

Quarterly report on consolidated results for the financial quarter ended 31-7-2000.

The figures have not been audited.

1. Consolidated Income Statement

	Individual Current Year Quarter 31-7-2000 RM '000	Quarter Preceding Year Corres. Quarter 31-7-1999 RM '000	Cumulative Current Year To Date 31-7-2000 RM '000	Quarter Preceding Year Corres. Period 31-7-1999 RM '000
1. a) Turnover	66,442	62,751	66,442	62,751
b) Investment Income	0	279	0	279
c) Other income including Interest Income	474	53	474	53
2. a) Operating profit / (Loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	13,360	4,666	13,360	4,666
b) Interest on borrowings	7	313	7	313
c) Depreciation and amortisation	2,704	1,800	2,704	1,800
d) Exceptional items-Gain / (Loss)	(1,639)	0	(1,639)	0
e) Operating profit / (Loss) after interest on borrowings, depreciation and amortisation, and exceptional items but before income tax, minority interests and extraordinary items	9,010	2,305	9,010	2,305
f) Share in results of associated company	517	268	517	268
g) Profit / (Loss) before taxation, minority interests and extraordinary items	9,527	2,573	9,527	2,573
h) Taxation	71	2	71	2
i) (i) Profit / (Loss) after taxation, before deducting minority interests	9,456	2,571	9,456	2,571
(ii) Less minority interests	(53)	(62)	(53)	(62)

	Individual Current Year Quarter 31-7-2000 RM '000	Quarter Preceding Year Corres. Quarter 31-7-1999 RM '000	Cumulative Current Year To Date 31-7-2000 RM '000	Quarter Preceding Year Corres. Period 31-7-1999 RM '000
j) Profit / (Loss) after taxation attributable to members of the company	9,509	2,633	9,509	2,633
k) (i) Extraordinary items	0	0	0	0
(ii) Less minority interest	0	0	0	0
(iii) Extraordinary items attributable to members of the company	0	0	0	0
l) Profit / (Loss) after taxation and extraordinary items attributable to members of the company	9,509	2,633	9,509	2,633
3. a) Earning per share based on 2(j) above after deducting any provision for preference dividends, if any:-				
(i) Basic (based on 104,858,855 ordinary shares) (sen)	9.07	3.60	9.07	3.60
(ii) Fully diluted (based on 140,603,559 ordinary shares) (sen)	6.85	2.60	6.85	2.60

2. Consolidated Balance Sheet

	As at End of Current Quarter 31-7-2000 RM '000	As at Preceding Financial Year End 30-4-2000 RM '000
1. Fixed Assets	268,637	276,435
2. Investment in Associated Companies	4,597	6,183
3. Long Term Investment	21,720	23,325
4. Intangible Assets	0	0
5. Current Assets		
Stocks	19,764	24,516
Trade Debtors	27,459	33,560
Short Term Investments	11,950	100
Cash	6,489	8,064
Others	12,159	4,336
6. Current Liabilities		
Short Term Borrowings	66,095	14,962
Trade Creditors	19,310	25,962
Other Creditors	3,582	23,943
Provision for Taxation	537	717
Others	4,492	3,735
7. Net Current Assets/ (Current Liabilities)	(16,195)	1,257
8. Shareholders' Funds		
Share Capital	104,859	104,859
Reserves		
Share Premium	15,076	15,076
Revaluation Reserve	0	0
Capital Reserve	0	0
Statutory Reserve	0	0
Retained Profit	148,301	137,200
Others	8,491	10,030
9. Minority interests	2,032	2,085
10. Long Term Borrowings	0	0
11. Other Long Term Liabilities	0	37,950
12. Net Tangible Assets Per Share (RM)	2.66	2.57

3. Explanatory Notes

1. The accounting policies and method of computation are similar to those used in the recent 30th April 2000 financial statement.
2. The exceptional item for the current financial year to date is the devaluation of quoted investments, amounting to RM 1.63 million.
3. There is no extraordinary item.
4. The tax figure do not contain any deferred tax or adjustments for under or over provision in respect of prior years.
5. There are no pre-acquisition profits or losses for the current financial year to date.
6. There are no sale of investments and / or properties for the current financial year to date.
7. a) There were no purchase or disposal of quoted securities for the financial year to date.
b) The investments in quoted shares as at end of 31-7-2000 are:

	<u>RM</u>
1. At Cost	25,566,090
2. At Carrying Value	21,204,712
3. At Market Value	21,204,712
8. There is no change in the business combination within the group. There were no acquisition or disposal of subsidiaries nor any restructuring or discontinuing operations.
9. There are no corporate proposals during this quarter.
10. The company is not subject to any seasonality or cyclicity of operations.
11. There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

12. The status of Group borrowings & debt securities are as follows -:

a) <u>Group Borrowings & Debt Securities</u>	<u>RM</u>	<u>Nature</u>
Bank Borrowings	28,145,371	Unsecured & Short-Term
Unsecured Redeemable Bonds	37,950,000	Unsecured & Short-Term (Due In 7th April 2001)

b) All borrowings are in Ringgit Malaysia.

13. There are no contingent liabilities as at 31-7-2000.

14. There are no financial instruments with off balance sheet risk.

15. There are no material litigation pending as at 31-7-2000.

16. Segment analysis of the group as at 31-7-2000.

	Turnover	Profit / (Loss) Before Taxation	Assets Employed
	RM '000	RM '000	RM '000
By activities :			
Manufacturing & Marketing	59,297	9,567	130,534
Property Development	0	185	139,323
Warehouse & Bulk Conveyor Operation	1,551	80	12,723
Development, Managing & Operating of Private Hospital	4,946	(699)	80,624
Others	648	394	9,571
	<u>66,442</u>	<u>9,527</u>	<u>372,775</u>

17. The material increase in the profit before taxation compared to the preceding quarter (corresponding year) is largely contributed by its subsidiary, Pofachem (M) Sdn Bhd.

18. a) The company has generated some dividend income of RM 371,866. However, a provision has been made for the devaluation of quoted shares as at 31-7-2000, amounting to RM 1.63 million, thereby causing the company to have a loss of RM 1.33 million.
- b) The subsidiary, Pofachem (M) Sdn Bhd manufactures oleochemicals. Its profit in this quarter has increased due to a significant drop in raw material prices compared to the selling prices. However, the selling prices will gently adjust downwards in the next quarter. Pofachem (M) Sdn Bhd has generated a profit before tax of RM 10.9 million.
- c) The hospital, Sri Kota Medical Centre in Klang has performed better in this quarter with a loss of RM 698,974.

All other subsidiaries has no material factors affecting their earnings.

19. The current year prospects is quite normal. There are no foreseeable factors that is likely to influence the company's prospect.
20. Not applicable.
21. No decision has been made to recommend any dividend.

The Kuala Lumpur Stock Exchange
Block A, Exchange Square,
Damansara Heights,
50490 Kuala Lumpur.

30-9-2000

Dear Sir / Madam,

Quarterly Reporting of Financial Statements

We are pleased to file with you the financial statements for quarter ended 31-7-2000.

These financial statements are: 1. Income Statement
2. Balance Sheet &
3. Explanatory Notes

Thank You.

Yours faithfully,
Southern Acids (M) Bhd

Dato' Low Mong Hua DPMS
Chairman / Managing Director