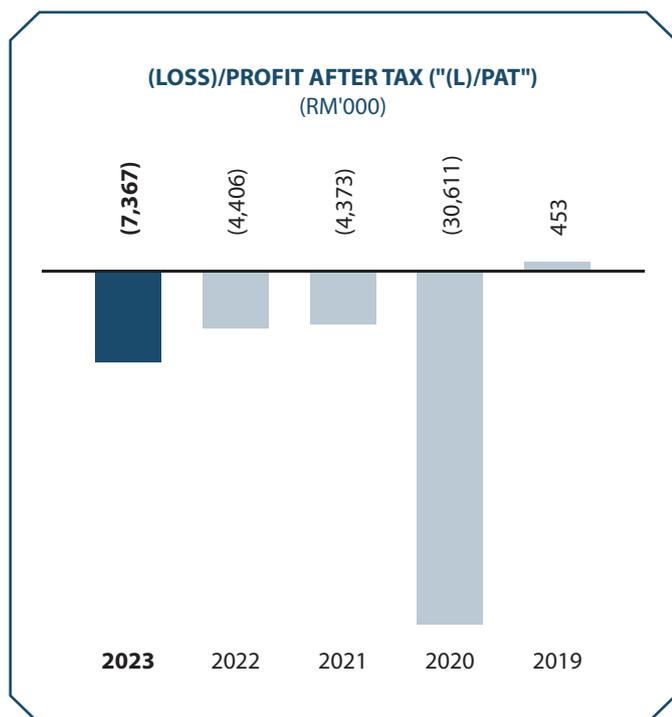
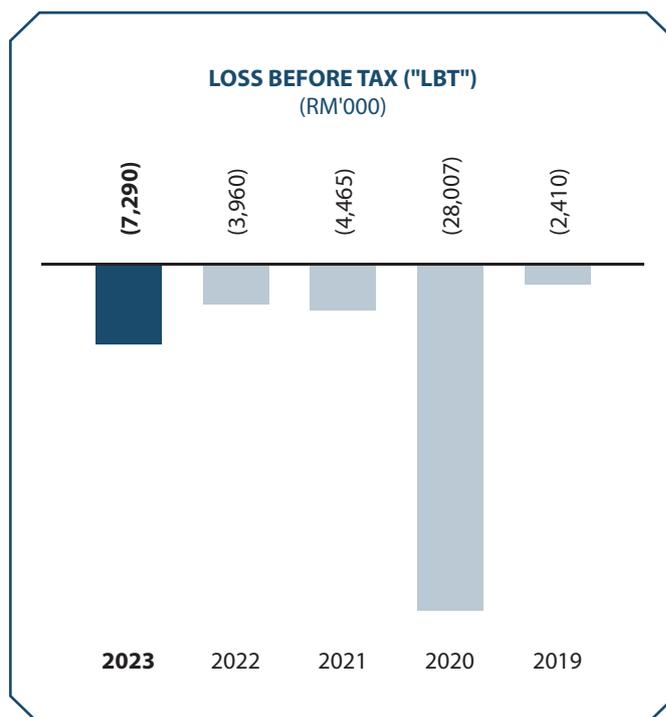
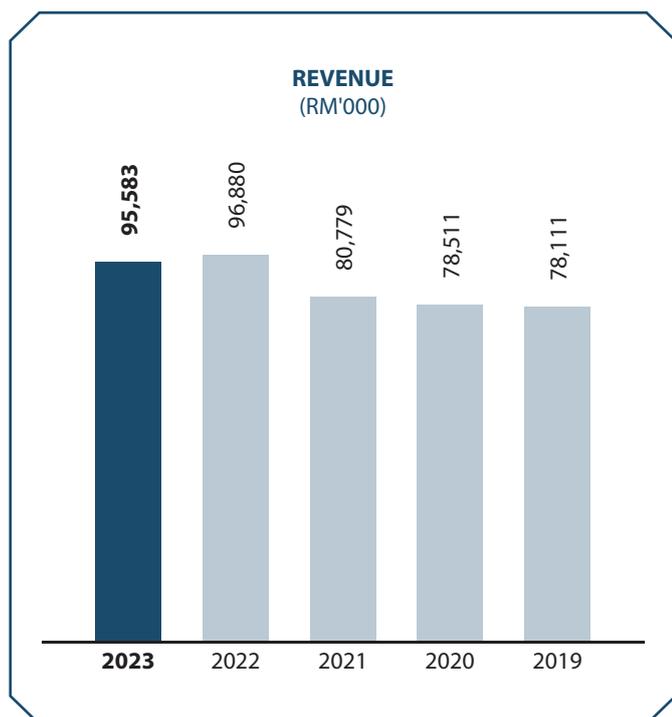
The summary of the results of SAUDEE and its subsidiaries (the "Group") for the past financial period ended 31 July 2018 ("FPE 2017") to financial year ended 31 July 2023 ("FYE 2023") is as summarized below:-

Group		12 months				
		01.08.2022 to 31.07.2023	01.08.2021 to 31.07.2022	01.08.2020 to 31.07.2021	01.08.2019 to 31.07.2020	01.08.2018 to 31.07.2019
Revenue	(RM'000)	95,583	96,880	80,779	78,511	78,111
Loss Before Tax ("LBT")	(RM'000)	(7,290)	(3,960)	(4,465)	(28,007)	(2,410)
(Loss)/Profit After Tax ("L)/PAT")	(RM'000)	(7,367)	(4,406)	(4,373)	(30,611)	453
(Loss)/Earnings Before Interest, Depreciation & Taxation ("L)/EBITDA")	(RM'000)	(1,448)	1,262	1,214	(21,611)	4,940
Total Assets	(RM'000)	156,259	149,579	141,319	75,528	101,075
Total Liabilities	(RM'000)	20,090	12,366	16,273	46,481	43,713
Share Capital	('000)	1,140,580	991,844	716,280	146,638	137,316
Shareholders' Fund/Net Assets	(RM'000)	136,170	137,214	125,046	29,048	57,362
Return on shareholders' funds	(Sen)	(0.05)	(0.03)	(0.03)	(1.05)	0.79
Current ratio	(Times)	3.74	8.80	7.20	1.02	1.51
Weighted average number of shares	('000)	1,103,129	902,141	298,413*	169,727	132,548
Net (loss)/earnings per share	(Sen)	(0.67)	(0.49)	(1.47)	(18.04)	0.34
Net assets per share	(RM)	0.12	0.15	0.47	0.44	0.43

The purpose of this review is to highlight and provide brief insight on the key financial and operating information at the Group level.

* The weighted average number of ordinary shares in issue takes into account the weighted average effect of rights issue during the financial year.

FINANCIAL HIGHLIGHTS (CONT'D)



MANAGEMENT DISCUSSION & ANALYSIS

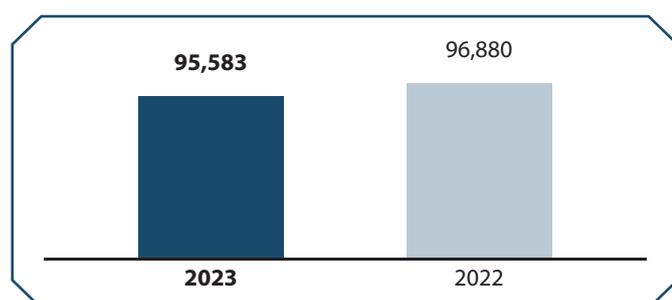
Introduction

The summary of the results of SAUDEE and its subsidiaries (“Group”) for the past two (2) financial years ended 31 July 2022 (“FYE 2022”) to FYE 2023 summarised below:-

		FYE 2023	FYE 2022
		01.08.2022 to 31.07.2023	01.08.2021 to 31.07.2022
KEY RESULTS			
Revenue	(RM'000)	95,583	96,880
Loss before tax (“LBT”)	(RM'000)	(7,290)	(3,960)
Loss after tax (“LAT”)	(RM'000)	(7,367)	(4,406)
(Loss)/Earnings before interest, taxes, depreciation and amortisation (“(L)/EBITDA”)	(RM'000)	(1,448)	1,262
OTHER KEY DATA			
Total assets	(RM'000)	156,259	149,579
Total liabilities	(RM'000)	20,090	12,366
Share capital	(RM'000)	169,139	162,816
Shareholders’ funds	(RM'000)	136,170	137,214
FINANCIAL RATIOS			
Return on shareholders’ funds	(Sen)	(0.05)	(0.03)
Current ratio	(Times)	3.74	8.80
Debts to equity ratio	(Times)	0.01	0.01
Weighted average number of shares	('000)	1,103,129	902,141
Net loss per share	(Sen)	(0.67)	(0.49)
Net assets per share	(RM)	0.12	0.15

The purpose of this review is to highlight and provide brief insight on the key financial and operating information at the Group level. This review and comparison is for the FYE 2023 against FYE 2022 results.

Analysis of Revenue



	FYE 2023 (RM'000)	FYE 2022 (RM'000)
Manufacturing-further process products (“FPP”)	84,251	64,219
Food Service (HORECA and OEM)	8,352	16,709
Trading products	2,980	15,952
	95,583	96,880

Our Group’s total revenue for FYE 2023 stands at RM95.58 million decrease by RM1.3 million as compared to RM96.88 million in FYE 2022 due to the following reasons:

- i) Improved FPP sales during the FYE 2023 sales increase in FPP segment by RM20.0 million. This was mainly due to the continued trends of consumer behavior for frozen FPP products as it can be kept for longer period, and
- ii) However, this improvement in FPP has been set off against the slow demand in Food service activities of RM8.4 million and no trading activities after second half of FYE 2023 due to lower margin for trading activities. As summary total revenue been decreased by RM1.3 million in FYE 2023 as compared with FYE 2022.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Analysis of Revenue (Cont'd)

The Management will continue to improve its production efficiency and increase its production capacity to capture a bigger market share in the FPP segment which has cater more sales and increase the market for East Malaysia, i.e. Sabah and Sarawak. As during the financial under review, the Company investing into expand its production capacity that able to produce more in FPP products and meet the demand of local and East Malaysia market. The Management continued to put effort in monitoring its cash flow management and cost reduction programme that is important in view of the ever-changing business environment on uncertainty in Global market situation such as Russian Ukraine conflict and GAZA conflict.

Analysis of Profit/(Loss)

		FYE 2023 01.08.2022 to 31.07.2023	FYE 2022 01.08.2021 to 31.07.2022
Analysis of profit/(loss) and expenses :			
Loss			
Loss before tax	(RM'000)	(7,290)	(3,960)
Loss after tax	(RM'000)	(7,367)	(4,406)
(Loss)/Earnings before interest, taxes, depreciation and amortisation ("L)/EBITDA")	(RM'000)	(1,448)	1,262
Expenses			
Cost of goods sold ("COGS")	(RM'000)	82,289	79,058
Administrative and selling expenses	(RM'000)	22,795	24,502
Finance costs	(RM'000)	131	72

The loss in EBITDA of RM1.4 million was mainly due to the increase in labour costs and electricity costs in FYE 2023 by RM2.2 million as compared to EBITDA of RM1.2 million in FYE 2022. However, the impact of costs increase was mitigated by continuing cost reduction programme implemented. Furthermore, this loss also impacted by the fair value loss of other investments amounting to RM4.8 million in total. The loss is not incurred any outflow of actual fund. The actual EBITDA excluded this fair value loss on other investments should be RM3.4 million as compare to of RM8.5 million in FYE 2022.

Therefore, due to the above recognition of fair value loss, for FYE 2023, the Group recorded LAT of RM7.4 million as compared to LAT of RM4.4 million in FYE 2022. The increase in LAT mainly due increase in labour costs due to implementation of minimum wages, increase in utilities charges and fair value loss charge out for other investments in FY 2023. However, the increase in LAT was mitigated by the effort of the management team which continues to implement cost efficiency and reduction programmes and the good strategy by management to continued concentrate on the FPP instead of HORECA in FYE 2023.

Even though the Group recorded LAT of RM7.4 million during FYE 2023, the Group was still able to generated net operating cash inflow of RM20.4 million that is further discussed in the analysis on cash flow.

Analysis of Expenses

Our Group's COGS increased by RM3.2 million or 4.09% from RM79.1 million in FYE 2022 to RM82.3 million in FYE 2023. The reason for the increase in COGS was mainly due increase in labour costs and utilities cost as discuss in above. Furthermore, this also impact GP margin reduce to 13.9% in FY2023 as compared with 18.4% in FY2022. The Management will continue and concentrate in monitoring the COGS by continued cost reduction and efficiency improvement programme in production.

Our Group's administrative and selling expenses comprised mainly of marketing cost such as promotion expenses, listing of products cost, sales commissions, salaries and etc. The Group's administrative and selling expenses decreased by RM1.7 million or 6.9% from RM24.5 million in FYE 2022 to RM22.8 million in FYE 2023. The decrease was mainly due to reduce in promotion and selling expenses. Besides, the Group will foresee selling and promotion costs to continue reduce as the Group been completely change to distributorship model completely during year 2023 from direct retail selling model.

Our Group's finance cost has slight increased by RM0.06 million from RM0.07 million in FYE 2022 to RM0.13 million in FYE 2023. Going forward, there should be minimum finance cost as technically the Group is in a "debts free" position where the current bank borrowings is solely comprising of hire purchase loans.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Losses Per Share (“LPS”)

The impact of fair value loss in other investments had contributed to an overall loss after tax of RM7.4 million. As such, our Group has recorded loss per share of 0.67 sen for FYE 2023 as compared to loss per share of 0.49 sen in FYE 2022.

Cash Flow Analysis

	FYE 2023 (RM'000)	FYE 2022 (RM'000)
Operating cash flow before working capital change	7,384	5,990
Changes in working capital	13,574	(27,605)
Tax paid	(381)	(49)
Interest paid	(120)	(64)
Net cash from/(used in) operating activities	20,457	(21,728)

Our Group has recorded net cash generated from operating activities of RM20.5 million in FYE 2023 as compared to net cash used in operating activities of RM21.7 million in FYE 2022 after deducting interest paid of RM0.1 million for FYE 2023 and RM0.06 million for FYE 2022 respectively. The increase in cash from operating activities was collection from customers and cash inflow generated from operating activities. Even facing the uncertainty on post Covid-19 pandemic challenge on global and local in material price and forex, the Group was still able to improved its cash inflow from operation and still maintained its current ratio at 3.74 times for FYE 2023 as compared to 8.8 times for FYE 2022.

During the financial year under review, the Group raised funds of RM5.4 million through Shares Issuance Scheme. The cash generated were used to purchase of additional machinery and expansion of production and cold storage space. This will able to increase the Company production capacity by at least 30% in coming years. Cash and cash equivalent stood at RM4.1 million as at 31 July 2023.

	FYE 2023 (RM'000)	FYE 2022 (RM'000)
Net cash used in investing activities	(28,522)	(36,092)
Net cash generated from financing activities	4,172	15,399
Net (decrease)/increase in cash and cash equivalents	(3,892)	42,421

The Group has in process to increase its production capacity by investing in new machineries and equipment in current financial year under reviews with the proceeds raised pursuant to the rights issue and placement of shares. In FYE 2023, the Group has invested RM23.9 million in FYE2023 as compared to RM21.5 million in FYE 2022 on the acquisition of plant and machineries. The spending was mainly in the acquisition of new production machinery and increase in production and cold storage space that will improve the production capacity in order to cater existing customers demand and demand from Easy Malaysia customers in the near future. Even with the tough time during the financial year under review, the management re-strategised the direction decided that

it was a strategic time for expansion and reinvestment to replace old machines with more automated machines in the short and middle term. Therefore, the Group raised funds for expansion of production and reinvesting into new machinery to increase the production capacity of the Group in coming years, even during this challenging time i.e. post Covid-19 pandemic and uncertainty in Global situation.

Financial Position Analysis

	FYE 2023 (RM'000)	FYE 2022 (RM'000)
Inventories	18,461	15,923
Trade and other receivables, and amount due from an associate	23,346	32,169
Trade and other payables	17,476	8,883
Bank borrowings	1,077	1,763

Our Group's inventories was RM18.5 million for FYE 2023 as compared to RM15.9 million for FYE 2022. This represents an increase in inventories level by 15.9%. This was mainly due to purchase of material towards the end of the financial year and cater the increase in production capacity in coming quarter for FPP products. However, the Management will continue to monitor the inventories holding level to and inventories holding period to minimized the inventories holding costs and handling cost of the inventories.

Trade and other receivables stand at RM23.3 million as at FYE 2023 as compared to RM32.2 million as at FYE 2022 which shown a decrease by RM8.9 million. The decrease mainly due to collection from customers with a closed monitoring of collection from receivables. The trade receivables reduced by RM13.7 million as compared FYE 2022. The decrease in trade receivables due to collection form customers that been closely monitored with short credit term given to customers. Therefore, its represents a trade turnover period of 38 days for FYE 2023 as compared to 88 days for FYE 2022.

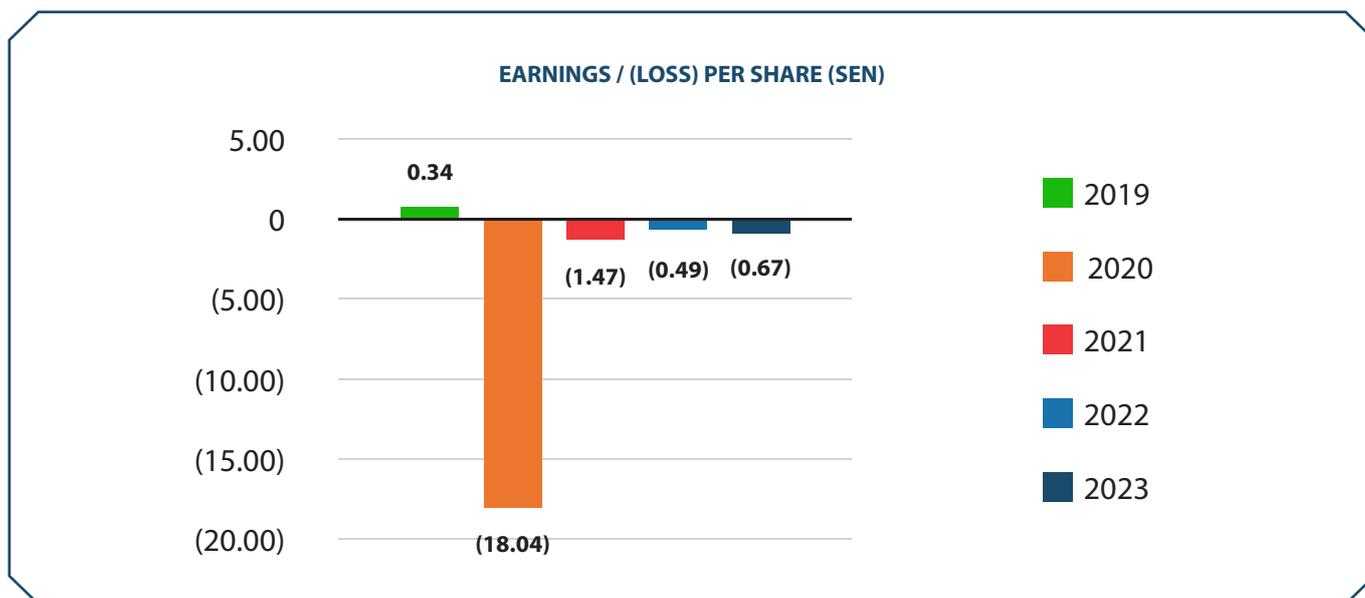
MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Financial Position Analysis (Cont'd)

Besides the continuing impact of post Covid-19 pandemic and uncertainty in Global situation. FYE 2023, the Management still able to mitigate the impact and maintain stabilities of trade turnover period which resulted in the following:

- The stabilities in collection will help the Management in the cost saving programme such as reduction in finance cost and obtained cash or prompt payment discounts from suppliers.
- The abovementioned resulted the Group to be able to improve the collection from customers by reducing trade receivables from RM23.8 million in FYE 2022 to RM10.1 million in FYE 2023.

Shareholders' Fund Analysis



- Our Group's shareholders' equity as at 31 July 2023 stood at RM136.2 million representing a decrease of RM1.0 million or 0.7% over the previous financial year ended 31 July 2022 of RM137.2 million. The decrease were mainly due to fair value loss and loss on disposal of other investments of RM7.9 million in current year under review.
- The abovementioned cause our Group's net assets per share to reduce to 12 sen in FYE 2023 as compare to 15 sen in FYE 2022. This mainly due to increase in number of ordinary shares.

Key Risk and Mitigation

After completely implementing the distributorship model undercurrent year review, the Group was able to strengthen its credit control and minimised exposure of credit risks. However, due to the Covid-19 pandemic and uncertainty in global economy during the financial year, the Group had continued monitoring the situation in Malaysia and globally. The additional cost such as labour costs on the imposition of minimum wages from RM1,200 per month to RM1,500 per month. This additional cost has contributed to the negative result during the financial year under review. As such, the Group will continue to put more effort in strengthen the growth distributorship channel on FPP segment and increase production capacity to cater the increase in demand of FPP in the coming year.

Trend, outlook, future challenge, strategy and capital expenditure

The Group will continue to improve its operation efficiency with effective resources planning, practicing lean concept for operation work flow as well as empower the employees especially middle management to initiate and execute ideas for better production cost control by sharing their idea and thinking every day during our daily and monthly Head of Department meeting that will discuss the current situation of the Company and risks that were faced during the past month and will be facing in the coming months.

Moving forward, with technically debts free situation and the in progress of expansion plan of production capacity, the Group foresee increase in revenue and better performance in the coming year. With the current management team headed by our Executive Directors and our Chief Executive Officer, the Group have will move at faster pace after the completion of the expansion project in FYE 2024. The Group is expected to further strengthen its financial performance to maintain or exceed the current momentum based on the strategic plans that have been put in place by the Management with the view to further improve on the generating cash flow. The Group will continuously improve on production efficiency and to further realise plan to penetrate into a bigger share in FPP segment.

SUSTAINABILITY STATEMENT

As a responsible corporate citizen, Saudee Group Berhad (“SAUDEE” or “the Company”) is committed towards sustainability in the economic, environmental and social spheres (“EES”) while maintaining standards of corporate governance in our efforts to drive growth, productivity and contribute to the society and environment with the strong support from Board of Directors and Management teams. The sustainability disclosure enhancing stakeholders understanding of the Group’s strategy, approach and implementation of its sustainability efforts and eases communications, awareness and interaction with all stakeholders and the public.

This Sustainability Statement (“Statement”) was developed with reference to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) Sustainability Reporting Guide and the reporting approach is based on the framework and guidance provided by Global Reporting Initiative (“GRI”). The disclosure adhering to the GRI Principles as below:

- (i) Stakeholder Inclusiveness – being responsive to stakeholder expectations and interest
- (ii) Sustainability Context – presenting performance in the wider sustainability context
- (iii) Materiality – focusing on issues where we can have the greatest impact and that are most important to our business stakeholders
- (iv) Completeness – including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company’s performance

This disclosure highlights how value is delivered to stakeholders by being a caring, responsible food manufacturer and business partner and how measures are being deployed to achieve the desired results.

SUSTAINABILITY STRATEGY

CORPORATE VISION		
Establish a World Class Supply Chain and Expand Presence into Global Halal Market		
CORPORATE MISSION		
To deliver outstanding service, quality products and value for money for our customers.		
SUSTAINABILITY GOAL		
Embedded governance culture in SAUDEE and integrate sustainability practices into all three economic, environmental and social aspects to established ourselves as a sustainable Group.	To maintain long-term corporate sustainability by identifying aspects, impacts and stakeholder engagement that are material to the Group.	Create a world class supply chain which can enhance our quality of life while ensuring our business success as an outperforming foods processing supplier.

SAUDEE embedded sustainability strategy across entire operations in order to keep going to improve our sustainability development.

SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance structure is the Board of Directors of SAUDEE (“the Board”) responsible for the setting the sustainability strategies and overseeing the overall sustainability performance of the organisation. The Sustainability Working Group (SWG) is responsible to identify material matters that related to the Group. The SWG activities are:

- Identifying environmental, economic and social risks and opportunities
- Implement sustainability strategies for managing EES risks within their departments
- Monitor EES performance and provide updates to the Board.

