

Quarterly report on consolidated results for the financial quarter ended 31-1-2001.
The figures have not been audited.

1. Consolidated Income Statement

| | Individual Current Year Quarter 31-1-2001 RM '000 | Quarter Preceding Year Corres. Quarter 31-1-2000 RM '000 | Cumulative Current Year To Date 31-1-2001 RM '000 | Quarter Preceding Year Corres. Period 31-1-2000 RM '000 |
|--|--|---|--|--|
| 1. a) Turnover | 52,178 | 64,341 | 181,892 | 188,768 |
| b) Investment Income | 0 | 109 | 0 | 678 |
| c) Other income including Interest Income | 151 | 203 | 872 | 315 |
| 2. a) Operating profit / (Loss) before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 8,694 | 4,392 | 45,067 | 17,776 |
| b) Interest on borrowings | 8 | 390 | 21 | 918 |
| c) Depreciation and amortisation | 3,111 | 2,939 | 8,825 | 6,806 |
| d) Exceptional items-Gain / (Loss) | (614) | 0 | (8,310) | 0 |
| e) Operating profit / (Loss) after interest on borrowings, depreciation and amortisation, and exceptional items but before income tax, minority interests and extraordinary items | 4,961 | 1,063 | 27,911 | 10,052 |
| f) Share in results of associated company | 422 | 284 | 1,358 | 833 |
| g) Profit / (Loss) before taxation, minority interests and extraordinary items | 5,383 | 1,347 | 29,269 | 10,885 |
| h) Taxation | 18 | 6 | 117 | 106 |
| i) (i) Profit / (Loss) after taxation, before deducting minority interests | 5,365 | 1,341 | 29,152 | 10,779 |
| (ii) Less minority interests | 65 | 66 | (50) | 94 |

| | Individual Current Year Quarter 31-1-2001 RM '000 | Quarter Preceding Year Corres. Quarter 31-1-2000 RM '000 | Cumulative Current Year To Date 31-1-2001 RM '000 | Quarter Preceding Year Corres. Period 31-1-2000 RM '000 |
|--|--|---|--|--|
| j) Profit / (Loss) after taxation attributable to members of the company | 5,300 | 1,275 | 29,202 | 10,685 |
| 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 | 5,300 | 1,275 | 29,202 | 10,685 |
| 3. a) Earning per share based on 2(j) above after deducting any provision for preference dividends, if any:- | | | | |
| (i) Basic (based on 104,859,187 ordinary shares) (sen) | 5.05 | 1.22 | 27.85 | 10.19 |
| (ii) Fully diluted (based on 137,574,629 ordinary shares) (sen) | 4.05 | 1.52 | 21.43 | 9.70 |

2. Consolidated Balance Sheet

| | As at End of Current Quarter 31-1-2001 RM '000 | As at Preceding Financial Year End 30-4-2000 RM '000 |
|---|---|---|
| 1. Fixed Assets | 259,395 | 270,892 |
| 2. Investment in Associated Companies | 5,438 | 6,183 |
| 3. Long Term Investment | 17,952 | 26,241 |
| 4. Intangible Assets | 2,438 | 2,627 |
| 5. Current Assets | | |
| Stocks | 21,698 | 24,516 |
| Trade Debtors | 35,118 | 33,560 |
| Short Term Investments | 13,950 | 100 |
| Cash | 12,435 | 8,064 |
| Others | 21,244 | 4,336 |
| 6. Current Liabilities | | |
| Short Term Borrowings | 49,948 | 14,962 |
| Trade Creditors | 28,259 | 25,962 |
| Other Creditors | 4,428 | 23,943 |
| Provision for Taxation | 662 | 717 |
| Others | 7,970 | 3,735 |
| 7. Net Current Assets/ (Current Liabilities) | 13,178 | 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 | 168,075 | 137,200 |
| Others | 8,356 | 10,030 |
| 9. Minority interests | 2,035 | 2,085 |
| 10. Long Term Borrowings | 0 | 0 |
| 11. Other Long Term Liabilities | 0 | 37,950 |
| 12. Net Tangible Assets Per Share (RM) | 2.80 | 2.52 |

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 8.31 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 purchase of quoted securities, amounting to RM 20,000 for the financial year to date. These were rights issue from the existing shares held.

b) The investments in quoted shares as at end of 31-1-2001 are:

| | <u>RM</u> |
|----------------------|------------|
| 1. At Cost | 25,566,090 |
| 2. At Carrying Value | 14,534,005 |
| 3. At Market Value | 14,534,005 |
8. On 19-9-2000, a fully-owned new subsidiary, Centre For Sight Sdn Bhd was formed. Its principal business is to establish and conduct eye and vision centres for the provision of ophthalmoscope, optical surgery and consultancy. There is an increase of shareholdings in one of the subsidiaries, Firstview Development Sdn Bhd. from 60% to 80%. There were no 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 | 11,997,780 | 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 31-1-2001.

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

15. There are no material litigation pending as at 31-1-2001.

16. Segment analysis of the group as at 31-1-2001.

| | Turnover RM '000 | Profit / (Loss) Before Taxation RM '000 | Assets Employed RM '000 |
|--|---------------------|--|-------------------------------|
| By activities : | | | |
| Manufacturing & Marketing | 160,229 | 37,516 | 141,782 |
| Property Development | 0 | 290 | 139,270 |
| Warehouse & Bulk Conveyor Operation | 3,158 | 350 | 12,459 |
| Development, Managing & Operating of Private Hospital | 17,208 | (2,023) | 80,640 |
| Others | 1,297 | (6,864) | 15,518 |
| | <u>181,892</u> | <u>29,269</u> | <u>389,669</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 489,567. However, a provision has been made for the devaluation of quoted shares as at 31-1-2001, amounting to RM 8.31 million, thereby causing the company to have a loss of RM 7.99 million.
- b) The subsidiary, Pofachem (M) Sdn Bhd manufactures oleochemicals. Its profit in this quarter has decreased compared to previous quarter is due to the drop in selling prices of finished goods. Pofachem (M) Sdn Bhd has generated a profit before tax of RM 37.61 million.

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
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50200 Kuala Lumpur.

28-3-2001

Dear Sir / Madam,

Quarterly Reporting of Financial Statements

We are pleased to file with you the financial statements for quarter ended 31-1-2001.

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