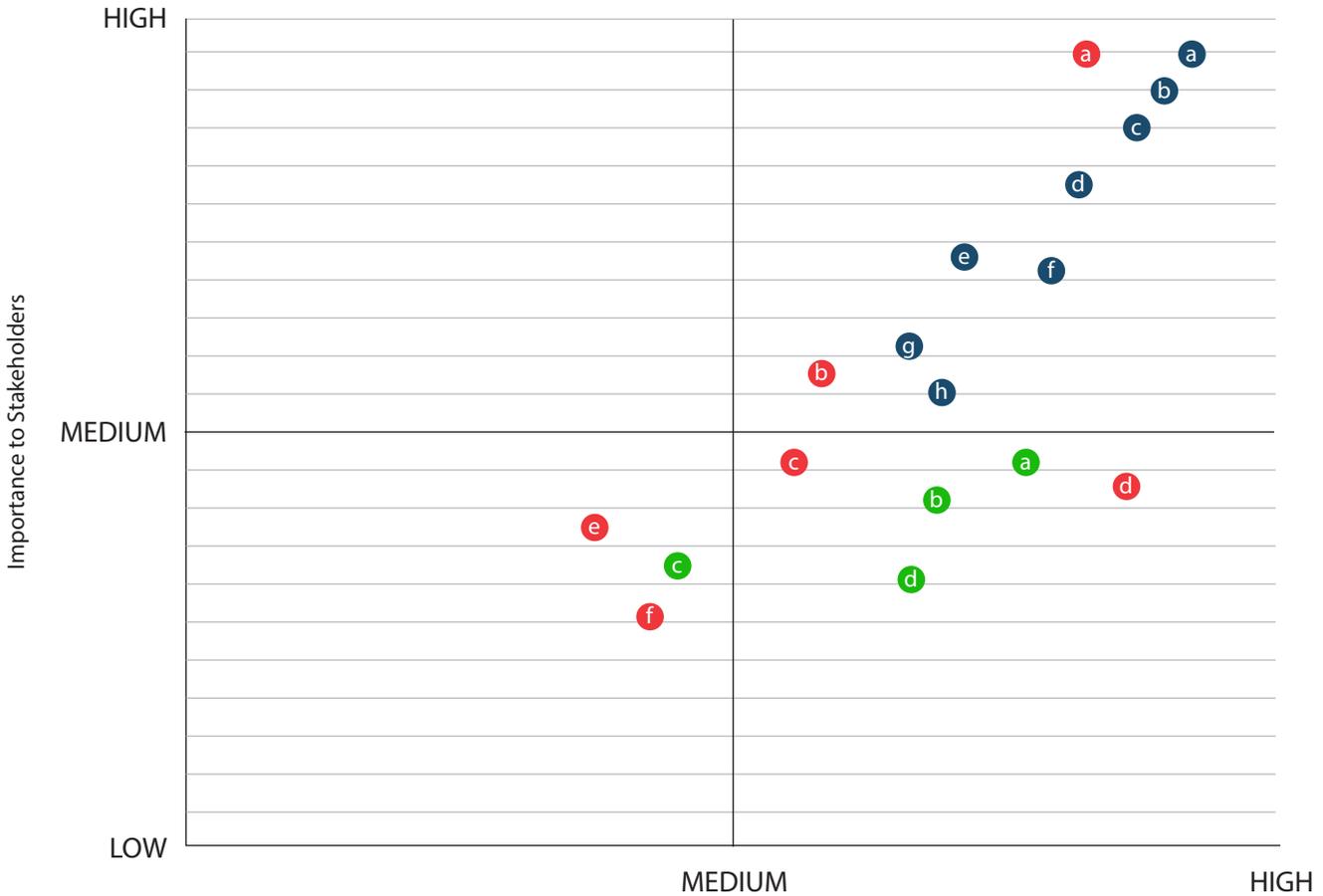


SUSTAINABILITY STATEMENT (CONT'D)

ASSESSING ON MATERIAL ISSUES

The SWG reassessed the list of material sustainability matters identified in FY2022, taking into consideration each matter's level of impact, risk, influence on decision making and relevance in FY2023. Ranking each material issue in a matrix to clearly illustrate our priority area of concern.

MATERIALITY MATRIX



Economic Growth

- a Financial performance
- b Customer Satisfaction
- c Sustainable Supply Chain Management
- d Ethics and Integrity
- e Corporate Governance and Transparency
- f Customer Privacy and Data Protection
- g Risk Management
- h Anti-Corruption

Environmental Management

- a Energy Management
- b Water Consumption
- c Greenhouse Gas Emission
- d Waste Management

Social Contributor

- a Regulatory Compliance
- b Occupational Health and Safety
- c Employee Wellbeing
- d Training and Development
- e Contribution to Society
- f Human Rights and Labour Practices

SUSTAINABILITY STATEMENT (CONT'D)

ASSESSING ON MATERIAL ISSUES (CONT'D)



ECONOMIC GROWTH

- Financial Performance
- Products Responsibility and Innovation
- Customer Satisfaction
- Sustainable Supply Chain Management
- Ethics and Integrity
- Corporate Governance and Transparency
- Customer Privacy and Data Protection
- Risk Management
- Anti-Corruption



ENVIRONMENTAL MANAGEMENT

- Energy Management
- Water Consumption
- Waste Management
- Greenhouse Gas Emission



SOCIAL CONTRIBUTOR

- Regulatory Compliance
- Occupational Health and Safety
- Training and Development
- Employee Wellbeing
- Human Rights and Labour Practices
- Contribution to Society

Our material sustainability matters are mapped against the stakeholders concerned as well as GRI Standard Reported to show the inter-relationships.

Material Sustainability Matters	Stakeholder(s) concerns	Applicable GRI Standard Reported
Financial Performance	Employees and Investors	GRI 201 Economic Performance
Product Responsibility and Innovation	Customers and Investors	GRI 416 Customer Health and Safety
Regulatory Compliance	Regulatory Agencies, Investors and Customers	GRI 419 Socioeconomic Compliance
Customer Satisfaction	Customers and Investors	GRI 416 Customer Health and Safety
Supply Chain Management	Suppliers and Distributors	GRI 204 Procurement Practice
Ethics and Integrity	Employees and Investors	GRI 102-16 Values, Principles, Standards, and Norms of behaviour
Customer Privacy and Data Protection	Customers and Employees	GRI 418 Customer Privacy
Corporate Governance and Transparency	Employees and Investors	GRI General Standard Disclosure
Risk Management	Investors	GRI 102-30 Effectiveness of risk management processes
Occupational Health and Safety	Employees and Customers	GRI 403 Occupational Health and Safety
Training and Development	Employees	GRI 404 Training and education
Energy Management	Local Communities and Investors	GRI 302 Energy
Waste Management	Local Communities, Investors and Customers	GRI 306 Effluent and Waste
Water Consumption	Local Communities and Investors	GRI 303 Water
Employee Wellbeing	Employees	GRI 405 Diversity and Equal Opportunity
Anti-Corruption	Regulatory Agencies, Employees, Investors and Customers	GRI 205 Anti-Corruption
Greenhouse Gas Emission	Local Communities, Investors and Customers	GRI 305 Emissions
Contribution to Society	Local Communities	GRI 413 Local Communities
Labour Right	Employees	GRI 408 Child Labor GRI 412 Human Rights Assessment

SUSTAINABILITY STATEMENT (CONT'D)

Our Stakeholder Engagement and Prioritisation

SAUDEE believes that stakeholders are the key to its continuous success and the sustainability of the business. By establishing effective and transparent lines of communication with our stakeholders, SAUDEE has a better understanding of stakeholders' interest and concerns. SAUDEE has been diligently maintaining and enhancing its relationship with key stakeholders by addressing stakeholders' concerns in a collaborative manner that meets the stakeholders' interest and the Group's vision for sustainable growth.

We have identified the key stakeholders based on the stakeholder mapping to identify key external stakeholders, internal stakeholders and connected stakeholders which have substantial impact to SAUDEE business or upon which SAUDEE has a substantial impact.

Stakeholders Group		Stakeholders description	Areas of Concern	Method of Stakeholders engagement
Internal stakeholders	Employees	Employees are an important asset of SAUDEE which involved in all parts of the value chain	<ul style="list-style-type: none"> • Learning and development • Fair remuneration • Employee benefits • Business ethics and code of conduct • Employee satisfaction • Working environment • Work life balance • Performance management 	<ul style="list-style-type: none"> • Meetings • Annual appraisal • Circulation of internal policies • Sports activities and recreation • Training and product knowledge
Connected Stakeholders	Customers	Our customers comprise local food service providers and retailers	<ul style="list-style-type: none"> • Product quality and safety • Customers' privacy • Production capacity • Customer service 	<ul style="list-style-type: none"> • Meetings with the management • Contract negotiation • On-site visits at the Group's premises
	Suppliers	They supply our raw material and indirect material	<ul style="list-style-type: none"> • Payment schedule • Pricing of materials • Maintaining long term partnership 	<ul style="list-style-type: none"> • Meeting with the management • Evaluation and performance reviews • Supplier selection through pre-qualification
	Shareholders/ Investors	The Owners of SAUDEE	<ul style="list-style-type: none"> • Group financial performance • Sustainable and stable income distribution • Corporate governance • Investor relationship management 	<ul style="list-style-type: none"> • Annual General Meeting • Company website • Announcement to Bursa Securities • Annual report • Circular and notice • Press release
	Bankers	They provides financial facility to support the Group's operation	<ul style="list-style-type: none"> • Repayment of the loans 	<ul style="list-style-type: none"> • Meeting with the management • Quarterly results
External stakeholders	Government agencies and regulatory bodies	Government agencies and regulatory bodies stipulate and enforce the laws and regulations in the markets where SAUDEE operates	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • Environmental Management and compliance • Compliance and follow COVID-19 SOP impose by authority 	<ul style="list-style-type: none"> • Inspection and periodic audits by the agencies • Meeting with the regulators • Correspondences with regulators on requirements
	Local communities	Local communities include people who reside in the areas where SAUDEE operates and Non-Government Organisation	<ul style="list-style-type: none"> • Job opportunities • Social contribution • Environmental impacts 	<ul style="list-style-type: none"> • Meetings • Notices • Corporate Social Activities (e.g. festive season celebrations, donations to mosques, orphanage, etc)

SUSTAINABILITY STATEMENT (CONT'D)

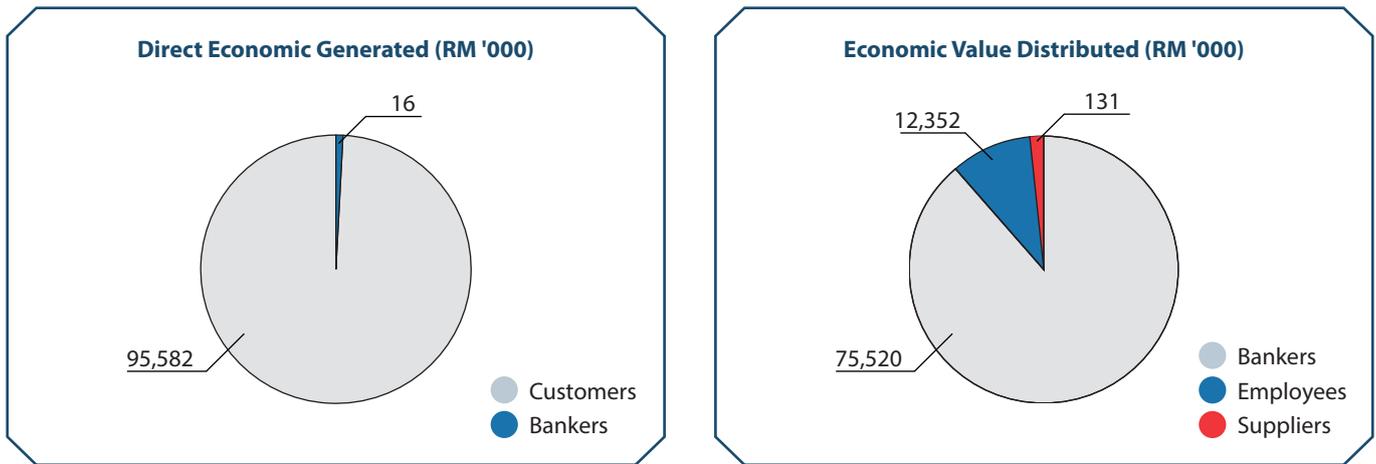
DEVELOPING A SUSTAINABLE ECONOMIC

SAUDEE endeavour to develop a sustainable economic by focusing on quality product and process in order to delivering quality Halal products and food servicing to its customers. By doing ethical business, enhancing its corporate governance and supply chain development to ensure the Group business continue to grow and remain sustainable.

Financial Performance

The Group has set a long-term goal to grow the businesses with support from key stakeholders.

During the reporting year under review, the Group direct economic value generated from business was RM 80.78 million of revenue and RM 0.15 million of interest income received from banks. Total economic value distributed to stakeholders was RM 85.39 million as shown below and the Group economic value loss was RM 4.46 million.



- Suppliers: Operating costs
- Employees: Employee wages and benefits
- Bankers : Interest payments of borrowing
- Local communities : Voluntary donations

Further information on our financial performance can be found in Group Financial Highlights Page13 and Financial Statements Pages 69 to 126 of this Annual Report.

Products Responsibility and Quality

Maintaining the quality of products and services are an essential aspect that contributes to an organisation’s business success. Providing quality Halal and safety food products are an initiative step to meet customers’ needs and earning their trust.

Performance

SAUDEE strive to continuously develop and offer quality Halal and safety products to its customers. As such, more and more SAUDEE’s Halal quality and safety foods are offered at a reasonable price to its customers to ensure the sales continue to grow and the business remains sustainable. Therefore, Saudee had developed premium products under brand of “Saudi Gold”.

SUSTAINABILITY STATEMENT (CONT'D)

DEVELOPING A SUSTAINABLE ECONOMIC (CONT'D)

Products Responsibility and Quality (Cont'd)

The premium products as below:



SAUDEE continues to play its role in firming up the food market and committed to produce quality Halal and safety products to fulfil the demand of local food market.

SUSTAINABILITY STATEMENT (CONT'D)

DEVELOPING A SUSTAINABLE ECONOMIC (CONT'D)

Products Responsibility and Quality (Cont'd)

Performance (Cont'd)

Certificate granted to SAUDEE as below:

- Certificates of Authentication HALAL issued by Department of Islamic Development Malaysia.
- Mesti Certificate (Makanan Selamat Tanggungjawab Industri) issued by Ministry of Health Malaysia.
- Good Manufacturing Practice (GMP) yearly audit by certification bodies
- Veterinary Health Mark (VHM) Certificate issued by the Department of Veterinary Services

During the FYE 2023, there is no incident of non-compliance concerning the health and safety impacts of SAUDEE products and services. The Group's processing and manufacturing facilities have operated accordance to the Group's Quality Assurance program. The Group upholding the hygiene practices and sanitation procedures within the production and monitored on an ongoing basis. It is a vital for the proper segregation and compartmentalisation of processing areas are made between raw, semi-processed, and processed items to avoid cross-contamination. The Group's production has incorporated controls including metal detectors and temperature controls to maintain of the optimum food safety and quality.

Our progress to date

In FYE 2023, SAUDEE will focus on upgrading the machineries for the premium products lines and a business collaboration to jointly roll out Malaysia's first robotics operated burger kiosks and food trucks to fully expand a food supply chain in order to meets current and future market demand.

Customers Satisfaction

Customer satisfaction is the most integral part of the Group's success. It is not only to maintain the Group reputation as well as retain trusting and royal relationships with customers. SAUDEE had subsequently engage with its distributors and direct customers for discussion in term of sales forecast, product orders and time of delivery to ensure the products quality and delivery is fulfilling their needs and expectation.

Performance

The Group deploy a range of different quality measures to check compliance with quality standards, such as ingredients, packaging materials, product and processes were assessed by food safety team according to HACCP before making the product. Corrective action will be implemented if required after the assessment to ensure comply with food safety and quality requirement.

Validation of product and verification of processes will also conducted by QA personnel to ensure according to requirement of product specification and process flow. IPQC will check the WIP, processes & finished goods at production line according to quality plan and report in the respective inspection report. Any non-conformity found will follow Control of Non-conforming product and Corrective and preventive action procedure.

SAUDEE had implement internal control action according to the certification requirement to reduce its occurrence of quality issue. The certification as follow:

- ISO 22000:2005
- ISO 9001:2015
- Hazard Analysis and Critical Control Point (HACCP) Good Manufacturing Practice (GMP)

Our progress to date

In FYE 2023, the Group is targeting to minimise the number of customer complaints on the quality issues while conduct staff trainings regularly to whom new to the quality control process. The staffs will be training on standard operating procedures which includes, amongst others, monitoring and identifying any issues in the processing or manufacturing process, proper handling and storage of materials and products, etc.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC: DEVELOPING A SUSTAINABLE ECONOMIC (CONT'D)

Sustainable Supply Chain Management

Sustainable supply chain management is an integral part of the business and is essential to the company to achieve operation efficiency. SAUDEE has been implemented several initiative to build its sustainable supply chain management by acutely underpinned of local sourcing and appointing local distributors. It is not only for the purpose of the contributing to the local economy, but we have greater control of our suppliers and distributors as well as reduce supply chain costs.

Performance

Most of our indirect materials are supplied by local suppliers except for the majority of direct materials are imported as due to short supply in Malaysia. By managing the sustainability of our supply chain, appointing local distributors is an effective way to expand our market share in local areas.

The table below shows number of local and foreign purchases of materials in FYE 2023 and FYE 2022.

Description	2023		2022	
	Local	Foreign	Local	Foreign
Direct and indirect material	460	32	337	24

Our progress to date

In FYE 2023, the Group focusing on cost saving by incorporating more sustainable materials for the company products. SAUDEE take initiative step to collaborate and sharing of knowledge with the local suppliers to ensure that material acquired are sustainable and of high quality.

Corporate Governance and Compliance

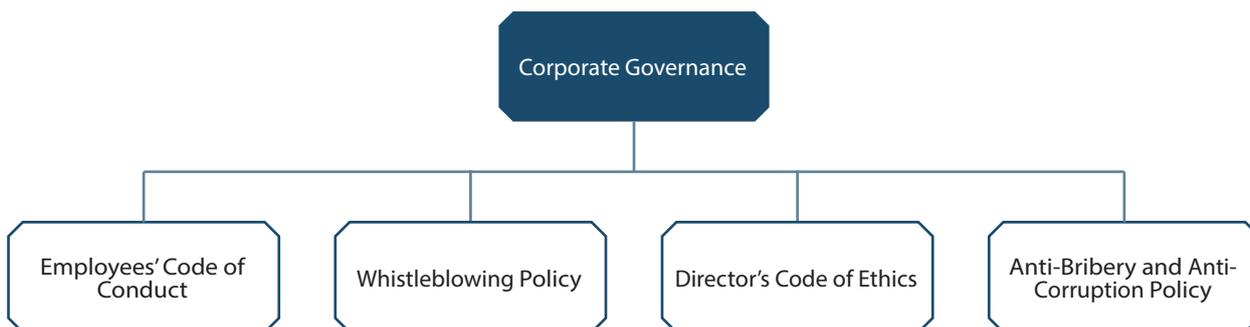
SAUDEE committed to hold the management accountable to operate and manage the Group’s business operations according to strong ethical and governance principles, adhere to regulations and policies that are relevant to the Group’s business. Upholding our strong ethical corporate culture is paramount to the Group to achieve the sustainable economic success. We able to earn trust and acceptance from stakeholders, maintaining its reputation and create business opportunities in the future.

The Group strive to comply with the three governing principles of the Malaysian Code on Corporate Governance 2017 (“MCCG” or “the Code”) as a framework to effectively govern the Group. The detail of our CG framework and practices are elaborated in the CG Overview Statement in page 35 to 46 of this Annual Report.

MCCG Three Principles

- A. Board Leadership and Effectiveness;
- B. Effective Audit and Risk Management; and
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The pillars of corporate governance describes how SAUDEE deal with risks such as anti-corruption, data leaks and fraud in the Group.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC: DEVELOPING A SUSTAINABLE ECONOMIC (CONT'D)

Corporate Governance and Compliance (Cont'd)

- Code of Conduct and Ethics

Our Code of Conduct and Ethics is to ensure the business is conducted fairly, ethically and legally throughout operations. Underlying all efforts is an overriding commitment towards the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness. These principles are outlined in our Code of Conduct and Ethics - principles by which business should be executed and the conduct that is expected of our employees at the workplace.

The Group's employee handbook continues to govern the standards of ethics and good conduct expected of Directors and employees. The Board set the tone for proper ethical behaviour to demonstrate to the management and the workplace in corporate governance, and operates within the Group Code of conduct parameters.

In addition, our Code of Conduct and Ethics is supported by the Whistle-Blowing Policy. All stakeholders are encourage to report genuine concerns about unethical behaviour or suspected misconduct or non-compliance with regulatory requirements. This whistleblowing is a safe channel for employees and external party to report concerns on misconduct without fear of reprisal.

Performance

The Group has adopted the Anti-Bribery and Anti-Corruption Policy which will further safeguard its business operations. SAUDEE has provided Anti-Bribery and Anti-Corruption in house workshop for its staffs in order to raise their awareness about practices of bribery and corruption of all forms are prohibited in the Group's daily operations in FYE 2023.

There is no incidence of corruption, fraud or bribery were reported for the FYE 2023.

Our progress to date

The Group maintain zero incidents of corruption, unethical behavior in FYE 2023 and adhere to strict and transparent business conduct. and all employees and other stakeholders associated to the Group will be educated on the content and implications of the Anti-Bribery and Anti-Corruption Policy.

Risk Management

The Board recognises the importance of maintaining a sound risk management framework to safeguard the shareholders' interest and assets of the Group as well as ensure significant risks are adequately addressed to mitigate the impacts to the Group's business operation.

Performance

SAUDEE take an initiative step to drive a proactive risk management culture by adopted Enterprise Risk Management (ERM) framework to allow the management to manage risk within the Group risk appetite. In order to maximize shareholder value, the Board has established a governance structure to ensure effective oversight of risk and control in the Group. It is assisted by the Risk Management Committee (RMC) and Audit Committee (AC) to oversee all matters with regard to risks included economic, environmental and social impact and control. Risk-related and internal control matters which required the attention of the Board were recommended by the RMC and AC to the Board for its deliberation and approval.

The members of RMC have been trained in identification of risks. Internal audit function audit on areas with significant risk identified by RMC as to provide assurance on the management risks. Further details are set out in the Corporate Governance Overview Statement and the Statement on Risk Management and Internal Control in this Annual Report.

Risk management meeting carry to re-assess and review of risk identifications and control at least once in a year.

Our progress to date

Risk management meeting held once in a year to re-assess and review risk identifications is adequate to the Group.

ENVIRONMENT: DEVELOPING A SUSTAINABLE ENVIRONMENT

Environmental sustainability concerns conserving the environment by actively minimising our environmental impact through resource use optimisation. Our commitment to environmental protection begins with an understanding of surroundings and operating environment. The alarming surge of COVID-19 in 2020 has served as a warning as to the dire consequences of increasing environmental encroachment. Therefore, we strive to manage and address the environmental issues to enable us to minimise environmental impact by reducing energy use, waste, water, carbon emissions from transportation and production, and raw materials handling. As a responsible corporate citizen, we are mindful of delivering healthy environment for local community.

Environmental risks include non-compliance to regulatory standards set by the local authority or the government. Therefore, we commit to controlling effluent discharge and complying with local Department Of Environmental (DOE) standards and environmental health and safety policy had in placed to ensure the environment is well managed throughout the daily business operation.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT: DEVELOPING A SUSTAINABLE ENVIRONMENT (CONT'D)

Energy Management

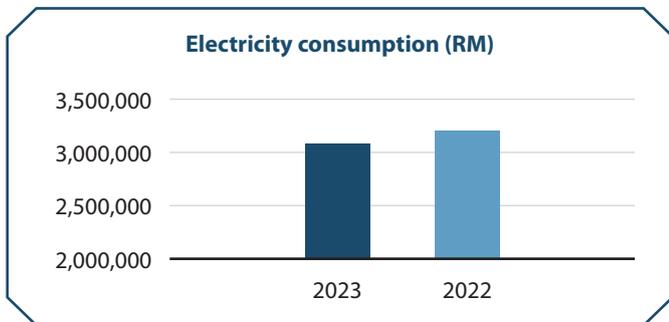
Uncontrolled energy consumption will caused an increase in overall carbon emission which resulted climate change. Thus, we committed reduce energy consumption by actively monitor the energy consumption and undertaking several energy saving initiatives. Closely monitor the energy usage will enable us to formulate energy reduction measures in future.

Performance

The whole plant has installed LED lighting to conserve energy. The high-efficiency LED replacements has reduced power consumption from 40w to 12w per light source. While, employees are encouraging to switch off office lights and air conditioning during lunch breaks and non-office hours to avoid any wastage.

Improvement of the machinery and equipment is one of energy saving initiatives such as install inverter at high amp equipments could avoid energy wastage and increase energy efficiency.

Our energy consumption:



The cost of energy consumption was induced as compare to FYE 2023 was mainly due to the surcharge imposed by TNB during FYE 2023.

Our progress to date

To invest of new technology machineries could avoid energy wastage and increase energy efficiency. The Group ensure business continuity in energy crisis and maintain business competitiveness in terms of production costs.

Waste Management

SAUDEE strive to manage waste and schedule waste raised from the production by adopting the 3R waste programme-Reduce, Reuse and Recycle to protect the environment. We working closely with the Department Of Environmental (DOE) to ensure that waste from the production are properly manage in sustainable manner.

Performance

Within the Group of business operation, large amount of used chemical, waste water and material were producing from production activities. Nevertheless, we managed waste disposal is accordance to Malaysia's scheduled waste disposal regulations as supported by the Environmental Quality (Schedule Wastes) Regulations 2005.

➤ Wastewater and material treatment

Daily performance monitoring effluent discharge according to the environmental act in order to prevent any contaminated of waste water flow to the river. We have used Biological treatment system for removing carbonated contaminates effluent by treating BOD (Biochemical Oxygen Demand) and COD (Chemical Oxygen Demand).

• Encourage use of renewables

1. Recycle waste water

We efficiently utilised waste water within the organization by way of using waste water for organic farming and fish farming. Those treated waste water act as nutrition fish food and organic fertilizer.

The fishes and organic plants are then offered at a cheaper price to our staff members.



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT: DEVELOPING A SUSTAINABLE ENVIRONMENT (CONT'D)

Waste Management (Cont'd)

Performance (Cont'd)

- Wastewater and material treatment (Cont'd)
- Encourage use of renewables (Cont'd)

1. Recycle waste water (Cont'd)



2. Recycle and reuse contaminated empty containers

With the closely monitoring and improving waste management, we have found an efficient programme to manage the contaminated empty containers and fluorescent tubes by disposal to suppliers at no cost. This Schedule waste recycle and reuse programme encouraging recycle and reuse the contaminated empty containers in order to reduce the amount of waste going to landfills thereby protecting and conserving our environment. This effective programme helps the Group achieve cost efficiency as returned the container to suppliers while get some discount and refund amount at chemical we purchased.



3. Recycle paper usage at workplace

SAUDEE encourages its employees to play a part in protecting the environment by promoting recycle paper usage in workplace and to promote recycling habits to shape the mind set to go green and make recycling as an integral part of our everyday life.

Electronic reporting via internet and emails are encouraged as to reduce the consumption of paper such as the Annual Report of the Company is posted on the Company's website.

There is no significant and non-monetary sanctions for non-compliance with environmental laws and regulations for the FYE 2023.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT: DEVELOPING A SUSTAINABLE ENVIRONMENT (CONT'D)

Waste Management (Cont'd)

Performance (Cont'd)

- Wastewater and material treatment (Cont'd)
- Encourage use of renewables (Cont'd)
- 3. Recycle paper usage at workplace (Cont'd)

Our progress to date

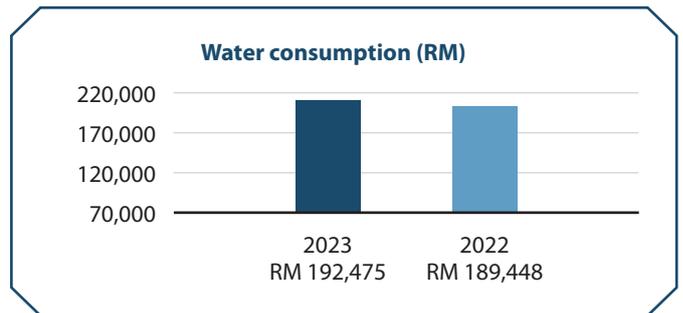
Continuing to improve 3R waste programme at the workplace to minimise any adverse effects on the natural resources and scale of our carbon footprint. We have upgraded information technology facilities in SAUDEE to reduce business travel by replacing physical meetings with video conferencing and increasing usage of cloud-based storage. The Annual Report 2023 is distributed electronically to our shareholders. An e-notification with information on how to access the Portable Document Format (PDF) annual report version from our corporate website was sent out to shareholders. Only minimal quantities of annual reports and notices will be printed and all reports, circulars and notices will be available in digital format, which can be downloaded from our corporate website.

Water Consumption

To maintain environmental sustainability, SAUDEE strive to improve effective water management and reducing water wastage.

Performance

SAUDEE acutely monitoring daily water consumption for the plant. Therefore, we have daily control and maintain water consumption within 300 m3 in daily average.



Performance

The water consumption was decreased as compare to last financial year mainly due to efficient in implementing water management in the mechanically deboned meat (MDM) production which involved high consumption water for this particular production line during FYE 2023.

Our progress to date

- Continuing to maintain or lower of 300 m3 water consumption in daily average.

Greenhouse Gas Emission

A greenhouse gas is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere ultimately leads to global warming.

Performance

SAUDEE is committed to reduce its greenhouse gas emission (GHG) by implementing preventive maintenance for thermal oil and boiler system in order to prevent air pollution. In addition to the preventive measure, annual emission inspection for all the Company's trucks is carried out for the purpose of reducing pollutants emitted from the vehicle. All trucks shall turn off engine while loading stock at loading bay.

SAUDEE has partnership with local distributors to distribute its final products could resulted a huge reduction of daily deliveries by its own trucks as well as reduction of GHG.

Our progress to date

SAUDEE is planning to replace some of the old trucks that could increase GHG and targeting cost saving on the repair and maintenance as well as improving the fuel consumption of vehicles.



SUSTAINABILITY STATEMENT (CONT'D)

WORKPLACE: DEVELOPING A SUSTAINABLE WORKPLACE

We value our employees who are the main asset of the Group, we would be unable to deliver high quality products and services without employees' hard work and contribution. Thus, SAUDEE believes that continuing emphasis on human capital development and retention by providing employees safety working environment, invest in their growth and understand their needs will be creating a sustainable workplace and further improve its performance.

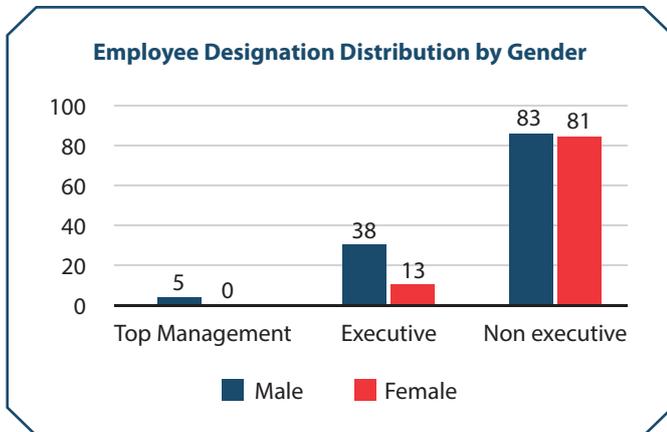
Besides, we encourage diversity and inclusiveness at the workplace and value individual differences without discrimination. The Group also strictly complying employment law to ensure the employees' right are protected and prevent any non-compliance of the regulation.

Providing Equal Opportunities for Our Employees

SAUDEE adhere to equality practice during the recruitment and selection process. Our recruitment practice are based on merit and performance in order to avoid discrimination at the workplace.

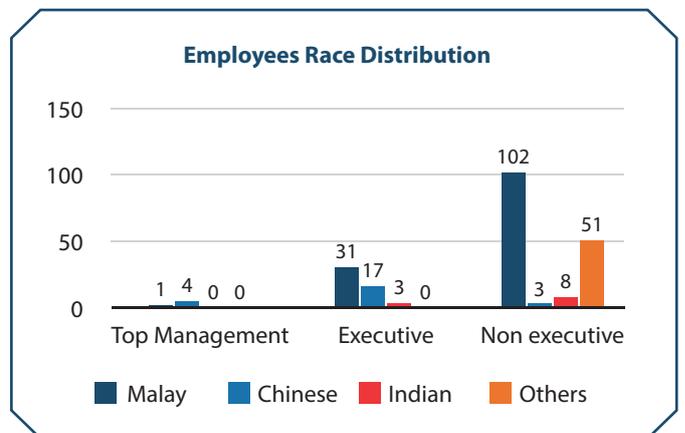
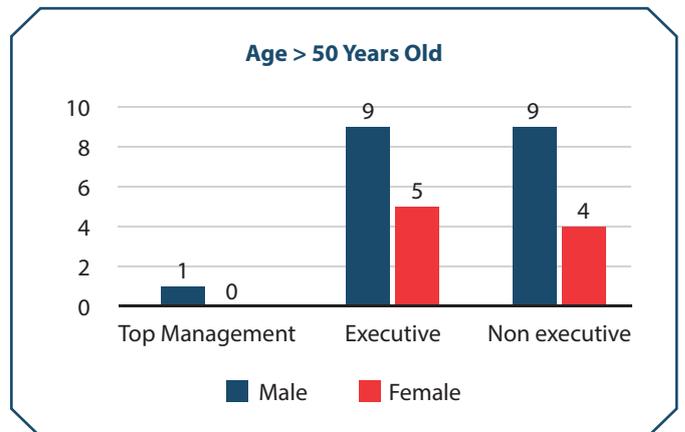
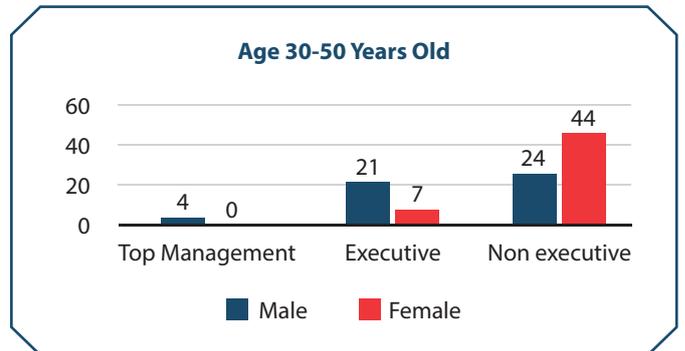
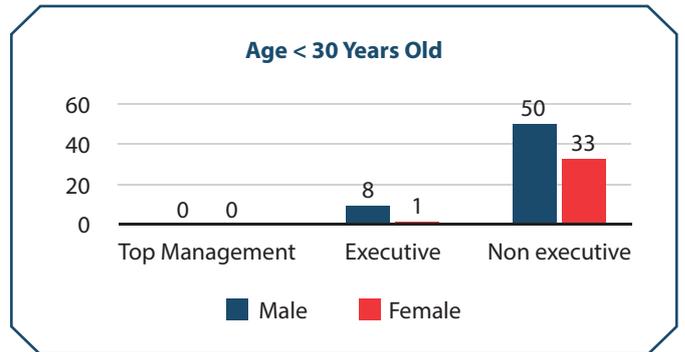
Performance

We always recruit and promote staffs based on their experience, qualification, knowledge and performance regardless of gender, age and race. Below is illustrate our aim to build a workplace diversity in SAUDEE as we believe in the contribution that women bring to the workplace. The Company has appointed a female Independent Non-Executive Director to sit on the Board, therefore placing emphasis on gender diversity.



We also believes that young generation able to bring with them creativity and new-age thinking, the experienced hires bring a wealth of experience and knowledge in the industry. We also acknowledged the cultural expertise of diverse individuals can be leveraged for the benefit of the company.

Employees Gender Distribution:



SUSTAINABILITY STATEMENT (CONT'D)

WORKPLACE: DEVELOPING A SUSTAINABLE WORKPLACE (CONT'D)

Providing Equal Opportunities for Our Employees (Cont'd)

Our progress to date

Continuous to adhere to equality practice for the recruitment and selection process.

Human Rights and Labour Practices

SAUDEE strictly adhere to the Malaysia's Human Rights and Labour Regulations to ensure our employees' rights are protected and respected. The Malaysia's Human Rights and Labour Regulations are adhered by the Group:

1. Employment Act 1955
2. Employment Regulations 1957
3. Children and Young Persons (Employment) Act 1966
4. Employment (Restriction) Act 1968

Developing a Healthy and Safe Working Environment

SAUDEE is committed to create a culture of health and safety within the organisation in which employees are trained to be aware of and adopt safe practices and healthy lifestyle. The Group health and safety is managed by the Environment Health and Safety Committee who will continue to monitor and improve the environment, health and safety management system, through the constant reminder of the organization about the importance of compliance with the requirements of the health and safety system to protect SAUDEE, its employees, contractors and others.

➤ The Environment Health and Safety Committee and Emergency Response Team

The members of Environmental Health and Safety Committee (HSC) are consist of top management, managers and executives level. The HSC meets on a quarterly basis to review the health and safety concerns at the Group operation.

An Emergency Response Team (ERT) comprises of 30 employees from the Group. They are designated to response in the event of an emergency. Relevant training programme has provided to ERT such as Fire Safety, CPR training and Prevention Awareness training in order ERT prompt and appropriate response during an emergency to ensure the safety and wellbeing of our employees.

➤ Health Safety and Environmental Policy

SAUDEE aims to minimise the likelihood of accidents or injuries during business operation by implementing Health Safety and Environmental Policy. The Group Health Safety and Environmental Policy 2nd revision was initiated in April 2018. It underlines the need of a safe and healthy work environment for all employees and the requirement in compliance with Legislation related to Occupational Health and Safety.

Performance

In FYE2020, The Ministry of Health of Malaysia ("MOH") in its continuing effort to contain the spread of the Covid-19 pandemic had enforced various Standard Operating Procedures ("SOPs"). The Group adopted Covid-19 preventive measures in order to a safeguard employees and visitors' health.

The Standard Operating Procedures ("SOPs") are as below:

- Register names and mobile number through MySejahtera before entering premises
- Making sure all people wearing a mask all the time before entering
- Body temperature screening
- Hand sanitizers and face mask provided
- Social distancing enforced in office

The SOPs listed above are executed in all our workplaces to ensure the personal hygiene and mitigating the risk of all people from getting infected by Covid-19.

Besides, SAUDEE has carried out the following measures to address health and safety (H&S) issues at the workplace:

- Equipped and replenished appropriate Personal Protective Equipment for workers;
- Conducted safety programmes that include fire prevention, fire-fighting and rescue training;
- Install advance SPKA system requirement and established Emergency Response Team (ERT);
- Occupational First Aid;
- Safety operation;
- To promote safety awareness by:
 - o conducting a thorough workplace risk assessment;
 - o providing health and safety training and disseminate the seriousness H&S cases in electronic version such as video and design the quick test during induction session to enhance new staffs understanding on the health and safety issues; and
 - o conducting chemical handling programme.



SUSTAINABILITY STATEMENT (CONT'D)

WORKPLACE: DEVELOPING A SUSTAINABLE WORKPLACE (CONT'D)

Developing a Healthy and Safe Working Environment (Cont'd)

Performance (Cont'd)

There were zero case of fatality was suffered by SAUDEE during the FYE 2023.

Our progress to date

- In FYE2023, the Group continue maintaining zero case of fatality in the workplace.
- The Group's Safety and Health Committee will also hold regular discussion and constantly keep up to date with the health and safety's best practices while putting them into implementation.
- Complied strictly with all required Covid-19 SOPs aimed at mitigating the risk of spreading the contagious disease at all office premises.

Developing and Sustainably Managing Our People

The Board is aware that quality of life of its employee is vital to enable SAUDEE to achieve its strategic objective. The Board endeavour to create a positive work culture and embedded a learning culture within the Group to enable the employees continuously learn new skills and improve efficiency in carrying out their works. Besides, SAUDEE appreciate employee's talent by emphasising on talent development, motivation and retention measures. Our objective is to produce employees who are the brightest and the best across the business.

Performance

- Human capital development – established learning culture

SAUDEE attempt to embed learning culture within the Group by encouraging employees to engage various training to improve their knowledge, skills and exposure. This is important as SAUDEE is passionate to create a profound knowledge based workforce. However, this also leads to greater employee motivation, self-confidence, innovation, job satisfaction and morale among employees. Employees equipped with the necessary knowledge, skills and exposure and be able to align to company's goal. Internal promotion for existing employees is always encourage, this is one of the factors to encourage SAUDEE employees to develop their career by improving their knowledge, learning and strengthening skills.

Through yearly performance review, employees are made known about their strength and weakness as well as set new goals for the next year.

In FYE 2023, training programme provided to our staffs of which are shown below:

- TRAINING ON THE ISO 22000:2018 STANDARD INTERPRETATION & TRANSITION REQUIREMENTS
- TRAINING ON THE UNDERSTANDING THE HACCP REQUIREMENT FOR FOOD SAFETY
- WHISTLE BLOWING POLICY & ANTI - CORRUPTION AND ANTI - BRIBERY POLICY

- ORAPI ASIA WEBINAR COVID'19 PROTECTING YOUR BUSINESS: FOOD PROCESSING INDUSTRIES
- CREAT VALUE WITH SUSTAINABILITY
- ESG WEBINAR FOR- FTSE4 GOOD BURSA MALAYSIA INDEX STARTS IN 1 HOUR
- TAKLIMAT PERAKUAN PENGINAPAN DI BAWAH SEKSYEN 24D AKTA STANDRD MINIMUM PERUMAHAN, PENGINAPAN DAN KEMUDAHAN PEKERJA 1990 (AKTA 446)
- TEA TALK SESSION STRESS SURVIVAL GUIDE: MANAGING DIFFICULT EMPLOYEES
- KURSUS PENGENDALIAN MAKANAN
- SETTING PANDEMIC PREVENTION AND OUTBREAK CONTROL TEAM ACCORDING TO KKM & DOSH GUIDELINE
- TAX SEMINAR
- CERTIFICATE IN BOILERMAN
- PROFESSIONAL CERTIFICATE FOR HALAL EXECUTIVE (PCHE)
- KURSUS PENGENDALIAN MAKANAN



SUSTAINABILITY STATEMENT (CONT'D)

WORKPLACE: DEVELOPING A SUSTAINABLE WORKPLACE (CONT'D)

Developing and Sustainably Managing Our People (Cont'd)

Performance (cont'd)

Human capital retention-understanding to our employees needs

We understand that employee welfare and health are imperative. We need a healthy and thriving workforce to service our customers and to deliver our promise. Thus, Overtime is minimal and only allowed on the need basis. SAUDEE also carried out staff activities and staff benefits to motivate and to reward our people to improve their quality of life and foster a sense of belonging in SAUDEE.

Complying with Minimum Wage Order 2022

The Minimum Wages Order came into effect on 1 June 2022, providing for a minimum wage set at RM1,500 per month. SAUDEE comply with this Minimum Wage Order and ensures wages offered to its employees are fair and equal regardless gender, race and age.

Staff welfares have been provided as shown below:

Staff benefits and welfare:

- Employee discount scheme is offered to employees for the purchase of SAUDEE frozen products. The scheme is to ensure all employees are able to enjoy the quality products with their family
- Insurance coverage and medical claim Transport allowance
- Leaves
- Hostels are provided to its employees with lower disposable income

Apart from the existing employee benefit package, the group has been presenting loyalty rewards to those long service employees who have been loyal and remain with the Group through thick and thin at our Annual Dinner.

Our progress to date

In FYE 2023, the Group endeavour introducing more comprehensive benefit package that will be rewarding to its employees such as various allowances introduce to operators and non-executive staffs and flexible working arrangements for certain level of staffs.

COMMUNITY: DEVELOPING A SUSTAINABLE SOCIETY

Community Development

SAUDEE strive to build relationship on trust by way of social initiatives, other contributions for the benefits of the local community and customers. SAUDEE believes that the social contributions will create business sustainability and enhances value for all its stakeholders. Hence, our ongoing efforts to incorporate sustainable practice into the Group business operations include increasing our participant with the local community through volunteering activities or donations that would benefit the community.

Performance

During Movement Control Order (MCO) period, Corporate Social Responsibility Committee strive forward to carry ongoing community engagement programmes such as

- hire Orang Kurang Upaya (OKU) work at SAUDEE plant; and



- contribution Raya goodies by respective Head of Department

SAUDEE creates and offers priority in job opportunity to local villagers including persons with disabilities by way of direct employment via walk in interview and local job fair.

Our progress to date

In FYE 2023, we strive towards hire more local villagers, engaging and contributing to local communities.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 29 November 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Saudee Group Berhad (“SAUDEE or the Company”) is pleased to present the Corporate Governance Overview Statement (“CG Overview”) which provides shareholders and stakeholders with an overview of the corporate governance practices of the Company during the financial year ended 31 July 2023 (“FYE 2023”), with reference to the key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG” or “the Code”).

The statement disclosed the manner and the extent in which the principles and practices set out in the MCCG and governance standards in accordance with the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad have been adopted by the Company and its subsidiaries (the “Group”) for all its business dealings and affairs throughout the financial year ended 31 July 2023. It is also to be read together with the Corporate Governance Report 2023 of the Company (“CG Report”) which is available on the Company’s website: www.saudee.com.

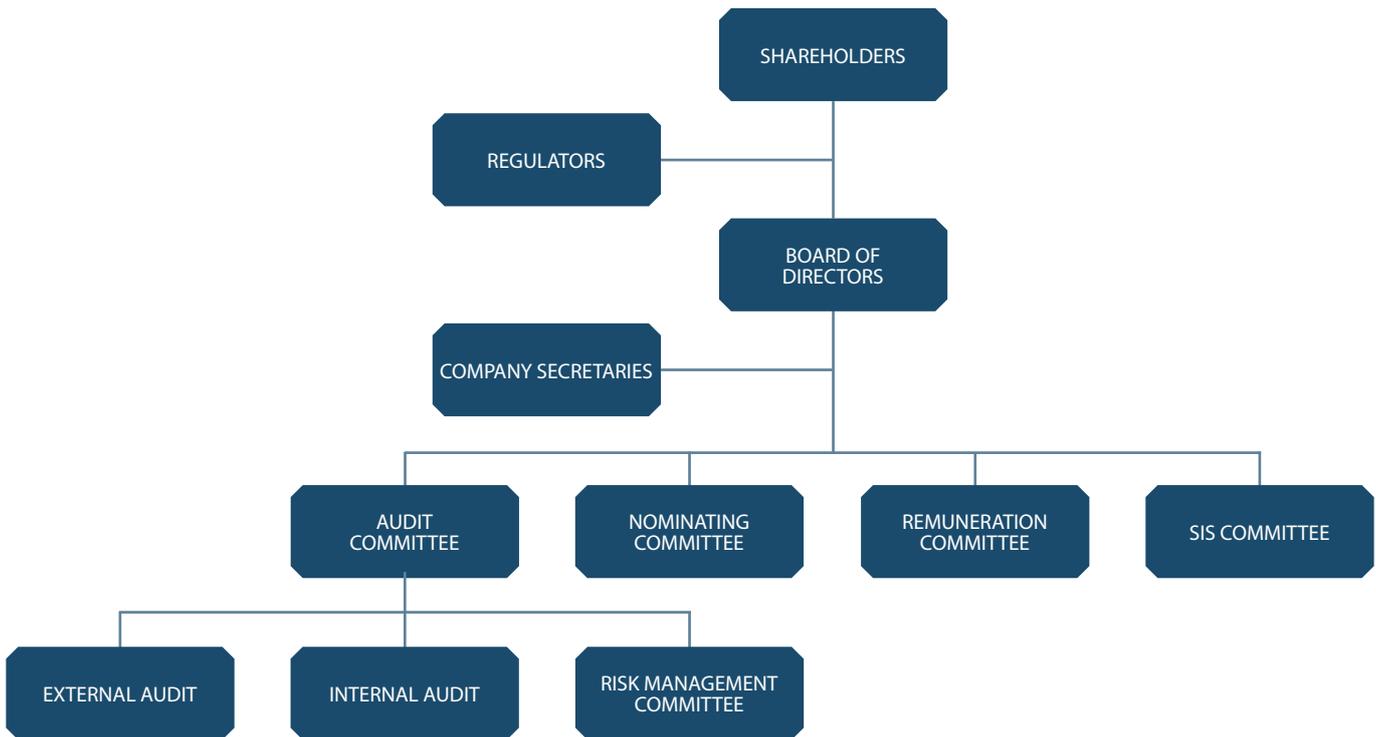
EMBRACING THE CG CULTURE

The Board of SAUDEE acknowledges the importance of good corporate governance (“CG”) in protecting and enhancing the interest of shareholders. As such the Board conscientiously strives to attain high business ethics and governance in conducting the day-to-day business affairs of the Group, in order to build a sustainable business and discharging its regulatory role.

The Board believes that good CG adds value to the business of the Group and play an active role in guiding the Management through its oversight review while at the same time steer the Group’s business direction and strategy.

The Board will ensure that this practice continues by determining an action plan which includes reviewing of the identified CG practices, setting the appropriate timeframe in the CG activities and preparing disclosures on the Company’s practices to ensure they are implemented in substance to achieve the intended outcomes of building a good CG culture throughout the Group.

Our Corporate Governance Framework, which is set out below is vital in contributing towards our growth and long term sustainability.



SUMMARY OF CORPORATE GOVERNANCE REVIEW

The Board is pleased to disclose the key focus areas in which the Company has applied throughout the FYE 2023 in relation to the 3 Principles as set out in the Code:

- A. Board Leadership and Effectiveness;
- B. Effective Audit and Risk Management; and
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

SUMMARY OF CORPORATE GOVERNANCE REVIEW (CONT'D)

SAUDEE has benchmarked its practices against the relevant higher order practice and consistently applied all the practices advocated by the MCCG throughout the FYE 2023 except as otherwise disclosed herein. In addition, amongst the five (5) Step Ups of MCCG, two (2) Step Ups were voluntary adopted by the Board, ie. Step Ups 9.4 - The Audit Committee should comprise solely of Independent Directors and Step Ups 10.3 - Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies. The Step Ups are exemplary practices which support companies in moving towards greater excellence in corporate governance. In regard to the departure from the Practices, the Board has provided alternative practice which also achieved the Intended Outcome set up in the MCCG. All the explanation on the application of practices are contained in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is always mindful of its responsibilities to the Company's shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Company's businesses, in pursuing the objectives of the Group.

Established clear functions reserved for the board and those delegated to management

The Board functions on the principle that all significant and material matters are addressed by the Board as it is accountable for the strategic management, performance monitoring and measurement, enterprise risk management, standard of conduct and critical business issues. The Board is responsible for determining the long term direction and strategy of the Group, and creating value for shareholders.

The Board assumed the following principal responsibilities in discharging its functions:

- Reviewing and adopting strategic plans for the Group and monitoring thereof, and addressing the sustainability of the Group's businesses;
- Identifying and approving policies pertaining to the management of all risk categories including but not limited to, credit, financial, market, liquidity, operational, legal and reputational risks of the Group's business activities and ensure the implementation of appropriate systems to manage these risks;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Reviewing the adequacy and integrity of the framework and processes for internal controls, risk management, finance reporting and compliance;
- Ensuring sufficient succession planning for appointments to the Board and to the Senior Management positions by promoting boardroom diversity and reviewing the competence of the Management including appointing, training, determining remuneration packages of and, where appropriate, replacing the key management personnel.
- Developing and implementing an investor relation programme or shareholder communication policy and sustainability policy for the Company
- Responsibility for good corporate governance.

There is a division of functions between the Board and the management. The Board is duly assisted by the key management team of the Company, comprising Executive Director, Chief Executive Officer, Chief Financial Officer and other key management of respective departments. The principal responsibilities of the management team are as follows:

- Developing, coordinating and implementing business and corporate strategies for the approval of the Board;
- Assume day to day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- Achieve the performance targets set by the Board;
- Report and furnish the Board with information, report, clarifications as and when required on the agenda item to be tabled to the Board, to enable the Board to arrive at a decision.
- Communicating to the staff and implementing the strategic plan approved by the Board and any decision of the Board to ensure that the objectives of the Company that were approved by the Board are met;
- Assisting the Board in the establishment of Company and Group policies by developing such policies for the Board's review and approval for adoption and implementing the approved policies;
- Developing effective management information and internal control systems of the Company to ensure that integrity and adequacy of the systems are intact.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Key matters reserved for the Board's approval include but are not limited to the business continuity plan, issuance of new securities, proposed employee's share option scheme, business restructuring, acquisitions/disposals of material assets, and approval for the release of financial announcements. All Board decisions are recorded in the minutes, including the deliberation for each decision, along with actions to be taken and the individuals responsible for implementation. The Executive Director of the Company participated in the subsidiaries' management meeting to ensure that decisions made by the Board are disseminated and delegated effectively to the management of the subsidiaries.

During the financial year ended 2023, the Company continued the practice of conducting Audit Committee meeting before Board meeting to allow discussion on any issues raised by the External Auditors and/or Internal Auditor to be brought up for the Board's attention. All members of the Board and Board Committees received complete agenda and documents relevant to the meetings at least 7 days in advance to allow them to have sufficient time to review for effective discussion and decision making during the meetings.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion to the Executive Director, representing the management, as well as to properly constituted Board Committees, namely the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and SIS Committee with clearly defined Terms of Reference ("ToR"). Guided by their ToR, the Board Committees are conferred the authority to examine issues under their purview and make subsequent recommendations to the Board. This enables the Board to achieve operational efficiency and yet allow the Board to maintain control over major policies and decisions.

The Board has delegated specific responsibilities to the following committees:

- (i) Audit Committee
- (ii) Nominating Committee
- (iii) Remuneration Committee
- (iv) Risk Management Committee
- (v) SIS Committee

TYPE OF COMMITTEE	PRINCIPAL FUNCTIONS
Audit Committee	To review and report on the Group's results, external audit procedures and internal audit function.
Nominating Committee	To assess, review the effectiveness of the Board and performance of each individual Directors and Independence of Non-Executive Directors and to recommend to the Board all new Board appointments.
Remuneration Committee	To assess, review and recommend to the Board the Directors' and Senior Management remuneration and benefits package.
Risk Management Committee	To review, assess and report the Enterprise risk including environmental, economic and social risks and opportunities within the Group to the Board.
SIS Committee	To ensure that the SIS Scheme is administered in accordance with the by-laws approved by the shareholders of the Company.

These Board Committees have been constituted with clear ToR which are defined in the Board Charter.

Separation of position of Chairman and Executive Director

There is a clear and separate division of responsibility in the roles and duties of Non-Executive Chairman and Managing Director. These two (2) positions are held by two (2) different individuals to enable a balance of power and authority and greater capacity for independent decision-making. The Board is led by Dato' Arjunaidi Bin Mohamed, as the Non-Executive Chairman, who is responsible to lead the Board in the oversight of management and implementing the Board policies. He promotes an open environment for discussions and ensures effective contributions from Non-Executive Directors and exercise control over the quality, quantity and timeliness of information flow between the Board and Management. Moreover, he also ensures that the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings. At a general meeting, the Non-Executive Chairman plays a role in fostering constructive dialogue between Shareholders, Board and Management.

The role of Managing Director assumed by Mr Tay Ben Seng, Benson who is the Executive Director, is involved in the day-to-day running of the affairs of the Group and responsible for the product research and development, transformation and modernisation of the food production process through automation. He is assisted by the Chief Executive Officer, Chief Financial Officer and Management for the overall development and expansion of marketing networks as well as implementation of sales, distribution and promotional activities of the Group including the implementing of Board policies and decisions. He also has many years of experience in managing the Group's core businesses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Overseeing the Conduct of the Company's business

The Board oversees the performance of management mainly through the quarterly results which are tabled during the Board meeting. The Board would then make the necessary business decisions to adapt to changing circumstances. The Management is tasked with the responsibility to keep the Board informed on all matters which may materially affect the Company and its business. The Management is also required to present and brief the Board on the quarterly report of the Group's financial performance.

Periodic briefings on the Group's prospects and performance are also conducted for the Directors to ensure that the Board is well informed on the Group's operational, financial and corporate issues.

Company Secretary

The Directors have unrestricted access to advice and services of the Company Secretaries to enable them to discharge their duties. The Directors are regularly updated by the Company Secretaries on latest regulatory updates from Bursa Securities, Companies Commission of Malaysia and other regulatory bodies relating to Directors' duties and responsibilities to assist them in carrying out their responsibilities.

Access to Information and Independent Professional advice

In exercising their duties, all Directors have the same right of access to all information pertaining to the Group's business affairs and maintains a direct line of communication with senior management. During Board meeting, senior management and external advisors may be invited to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled. The Board is also supported by qualified Company Secretaries who serve as corporate governance counsels to the Board. The Company Secretaries assist the Board in adhering to the relevant corporate governance legislative promulgations and apprise the Board on the latest statutory and regulatory requirements relating to corporate governance.

Board Charter

The Board Charter addresses, amongst others, the Board obligations and responsibilities, Directors' Code of Conduct and Ethics, role of the Board, Executive Directors and Managing Director, Senior Independent Non-Executive Director, Independent Directors, the Management, Company Secretary, appointment of new directors, the balance and composition of the Board, remuneration policy and the establishment of Board Committees together with the required mandate and activities. The Board Charter will be reviewed periodically to ensure its relevance and compliance. The Board Charter is available at the Company's corporate website at www.saudee.com.

The Board Charter is to guide the Directors in discharging their duties and responsibilities as Directors and is drafted in accordance with the fundamental requirements of provisions in the Companies Act 2016, Main Market Listing Requirements ("Main LR") of Bursa Securities, Capital Markets and Services Act 2007, Constitution of the Company, and other applicable rules or regulations governing the Group's business activities.

Code of Conduct and Ethics

The Group has adopted a Code of Conducts and Ethics to provides direction and guidance to its Directors, Management and employees in the discharge of their duties and responsibilities that will be in the best interest of the Group. The Code of Conducts and Ethics is available at the Company's corporate website at www.saudee.com.

Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy

The Group has adopted an Anti-Bribery and Anti-Corruption Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. This policy provides information and guidelines to its Directors and employees of the Group on the standard of behaviour which they must adhere to and how to recognize and deal with bribery and corruption.

The Whistleblowing Policy provides a channel to enable Directors, employees, shareholders, vendors or any parties that has business relationship with the Group an avenue to report suspected wrongdoings that may adversely impact the Group. The Group treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith.

The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are available at the Company's corporate website at www.saudee.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Sustainability Statement

This Sustainability Statement ("Statement") was developed with reference to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") Sustainability Reporting Guide and the reporting approach is based on the framework and guidance provided by Global Reporting Initiative ("GRI"). The disclosure adhering to the GRI Principles as below:

- (i) Stakeholder Inclusiveness – being responsive to stakeholder expectations and interest
- (ii) Sustainability Context – presenting performance in the wider sustainability context
- (iii) Materiality – focusing on issues where we can have the greatest impact and that are most important to our business stakeholders
- (iv) Completeness – including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company's performance

The Sustainability Statement sets out the manner in which the Group conducts business with responsibility and in ethical way to ensure promote sustainability in the economic, environment and social spheres. The Sustainability Statement is set out in this Annual Report.

Directors' Fit and Proper Policy

In line with the new rule of the Main LR, the Board had on 23 June 2022 adopted the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group. The Directors' Fit and Proper Policy is available at the Company's corporate website at www.saudee.com.

II. Board Composition

The Board has six (6) directors, comprising of one (1) Non-Executive Chairman, one (1) Executive Director, four (4) Independent Non-Executive Directors. The number of Independent Directors is in compliance with Rule 15.02 of the Main LR which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be Independent Directors and also the Practice 5.2 of the MCCG that at least half of the Board comprises Independent Directors.

Boardroom Diversity and Independence

The Nominating Committee ("NC") is responsible for identifying, evaluating and recommending to the Board, suitable candidates to fill the Board vacancies. The combination of the skills, experience and expertise of the incumbent Directors allow the Board to apply a breadth and depth of perspectives when deliberating on contentious issues. The NC makes the recommendations following careful consideration of the required mix of skills, experience and diversity, as well as gender where appropriate.

The Board is presently of the view that there is no necessity to fix a specific gender diversity policy. The Board advocates the promotion of fair participation and equal opportunity in embracing a spirit of inclusion for all individuals of the right caliber. The appointment of Board member or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more directors of the female gender where suitable to be in line with the recommendation of the MCCG to have at least 30% women directors.

The Board currently has one (1) woman director which complies with the requirement of the Main LR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Boardroom Diversity and Independence (Cont'd)

Board Diversity

The Board recognises that diversity is important to enhance Board effectiveness as diversity broadens the debate within the Board by harnessing different insights and perspectives. The skillsets and diversity of the Board are as follows:

Name of Directors	Nationality	Designation	Industry/Background Experience								By Composition							
			Entrepreneur	Industrial	Marketing	Corporate	Accounting/ Finance	Governance risk and compliance	Information Technology	Law/legal	Age				Ethnicity		Gender	
											30-39	40-49	50-59	60-69	Bumiputera	Chinese	Male	Female
Dato' Arjunaidi Bin Mohamed	Malaysian	Independent Non-Executive Chairman	√	√	√	√		√	√	√				√	√			
Tay Ben Seng, Benson	Malaysian	Executive Director	√	√	√	√	√	√	√	√	√				√	√		
Ng Kok Hok	Malaysian	Independent Non-Executive Director	√	√	√	√	√	√					√		√	√		
Chen Chee Peng	Malaysian	Independent Non-Executive Director	√	√		√		√	√	√			√		√	√		
Datuk Sham Shamrat Sen Gupta	Malaysian	Independent Non-Executive Director	√	√	√	√		√	√	√		√		√		√		
Ong Poh Lin Abdullah	Malaysian	Independent Non-Executive Director				√	√	√			√				√		√	

During the FYE 2023, there was one (1) woman representation on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Boardroom Diversity and Independence (Cont'd)

Boardroom Independence

The Board noted the Practice 5.3 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the approval of shareholders to continue as an Independent Director or be re-designated to as Non-Independent Director. If the Board intends to retain the Independent Director after the 9th year of appointment, it should justify and seek shareholders' approval at a general meeting through a two (2) tier voting process as prescribed under the MCCG.

Notwithstanding the recommendation of the Code, the Board is presently of the view that there is no necessity to fix a maximum tenure limit for Independent Non-Executive Directors ("INED") as there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company's businesses and affairs.

The Board and the NC have deliberated on the recommendation and hold the view that the ability of a Director to serve effectively as an Independent Director is very much dependent on his calibre, qualification, experience and personal quality, particularly his integrity and objectivity, and has no real connection to his tenure as an Independent Director.

Nominating Committee ("NC")

The Board is assisted by NC which is chaired by an Independent Director to review, amongst others, the size and composition of the Board. NC reviews the effectiveness of the Board and performance of each individual director and assesses the independence of Non-Executive Directors of the Company on an annual basis to determine if the Board has the right size, sufficient diversity and independence to meet the Company's objectives and strategic goals.

Vide an assessment conducted on 24 November 2023, the NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committees and agreed that they have the necessary mix of skills, experience and other necessary qualities to serve effectively and the size of the Board remains appropriate for the current size of the Group.

On 24 November 2023, the NC has carried out annual evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

NC has carried out annual evaluation on the performance of each member of the Board, each Board Committee and reviewed the performance of the Board as a whole. Vide an assessment conducted on 24 November 2023, the annual evaluation involves members of the Board completing the evaluation questionnaires to appraise the performance of the Board and undertaking self and peer evaluation, whereby Directors will assess their own performance and that of their fellow directors. The NC had assessed the overall effectiveness of the Board and the performance of individual directors for the FYE 2023 and is satisfied with the effectiveness demonstrated.

Foster Commitment of the Director

The Directors dedicated sufficient time to carry out their responsibilities in Board representations, such as Board meetings, Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") throughout the financial year. During the financial year ended 31 July 2023, five (5) Board Meetings have been held.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Foster Commitment of the Director

The directors dedicated sufficient time to carry out their responsibilities in Board representations, such as Board meetings, Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") throughout the financial year. During the financial year ended 31 July 2023, five (5) Board Meetings have been held.

The Board is satisfied with the level of time commitment given by the current Directors in the discharge of their roles and responsibilities as the Directors of the Company as evidenced by their attendance at the respective meetings office during the financial year ended 31 July 2023 set out below:

Name of Director	Designation	Number Meetings Attended	Percentage (%)
Dato' Arjunaidi Bin Mohamed (Appointed w.e.f. 16 January 2023)	Independent Non-Executive Chairman	2/2	100
Tay Ben Seng, Benson	Executive Director	5/5	100
Chen Chee Peng	Independent Non-Executive Director	5/5	100
Datuk Sham Shamrat Sen Gupta	Independent Non-Executive Director	5/5	100
Ong Poh Lin Abdullah (Appointed w.e.f. 3 November 2022)	Independent Non-Executive Director	4/4	100
Ng Kok Hok (Appointed w.e.f. 28 April 2023)	Independent Non-Executive Director	1/1	100
Sim Yee Fuan (Resigned 28 April 2023)	Senior Independent Non-Executive Director	4/4	100

All Directors have complied with the minimum 50% attendance requirements in respect of board meeting as stipulated by the Main LR.

Under the existing practice, the Directors shall inform the Board before accepting new directorships in other companies and ensure that their number of directorships in public listed companies is in compliance with Paragraph 15.06 of the Main LR.

Boardroom Professional Development

The Board does not have a policy to require each of the Directors to attend specific number and types of training programme each year. Nevertheless, the Board is responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programs to keep abreast with the latest developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfill their duties as Directors.

The Directors are also updated by the Company Secretaries on any change to legal and governance practices applicable to the Group, and receive briefing from External Auditors on updates in financial reporting, new accounting standards affecting the Group.

All Directors have completed the Mandatory Accreditation Programme (Part I) as prescribed by Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Boardroom Professional Development (Cont'd)

The Board is responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programs, so as to enable them to sustain their active participation in Board deliberations.

In accordance with Paragraph 15.08(3)(b) of the Main LR, the Directors had attended various training programmes in FYE2023 which include the following:

Name of Director	Training Programmes / Seminars
Dato' Arjunaidi Bin Mohamed	Mandatory Accreditation Programme
Tay Ben Seng, Benson	Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities
	AMLA, Market Misconduct and Compliance Requirements
Chen Chee Peng	Transactions & RPT Rules Simplified
	Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and Other Amendments
	Amendments to the Listing Requirements of Bursa Securities relating to Enhanced Sustainability Reporting Framework
Datuk Sham Shamrat Sen Gupta	Mandatory Accreditation Programme
	AOB Conversation with Audit Committee
Ong Poh Lin Abdullah	Mandatory Accreditation Programme
Ng Kok Hok	Mandatory Accreditation Programme (Part II): Leading for Impact

III. Remuneration

The Board strives to ensure that there are formal and transparent remuneration policies and procedures in place to attract and retain Directors and Senior Management of the calibre needed to run the Group successfully. Therefore, the Board has established a Remuneration Committee with an objective to assist the Board in the review of formal policy which is set by the Board and consideration of a fair and attractive remuneration framework of the Directors and Senior Management which includes the remuneration packages and other terms of employment for the Executive Directors.

The Remuneration Committee consists of three (3) Independent Non-Executive Directors which is in line with the recommendation of the Code. In formulating the framework and levels of remuneration, the RC ensures the remuneration framework remains supportive of the Company's corporate objectives, is aligned with the interests of the shareholders, is able to attract, retain and motivate the Executive Director and Senior Management and are reflective of their performance, experience and level of responsibilities.

The remuneration of Non-Executive Directors comprising only directors' fees and other benefits, if any. The directors' fees should reflect the experience, level of responsibilities, time commitment, expertise and the complexity of the Company's activities. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties. The Board, as a whole, determines the fees of the Non-Executive Directors with the Director concerned abstaining from deliberation and voting in respect of his/her individual remuneration. Directors' fees and other benefits, if any, are subject to approval by its shareholders at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

A summary of the remuneration of the Directors of the Group for the year ended 31 July 2023, distinguishing between Executive and Non-Executive Directors, with categorisation into appropriate components is set out below:

Name of Directors	Remuneration received from the Company			Remuneration received from Subsidiary Companies					Group Total (RM)
	Fees (RM)	Meeting and Other allowance (RM)	Total (RM)	Salary (RM)	Bonus (RM)	Allowances and other emoluments* (RM)	Benefit-in-kind (RM)	Total (RM)	
<i>Dato Arjunaidi Bin Mohamed</i> (Independent Non-Executive Chairman) (Appointed w.e.f. 16 January 2023)	32,500	1,000	33,500	-	-	-	-	-	33,500
Tay Ben Seng, Benson (Executive Director)	36,000	3,000	39,000	317,250	54,000	45,689	-	416,939	455,939
<i>Chen Chee Peng</i> (Independent Non-Executive Director)	36,000	3,000	39,000	-	-	-	-	-	39,000
<i>Datuk Sham Shamrat Sen Gupta</i> (Independent Non- Executive Director)	36,000	3,000	39,000	-	-	-	-	-	39,000
Ong Poh Lin Abdullah (Independent Non-Executive Director) (Appointed w.e.f. 3 November 2022)	27,000	2,000	29,000	-	-	-	-	-	29,000
<i>Ng Kok Hok</i> (Independent Non-Executive Director) (Appointed w.e.f. 28 April 2023)	9,000	500	9,500	-	-	-	-	-	9,500
Sim Yee Fuan (Senior Independent Non-Executive Director) (Resigned w.e.f. 28 April 2023)	36,000	2,500	38,500	-	-	-	-	-	38,500

* Allowances and other emoluments inclusive of Company's contribution to employee provident fund and social security organisation contribution.

The remuneration (including salary, bonus, allowances, and other emoluments) of all key Senior Management of the Group on a named basis during the FYE2023 in bands of RM50,000 are set out below:

Name of Senior Management	Range of Remuneration		
	RM100,000-RM150,000	RM300,000-RM350,000	RM550,000-RM600,000
Patrick Ting (Chief Executive Officer)			√
Chong Kok (Chief Financial Officer)		√	
Mohd Azman Bin Manaf (General Advisor)	√		

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Directors and is chaired by an Independent Non-Executive Director, Mr. Ng Kok Hok who is not the Chairman of the Board to ensure the effectiveness and independence of the Committee. Mr. Ng Kok Hok is a Chartered Accountant registered with the Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Main LR.

The Board noted on the practice that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. Nonetheless, there was no former key audit partner being appointed as an Independent Director or member of the AC. The duties and responsibilities of the AC are spelt out in the ToR of the AC, a copy of which is available on the Company's website at www.saudee.com.

The AC Chairman has access to the Executive Director, Senior Management, External Auditors and Internal Auditors. The composition of AC is reviewed annually with the view to maintain an independent and effective AC. The appointment/ re-appointment of the External Auditors are reviewed by the AC annually based on their suitability, objectivity and independence. Based on the outcome of its assessment conducted on 27 November 2023, the AC decided to recommend to the Board to seek the shareholders' approval for the re-appointment of the External Auditors, Messrs Grant Thornton Malaysia PLT, at the 15th AGM.

The summary of work of the Audit Committee relating to the FYE 2023 are highlighted on pages 47 to 50 of this Annual Report.

Risk Management and Internal Control Framework

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management Committee ("RMC") in order to manage the overall risk exposure of the Group.

The RMC is chaired by an Independent Non-Executive Director. During the FYE 2023, Risk Management meeting was held on 31 March 2023, to discuss and review on the risks of the major subsidiaries with the Head of Departments (HODs), and the said discussion/review were recorded in the summary of the Risk Management Report.

The HODs have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process were documented in risk registers with each business or operations areas having its respective risk register. The summary report of risk profile were reported to the AC and the Board.

The Board is also fully aware of its responsibility for the Group's system of internal controls which is to maintain a sound system of internal control to safeguard the Group's assets and investors' interest. The Standard Operating Procedures (SOPs) within the Group is to ensure the effective and efficient conduct of operations, financial controls and compliance with laws and regulations. The Group has engaged an external professional firm, JWC Consulting Sdn. Bhd. to carry out internal audit function and provide independent assurance on the adequacy and effectiveness of the internal control of the Group. The Audit Committee reviewed and deliberated on the findings together with the recommendation and management action plan from the Internal Auditors.

The Board members recognise that they have to declare their respective interests in transactions with the Group and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. The Company has an internal framework to ensure it complies with the related party transactions as prescribed in the Main LR. The related party transactions are recorded and presented to the Audit Committee on a quarterly basis for review and discussion should any concern arise. The Audit Committee reviews any related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that causes questions of management integrity to arise.

On 17 November 2023, the Board received assurance from the Executive Director, Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system were in place during 2023 and were operating adequately and effectively to safeguard the Group's assets, as well as shareholders' investments, and the interests of other stakeholders.

The Statement on Risk Management & Internal Control is set out on pages 51 to 54 of this Annual Report to provide an overview of the risk management framework and state of internal control within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company ensures that its communication with the shareholders and various stakeholders is effective, transparent, timely and with quality disclosure. The Company's website has become a key communication channel for the Company to reach its shareholders and general public. The website has a number of sections which provide up-to-date information on Group activities, Board Charter, financial results, announcements released to Bursa Securities, annual reports and company profile, and other information on the Company that can be found on the Company's website at www.saudee.com and engagement through the investor relations function. Alternatively, the shareholders may obtain the Company's latest announcements via the website of Bursa Securities as www.bursamalaysia.com.

Conduct of General Meeting

The AGM is the principal forum of dialogue with shareholders. In accordance with the Companies Act 2016 and Main LR, notice of AGM together with information on where the Company's Annual Report may be accessed, is sent to shareholders at least twenty one (21) days prior to the meeting. The Board acknowledges that AGM is an important means of communicating with its shareholders. In line with the CG practice, the notice of the 15th AGM will be issued to the shareholders at least 28 days before the AGM date.

At the 14th AGM of the Company held on 28 December 2022, all members of the Board, representatives of the management and External Auditor attended the meeting to respond to the questions raised by the shareholders or proxies.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders are welcome to raise queries by contacting the Company at any time throughout the year.

The 15th AGM of the Company will be conducted on a virtual basis from the Broadcast Venue and online remote voting using the remote participation and voting platform which will facilitate participation and voting by shareholders at the meeting.

Poll Voting

The Company has always made the necessary preparation for poll voting for all resolutions tabled at the AGM and EGM.

The Company conducted poll voting in respect of all resolutions put before the shareholders at the last AGM and EGM as required by the Main LR. The poll results of each resolution were announced to Bursa Securities after the AGM and EGM via Bursa Link on the same day.

This statement was made in accordance with a resolution of the Board dated 29 November 2023.

AUDIT COMMITTEE REPORT

The Board of Directors of Saudee Group Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 July 2023.

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee ("AC") during the financial year and up to the date of this AC report are as follows:-

Chairman	:	Ng Kok Hok (Independent Non-Executive Director)
Member	:	Chen Chee Peng (Independent Non-Executive Director) Datuk Sham Shamrat Sen Gupta (Independent Non-Executive Director)

This composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("Main LR"). Mr. Ng Kok Hok the Chairman of the Committee is a Chartered Accountant registered with the Malaysian Institute of Accountants ("MIA"). Accordingly, the Company complies with Paragraph 15.09(1)(c)(i) of the Main LR.

Details of the Terms of Reference of the AC are available on the Company's corporate website at www.saudee.com

MEETING ATTENDANCES

The AC held five (5) meetings during the financial year ended 31 July 2023 ("FYE 2023") with the attendance of the Chief Financial Officer ("CFO"), Internal Auditors, External Auditors and the Company Secretary.

A quorum consists of two (2) members present who must be Independent Directors. Other board members and senior management may attend the AC meetings upon invitation by the AC. Both Internal and External Auditors may request for meeting if they deemed it is necessary.

The details of attendance of the AC members are as follows:-

Directors	No. of meetings attended
Ng Kok Hok (Appointed w.e.f. 28 April 2023)	1/1
Chen Chee Peng	5/5
Datuk Sham Shamrat Sen Gupta	5/5
Sim Yee Fuan (Resigned w.e.f. 28 April 2023)	4/4

During the FYE 2023, the Chairman of the AC had engaged with the Senior Management, Internal Auditors and the External Auditors on a continuous basis, in order to keep abreast of matters and issues affecting the Group.

The Company Secretary acts as the secretary to the AC. Minutes of each meeting are distributed electronically to each Board member, and the Chairman of the AC reports on key issues discussed at each meeting to the Board of Directors ("Board").

SUMMARY OF WORK OF THE AUDIT COMMITTEE AND HOW IT HAS MET ITS RESPONSIBILITIES

The AC met at scheduled times with due notices of meetings issued, and with agenda planned and itemised so that issues raised were deliberated and discussed in a focused and detailed manner.

The Chairman of the AC reported on each meeting to the Board. Detailed audit reports by the External Auditors, Internal Auditors and the respective management response were circulated to members of AC before each meeting.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE AND HOW IT HAS MET ITS RESPONSIBILITIES (CONT'D)

The activities carried out by the AC during and subsequent to the FYE 2023 in the discharge of its duties and responsibilities are as follows:

Financial Reporting

- a) At the meeting on 27 September 2023, the AC reviewed quarterly financial statements for the fourth quarter of 2023 and recommended to the Board for approval and announcement to Bursa Securities.

The AC reviewed the unaudited quarterly reports for the first quarter, second quarter and third quarter of the FYE 2023 at the AC meetings held on 28 December 2022, 24 March 2023 and 26 June 2023 respectively and recommended the same to the Board for approval and announcement to Bursa Securities.

The quarterly financial statements for FYE 2023 were prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Main LR and in compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board.

The CFO updates the AC regularly on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The CFO is responsible for ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements.

- b) The AC reviewed the impact of new or proposed changes in accounting standards and regulatory requirements of the Company; and considered and reviewed the integrity of information in the financial statements and quarterly reports, focusing particularly on:
- any changes in accounting policies and practices had been adopted;
 - the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements was appropriate;
 - prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, and Main LR; and
 - the Annual Financial Statements and Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and its subsidiary companies for FYE2023.

External Audit

The AC had met with the External Auditors, Messrs. Grant Thornton Malaysia PLT ("GT") without the presence of the executive members during year 2023.

During the meeting, the External Auditors tabled the Audit Planning Memorandum prior to the commencement of audit of financial statements for FYE 2023. The main particulars outlined included audit timeline, the nature and scope of audit, material litigation, proposed audit fee and deliberation on key areas of audit focus raised by the External Auditor. The AC also noted on the updates of MFRSs which were applicable to the Group.

In addition, the External Auditor presented the Audit Findings Report for the FYE 2023 for the AC's notation and discussion. The AC deliberated on audit issues raised by the External Auditors and the action plans required to address those issues. The External Auditors informed that the management had granted full co-operation to the External Auditors during their course of audit.

On 24 November 2023, the External Auditors briefed the Committee on the draft Audited Financial Statements for FYE 2023 before the same were proposed for the Board's approval. The AC had reviewed the performance of the External Auditors in respect of the FYE 2023. The assessment was guided by the External Auditors Evaluation Form as recommended by CG Guide the 3rd edition. Evaluation aspect in relation to the re-appointment included the calibre of the External Audit Firm, Quality Processes/ Performance, Audit Team, Independence and Objectivity, Audit Scope and Planning, Audit Fees and Audit Communications.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE AND HOW IT HAS MET ITS RESPONSIBILITIES (CONT'D)

External Audit (Cont'd)

The AC concluded that based on the assessment, amongst others as set out below, the External Auditors performance for FYE 2023 was found to be satisfactory and thereby recommended the re-appointment of GT as the External Auditors of the Group to the Board for approval by its shareholders at the forthcoming 15th Annual General Meeting:

- satisfied with the independence and the performance of GT throughout its course of audit for FYE 2023;
- satisfied with the quality processes/ performance of the External Auditors;
- able to give adequate technical support when audit issue arise;
- adequate experience and resources of GT in the audit engagement; and
- agreed the provision of non-audit services by the external auditors prior to their commencement of such work and confirmed as permissible for them to undertake such work as provided under the By-Laws of the MIA.

Internal Audit

At the meeting held on 23 June 2022 and 21 November 2022, the AC discharged its duties and responsibilities to review the internal audit function as follows:

- reviewed and approved the Internal Auditors' plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;
- reviewed the internal audit reports presented by the Internal Auditors on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by management and reported relevant issues to the Board; and
- monitored the implementation of management's action plan on outstanding issues through follow-up reports to ensure that all key risks and control weakness were properly addressed.

Summary of work performed by Internal Audit Function

At present, the Group does not have an in-house internal audit department. The Board has appointed an external professional firm, JWC Consulting Sdn. Bhd. ("JWC") to carry out internal audit function.

JWC's principal role is to provide independent assurance on the adequacy and effectiveness of the internal control of the Group. It reports directly to the AC on its activities based on the approved annual Internal Audit Plan. The Internal Auditors presented its findings together with recommendations and management action plan to the AC for review.

During the year, JWC performed its internal audit function as follows:

- carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures;
- reviewed effectiveness of the Group's systems of internal controls;
- supported the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhance the internal control system;
- proposed the annual audit plan which focused on the risk area highlighted in the risk management report for the AC's approval;
- the areas audited for the FYE 2023 included conversion and production, general safety and security, research and development and management information systems;
- reported audit findings and recommended improvements on internal controls system together with corrective actions to be taken; and
- carried out follow-up reviews to monitor the implementation of the recommendations for improvement for reporting to the AC.

The fees incurred for the internal audit services rendered during the FYE 2023 amounted to RM20,506.00.

Risk Management

During the FYE 2023, the Risk Management Committee has carried our review by monthly meeting with all head of department to review and assess the risk management system based on risk profile set in year FYE 2023. At the meeting on 17 November 2023, the Risk Management Committee update AC that the risk profile will remain until the next review that will carried out in March 2023.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE AND HOW IT HAS MET ITS RESPONSIBILITIES (CONT'D)

TRAINING

During the year, AC members attended various seminars, training programmes and conferences. Kindly refer to the details of which are set out on page 43 of this Annual Report.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Internal Control and Risk Management for the inclusion in the annual report of the Group for the FYE2023 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

During the FYE 2023, the AC has carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the Internal Auditors, External Auditors and relevant members of management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control and financial reporting. The AC is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

This Report is made in accordance with a resolution of the Board of Directors dated 29 November 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This statement is made pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (Main LR), which requires public listed companies to include a statement in their annual reports on the statement of risk management and internal control within Saudee Group Berhad and its subsidiaries (“the Group”).

The Board is required to address Practice 10.1 and 10.2 of the Malaysian Code on Corporate Governance (“MCCG” or the “Code”) in the Statement on Risk Management and Internal Control for the financial year ended 31 July 2023 (FYE 2023) which was prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (the Guidelines) which is issued by the Taskforce on Internal Control.

BOARD RESPONSIBILITY

The Board recognises the importance of maintaining a sound risk management framework and internal control system to cover controls relating to risk management, financial, operational and compliance to achieve the following objectives:

- a) Safeguard the shareholders’ interest and assets of the Group
- b) Identify and manage risks affecting the Group
- c) Ensure compliance with regulatory requirements
- d) Ensure the effectiveness and efficiency of operations to achieve objectives of the Group
- e) Ensure the integrity and reliability of financial information

The Group’s internal control system is designed to cater for the Group’s needs and manage the risks to which the Group is exposed. It should be noted that such system is designed to manage, rather than eliminate, the risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material misstatements of management and financial information and records or against financial losses or fraud.

The Board has established a governance structure to ensure effective oversight of risk and control in the Group. It is assisted by the Risk Management Committee (“RMC”) and Audit Committee (“AC”) to oversee all matters with regard to risk and control. Risk-related and internal control matters which required the attention of the Board were recommended by the RMC and AC to the Board for its deliberation and approval.

The RMC, which consists of majority of independent directors, provides oversight on risk management matters relating to the business activities and operations of the Group. Chairman of RMC reviews and discusses the risks of the major subsidiaries with the respective business/ operations heads and Internal Auditor. The RMC also reviews the progress of action plans taken by management, recommends the risk management strategies and risk mitigation actions as well as raises issues of concern to manage and control the material risk components impacting the businesses of the Group.

The adequacy and effectiveness of internal controls were reviewed by the AC in relation to the audits conducted by Internal Auditor during the year. Audit issues and actions taken by Management to address the issues tabled by Internal Auditor were deliberated during the AC meetings. The minutes of the AC meetings are tabled to the Board on periodic basis. Further details of the activities undertaken by the AC are set out in the AC Report of this Annual Report.

RISK MANAGEMENT

The Group acknowledges the identification and the management of risks play an important and integral part in achieving the Group’s business objectives and the management of its daily operations. The Board has adopted the Enterprise Risk Management (“ERM”) framework for all major subsidiaries to ensure that the Group’s assets are well protected and shareholders’ value is enhanced. With the ERM, departments of the said subsidiaries are required to identify risks and evaluate control within key functions/activities of their business processes. The risk profiles and status of the action plans are reviewed on a yearly basis by the RMC with the business/operations heads. There is on-going risk management process to identify, evaluate, monitor and manage significant and high risks faced by the Group throughout the FYE 2023.

The Board through its RMC, is entrusted with the responsibility of implementing and maintaining the ERM framework to achieve the following objectives:

- identify, assess, report and monitor significant risks in an effective manner;
- enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans; and
- promote risk-aware culture and provide the necessary knowledge for risk management at every level of management within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

The Group's risk assessment process is described in the following table:

1. Information gathering	<ul style="list-style-type: none"> To obtain relevant information through the following methods: <ol style="list-style-type: none"> Interviews and discussion conducted with the Managers and Officers of the major subsidiaries to gather information on and to gain insight of the operating environment of the company. Audited and draft financial statements. Previous risk management reports. 																																																								
2. Risk Identification	<ul style="list-style-type: none"> Identify risks that affect the Group in business activities from the information gathered. Enable early detection of risk and ensure sound risk management practices are in place to manage the risk and appropriate actions are taken to mitigate the Group's exposure to risk. Four risk categories such as strategic, operational, financial and compliance. 																																																								
3. Risk quantification	<ul style="list-style-type: none"> The risks identified are then quantified for their impact on the organization. The level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to be high risk, significant risk, moderate risk and low risk. A risk event may have a combined score of (1) up to (25) depending on its likelihood and impact scores. The risk will be mapped into the following risk heat-chart: <table border="1" data-bbox="483 904 1473 1279"> <thead> <tr> <th colspan="2"></th> <th colspan="5">Impact (I)</th> </tr> <tr> <th colspan="2"></th> <th>Insignificant</th> <th>Minor</th> <th>Moderate</th> <th>Major</th> <th>High</th> </tr> <tr> <th>Likelihood</th> <th>(L)</th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> </tr> </thead> <tbody> <tr> <td>Almost certain</td> <td>(5)</td> <td>L</td> <td>M</td> <td>S</td> <td>H</td> <td>H</td> </tr> <tr> <td>Most Likely</td> <td>(4)</td> <td>L</td> <td>M</td> <td>S</td> <td>S</td> <td>H</td> </tr> <tr> <td>Possible</td> <td>(3)</td> <td>L</td> <td>M</td> <td>M</td> <td>S</td> <td>S</td> </tr> <tr> <td>Unlikely</td> <td>(2)</td> <td>L</td> <td>L</td> <td>M</td> <td>M</td> <td>M</td> </tr> <tr> <td>Rare</td> <td>(1)</td> <td>L</td> <td>L</td> <td>L</td> <td>L</td> <td>L</td> </tr> </tbody> </table>			Impact (I)							Insignificant	Minor	Moderate	Major	High	Likelihood	(L)	(1)	(2)	(3)	(4)	(5)	Almost certain	(5)	L	M	S	H	H	Most Likely	(4)	L	M	S	S	H	Possible	(3)	L	M	M	S	S	Unlikely	(2)	L	L	M	M	M	Rare	(1)	L	L	L	L	L
		Impact (I)																																																							
		Insignificant	Minor	Moderate	Major	High																																																			
Likelihood	(L)	(1)	(2)	(3)	(4)	(5)																																																			
Almost certain	(5)	L	M	S	H	H																																																			
Most Likely	(4)	L	M	S	S	H																																																			
Possible	(3)	L	M	M	S	S																																																			
Unlikely	(2)	L	L	M	M	M																																																			
Rare	(1)	L	L	L	L	L																																																			
4. Risk responses	<ul style="list-style-type: none"> For each risk identified, the management will have one or more of the following response options: <ol style="list-style-type: none"> Avoidance Risk could have major impact but the cost of implementing additional controls outweigh the benefits Tolerate Consciously accepting certain risk whereby impact is minor Mitigate Taking steps to implement control action in reducing likelihood of occurrence and its impact Transfer Pass on risk to other parties Acceptable Maintain and monitor current actions. 																																																								
5. Control Strategies-identify, develop and implement	<ul style="list-style-type: none"> Monitor and check the effectiveness of the risk control measure, and whether the intended result is achieved. Every department head must make sure risk control reflect in SOP. Implement risk mitigation actions aimed to minimise existing or in some instances to prevent new or emerging risks from occurring. 																																																								

Principally, the Group's key risks identified during the year are system failure/ breakdown and exposure of Company's valuable information (recipe/ Mixture) to unauthorized parties. However, the control strategies have been in place to mitigate those risks to an acceptable level.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:

- **Group Organisation Structure**

The Board has established a clear organisation structure with defined lines of responsibility and accountability aligned to the Group's business and operations requirements.

- **Oversight by Respective Board Committee**

The Board has delegated specific duties, roles and responsibilities to respective Board Committee, namely AC, RMC and Nominating Committee ("NC"). These Committees have the authority to examine all matters within the scope defined in their respective terms of reference and report their recommendations to the Board. NC reviews the effectiveness of the Board and performance of each individual director to ensure that the Board has the right size and appropriate mix of skills and experience to achieving the Group's objectives and goals.

- **Limit of Authorities**

Limit of authorities imposed on executive directors and management within the Group in respect of the day-to-day operation, investment, acquisitions and disposal of assets.

- **Standard Operating Policies and Procedures**

Policies and procedures are set out in operations manuals, guidelines and directives issued by the Group that govern the key business processes such as production, business development, procurement, finance, information technology and etc. which are updated from time to time to ensure compliance with internal controls and the relevant laws and regulations.

- **Human Resource Guidelines**

There are guidelines within the Group for hiring and termination of staff, formal training and development programmes for staff and annual performance appraisals to ensure that the staff are kept up to date with the necessary competencies in carrying out their duties and responsibilities.

- **Code of Ethics for Director and Employee Handbook**

Code of ethics provides guidance for establishing a standard of ethical behaviour for Directors. All employees of the Group are bound to follow employee handbook where employment issues are dealt with fairly and consistently. To ensure that all employees of the Group are clear on the ethical values in the Company, compliance with laws, rules and regulations, respect to colleague in the workplace, protection of Company's property, professionalism in all business practices are also covered under employee handbook.

- **Whistleblowing Policy**

Whistleblowing policy to provide an avenue for employees to report any suspected fraud, unethical behaviour and improper conduct in the workplace in a safe and confidential manner.

- **Periodical Meetings**

Management meetings are conducted regularly to review and discuss on the current progress against the targeted results to ensure timely responses and corrective actions to be taken. The Board receives and reviews reports from management on a regular basis to assess the Group's performance. These reports include the accounts and financial information reports which are tabled to Board for approval. Release of quarterly financial results to the public is made after it has been reviewed by the AC and approved by the Board at the periodic meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include: (Cont'd)

- **Internal Audit Function**

Internal audit function provides assurance of the effectiveness of internal control systems within the Group. Regular internal audit visits to review compliance with policies and procedures and report any significant non-compliance. Audits are carried out on major subsidiaries towards areas with significant risks as identified by RMC, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these subsidiaries. The audit findings are submitted to the AC for review at its periodic meetings. The internal control system is reviewed regularly to ensure that its functions are carried out as planned and remains effective, and risk management process is being audited provide assurance on the management of risks.

The Board confirms that the above elements are in place throughout the financial year under review and up to the date of approval of this annual report and financial statements. The Board is of the opinion that the existing system of risk management and internal control accords with the Guidelines and that it is adequate to achieve the Group's objectives stated above.

ASSURANCE FROM MANAGEMENT

The Board had received assurance from the Executive Director and the Chief Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review. The representations made by the Group's subsidiaries in respect of their risk management and internal control systems have been taken into consideration by the Board in issuing this statement. Based on the assurance and the representations, the Board is of the view that the Group's risk management and internal control system is satisfactory to meet the Group's needs and has not resulted in any material losses, contingencies or uncertainties that require disclosure in the Group's annual report.

This Statement is made in accordance with the resolution of the Board dated 29 November 2023.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of the Main LR and pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Group for FYE 2023. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control systems within the Group.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosure in compliance with the Listing Requirements of Bursa Securities:

1. UTILISATION OF PROCEEDS FROM NEW SHARES ISSUED

On 08 November 2021 and 15 December 2021, the Company completed the Private Placement with the listing of and quotation for 69,000,000 and 74,217,500 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

The status of the utilisation of the proceeds from private placement as follows:

Use of proceeds	Intended Timeframe for Utilisation of Proceeds from the Completion of Private Placement	Proposed Utilisation RM'000	Actual Utilisation RM'000	Adjustment RM'000	Balance RM'000
Business expansion to china	Within 24 months	8,334	3,545	-	4,789
Estimated expenses for Private Placement	Immediate	180	180	-	-
		8,514	3,725	-	4,789

- a) On 20 April 2021 and 23 April 2021, the Company completed the Private Placement II with the listing of and quotation for 20,000,000 and 34,841,700 Placement II Shares respectively on the Main Market of Bursa Malaysia Securities Berhad.

On 23 June 2021, The Company completed the Rights Issue with Warrants with the listing of and quotation for 474,820,122 Rights Share and 237,410,060 Warrants B.

The status of the utilization of the proceeds from Private Placement II and Rights Issue with Free Warrants B 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	17,000	-	-
Marketing and advertisement	Within 24 months	10,000	10,000	-	-
Repayment of borrowings	Within 6 months	19,000	19,000	-	-
Acquisitions and/or investment in complementary business and/or assets	Within 24 months	15,000	15,000	-	-
Working capital	Within 24 months	961	961	-	-
Estimated expenses for the Corporate Exercises	Immediate	1,090	1,090	-	-

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 July 2023 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:

Fees Incurred	Audit Fees RM	Non-Audit Fees # RM
The Company	55,000	5,500
The Group	162,000	25,500

Non-audit fees consist of review of Statement on Risk Management and Internal Control and taxation fee.

3. OPITONS, WARRANTS OR CONVERTIBLE SECURITIES

Share Issuance Scheme ("SIS") during the financial year

At an extraordinary general meeting held on 26 October 2022, the Company's shareholders approved the establishment of a five (5) years SIS of up to fifteen percent (15%) of the issued and paid up capital of the Company. The SIS was implemented on 9 November 2022.

During the financial year under review, 148,736,000 options shares under the SIS have been granted/exercised by the eligible employees. Details of the ESOS options granted to the Director and senior management as at 31 July 2023 are as follows:-

	Since commencement of ESOS on 26 October 2022			
	Aggregate SIS Options Granted	Aggregate SIS Options Exercised	Aggregate SIS Options Forfeited/ Lapsed	Aggregate SIS Options Outstanding
Director	108,736,000	(108,736,000)	-	-
Senior Management	40,000,000	(40,000,000)	-	-
	<u>148,736,000</u>	<u>(148,736,000)</u>	-	-

Since the commencement of the scheme, 100% of the options under the scheme have been granted to Directors.

	Aggregate maximum allocation applicable (%)	Aggregate SIS Options Granted Since 26 October 2022 (%)
Directors and senior management	100	100

The Company had granted options over the ordinary share pursuant to the SIS to its Non-Executive Directors.

4. MATERIAL CONTRACT

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at 31 July 2023 or entered into since the end of the previous financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS

The details of Recurrent Related Party Transactions and their actual amount entered into during the FYE 2023 are disclosed on pages 113 - 114 of the Annual Report.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board has the overall responsibility to prepare the financial statements for each financial year as required by the Companies Act, 2016. The financial statements should be prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the relevant provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements so as to present a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and statements of cash flows for the year then ended.

In this regard, the Directors with the assistance of the Audit Committee:

- Ensured that suitable accounting policies were used and applied consistently.
- Ensured that new and revised MFRSs and Issues Committee Interpretations issued by Malaysian Accounting Standards Board that were relevant to the Group's operations and effective for the accounting period were fully adopted.
- Ensured proper accounting records were kept.
- Ensured adequate system of risk management and internal control were in place to safeguard the assets of the Group to prevent and detect fraud and other irregularities.
- Ensured that the financial statements presented a balanced and understandable assessment of the financial position of the Group and of the Company.
- Made appropriate enquires to the senior management of the Group to ensure that the Group have adequate resources to continue in operational existence in the foreseeable future.
- Ensure that the accounting estimates included in the financial statements were reasonable and prudent.

The financial statements for the year ended 31 July 2023 had been approved by the Board on 29 November 2023.

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 July 2023**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	<u>(7,366,977)</u>	<u>(9,458,850)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 July 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature except for the following items which have been charged to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Fair value gain on investment properties	(800,000)	-
Fair value loss on other investments	4,793,621	-
Impairment loss on investment in a subsidiary	-	8,100,000
Loss on disposal of other investments	<u>3,126,772</u>	<u>-</u>

DIVIDENDS

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of 148,736,000 new ordinary shares pursuant to the exercise of Share Issuance Scheme at an exercise price of RM0.0368 per ordinary share for cash.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

As at 31 July 2023, the Company held 267,000 treasury shares out of the total 1,140,580,319 issued ordinary shares. Further relevant details are disclosed in Note 14 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

SHARE ISSUANCE SCHEME ("SIS")

At an extraordinary general meeting held on 26 October 2022, the Company's shareholders approved the establishment of an SIS of up to 15% of the issued share capital of the Company, to eligible directors and employees of the Group.

The salient features of the SIS are disclosed in Note 29 to the financial statements.

The movement of the share options during the financial year is as follows:

Date of Offer	Exercise Price (RM)	Number of SIS			Balance at 31.7.2023
		Balance at 1.8.2022	Granted	Exercised	
9.11.2022	0.0368	-	148,736,000	(148,736,000)	-

WARRANTS

The salient features of the warrants are disclosed in Note 15.1 to the financial statements.

The movement of the warrants during the financial year is as follows:

	Exercise price (RM)	Number of warrants		Balance at 31.7.2023
		Balance at 1.8.2022	Exercised	
Warrant B expiring 16 June 2024	0.15	233,790,060	-	233,790,060

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Tay Ben Seng, Benson
Chen Chee Peng
Datuk Sham Shamrat Sen Gupta
Ong Poh Lin Abdullah (appointed on 3.11.2022)
Dato' Arjunaidi Bin Mohamed (appointed on 16.1.2023)
Ng Kok Hok (appointed on 28.4.2023)
Sim Yee Fuan (resigned on 28.4.2023)

Directors of the subsidiaries:

Mohammad Azman Bin Manaf
Mak Siew Wei
Patrick Ting

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares and share options of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			Balance at 31.7.2023
	Balance at 1.8.2022	SIS*	Sold	
The Company				
Direct Interest:				
Tay Ben Seng, Benson	-	100,000,000	(98,402,500)	1,597,500
Chen Chee Peng	-	8,736,000	(8,736,000)	-

* Arising from exercising the SIS granted.

	Number of share options			Balance at 31.7.2023
	Balance at 1.8.2022	Granted	Exercised	
The Company				
Direct Interest:				
Tay Ben Seng, Benson	-	100,000,000	(100,000,000)	-
Chen Chee Peng	-	8,736,000	(8,736,000)	-

Other than the above, none of the other directors holding office at the end of the financial year has any interests in shares and share options in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Group and of the Company are as follows:

	COMPANY RM	SUBSIDIARY RM	GROUP RM
Fees	212,500	-	212,500
Salaries, allowances and other emoluments	15,000	372,389	387,389
Defined contribution plan	-	44,550	44,550
Benefits-in-kind	-	22,058	22,058
Share options granted under SIS	695,910	-	695,910
	923,410	438,997	1,362,407

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM17,645.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 July 2023 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	162,000	55,000
Assurance related and non-audit services	25,500	5,500
Total	187,500	60,500

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Tay Ben Seng, Benson

.....
Chen Chee Peng

Penang,

Date: 29 November 2023

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 69 to 126 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 July 2023** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Tay Ben Seng, Benson

.....
Chen Chee Peng

Date: 29 November 2023

STATUTORY DECLARATION

I, **Chong Kok**, the officer primarily responsible for the financial management of **Saudee Group Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 69 to 126 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **29th**)
day of **November 2023**.)

.....
Chong Kok
(MIA No.: 20192)

Before me,

.....
Liew Juan Leng (P162)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF SAUDEE GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Saudee Group Berhad**, which comprise the statements of financial position as at **31 July 2023** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 69 to 126.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 July 2023** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of inventories (Note 10 to the financial statements)</p> <p>The Group holds significant inventories as at 31 July 2023 which exposes the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value.</p> <p>We focused on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; and - how the Group identifies and assesses inventories write-downs. • Attended the physical inventory count and paid attention to the physical condition of inventories; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; • Reviewed and tested the net realisable value of inventories on sampling basis; and • Evaluated the reasonableness and adequacy of the written down of inventories recognised for identified exposures.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF SAUDEE GROUP BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue recognition (Note 19 to the financial statements)</p> <p>The Group's revenue is mainly derived from the manufacturing of frozen food and is recognised at a point in time.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transaction taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.
<p>Impairment assessment on investment in subsidiaries (Note 7 to the financial statements)</p> <p>As at 31 July 2023, the Company reviewed its investment in subsidiaries for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of investment in subsidiaries. The Company estimated the recoverable amount of the respective cash generating units ("CGUs") based on their fair value less cost to sell or value-in-use ("VIU"), whichever is higher.</p> <p>Estimating the VIU of the CGUs involved management judgements and estimation uncertainty in relation to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate.</p>	<p>Our audit procedures in relation to the impairment assessment on investment in subsidiaries included, amongst others, the following:</p> <ul style="list-style-type: none"> • Evaluated the model used in determining the value in use of the CGU as well as assessed the discount rate used; • Challenged the reasonableness of key assumptions based on our knowledge of the business and industry; • Performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of investment in subsidiaries with the alterations to the key assumptions; and • Assessed the adequacy of disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF SAUDEE GROUP BERHAD (CONT'D)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements of the Group and of the Company.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than those for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF SAUDEE GROUP BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2024 J
Chartered Accountant

Penang

Date: 29 November 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	69,244,221	51,170,106	-	-
Investment properties	5	17,350,676	10,160,000	-	-
Right-of-use assets	6	336,606	258,030	-	-
Investment in subsidiaries	7	-	-	16,877,827	24,721,827
Investment in an associate	8	953,003	583,729	-	-
Trade and other receivables	9	-	-	-	86,214,560
		87,884,506	62,171,865	16,877,827	110,936,387
Current assets					
Inventories	10	18,461,180	15,923,602	-	-
Trade and other receivables	9	23,345,902	32,168,848	107,920,901	6,311,341
Current tax assets		923,268	888,223	2,024	-
Other investments	11	21,192,529	30,082,421	613,039	8,569,992
Cash and bank balances	12	4,451,763	8,344,150	139,949	3,254,730
		68,374,642	87,407,244	108,675,913	18,136,063
TOTAL ASSETS		156,259,148	149,579,109	125,553,740	129,072,450
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	13	169,139,090	162,816,100	169,139,090	162,816,100
Treasury shares	14	(118,276)	(118,276)	(118,276)	(118,276)
Other reserves	15	27,837,362	27,924,289	24,968,779	24,968,779
Merger deficit		(29,296,614)	(29,296,614)	-	-
Accumulated losses		(31,391,949)	(24,111,899)	(68,524,025)	(59,065,175)
Total equity		136,169,613	137,213,600	125,465,568	128,601,428
Non-current liabilities					
Borrowings	16	563,843	1,216,240	-	-
Lease liabilities	6	65,391	112,607	-	-
Deferred tax liabilities	17	1,165,176	1,099,667	-	-
		1,794,410	2,428,514	-	-
Current liabilities					
Trade and other payables	18	17,476,225	8,883,134	88,172	136,280
Borrowings	16	513,197	548,142	-	-
Lease liabilities	6	305,703	170,977	-	-
Current tax liabilities		-	334,742	-	334,742
		18,295,125	9,936,995	88,172	471,022
Total liabilities		20,089,535	12,365,509	88,172	471,022
TOTAL EQUITY AND LIABILITIES		156,259,148	149,579,109	125,553,740	129,072,450

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	19	95,582,805	96,879,795	-	-
Cost of sales		(82,289,157)	(79,057,864)	-	-
Gross profit		13,293,648	17,821,931	-	-
Other income	20	1,957,030	2,524,846	96,163	490,209
Administrative expenses		(9,821,904)	(11,028,491)	(1,443,313)	(805,893)
Selling and distribution expenses		(3,748,796)	(6,074,071)	-	-
(Addition)/Reversal of allowance for expected credit losses on:					
- Trade receivables		(1,324,179)	(207,685)	-	-
- Other receivables		20,139	-	-	-
- Amount due from subsidiaries		-	-	-	(29,546,000)
Other operating expenses		(7,920,393)	(7,192,399)	(8,100,000)	-
Operating loss		(7,544,455)	(4,155,869)	(9,447,150)	(29,861,684)
Finance costs	21	(130,594)	(71,781)	-	-
Finance income	22	16,007	13,321	-	1,713,881
Share of results of an associate		369,274	254,121	-	-
Loss before tax	23	(7,289,768)	(3,960,208)	(9,447,150)	(28,147,803)
Taxation	25	(77,209)	(445,928)	(11,700)	(336,930)
Loss for the financial year		(7,366,977)	(4,406,136)	(9,458,850)	(28,484,733)
Total other comprehensive income, net of tax:					
Items that will not be reclassified subsequently to profit or loss:					
Transfer of revaluation surplus to retained profits		86,927	86,927	-	-
Realisation of revaluation surplus upon depreciation		(86,927)	(86,927)	-	-
		-	-	-	-
Total comprehensive loss for the financial year		(7,366,977)	(4,406,136)	(9,458,850)	(28,484,733)
Losses per share attributable to owners of the Company (sen)	26				
- Basic		(0.67)	(0.49)		
- Diluted		(0.67)	(0.49)		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

NOTE	Share Capital RM	Treasury Shares RM	Non-distributable				Merger Deficit RM	Accumulated Losses RM	Total Equity RM
			Warrant Reserve RM	Revaluation Reserve RM	SIS Reserve RM				
2023									
	162,816,100	(118,276)	24,968,779	2,955,510	-	(29,296,614)	(24,111,899)	137,213,600	
Balance at beginning									
Total comprehensive loss for the financial year	-	-	-	(86,927)	-	-	(7,280,050)	(7,366,977)	
<i>Transactions with owners of the Company:</i>									
Issuance of shares pursuant to exercise of SIS	5,473,485	-	-	-	-	-	-	5,473,485	
Grant of SIS to employees	-	-	-	-	951,910	-	-	951,910	
Transfer of SIS reserve upon exercise of SIS	951,910	-	-	-	(951,910)	-	-	-	
Share issuance expenses	(102,405)	-	-	-	-	-	-	(102,405)	
Total transactions with owners	6,322,990	-	-	-	-	-	-	6,322,990	
Balance at end	169,139,090	(118,276)	24,968,779	2,868,583	-	(29,296,614)	(31,391,949)	136,169,613	

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

NOTE	Share Capital RM	Treasury Shares RM	Non-distributable			Accumulated Losses RM	Total Equity RM
			Warrant Reserve RM	SIS Reserve RM	ESOS Reserve RM		
2023							
	162,816,100	(118,276)	24,968,779	-	(59,065,175)	128,601,428	
	-	-	-	-	(9,458,850)	(9,458,850)	
	<i>Transactions with owners of the Company:</i>						
13	5,473,485	-	-	-	-	5,473,485	
13	951,910	-	-	951,910	-	951,910	
13	(102,405)	-	-	(951,910)	-	(102,405)	
	6,322,990	-	-	-	-	6,322,990	
	169,139,090	(118,276)	24,968,779	-	(68,524,025)	125,465,568	
	<i>Transactions with owners of the Company:</i>						
13	8,514,084	-	-	-	-	8,514,084	
13	11,250	-	-	-	-	11,250	
13	7,562,748	-	-	-	-	7,562,748	
13	-	-	-	622,212	-	622,212	
13	8,010	-	(8,010)	-	-	-	
13	622,212	-	-	(622,212)	-	-	
13	(136,359)	-	-	-	-	(136,359)	
	16,581,945	-	(8,010)	-	-	16,573,935	
	162,816,100	(118,276)	24,968,779	-	(59,065,175)	128,601,428	
	<i>Transactions with owners of the Company:</i>						
13	8,514,084	-	-	-	-	8,514,084	
13	11,250	-	-	-	-	11,250	
13	7,562,748	-	-	-	-	7,562,748	
13	-	-	-	622,212	-	622,212	
13	8,010	-	(8,010)	-	-	-	
13	622,212	-	-	(622,212)	-	-	
13	(136,359)	-	-	-	-	(136,359)	
	16,581,945	-	(8,010)	-	-	16,573,935	
	162,816,100	(118,276)	24,968,779	-	(59,065,175)	128,601,428	

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(7,289,768)	(3,960,208)	(9,447,150)	(28,147,803)
Adjustments for:				
Accretion of interest on lease liabilities	10,403	7,401	-	-
Addition/(Reversal) of allowance for expected credit losses on:				
- Trade receivables	1,324,179	207,685	-	-
- Other receivables	(20,139)	-	-	-
- Amount due from subsidiaries	-	-	-	29,546,000
Bad debts written off on trade receivables	-	75,410	-	-
Depreciation of:				
- Property, plant and equipment	5,472,567	5,003,807	-	-
- Right-of-use assets	238,899	146,366	-	-
Dividend income from short term investments	(96,163)	(490,209)	(96,163)	(490,209)
Fair value (gain)/loss on:				
- Investment properties	(800,000)	(1,412,078)	-	-
- Other investments	4,793,621	7,192,399	-	-
Impairment loss on investment in a subsidiary	-	-	8,100,000	-
Interest expenses	120,191	64,380	-	-
Interest income	(16,007)	(13,321)	-	(1,713,881)
Loss/(Gain) on disposal of:				
- Other investments	3,126,772	-	-	-
- Property, plant and equipment	(62,593)	(135,295)	-	-
Property, plant and equipment written off	-	21,238	-	-
Reversal of inventories written down	-	(1,031,244)	-	-
Share of results of an associate	(369,274)	(254,121)	-	-
Share options granted under SIS/ESOS	951,910	622,212	695,910	-
Unrealised (gain)/loss on foreign exchange, net	-	(54,390)	-	13,211
Operating profit/(loss) before working capital changes	7,384,598	5,990,032	(747,403)	(792,682)
Changes in:				
Inventories	(2,537,578)	(3,626,810)	-	-
Receivables	7,079,536	(17,583,922)	(35,857)	177
Payables	8,593,091	(5,797,642)	(48,108)	18,773
An associate's balance	439,370	(596,839)	-	-
Cash generated from/(used in) operations carried forward	20,959,017	(21,615,181)	(831,368)	(773,732)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash generated from/(used in) operations brought forward		20,959,017	(21,615,181)	(831,368)	(773,732)
Income tax paid		(381,487)	(49,099)	(348,466)	(1,100)
Interest paid		(120,191)	(64,380)	-	-
Net cash from/(used in) operating activities		20,457,339	(21,728,660)	(1,179,834)	(774,832)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions in investment properties		(6,390,676)	(8,197,922)	-	-
Additions in investment in shares quoted in Malaysia		(10,386,514)	(28,704,828)	-	-
Changes in fixed deposits pledged to licensed banks		-	81,483	-	-
Dividend received		96,163	490,209	96,163	490,209
Interest received		16,007	13,321	-	-
Proceeds from disposal of investment in shares quoted in Malaysia		3,399,060	-	-	-
Proceeds from disposal of property, plant and equipment		649,183	223,001	-	-
Purchase of property, plant and equipment	A	(23,862,382)	(21,514,739)	-	-
Withdrawal of short term investments		7,956,953	21,517,905	7,956,953	21,517,905
Net cash (used in)/from investing activities		(28,522,206)	(36,091,570)	8,053,116	22,008,114
CASH FLOWS FROM FINANCING ACTIVITIES					
Net change in subsidiaries' balances		-	-	(15,359,143)	(78,923,862)
Net proceeds from issuance of ordinary shares		5,371,080	15,951,723	5,371,080	15,951,723
Repayment of finance lease liabilities	B	(958,232)	(425,212)	-	-
Repayment of lease liabilities	B	(240,368)	(127,399)	-	-
Net cash from/(used in) financing activities		4,172,480	15,399,112	(9,988,063)	(62,972,139)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,892,387)	(42,421,118)	(3,114,781)	(41,738,857)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE		-	(13,211)	-	(13,211)
CASH AND CASH EQUIVALENTS AT BEGINNING		7,954,150	50,388,479	3,254,730	45,006,798
CASH AND CASH EQUIVALENTS AT END		4,061,763	7,954,150	139,949	3,254,730
Represented by:					
Fixed deposit with a licensed bank		390,000	390,000	-	-
Cash in hand and at banks		4,061,763	7,954,150	139,949	3,254,730
		4,451,763	8,344,150	139,949	3,254,730
Less: Fixed deposit pledged to a licensed bank		(390,000)	(390,000)	-	-
Total cash and cash equivalents		4,061,763	7,954,150	139,949	3,254,730

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (CONT'D)

A. Purchase of property, plant, equipment

	NOTE	GROUP	
		2023 RM	2022 RM
Total acquisition cost		24,133,272	23,395,828
Acquired under finance lease liabilities	B	(270,890)	(1,881,089)
Total cash acquisition		23,862,382	21,514,739

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2023				
Finance lease liabilities	1,764,382	(687,342)	-	1,077,040
Lease liabilities	283,584	(240,368)	327,878	371,094
Total liabilities arising from financing activities	2,047,966	(927,710)	327,878	1,448,134
2022				
Finance lease liabilities	308,505	1,455,877	-	1,764,382
Lease liabilities	293,294	(127,399)	117,689	283,584
Total liabilities arising from financing activities	601,799	1,328,478	117,689	2,047,966

¹ Others consist of non-cash movements as follows:

	GROUP	
	2023 RM	2022 RM
Accretion of interest on lease liabilities	10,403	7,401
Additions of lease liabilities	317,475	110,288
	327,878	117,689

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2023

1. CORPORATE INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The registered office of the Company is located at 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang and its principal place of business is located at Plot 331, Taman Perindustrian Sungai Petani Fasa 3, 08000 Sungai Petani, Kedah.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated on 29 November 2023.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3 to the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (Cont'd)

Fair value measurement (cont'd)

External valuers are involved for valuation of significant assets, such as investment properties, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the Group's and the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.4 Adoption of Amendments/Improvements to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments/ improvements to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

Initial application for the above amendments/improvements to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and the Company:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 7 Financial Instruments: Disclosures and MFRS 107 Statement of Cash Flows - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standard and amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension options period as part of the lease term for leases of motor vehicles and premises as it is not reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Valuation of investment properties**

The Group measures its investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to determine fair values as at the end of the reporting period.

The carrying amount of the investment properties as at the end of the reporting period and the relevant valuation bases and fair value are disclosed in Note 5 and Note 31.2 to the financial statements.

(ii) **Inventories written down**

Inventories of the Group are written down to the net realisable value based on the expected sales patterns of individual item held in inventory. Changes in the expected sales profiles may have an impact on the amount of inventories written down recorded.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(iii) Provision for expected credit losses ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 30.3.1 to the financial statements.

(iv) Impairment of investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, the Company carries out impairment test based on the estimate of the higher of value-in-use or the fair value less cost to sell of the cash-generating unit ("CGU") to which the investment in the subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

If the recoverable amount of the investment in a subsidiary is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM8,100,000** (2022: RM Nil) is recognised in profit or loss to write down a subsidiary to its recoverable amount.

(v) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(vi) Employees' share option

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of an investment in a subsidiary, the difference between the net disposal proceeds and their carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.16 to the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.1.3 Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.1.6 Associate

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investment in its associate is accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statements of other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

The financial statements of the associates are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at the reporting date whether there is any objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on land and buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Leasehold land is depreciated on a straight-line basis over the lease term of 47 years. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	39 years
Plant, machinery and factory equipment	6.67% - 10%
Furniture, fittings and office equipment	10%
Electrical installation and renovation	10% - 50%
Motor vehicles	20%
Software	7 years

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the disposed assets and are recognised in profit or loss in the financial year in which the assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.3 Investment Properties

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained profits; the transfer is not made through profit or loss.

3.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. It is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.4.1 Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities for lease payments made and/or to be made, and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Motor vehicles	2 - 3 years
Premises	2 - 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

3.4.1 Group as lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.4.2 Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

3.5 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

(i) Initial recognition and measurement

Financial assets are measured at initial recognition at fair value and subsequently measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, at its transaction costs.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at AC are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group and the Company do not have any financial assets at FVOCI as at the end of the reporting period.

Financial assets at AC

Financial assets at AC are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at AC include trade and other receivables (excluding prepayments) and cash and bank balances.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in statements of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as other income in the statements of comprehensive income when the right of payment has been established.

The Group's and the Company's financial asset at FVTPL includes other investments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.1 Financial assets (cont'd)

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(iv) Impairment

The Group and the Company recognise allowance for expected credit losses ("ECLs") on financial assets measured at AC, debt investments measured at FVOCI, contract assets, and lease receivables. ECLs are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss ("ECL"), except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECL. Loss allowances for trade and other receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the asset, while 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the ECLs on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at AC is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at AC and debt securities at FVOCI are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.1 Financial assets (cont'd)

(iv) Impairment (cont'd)

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

3.6.2 Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables (excluding sales tax payable) and borrowings.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL
- Financial liabilities at AC

The Group and the Company do not have any financial liabilities at FVTPL as at the end of the reporting period.

Financial liabilities at AC

After initial recognition, trade and other payables (excluding sales tax payable) and borrowings are subsequently measured at AC using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

3.6.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.7 Inventories

Inventories comprise raw materials, packing materials, work-in-progress, finished goods and are stated at the lower of cost and net realisable value.

Cost of raw material and packing materials comprise the original cost of purchase plus the cost of bringing the inventories to their present location and condition and is determined on the first-in, first-out basis.

Cost of finished goods and work-in-progress consist of raw material, packing materials, direct labour and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.8 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.9 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.10 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

3.11 Treasury Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.12 Warrants

Warrants are classified as equity instrument and its value is allocated based on the market prices on their first day of quotation in the stock exchange. The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital. The warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.13 Revenue

The Group is in the business of manufacturing and selling of frozen food.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

3.13.1 Manufacture and sale of frozen food

Revenue from manufacturing and sale of frozen food is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sales of frozen foods provide customers with discounts and fixed rebates. The rights of return, discounts and fixed rebates give rise to variable consideration.

Discounts

The Group gives trade discounts to certain customers once the customers have made early settlement. To estimate the variable consideration for the expected future trade discount, the Group applied the expected value method. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future trade discounts.

Fixed rebates

The Group provides retrospective unconditional fixed rebates to certain customers. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the transaction price at the date of the contract with customers. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

3.13.2 Interest income

Interest income is recognised as it accrues using the EIR method in profit or loss.

3.13.3 Rental income

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.13.4 Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

3.13.5 Contract balances

This refers to the closing balances of the trade receivables as at the end of the reporting period.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.14 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the EIR method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and undertakes activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.15 Employee Benefits

3.15.1 Short-term employee benefits

Wages, salaries, bonuses, social security contributions ("SOCSSO") and employment insurance ("EIS") are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

3.15.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as and when incurred.

3.15.3 Share Issuance Scheme ("SIS")/Employees' share options scheme ("ESOS")

Eligible employees of the Group and of the Company received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the SIS/ESOS reserve over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The SIS/ESOS reserve is transferred to retained profits upon expiry of the share options.

The proceeds received net of directly attributable transaction costs are credited to share capital when the options are exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.16 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting date.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for investment properties carried at fair value model. Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3.3 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3.17 Sales Tax

Sales tax is recognised as part of the expense or cost of acquisition of the asset as sales tax is not recoverable.

Revenue is recognised net of the amount of sales tax billed as it is payable to the taxation authority.

The net sales tax payable to the taxation authority is included as part of payables in the statements of financial position.

3.18 Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

3. ACCOUNTING POLICIES (CONT'D)

3.19 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.20 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.21 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group.

- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a) (i) above has significant influence over the Group or is a member of the key management personnel of the entity.
 - (viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation		At cost						Total RM
	Leasehold land RM	Buildings RM	Plant, machinery and factory equipment RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Software RM	Capital work-in- progress RM	
2023									
At Valuation/Cost									
Balance at beginning	5,500,000	10,000,000	45,237,036	2,353,192	5,166,540	3,274,110	2,112,920	11,084,476	84,728,274
Additions	-	-	830,717	180,107	320,509	338,612	487,079	21,976,248	24,133,272
Disposals	-	-	(1,528,159)	-	-	(683,364)	-	-	(2,211,523)
Reclassification	-	-	2,441,160	-	2,032,400	-	-	(4,473,560)	-
Balance at end	5,500,000	10,000,000	46,980,754	2,533,299	7,519,449	2,929,358	2,599,999	28,587,164	106,650,023
Accumulated depreciation									
Balance at beginning	305,556	1,025,641	25,525,020	1,756,248	4,027,161	817,927	100,615	-	33,558,168
Depreciation	152,778	277,778	3,359,460	348,059	479,729	525,341	329,422	-	5,472,567
Disposals	-	-	(1,506,922)	-	-	(118,011)	-	-	(1,624,933)
Balance at end	458,334	1,303,419	27,377,558	2,104,307	4,506,890	1,225,257	430,037	-	37,405,802
Carrying amount	5,041,666	8,696,581	19,603,196	428,992	3,012,559	1,704,101	2,169,962	28,587,164	69,244,221

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation		At cost							Total
	Leasehold land RM	Buildings RM	Plant, machinery and factory equipment RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Software RM	Capital work-in-progress RM	RM	
2022										
At Valuation/Cost										
Balance at beginning	5,500,000	10,000,000	37,484,958	1,791,652	4,601,777	1,120,335	-	1,056,460	61,555,182	
Additions	-	-	7,768,578	561,540	152,100	2,315,079	-	12,598,531	23,395,828	
Disposals	-	-	-	-	-	(161,304)	-	-	(161,304)	
Written off	-	-	(16,500)	-	(44,932)	-	-	-	(61,432)	
Reclassification	-	-	-	-	457,595	-	2,112,920	(2,570,515)	-	
Balance at end	5,500,000	10,000,000	45,237,036	2,353,192	5,166,540	3,274,110	2,112,920	11,084,476	84,728,274	
Accumulated depreciation										
Balance at beginning	132,550	723,000	22,329,703	1,426,210	3,608,578	448,112	-	-	28,668,153	
Depreciation	173,006	302,641	3,211,817	330,038	442,277	443,413	100,615	-	5,003,807	
Disposals	-	-	-	-	-	(73,598)	-	-	(73,598)	
Written off	-	-	(16,500)	-	(23,694)	-	-	-	(40,194)	
Balance at end	305,556	1,025,641	25,525,020	1,756,248	4,027,161	817,927	100,615	-	33,558,168	
Carrying amount	5,194,444	8,974,359	19,712,016	596,944	1,139,379	2,456,183	2,012,305	11,084,476	51,170,106	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) The leasehold land and buildings were revalued to fair values based on the valuations performed by independent professional valuers using the cost method. Had the leasehold land and buildings been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:

	GROUP	
	2023 RM	2022 RM
Leasehold land	1,688,600	1,739,370
Buildings	7,478,160	7,704,665
	<u>9,166,760</u>	<u>9,444,035</u>

- (ii) The carrying amount of motor vehicles of the Group which are pledged as securities for finance lease liabilities as disclosed in Note 16 to the financial statements are **RM1,597,225** (2022: RM2,162,978).

- (iii) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

	GROUP	
	Carrying amount RM	Current depreciation RM
2023		
Leasehold land	<u>5,041,666</u>	<u>152,778</u>
2022		
Leasehold land	<u>5,194,444</u>	<u>173,006</u>

5. INVESTMENT PROPERTIES

	GROUP	
	2023 RM	2022 RM
At fair value		
Balance at beginning	10,160,000	550,000
Addition	6,390,676	8,197,922
Fair value gain on investment properties	800,000	1,412,078
Balance at end	<u>17,350,676</u>	<u>10,160,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

5. INVESTMENT PROPERTIES (CONT'D)

The investment properties consist of the following:

	GROUP	
	2023	2022
	RM	RM
Freehold land	660,000	660,000
Freehold shoplots	16,690,676	9,500,000
	17,350,676	10,160,000

On 7 April 2022, the Group had entered into a Sale and Purchase Agreement with Beh Tong Sdn. Bhd. to acquire a freehold four storey shoplot building for a cash consideration of RM6,150,000. The acquisition transaction has been completed during the financial year.

On 17 December 2021, the Group had entered into a Sale and Purchase Agreement with Stocks N Options Sdn. Bhd. to acquire a freehold four and a half storey shoplot for a cash consideration of RM7,300,000. The Group had also paid an amount of RM600,000 to Stocks N Options Sdn. Bhd. to carry out the repair work of structural damages of the said property upon signing of Sale and Purchase Agreement. The acquisition transaction had been completed in the prior financial year.

The fair values of investment properties were measured based on the valuations performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 3). Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy.

Group as a lessor

The Group has entered into operating leases on its investment properties. These leases have terms of between one to two years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2023	2022
	RM	RM
Rental income from income generating properties	392,989	62,637
Direct operating expenses	9,362	2,977

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2023	2022
	RM	RM
Within one year	422,400	183,150

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for motor vehicles and premises used in its operations. The leases of motor vehicles and premises have lease terms of 2 to 3 years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of premises with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the financial year:

GROUP

	Motor vehicles RM	Premises RM	Total RM
2023			
Balance at beginning	2,940	255,090	258,030
Additions	233,283	84,192	317,475
Depreciation	(90,421)	(148,478)	(238,899)
Balance at end	<u>145,802</u>	<u>190,804</u>	<u>336,606</u>
2022			
Balance at beginning	49,018	245,090	294,108
Additions	-	110,288	110,288
Depreciation	(46,078)	(100,288)	(146,366)
Balance at end	<u>2,940</u>	<u>255,090</u>	<u>258,030</u>

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	GROUP	
	2023 RM	2022 RM
Balance at beginning	283,584	293,294
Additions	317,475	110,288
Accretion of interest	10,403	7,401
Payments	(240,368)	(127,399)
Balance at end	<u>371,094</u>	<u>283,584</u>
Analysed as:		
Non-current	65,391	112,607
Current	<u>305,703</u>	<u>170,977</u>
	<u>371,094</u>	<u>283,584</u>

The maturity analysis of lease liabilities is disclosed in Note 30.4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The following are the amounts recognised in profit or loss:

	GROUP	
	2023 RM	2022 RM
Accretion of interest on lease liabilities	10,403	7,401
Depreciation of right-of-use assets	238,899	146,366
Expenses relating to lease of low value assets	109,623	129,723
Expenses relating to short-term leases	103,002	160,016
	461,927	443,506

The total cash outflows for leases during the financial year are **RM452,993** (2022: RM417,138).

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	56,463,544	56,463,544
SIS/ESOS granted to employees of subsidiaries	1,514,281	1,258,281
	57,977,825	57,721,825
Less: Accumulated impairment losses		
Balance at beginning	(32,999,998)	(32,999,998)
Current year	(8,100,000)	-
Balance at end	(41,099,998)	(32,999,998)
	16,877,827	24,721,827

The details of the subsidiaries, which the principal place of business are all in Malaysia, are as follows:

Name of subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
Saudi Cold Storage Sdn. Bhd.	100	100	Wholesaler and dealer of fresh and frozen foods.
Perusahaan Saudee Sdn. Bhd.	100	100	Manufacturer and dealer of processed poultry, beef products, frozen foods and bakery product.

Impairment of investment in a subsidiary

The Company reviews the investment in subsidiaries for impairment annually. The recoverable amounts of the investment in subsidiaries are assessed by reference to their higher of fair value less cost to sell or value in use. Accordingly, an impairment loss of **RM8,100,000** (2022: RM Nil) is recognised in respect of investment in Perusahaan Saudee Sdn. Bhd. during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

8. INVESTMENT IN AN ASSOCIATE

	GROUP	
	2023 RM	2022 RM
Unquoted shares, at cost	390,000	390,000
Share of post-acquisition results	563,003	193,729
	953,003	583,729

The details of the associate, which the principal place of business is in Malaysia, are as follows:

Name of associate	Effective Equity Interest		Principal Activity
	2023 %	2022 %	
Hokubee Saudee (M) Sdn. Bhd.	39	39	Trading of beef products and frozen foods.

The financial year of Hokubee Saudee (M) Sdn. Bhd. is 31 December. For the purpose of applying the equity method of accounting, appropriate adjustments have been made for the effects of significant transactions between that date and 31 July 2023.

Summarised financial information in respect of the Group's associate is as follows:

	2023 RM	2022 RM
As at 31 July		
Assets and liabilities		
Non-current assets	-	386
Current assets	2,644,952	2,097,606
Current liabilities	(201,355)	(601,252)
Net assets	2,443,597	1,496,740
Year ended 31 July		
Results		
Revenue	5,069,855	4,273,343
Net profit for the financial year, representing total comprehensive income for the financial year	946,857	651,593
Reconciliation of net assets to carrying amount		
Group's share of net assets, representing carrying amount in the statements of financial position	953,003	583,729
Group's share of results		
Year ended 31 July		
Group's share of profit	369,274	254,121
Contingent liabilities and capital commitments		

The associate has no contingent liabilities or capital commitments as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

9. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current					
Other receivables					
Amount due from subsidiaries	9.1	-	-	-	115,760,560
Less: Allowance for expected credit losses		-	-	-	(29,546,000)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>86,214,560</u>
Current					
Trade receivables					
Third parties	9.2	12,522,983	27,178,478	-	-
Amount due from an associate	9.3	159,096	598,466	-	-
		<u>12,682,079</u>	<u>27,776,944</u>	<u>-</u>	<u>-</u>
Less: Allowance for expected credit losses		<u>(2,566,351)</u>	<u>(3,941,757)</u>	<u>-</u>	<u>-</u>
		<u>10,115,728</u>	<u>23,835,187</u>	<u>-</u>	<u>-</u>
Other receivables					
Sundry receivables		3,569,116	730,123	-	-
Less: Allowance for expected credit losses		-	(20,139)	-	-
		<u>3,569,116</u>	<u>709,984</u>	<u>-</u>	<u>-</u>
Amount due from subsidiaries	9.1	-	-	137,419,703	6,300,000
Less: Allowance for expected credit losses		-	-	(29,546,000)	-
		<u>-</u>	<u>-</u>	<u>107,873,703</u>	<u>6,300,000</u>
Deposits		152,820	180,251	1,000	1,000
Prepayments	9.4	9,508,238	7,443,426	46,198	10,341
		<u>13,230,174</u>	<u>8,333,661</u>	<u>107,920,901</u>	<u>6,311,341</u>
		<u>23,345,902</u>	<u>32,168,848</u>	<u>107,920,901</u>	<u>6,311,341</u>
Total trade and other receivables		<u>23,345,902</u>	<u>32,168,848</u>	<u>107,920,901</u>	<u>92,525,901</u>

9.1 Amount due from subsidiaries

The amount due from subsidiaries are non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation except for **RM Nil** (2022: RM92,514,560) on which interest is charged at **Nil** (2022: 2%) per annum.

9.2 Trade receivables

All the trade receivables are denominated in Ringgit Malaysia.

The normal credit terms granted to trade receivables range from **30 to 120 days** (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

9.3 Amount due from an associate

The amount due from an associate is unsecured, non-interest bearing and generally settled within the credit term of **60 days** (2022: 60 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

9. TRADE AND OTHER RECEIVABLES (CONT'D)

9.4 Prepayments

Included in prepayments of the Group is an amount of **RM Nil** (2022: RM 6,150,000) paid to Beh Tong Sdn. Bhd. to acquire a freehold four storey shophot based on the Sale and Purchase Agreement dated 7 April 2022.

The movement of the allowance for expected credit losses during the financial year is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables				
Balance at beginning	3,941,757	3,747,813	-	-
Addition	1,324,179	207,685	-	-
Written off	(2,699,585)	(13,741)	-	-
Balance at end	2,566,351	3,941,757	-	-
Sundry receivables				
Balance at beginning	20,139	20,139	-	-
Reversal	(20,139)	-	-	-
Balance at end	-	20,139	-	-
Amount due from subsidiaries				
Balance at beginning/end	-	-	29,546,000	29,546,000
	2,566,351	3,961,896	29,546,000	29,546,000

10. INVENTORIES

	GROUP	
	2023 RM	2022 RM
At cost		
Raw materials	11,441,102	6,765,823
Packing materials	2,210,106	2,220,902
Work-in-progress	67,138	215,948
Finished goods	4,742,834	6,720,929
	18,461,180	15,923,602
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	82,289,157	80,089,108
Reversal of inventories written down	-	(1,031,244)

The reversal of inventories written down was made in the prior financial year when the related inventories sold above their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

11. OTHER INVESTMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets at fair value through profit or loss				
Investment in shares quoted in Malaysia	20,579,490	21,512,429	-	-
Short term investments	613,039	8,569,992	613,039	8,569,992
	21,192,529	30,082,421	613,039	8,569,992

The short term investments represent investment in money market instruments with different maturity period and can be redeemed at any time upon notice given to the financial institutions.

12. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposit with a licensed bank	390,000	390,000	-	-
Cash in hand and at banks	4,061,763	7,954,150	139,949	3,254,730
	4,451,763	8,344,150	139,949	3,254,730

The fixed deposit with a licensed bank is pledged to a financial institution as securities for bank guarantee facilities granted to the Group.

The effective interest rates per annum and maturities of the fixed deposit with a licensed bank of the Group as at the end of the reporting period are **2.60%** (2022: 2.60%) per annum and **12 months** (2022: 12 months) respectively.

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	4,451,162	8,330,511	139,348	3,253,736
United States Dollar	-	8,175	-	391
Renminbi	-	4,736	-	-
Others	601	728	601	603
	4,451,763	8,344,150	139,949	3,254,730

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

13. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023	2022	2023 RM	2022 RM
Issued and fully paid:				
Balance at beginning	991,844,319	716,279,819	162,816,100	146,234,155
Issuance of shares pursuant to:				
- Private placements	-	143,217,500	-	8,514,084
- Exercise of Warrant B	-	75,000	-	11,250
- Exercise of ESOS	148,736,000	132,272,000	5,473,485	7,562,748
- Transfer of warrant reserve upon exercise of Warrant B	-	-	-	8,010
Transfer of ESOS reserve upon exercise of ESOS	-	-	951,910	622,212
Share issuance expenses	-	-	(102,405)	(136,359)
Balance at end	1,140,580,319	991,844,319	169,139,090	162,816,100

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of 148,736,000 new ordinary shares pursuant to the exercise of SIS at an exercise price of RM0.0368 per ordinary share for cash.

In the prior financial year, the Company had increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 69,000,000 new ordinary shares through a private placement at an issue price of RM0.0666 per ordinary share for cash on 8 November 2021;
- (ii) 74,217,500 new ordinary shares through a private placement at an issue price of RM0.0528 per ordinary share for cash on 15 December 2021;
- (iii) 75,000 new ordinary shares pursuant to the exercise of Warrant B at an exercise price of RM0.15 per warrant for cash on 2 August 2021;
- (iv) 88,000,000 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.0585 per ordinary share for cash;
- (v) 38,497,000 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.055 per ordinary share for cash; and
- (vi) 5,775,000 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.0515 per ordinary share for cash.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

14. TREASURY SHARES

Of the total **1,140,580,319** (2022: 991,844,319) issued and paid-up ordinary shares as at the end of the reporting period, **267,000** (2022: 267,000) ordinary shares are held as treasury shares by the Company. As at the end of the reporting period, the number of outstanding ordinary shares in issue is therefore **1,140,313,319** (2022: 991,577,319) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

15. OTHER RESERVES

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-distributable:					
Warrant reserve	15.1	24,968,779	24,968,779	24,968,779	24,968,779
Revaluation reserve	15.2	2,868,583	2,955,510	-	-
		27,837,362	27,924,289	24,968,779	24,968,779

15.1 Warrant reserve

	GROUP AND COMPANY	
	2023 RM	2022 RM
Balance at beginning	24,968,779	24,976,789
Transfer of warrant reserve upon exercise of Warrant B	-	(8,010)
Balance at end	24,968,779	24,968,779

Warrant reserve represents the fair value of the warrants issued pursuant to rights issue exercise undertaken by the Company.

Warrant B

On 17 June 2021, the Company had issued 237,410,060 Warrant B in conjunction with the issuance of rights shares.

The Warrant B is constituted by a deed poll dated 5 May 2021 ("Deed Poll"). The salient features of the Warrant B are as follows:

- (i) The warrants are detachable and separately tradable;
- (ii) Each warrant entitles the holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM0.15;
- (iii) The warrants are exercisable over a period of 3 years until 16 June 2024;
- (iv) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll;
- (v) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (iv) above), unless and until such warrant holders exercise their rights to subscribe for new ordinary shares; and
- (vi) The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank *pari passu* with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The movement of the warrants during the financial year are as follows:

	Number of warrants		
	Balance at beginning	Exercised	Balance at end
2023			
Warrant B expiring 16 June 2024	233,790,060	-	233,790,060
2022			
Warrant B expiring 16 June 2024	233,865,060	(75,000)	233,790,060

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

15. OTHER RESERVES (CONT'D)

15.2 Revaluation reserve

	GROUP	
	2023 RM	2022 RM
Balance at beginning	2,955,510	3,042,437
Realisation of revaluation surplus upon depreciation	<u>(86,927)</u>	<u>(86,927)</u>
Balance at end	<u>2,868,583</u>	<u>2,955,510</u>

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's leasehold land and buildings and is non-distributable.

16. BORROWINGS

	GROUP	
	2023 RM	2022 RM
Non-current liabilities		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within one year	558,468	624,035
More than one year and less than two years	444,059	622,944
More than two years and less than five years	132,300	650,231
More than five years	<u>10,774</u>	<u>26,963</u>
	1,145,601	1,924,173
Future finance charges	<u>(68,561)</u>	<u>(159,791)</u>
	1,077,040	1,764,382
Amount due within one year included under current liabilities	<u>(513,197)</u>	<u>(548,142)</u>
	<u>563,843</u>	<u>1,216,240</u>
Current liabilities		
Secured:		
Finance lease liabilities	<u>513,197</u>	<u>548,142</u>
Total borrowings	<u>1,077,040</u>	<u>1,764,382</u>

The borrowings are secured by way of lease assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
2023						
Finance lease liabilities	2.46 - 5.23	1,077,040	513,197	426,374	126,849	10,620
2022						
Finance lease liabilities	2.46 - 5.23	1,764,382	548,142	575,376	615,161	25,703

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

17. DEFERRED TAX LIABILITIES

	GROUP	
	2023 RM	2022 RM
Balance at beginning	1,099,667	990,669
Recognised in profit or loss	65,509	108,998
Balance at end	1,165,176	1,099,667

The deferred tax liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2023 RM	2022 RM
Revaluation reserve	905,868	933,317
Investment properties	259,308	179,308
Other deductible temporary differences	-	(12,958)
	1,165,176	1,099,667

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
Third parties	14,065,091	5,816,408	-	-
Other payables				
Sundry payables	2,075,810	1,098,951	922	19,148
Accruals	737,974	1,092,646	87,250	117,132
Deposits received	597,350	416,350	-	-
Sales tax payable	-	458,779	-	-
	3,411,134	3,066,726	88,172	136,280
Total trade and other payables	17,476,225	8,883,134	88,172	136,280

Trade payables are non-interest bearing and are generally on **30 to 90 days** (2022: 30 to 90 days) credit terms.

Included in the deposits received are security deposits of **RM500,000** (2022: RM350,000) received from the distributors of the Group's products and are refundable on termination of the distributorship agreement.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	16,305,319	8,605,014	88,172	136,280
United States Dollar	1,051,678	150,029	-	-
Euro	-	128,091	-	-
Japanese Yen	119,228	-	-	-
	17,476,225	8,883,134	88,172	136,280

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

19. REVENUE

19.1 Disaggregated revenue information

	GROUP	
	2023	2022
	RM	RM
Manufacture and sale of frozen food in Malaysia recognised at a point in time upon delivery of goods to the customers, representing total revenue from contracts with customers	95,582,805	96,879,795

19.2 Performance obligations

The performance obligations are spelt out in Note 3.13 to the financial statements.

20. OTHER INCOME

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Bad debt recovered	4,734	2,600	-	-
Dividend income from short term investments	96,163	490,209	96,163	490,209
Fair value gain on investment properties	800,000	1,412,078	-	-
Gain on disposal of property, plant and equipment	62,593	149,000	-	-
Others	530,179	318,323	-	-
Realised gain on foreign exchange	70,372	-	-	-
Rental income on:				
- Investment properties	392,989	62,637	-	-
- Cold room	-	22,398	-	-
Unrealised gain on foreign exchange	-	67,601	-	-
	1,957,030	2,524,846	96,163	490,209

21. FINANCE COSTS

	GROUP	
	2023	2022
	RM	RM
Accretion of interest on lease liabilities	10,403	7,401
Interest expenses on finance lease liabilities	120,191	64,380
	130,594	71,781

22. FINANCE INCOME

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income on:				
- Amount due from subsidiaries	-	-	-	1,713,881
- Financial institutions	16,007	13,321	-	-
	16,007	13,321	-	1,713,881

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

23. LOSS BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
After charging:				
Auditors' remuneration:				
- Statutory audit				
- current year	162,000	148,000	55,000	41,000
- under provision in prior year	35,000	-	-	-
- Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	3,000	3,000	3,000	3,000
- Affiliate of Grant Thornton Malaysia PLT	22,500	22,800	2,500	1,800
Bad debts written off on trade receivables	-	75,410	-	-
Depreciation of:				
- Property, plant and equipment	5,472,567	5,003,807	-	-
- Right-of-use assets	238,899	146,366	-	-
Directors' fees	212,500	182,710	212,500	182,710
Employee benefits expense (Note 24)	12,352,340	10,570,836	710,910	12,000
Expenses relating to lease of low value assets	109,623	129,723	-	-
Expenses relating to short-term leases	103,002	160,016	-	-
Fair value loss on other investments	4,793,621	7,192,399	-	-
Impairment loss on investments in a subsidiary	-	-	8,100,000	-
Loss on disposal of other investments	3,126,772	-	-	-
Loss on disposal of property, plant and equipment	-	13,705	-	-
Loss on foreign exchange:				
- Realised	199,269	224,513	-	-
- Unrealised	-	13,211	-	13,211
Property, plant and equipment written off	-	21,238	-	-
Reversal of inventories written down	-	(1,031,244)	-	-

24. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, allowances and other emoluments	10,429,849	9,071,494	15,000	12,000
Defined contribution plan	842,993	771,280	-	-
Social security contribution	127,588	105,850	-	-
Share options granted under SIS/ESOS	951,910	622,212	695,910	-
	12,352,340	10,570,836	710,910	12,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

24. EMPLOYEE BENEFITS EXPENSE (CONT'D)

The directors' emoluments of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors:				
<i>Directors of the Company:</i>				
Fees	36,000	48,581	36,000	48,581
Salaries and other emoluments	375,389	686,567	3,000	3,500
Defined contribution plan	44,550	80,640	-	-
Share options granted under SIS	640,000	-	640,000	-
Benefits-in-kind	22,058	-	-	-
	1,117,997	815,788	679,000	52,081
<i>Directors of the subsidiaries:</i>				
Salaries and other emoluments	1,069,228	622,050	-	-
Defined contribution plan	43,790	42,000	-	-
Benefits-in-kind	8,050	26,682	-	-
Total Executive Directors remuneration	2,239,065	1,506,520	679,000	52,081
Non-Executive Directors:				
<i>Directors of the Company:</i>				
Fees	176,500	134,129	176,500	134,129
Allowances	12,000	8,500	12,000	8,500
Share options granted under SIS	55,910	-	55,910	-
Total Non-Executive Directors remuneration	244,410	142,629	244,410	142,629
Total	2,483,475	1,649,149	923,410	194,710

This directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Present directors:				
- Executive	2,239,065	605,376	679,000	38,500
- Non-executive	205,910	127,500	205,910	127,500
	2,444,975	732,876	884,910	166,000
Past directors:				
- Executive	-	901,144	-	13,581
- Non-executive	38,500	15,129	38,500	15,129
	38,500	916,273	38,500	28,710
Total	2,483,475	1,649,149	923,410	194,710

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

25. TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Statements of comprehensive income:				
Malaysian income tax:				
Based on results for the financial year				
- Current tax	-	(336,930)	-	(336,930)
- Deferred tax relating to the origination and reversal of temporary differences	(65,509)	(108,998)	-	-
	(65,509)	(445,928)	-	(336,930)
Under provision of current tax in prior year	(11,700)	-	(11,700)	-
Tax expense recognised in profit or loss	(77,209)	(445,928)	(11,700)	(336,930)

The reconciliation of the taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(7,289,768)	(3,960,208)	(9,447,150)	(28,147,803)
Share of results of an associate	(369,274)	(254,121)	-	-
	(7,659,042)	(4,214,329)	(9,447,150)	(28,147,803)
Income tax at Malaysian statutory tax rate of 24%	1,838,170	1,011,439	2,267,316	6,755,473
Income not subject to tax	-	424,099	-	109,991
Expenses not deductible for tax purposes	(2,743,125)	(2,352,527)	(2,267,316)	(7,202,394)
Deferred tax assets not recognised	-	(1,753,155)	-	-
Utilisation of unrecognised unabsorbed capital allowances and unused tax losses	891,998	2,337,973	-	-
Annual crystallisation of deferred tax on revaluation reserve	27,448	27,451	-	-
Effect of real property gains tax rate applied on the fair value changes of the investment properties	(80,000)	(141,208)	-	-
	(65,509)	(445,928)	-	(336,930)
Under provision of current tax in prior year	(11,700)	-	(11,700)	-
	(77,209)	(445,928)	(11,700)	(336,930)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

25. TAXATION (CONT'D)

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2023 RM	2022 RM
Deferred tax recognised:		
Property, plant and equipment	17,208,919	16,970,692
Unabsorbed capital allowances	(7,353,646)	(10,272,122)
Unabsorbed reinvestment allowance	(9,855,273)	(6,698,570)
	-	-
Deferred tax assets not recognised:		
Property, plant and equipment	393,774	774,810
Unabsorbed capital allowances	152,015	-
Unabsorbed reinvestment allowance	2,023,391	5,180,094
Unused tax losses	20,903,321	21,077,239
Provision	437,688	594,704
	23,910,189	27,626,847

The gross amount and future availability of unused tax losses, unabsorbed capital allowances and reinvestment allowance of the Group which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2023 RM	2022 RM
Unabsorbed capital allowances	7,505,661	10,272,122
Unabsorbed reinvestment allowance	11,878,664	11,878,664
Unused tax losses	20,903,321	21,077,239

The unused tax losses can be carried forward for ten consecutive years of assessment ("YAs") immediately following that year of assessment ("YA") of which tax losses was incurred. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

The unabsorbed reinvestment allowance will be disregarded in the YA 2034, while the unused tax losses will be disregarded in the following YAs:

	GROUP	
	2023 RM	2022 RM
YA 2031	18,119,720	18,293,638
YA 2032	2,151,079	2,151,079
YA 2033	632,522	632,522
	20,903,321	21,077,239

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

26. LOSSES PER SHARE

26.1 Basic losses per share

Basic losses per share is calculated by dividing the Group's loss for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2023	2022
Loss for the financial year (RM)	<u>(7,366,977)</u>	<u>(4,406,136)</u>
Weighted average number of ordinary shares in issue	<u>1,103,129,319</u>	<u>902,141,484</u>
Basic losses per share (sen)	<u>(0.67)</u>	<u>(0.49)</u>

The losses per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

27. CAPITAL COMMITMENTS

	GROUP	
	2023	2022
	RM	RM
Approved but not provided for:		
- Extension of factory building	1,895,432	1,770,924
- Machinery	-	179,000
- Information technology ("IT") software	-	42,294
	<u>1,895,432</u>	<u>1,992,218</u>

28. RELATED PARTIES DISCLOSURES

(i) Identify of related parties

The Group has related party relationship with its subsidiaries, an associate, key management personnel and the following party:

Related party	Relationship
Pasukhas Sdn. Bhd.	A company in which a director of a subsidiary, Mr. Mak Siew Wei, has substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

28. RELATED PARTIES DISCLOSURES (CONT'D)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year. The significant related party transactions of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Sales of goods to an associate	3,811,189	3,659,816	-	-
Subcon charges received from an associate	-	42,000	-	-
Scrap sales to an associate	28,000	-	-	-
Interest income from subsidiaries	-	-	-	1,713,881
Net advances to subsidiaries	-	-	15,359,143	78,923,863
Construction cost paid to Pasukhas Sdn. Bhd.	1,470,868	1,105,128	-	-

(iii) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the directors and other members of key management personnel during the financial year is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Key management personnel compensation:				
- Fees	212,500	182,710	212,500	182,710
- Short term employee benefits	1,758,319	1,452,160	15,000	12,000
- Defined contribution plan	124,108	137,917	-	-
- Benefits-in-kind	36,358	26,682	-	-
- Share options granted under SIS	695,910	-	695,910	-
	2,827,195	1,799,469	923,410	194,710
Analysed as:				
- Directors	2,483,475	1,649,149	923,410	194,710
- Key management personnel	343,720	150,320	-	-
	2,827,195	1,799,469	923,410	194,710

29. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 2 November 2022, the Company has terminated its existing ESOS in accordance with the By-Laws governing its existing ESOS in view of the Board of Directors does not intend to grant any further options under its existing ESOS. The ESOS is replaced by the SIS approved by the shareholders on 26 October 2022. The SIS is governed by the SIS By-Laws and is implemented on 9 November 2022. The SIS is to be in force for a period of 5 years from the date of implementation. The Company may, if the Board of Directors ("Board") deems fit and upon the recommendation of the SIS Committee, extend the SIS for a period of up to a maximum of 5 years in aggregate, commencing from the day after the date of expiration of the original 5 years period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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29. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the SIS are, inter alia, as follows:

- (i) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group on the date of offer and have served for a fixed duration under employment contract. SIS Committee may determine any other criteria for the eligible person from time to time.
- (ii) The maximum number of new shares which may be issued and allotted pursuant to the exercise of the SIS options shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the SIS.
- (iii) The option price shall be determined by the Board upon recommendation of the SIS Committee based on the volume weighted average market price of the shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the SIS.
- (iv) An offer shall be accepted by an eligible person within the offer period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of RM1 only for the acceptance of the offer. If an offer is not accepted within the offer period or in the event of death or cessation of employment of the eligible person, the offer shall automatically lapse upon the expiry of the offer period. The SIS options comprised in such offer may, at the discretion of the SIS Committee, be re-offered to other eligible person.
- (v) The SIS options shall not carry any right to vote at any general meeting of the Company. A grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unexercised SIS options.
- (vi) The new shares to be allotted upon any exercise of the SIS options will upon allotment and issuance, rank *pari passu* in all respects with the existing shares of the Company.
- (vii) The number of SIS options and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital, if any, made by the Company while an option remains unexercised.
- (viii) The Scheme may be terminated by the SIS Committee upon approval of the Board of Directors at any time before the date of expiry.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in the share options during the financial year:

Date of Offer	WAEP (RM)	Number of SIS			
		Balance at 1.8.2022	Granted	Exercised	Balance at 31.7.2023
9.11.2022	0.0368	-	148,736,000	(148,736,000)	-

Date of Offer	WAEP (RM)	Number of ESOS			
		Balance at 1.8.2021	Granted	Exercised	Balance at 31.7.2022
12.11.2021	0.0585	-	88,000,000	(88,000,000)	-
31.12.2021	0.0550	-	38,497,000	(38,497,000)	-
6.1.2022	0.0515	-	5,775,000	(5,775,000)	-

The weighted average fair value of the share options granted during the financial year is **RM0.0064** (2022: RM0.0018 to RM0.007).

The weighted average share price at the date of exercise the share options during the financial year is **RM0.043** (2022: RM0.055 to RM0.065).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

29. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using Black-Scholes Model, taking into account the terms and conditions upon which the share options were granted.

The assumptions used to derive the fair value of the share options are as follows:

	GROUP	
	2023 RM	2022 RM
Expected volatility (%)	198	85 - 92
Risk-free interest rate (% p.a.)	3.46	1.95 - 2.05
Expected life of share option (days)	3	3
Weighted average share price (RM)	0.043	0.055 - 0.065

The expected life of the share options is based on the historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share option is indicative of future trends, which may not necessarily be the actual outcome.

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2023			
Financial assets			
Trade and other receivables, excluding prepayments	13,837,664	13,837,664	-
Other investments	21,192,529	-	21,192,529
Cash and bank balances	4,451,763	4,451,763	-
	39,481,956	18,289,427	21,192,529
Financial liabilities			
Borrowings	1,077,040	1,077,040	-
Trade and other payables, excluding sales tax payable	17,476,225	17,476,225	-
	18,553,265	18,553,265	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2022			
Financial assets			
Trade and other receivables, excluding prepayments	24,725,422	24,725,422	-
Other investments	30,082,421	-	30,082,421
Cash and bank balances	8,344,150	8,344,150	-
	<u>63,151,993</u>	<u>33,069,572</u>	<u>30,082,421</u>
Financial liabilities			
Borrowings	1,764,382	1,764,382	-
Trade and other payables, excluding sales tax payable	8,424,355	8,424,355	-
	<u>10,188,737</u>	<u>10,188,737</u>	<u>-</u>
COMPANY			
2023			
Financial assets			
Trade and other receivables, excluding prepayments	107,874,703	107,874,703	-
Other investments	613,039	-	613,039
Cash and bank balances	139,949	139,949	-
	<u>108,627,691</u>	<u>108,014,652</u>	<u>613,039</u>
Financial liability			
Trade and other payables	88,172	88,172	-
2022			
Financial assets			
Trade and other receivables, excluding prepayments	92,515,560	92,515,560	-
Other investments	8,569,992	-	8,569,992
Cash and bank balances	3,254,730	3,254,730	-
	<u>104,340,282</u>	<u>95,770,290</u>	<u>8,569,992</u>
Financial liability			
Trade and other payables	136,280	136,280	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management

The activities of the Group and of the Company expose it to certain financial risks, including credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The overall financial risk management objective of the Group and of the Company is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

30.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises mainly from receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms.

30.3.1 Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure that credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at net after deducting allowance for expected credit losses. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

The ageing analysis of the trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2023			
Not past due	8,463,198	-	8,463,198
1 to 30 days past due	569,236	-	569,236
31 to 60 days past due	2,627	-	2,627
61 to 90 days past due	19,177	-	19,177
More than 90 days past due	1,061,490	-	1,061,490
	1,652,530	-	1,652,530
Impaired	2,566,351	(2,566,351)	-
	12,682,079	(2,566,351)	10,115,728

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2022			
Not past due	8,717,142	-	8,717,142
1 to 30 days past due	5,905,041	-	5,905,041
31 to 60 days past due	2,905,687	-	2,905,687
61 to 90 days past due	3,004,429	-	3,004,429
More than 90 days past due	3,302,888	-	3,302,888
	15,118,045	-	15,118,045
Impaired	3,941,757	(3,941,757)	-
	<u>27,776,944</u>	<u>(3,941,757)</u>	<u>23,835,187</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at the end of the reporting period, trade receivables of **RM1,652,530** (2022: RM15,118,045) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements except for certain distributors of the Group require to place deposits to the Group under the distributorship agreements in order to further minimise its exposure to credit risk.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables (cont'd)

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
2023			
Low risk	10,115,728	-	10,115,728
High risk	2,566,351	(2,566,351)	-
	12,682,079	(2,566,351)	10,115,728
2022			
Low risk	23,835,187	-	23,835,187
High risk	3,941,757	(3,941,757)	-
	27,776,944	(3,941,757)	23,835,187

High risk customers are individual customers with outstanding balance of more than 5 months. Based on management's past experience, the rate of default for balances above 5 months is considered highly probable thus such customers are individually assessed and impaired.

In managing the credit risk exposure from these customers, management has entered into distributorship agreements with reputable distributors so that such customers deals directly with the Group's distributors thus minimising credit exposure from these customers.

The allowance for expected credit losses ("ECL") from trade receivables under "Low risk" are measured at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward-looking information such as Malaysia's gross domestic product rate has been incorporated in determining the expected credit losses. The ECL calculated for trade receivables under "Low risk" was not material hence no allowance was made.

30.3.2 Intercompany loans and advances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2023					
<i>Non-derivative financial liabilities</i>					
Borrowings	1,077,040	1,145,601	558,468	576,359	10,774
Lease liabilities	371,094	382,407	316,482	65,925	-
Trade and other payables, excluding sales tax payable	17,476,225	17,476,225	17,476,225	-	-
Total undiscounted financial liabilities	18,924,359	19,004,233	18,351,175	642,284	10,774
2022					
<i>Non-derivative financial liabilities</i>					
Borrowings	1,764,382	1,924,173	624,035	1,273,175	26,963
Lease liabilities	283,584	296,875	173,765	123,110	-
Trade and other payables, excluding sales tax payable	8,424,355	8,424,355	8,424,355	-	-
Total undiscounted financial liabilities	10,472,321	10,645,403	9,222,155	1,396,285	26,963
COMPANY					
2023					
<i>Non-derivative financial liability</i>					
Trade and other payables	88,172	88,172	88,172	-	-
2022					
<i>Non-derivative financial liability</i>					
Trade and other payables	136,280	136,280	136,280	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Foreign currency risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currencies transacted are United States Dollar ("USD"), Euro ("EUR") and Japanese Yen ("JPY").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, EUR and JPY exchange rates against RM, with all other variables held constant, of the Group's loss before tax. A 5% strengthening of RM against the following currencies at the end of the reporting period would have decreased in loss before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2023 RM	2022 RM
USD	(52,584)	(7,093)
EUR	-	(6,405)
JPY	(5,961)	-
	<u>(58,545)</u>	<u>(13,498)</u>
Decrease in loss before tax		
	<u>(58,545)</u>	<u>(13,498)</u>
Increase in equity		
	<u>(44,494)</u>	<u>(10,258)</u>

30.6 Interest rate risk

The Group and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest bearing financial instruments based on its carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments				
Financial assets	390,000	390,000	-	92,514,560
Financial liabilities	<u>1,077,040</u>	<u>1,764,382</u>	<u>-</u>	<u>-</u>

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss nor does it designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

30.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's investment in quoted shares which are the equity securities quoted in Malaysia and short term investments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

30. FINANCIAL INSTRUMENTS (CONT'D)

30.7 Equity price risk (Cont'd)

Management of the Group monitors the equity investments on a portfolio basis. The Board of Directors will evaluate and approve the investment in quoted shares after considering:

- (i) the objective and rationale of investment in quoted shares;
- (ii) the valuation and future prospects of the investment in quoted shares;
- (iii) the key risk factors when the quoted shares are invested; and
- (iv) the regulatory requirements.

The Board of Directors will delegate to the authorised personnel with the approved transaction limit to invest in quoted shares.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share price of the quoted equity securities had been 5% higher/lower, with all other variables held constant, the Group's loss before tax would have been impacted by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on investment in quoted shares and short term investments.

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Decrease in loss before tax and increase in equity	<u>1,059,626</u>	<u>1,504,121</u>	<u>30,652</u>	<u>428,500</u>

31. FAIR VALUE MEASUREMENT

31.1 Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

31.2 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's leasehold land, buildings and investment properties with reference to valuation reports by external independent professional valuers using the market comparison method and cost method.

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation techniques	Significant unobservable inputs	Range
2023		
Market comparison method	Difference in location, time, accessibility and size factor	+5% to +15%, -10% to -45%
2022		
Market comparison method	Difference in location, time, accessibility and size factor	+5% to +15%, -10% to -45%

Significant changes in any of the above inputs in isolation would result in significant changes in the fair value of leasehold land, buildings and investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

31. FAIR VALUE MEASUREMENT (CONT'D)

31.2 Non-financial assets that are measured at fair value (Cont'd)

Market comparison method

Under the market comparison method, the land and buildings are valued by reference to transactions of similar land and buildings in the surrounding with adjustments made for differences in location, time, accessibility and size factor if any and other relevant characteristics.

Cost method

Under the cost method, the land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, size, accessibility, site improvement, tenure if any and other relevant characteristics. The building is valued at current gross replacement cost of improvements, taking into consideration of similar accommodation in term of size, construction, finishes contractor's overhead, fee and profit, less allowance for physical deterioration and all relevant forms of obsolescence at the date of valuation. The land and building values are the summated to arrive at the fair value.

Details of the Group's leasehold land, buildings and investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2023					
Leasehold land	-	-	5,500,000	5,500,000	5,041,666
Buildings	-	-	10,000,000	10,000,000	8,696,581
Investment properties	-	-	17,350,676	17,350,676	17,350,676
2022					
Leasehold land	-	-	5,500,000	5,500,000	5,194,444
Buildings	-	-	10,000,000	10,000,000	8,974,359
Investment properties	-	-	10,160,000	10,160,000	10,160,000

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the leasehold land, buildings and investment properties.

Level 3 fair value of leasehold land, buildings and investment properties have been generally derived using the market comparison approach and cost method.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

31. FAIR VALUE MEASUREMENT (CONT'D)

31.3 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2023					
Other investments	<u>21,192,529</u>	-	-	<u>21,192,529</u>	<u>21,192,529</u>
2022					
Other investments	<u>30,082,421</u>	-	-	<u>30,082,421</u>	<u>30,082,421</u>
COMPANY					
2023					
Other investments	<u>613,039</u>	-	-	<u>613,039</u>	<u>613,039</u>
2022					
Other investments	<u>8,569,992</u>	-	-	<u>8,569,992</u>	<u>8,569,992</u>

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of the reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

32. SEGMENTAL REPORTING

GROUP

Business segments

The Group has only one reportable segment which involved in the manufacture and sale of frozen food. Since the Group has only one business segment, no operating segmental information is prepared.

Geographical Information

No geographical segment information for non-current assets and revenue are presented as the Group's non-current assets and revenue are all based in Malaysia.

Information about major customers

Total revenue from 2 (2022: 2) major customers which individually contributed to 10% or more of the Group's revenue amounted to **RM25,203,257** (2022: RM22,784,280).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

33. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2023	2022
	RM	RM
Total borrowings	1,077,040	1,764,382
Less: Cash and bank balances	(4,451,763)	(8,344,150)
Net cash	(3,374,723)	(6,579,768)
Total equity	136,169,613	137,213,600
Gearing ratio	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A - Not applicable as net cash position

34. EVENTS AFTER THE REPORTING PERIOD

- (i) On 22 August 2023, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of 347,000,000 new ordinary shares through a private placement at an issue price of RM0.0233 per ordinary share for cash; and
- (ii) On 3 October 2023, Saudi Cold Storage Sdn. Bhd., a subsidiary of Saudee Group Berhad, has entered into a Joint Venture Agreement with NetX Holdings Berhad for the purpose of setting up and operate the Saudi fast-food outlet under the brand name of SAUDI BURGER™.

LIST OF PROPERTIES HELD

Title/ Location	Approximate Age of Building Tenure/ Date of expiry of lease	Description/ Existing use	Land area/ Built-up area	Net book value as at 31.07.2023 (RM'000)	Year of Revaluation (R)
Registered Owner: Perusahaan Saudee Sdn Bhd					
Plot 331, Jalan PKNK 3/7, Kawasan Perusahaan Sungai Petani Fasa 3, 08000 Sungai Petani, Kedah Darul Aman/ Title no. HSD 52055, Lot No. PT 30508, Town of Sungai Petani, District of Kuala Muda, State of Kedah	23 years/ Leasehold/ 2056	This property is an individually designed detached factory complex, comprising a double-storey detached factory cum office and guard house with toilet/ manufacturing activities	Approximately 30,351 square metres/ Approximately 11,641 square metres	13,738	2018 (R)
Unit Nos : 32-G, 32-M, 32-1, 32-2 & 32-3 Medan Setia 2, Plaza Damansara, Bukit Damansara, 50490 Kuala Lumpur	Not applicable /Freehold	Freehold Shoplot	Approximately 726 square metres.	10,000	2023 (R)
Units No : 44 Jalan SS2/67 SS2, 47300 Petaling Jaya, Selangor Darul Ehsan	Not applicable /freehold	Freehold Shoplot	Approximately 156 square metres/608 square metres	6,691	2023 (R)
Registered Owner: Saudi Cold Storage Sdn Bhd					
Title Nos. HSD 7759, 7761 and 7761 Lot Nos. 3573, 3574 and 3575, Town of Alor Setar, District of Kota Setar, State of Kedah	Not applicable / Freehold	Vacant land	Approximately 396.6961 square metres	660	2023 (R)
TOTAL				31,089	

ANALYSIS OF SHAREHOLDINGS

ORDINARY SHARES AS AT 10 NOVEMBER 2023

Class of Equity Securities	:	Ordinary Shares
Number of Ordinary Shares	:	1,487,313,319*
Number of holders of Ordinary Shares	:	9,239
Voting Rights	:	One vote per Share

* excluding a total of 267,000 shares retained as treasury shares.

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	30	1,068	0.00
100 – 1,000	730	371,430	0.02
1,001 – 10,000	2,362	15,161,431	1.02
10,001 – 100,000	4,403	190,321,188	12.80
100,001 – < 5% of issued shares	1,713	1,074,458,202	72.24
5% and above of issued shares	1	207,000,000	13.92
Total	9,239	1,487,313,319	100.00

THIRTY LARGEST SECURITIES HOLDERS

No.	Name	Shareholdings	%
1	M & A Nominee (Tempatan) Sdn. Bhd. Exempt an for Sanston Financial Group Limited (Account Client)	207,000,000	13.92
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Tian Kok @ William	70,000,000	4.71
3	Ting Chek Hua	34,699,700	2.33
4	Attractive Venture Sdn. Bhd.	29,629,000	1.99
5	Koay Kim Eam	16,109,800	1.08
6	Yik Phooi Har	15,323,000	1.03
7	Sersol Marketing Sdn. Bhd.	15,000,000	1.01
8	Wong Yin @ Wong Soo Ying	15,000,000	1.01
9	Mohd Faizul Bin Mohd Zin	12,234,500	0.82
10	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Siong Keat (CHE2692C)	11,000,000	0.74
11	Yap Boon Wuh	10,324,000	0.69
12	Chia Hooi Liang	10,000,000	0.67
13	Wong Hui Ling	8,893,500	0.60
14	Ong Yong Hang	8,600,000	0.58
15	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siah Koon Eng (SIA0036C)	8,550,000	0.57
16	Yong Shu Kong	8,500,000	0.57
17	Ng Mee Feng	7,848,100	0.53
18	Phuah Soon Kee	7,299,100	0.49
19	Wong Hiap Tong	6,666,000	0.45
20	Ooi Lee Peng	6,500,400	0.44
21	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Geok Wah (BBRKLANG-CL)	6,000,000	0.40
22	Willy Lim Sik Koon Tin-Yan	5,656,400	0.38

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SECURITIES HOLDERS (CONT'D)

No.	Name	Shareholdings	%
23	Kenanga Nominees (Asing) Sdn. Bhd. Exempt an for Phillip Securities Pte Ltd (Client Account)	5,623,000	0.38
24	Hong How Kiik	5,000,000	0.34
25	MERCSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (AAF277)	5,000,000	0.34
26	Santira Kesu A/L Rengasamy	5,000,000	0.34
27	Toh Hooi Hak	5,000,000	0.34
28	Cheah Joo Kiang	4,138,900	0.28
29	Abd Halim Bin Sallehuddin	4,011,500	0.27
30	Ng Kim Hock	3,700,000	0.25
	TOTAL	558,306,900	37.55

DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholding	%	Indirect Shareholding	%
Dato' Arjunaidi Bin Mohamed	-	-	-	-
Tay Ben Seng, Benson	1,597,500	0.11	-	-
Chen Chee Peng	-	-	-	-
Datuk Sham Shamrat Sen Gupta	-	-	-	-
Ong Poh Lin Abdullah	-	-	-	-
Ng Kok Hok	-	-	-	-

SUBSTANTIAL SHAREHOLDERS

Name	Direct Shareholding	%	Indirect Shareholding	%
Focus Dynamics Centre Sdn. Bhd.	206,050,000	13.85	-	-
Focus Dynamics Group Berhad	-	-	206,050,000 ⁽¹⁾	13.85

⁽¹⁾ Deemed interest by virtue of its wholly-owned subsidiary's substantial shareholding in the Company.

ANALYSIS OF WARRANTS B HOLDINGS

WARRANTS B AS AT 10 NOVEMBER 2023

Number of warrants B	:	233,790,060
Number of Warrants B holder	:	1,458
Exercise price of Warrants B	:	RM0.15
Exercise Period of Warrants B	:	17 June 2021 to 16 June 2024
Exercise Rights	:	Each Warrant B entitles the holder to subscribe for one new ordinary share in the Company during the Exercise Period
Voting Rights in the meeting of Warrant B holder	:	One vote per Warrant B

DISTRIBUTION SCHEDULE OF WARRANTS B HOLDERS

Size of Holdings	No. of Holders	No. of Warrants	%
Less than 100	2	137	0.00
100 – 1,000	61	34,250	0.02
1,001 – 10,000	310	2,073,291	0.89
10,001 – 100,000	706	33,420,082	14.29
100,001 – < 5% of issued warrants	379	198,262,300	84.80
5% and above of issued warrants	0	0	0.00
Total	1,458	233,790,060	100.00

THIRTY LARGEST WARRANTS B HOLDERS

No.	Name	No. of Warrants	%
1	Lee Ming Chai	5,000,000	2.14
2	Fong Juat Hoon	4,901,100	2.10
3	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Boon How (E-KLG/TSK)	4,100,000	1.75
4	Lim Kian Huat	4,000,000	1.71
5	Rosmawati Binti Mahmud	3,900,000	1.67
6	Tan Eng Hock	2,930,000	1.25
7	Ooi Wei Sheng	2,750,000	1.18
8	Affin Hwang Investment Bank Berhad (IVT (YKL) Lee Khee Yip)	2,500,000	1.07
9	Ong Bok Lim	2,050,000	0.88
10	Chiang Siong Chiew @ Chiong Siong Chiew	2,000,000	0.86
11	Low Loong Kuan	2,000,000	0.86
12	Muhd Nur Irfan Bin Shamsudin	1,807,800	0.77
13	Lau Fui Seng	1,757,700	0.75
14	Che Omar Bin Che Daud	1,700,000	0.73
15	Tan Dee Dee	1,600,000	0.68
16	Duta Digital Sdn. Bhd.	1,534,200	0.66
17	Er Soon Puay	1,500,100	0.64
18	Colin Soh Cheng Hoe	1,500,000	0.64
19	Lau Peng Lee	1,500,000	0.64
20	Low Tieck Ann	1,500,000	0.64
21	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Che Hashim Bin Omar	1,410,000	0.60
22	Ting Hing Chooi	1,400,000	0.60
23	Sim Tze Yang	1,396,000	0.60
24	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Wong Chuo Ding	1,356,000	0.58
25	Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Kim Choon	1,317,400	0.56

ANALYSIS OF WARRANTS B HOLDINGS (CONT'D)

THIRTY LARGEST WARRANTS B HOLDERS (CONT'D)

No.	Name	No. of Warrants	%
26	Chor Kiang Mong	1,312,000	0.56
27	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thanasekaran Ramiah (M)	1,300,000	0.56
28	Abdul Nasir Bin Seikh Abdullah	1,260,000	0.54
29	Pakirisamy Baskaran A/L P Thangavelu	1,250,000	0.53
30	Soo Kun Ching	1,216,000	0.52
	TOTAL	63,748,300	27.27

DIRECTORS' WARRANTS B HOLDINGS

Name	Direct No. of Warrants held	%	Indirect No. of Warrants held	%
Dato' Arjunaidi Bin Mohamed	-	-	-	-
Tay Ben Seng, Benson	-	-	-	-
Chen Chee Peng	-	-	-	-
Datuk Sham Shamrat Sen Gupta	-	-	-	-
Ong Poh Lin Abdullah	-	-	-	-
Ng Kok Hok	-	-	-	-

ADMINISTRATIVE GUIDE

Date : Wednesday, 10 January 2024
 Time : 2:30 p.m
 Broadcast Venue : Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan
 Mode of Meeting : AGM will be held on a fully virtual basis and entirely via remote participation and voting via an online meeting platform operated by InsHub Sdn. Bhd. at <https://rebrand.ly/SaudeeAGM>

1. MODE OF MEETING

In line with the Government’s directive and the revised Guidance Note and Frequently Asked Questions (FAQs) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 (“SC Guidance”), the AGM of the Company will be conducted on a virtual basis and entirely via remote participation and electronic voting.

2. REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the AGM using the RPV facilities operated by InsHub Sdn. Bhd. via <https://rebrand.ly/SaudeeAGM>

If a member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the form of proxy in accordance with the notes and instructions printed therein. The proxy(ies) are required must register himself/herself for RPV at <https://rebrand.ly/SaudeeAGM> operated by InsHub Sdn. Bhd. not later than Tuesday, 9 January 2024 at 2.30 p.m.

3. PROCEDURES FOR RPV

Member(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate remotely in the AGM using the RPV facilities are advised to follow the requirements and procedures as indicated below: -

Procedure	Action
BEFORE THE 15TH AGM DAY	
(a) Register as a participant in the Virtual AGM 	<ul style="list-style-type: none"> Using your computer, access to the website at https://rebrand.ly/SaudeeAGM. Click on the REGISTER link to register as a participant for the AGM. If you are using mobile devices, you can also scan the QR code provided on the left to access the registration page. Click REGISTER and enter your email, followed by NEXT to fill in your details to register for the AGM. Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android, and iOS).
(b) Submit your online registration	<ul style="list-style-type: none"> Registration for the 15th AGM is open from Thursday, 30 November 2023 at 5.00 p.m. and the registration will be closed on Tuesday, 9 January 2024 at 2.30 p.m. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV facilities. Clicking on the link will redirect you to the AGM event page. Click on the REGISTER link for the online registration form. Complete your particulars in the registration page. Your name MUST match your CDS account name [not applicable to proxy(ies) or corporate representative(s) or attorney(s)]. Kindly fill in the CDS account number and indicate the number of shares you hold. If you have more than one CDS account, please state the CDS account number and indicate the number of shares held separately with a comma (,). Read and agree to the Terms & Conditions and confirm the Declaration. Please review your registration and ensure all information given is accurate before you proceed to click SUBMIT to register for your remote participation. Failure to do so will result in your registration being rejected. System will send an e-mail to notify that your registration for remote participation is received and pending verification. After verification of your registration against the Record of Depositors as at Friday, 29 December 2023 the system will send you an e-mail after Tuesday, 2 January 2024 to approve or reject your registration for remote participation. <p>(Note: Please allow sufficient time for approval of the registration for the RPV.)</p>

ADMINISTRATIVE GUIDE (CONT'D)

ON THE DAY OF AGM		
(a)	Participating the Virtual AGM	<ul style="list-style-type: none"> Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM session. Click Join Event in the reminder email to participate the RPV.
(b)	Participate through Live Streaming	<ul style="list-style-type: none"> You will be given a short brief about the system. Your microphone is muted throughout the whole session. If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. The session will be recorded. Please take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
(c)	Online Remote Voting	<ul style="list-style-type: none"> The Chairman will announce the commencement of the voting session and the duration allowed at the respective AGM. A link to vote for the resolution(s) will be posted at the right-hand side of your computer screen under "chat". You are required to access the link and to indicate your votes for the resolutions within the given stipulated time frame. Click on the Submit button when you have completed. Votes cannot be changed once it is submitted.
(d)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

4. RECORD OF DEPOSITORS

Only a depositor name appears on the ROD as at 29 December 2023 shall be entitled to attend, speak and vote at the AGM or appoint proxy(ies)/corporate representative(s) attorney(s) to attend and/or vote on his/her behalf.

5. INDIVIDUAL MEMBER

Individual member are strongly encouraged to take advantage of RPV facilities to participate and vote remotely at the AGM. Please refer to the details as set out above for information.

If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

The completed proxy form must be deposited at the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia or email to infosr@wscs.com.my or fax to 03-6413 3270 not later than Tuesday, 9 January 2024 at 2.30 p.m. and the proxy(ies) is required must register himself/herself for RPV at <https://rebrand.ly/SaudeeAGM> operated by InsHub Sdn. Bhd.

6. CORPORATE MEMBER(S)

Corporate member(s) (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV facilities. Corporate member(s) who wish to participate and vote remotely at the AGM will be required to provide the following documents to the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not later than Tuesday, 9 January 2024 at 2.30 p.m.:

- i. Certificate of appointment of its Corporate Representative or Proxy Form under the seal of the corporation;
- ii. Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
- iii. Corporate Representative's or proxy's email address and mobile phone number.

Upon receipt of such documents, the Poll Administrator will respond to your remote participation request.

If a Corporate member(s) (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

ADMINISTRATIVE GUIDE (CONT'D)

7. NOMINEES COMPANY MEMBER(S)

The beneficiaries of the shares under a Nominees Company's CDS account ("Nominees Company member(s)") are also strongly advised to participate and vote remotely at the AGM using RPV facilities. Nominees Company member(s) who wish to participate and vote remotely at the AGM can request its Nominees Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominees Company will be required to provide the following documents to the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not later than Tuesday, 9 January 2024 at 2.30 p.m.:

- i. Proxy Form under the seal of the Nominees Company;
- ii. Copy of the proxy's MyKad (front and back)/Passport; and
- iii. Proxy's email address and mobile phone number.

Upon receipt of such documents, the Poll Administrator will respond to your remote participation request.

If a Nominees Company member(s) is unable to attend the AGM, it is encouraged to request its Nominees Company to appoint the Chairman of the meeting as its proxy and to indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

8. REVOCATION OF PROXY

Please note that if a Member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Platform, the Member must contact the Company's Share Registrar to revoke the appointment of his/her proxy no later Tuesday, 9 January 2024 at 2.30 p.m.

9. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Workshire Share Registration Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and Symphony Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.

Member(s) can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed or otherwise.

The results of the voting for all resolutions will be announced at the AGM and on Bursa Securities' website at www.bursamalaysia.com.

10. RECORDING/PHOTOGRAPHY

By participating at the AGM, you agree that no part of the AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

11. ENQUIRY

If you have any enquiries on the above, please contact the following designated persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):-

(i) **For Registration, logging in and system related:**

InsHub Sdn. Bhd.

Name : Ms. Eris/ Mr Calvin
Contact No. : +603 – 7688 1013
Email : vgm@mlabs.com

(ii) **For Proxy Form and other matters:**

Workshire Share Registration Sdn. Bhd.

Name : Mr. Vemalan a/I Naraynan / Mr. Tee Yee Loon
Contact No. : +603- 6413 3271
Email : infosr@wscs.com.my

PROXY FORM



SAUDEE GROUP BERHAD

(Company No. 200801036832 (838172-P))
(Incorporated in Malaysia)

CDS Account No.	
No. of shares held	

I/We, Tel. No.:
(Full name as NRIC/Passport and NRIC No. / Registration No.)

of
(Address)

being a member of Saudee Group Berhad, hereby appoint(s):

Full Name as per NRIC/Passport	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address		

and / or*

Full Name as per NRIC/Passport	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address		

or failing him, the Chairman of the Meeting as my/our proxy to vote in my/our name(s) on my/our behalf at the Fifteenth Annual General Meeting of the Company to be conducted on a virtual basis from the Broadcast Venue at Lot 4.1, Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan and online remote voting using the remote participation and voting platform on Wednesday, 10 January 2024 at 2.30 p.m. and at any adjournment thereof in the manner indicated below :-

Resolution		For	Against
To re-elect Datuk Sham Shamrat Sen Gupta, who retires pursuant to Regulation 102(1) and (2) of the Company's Constitution, as a Director of the Company.	Ordinary Resolution 1		
To re-elect Dato' Arjunaidi Bin Mohamed, who retires pursuant to Regulation 107(2) of the Company's Constitution, as a Director of the Company.	Ordinary Resolution 2		
To re-elect Mr. Ng Kok Hok, who retires pursuant to Regulation 107(2) of the Company's Constitution, as a Director of the Company.	Ordinary Resolution 3		
To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
To approve the payment of Directors' fees of not exceeding RM250,000.00 (FY2023:RM250,000.00) to Directors of the Company for the financial year ending 31 July 2024.	Ordinary Resolution 5		
To approve the payment of benefits of not exceeding RM36,000.00 to the Directors of the Company from 11 January 2024 until the next Annual General Meeting of the Company.	Ordinary Resolution 6		
To empower the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company.	Ordinary Resolution 7		

(Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote or abstain from voting at his/her discretion.)

Dated this _____ day of _____ 20__.

Signature of Member _____

* Delete whichever is not applicable

Notes:

- Only a depositor whose name appears on the Record of Depositors of the Company as at 29 December 2023 shall be entitled to attend the Fifteenth Annual General Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.
- A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.
- A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.
- Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a Member of the Company is an exempt authorized nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited with the Share Registrar's office at Workshire Share Registration Sdn. Bhd. of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia or e-mail to infosr@wscs.com.my or fax to 03-6413 3270 not less than twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
- The Fifteenth Annual General Meeting will be conducted on a virtual basis at the Broadcast Venue. The members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.



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AFFIX
STAMP

**The Share Registrar of
SAUDEE GROUP BERHAD**
Company No. 200801036832 (838172-P)
c/o Workshire Share Registration Sdn. Bhd.
A3-3-8, Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur, Malaysia

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SAUDEE GROUP BERHAD

200801036832 (838172-P)

Plot 331, Taman Perindustrian Sungai Petani Fasa III,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.

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