

Company No. 64577 - K



**SOUTHERN ACIDS (M) BERHAD**  
(Company No. 64577- K)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016**

**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**  
(Figures are not audited unless otherwise specified)  
(In Ringgit Malaysia)



**SOUTHERN ACIDS (M) BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**INTERIM FINANCIAL REPORT**  
**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

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**SOUTHERN ACIDS (M) BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Note	<b>Cumulative 3-month Ended</b>	
		<b>30.06.2015</b>	<b>30.06.2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Revenue	<b>A8</b>	121,743	151,169
- Cost of sales		<u>(96,053)</u>	<u>(125,667)</u>
Gross profit		25,690	25,502
- Other income		3,324	368
- Selling and distribution costs		(2,328)	(2,832)
- Administrative expenses		<u>(11,695)</u>	<u>(10,733)</u>
Profit before tax	<b>A8</b>	14,991	12,305
- Income tax expense	<b>B5</b>	<u>(3,437)</u>	<u>(2,753)</u>
Profit for the period	<b>B13</b>	<u>11,554</u>	<u>9,552</u>
Attributable to:			
- Equity holders of the Company		10,581	7,748
- Non-controlling interests		<u>973</u>	<u>1,804</u>
		<u>11,554</u>	<u>9,552</u>
<b>Earnings per share (sen) attributable to equity holders of the Company</b>			
- Basic and diluted	<b>B11</b>	<u>7.73</u>	<u>5.66</u>



**SOUTHERN ACIDS (M) BERHAD**  
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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE**  
**INCOME FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Note	Cumulative 3-month Ended	
		30.06.2015	30.06.2014
		RM'000	RM'000
Profit for the period	<b>B13</b>	11,554	9,552
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
- Available-for-sale financial assets		8,316	(1,307)
- Exchange differences on translation of foreign subsidiaries		2	(5,618)
Items that will not reclassified subsequently to profit or loss:			
- Remeasurement of defined benefit obligation		-	-
Total comprehensive income for the period		19,872	2,627
Attributable to:			
- Equity holders of the Company		18,896	2,902
- Non-controlling interests		976	(275)
		19,872	2,627

The consolidated income statements and consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015, and the accompanying notes attached to these interim financial statements.



**SOUTHERN ACIDS (M) BERHAD**  
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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2015**

	Note	Unaudited As of 30.06.2015 RM'000	Audited As of 31.03.2015 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Land held for property development		141,944	141,944
Property, plant and equipment	A9	137,874	134,913
Investment property		3,318	3,318
Biological assets		14,537	13,347
Available-for-sale investments		47,408	39,093
Advances for KKPA program		3,193	2,981
Deferred tax assets		2,228	2,228
		350,502	337,824
<b>Current Assets</b>			
Inventories		59,770	53,050
Trade receivables		43,461	48,083
Other receivables, deposits and prepaid expenses		8,726	3,922
Tax recoverable		8,605	7,618
Cash and cash equivalents		165,580	154,425
		286,142	267,098
<b>TOTAL ASSETS</b>		<b>636,644</b>	<b>604,922</b>



**SOUTHERN ACIDS (M) BERHAD**  
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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2015 (cont'd)**

	<b>Unaudited As of 30.06.2015 RM'000</b>	<b>Audited As of 31.03.2015 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	136,934	136,934
Reserves	375,354	356,458
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	512,288	493,392
Non-controlling interests	46,659	45,683
	<hr/>	<hr/>
<b>Total Equity</b>	<b>558,947</b>	<b>539,075</b>
	<hr/>	<hr/>
<b>Non-Current and Deferred Liabilities</b>		
Provision for retirement benefits	9,169	8,777
Deferred tax liabilities	1,336	1,336
	<hr/>	<hr/>
	10,505	10,113
	<hr/>	<hr/>
<b>Current Liabilities</b>		
Trade payables	19,251	12,413
Other payables and accrued expenses	46,281	39,933
Derivative financial liabilities	288	2,728
Tax liabilities	1,251	539
Dividend payable	121	121
	<hr/>	<hr/>
	67,192	55,734
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>77,697</b>	<b>65,847</b>
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>636,644</b>	<b>604,922</b>
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The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015, and the accompanying notes attached to these interim financial statements.



**SOUTHERN ACIDS (M) BERHAD**  
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**AND ITS SUBSIDIARY COMPANIES**

**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

The Group	Non-distributable Reserves				Fair value reserve RM'000	Distributable reserve - Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other reserve RM'000					
<b>As of 1 April 2014</b>	136,934	34,321	(10,790)	(322)	15,324	299,104	474,571	40,592	515,163
Profit for the period	-	-	-	-	-	7,748	7,748	1,804	9,552
Other comprehensive loss	-	-	(3,539)	-	(1,307)	-	(4,846)	(2,079)	(6,925)
Total comprehensive income/(loss)	-	-	(3,539)	-	(1,307)	7,748	2,902	(275)	2,627
Dividend paid	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-
<b>As of 30 June 2014</b>	<b>136,934</b>	<b>34,321</b>	<b>(14,329)</b>	<b>(322)</b>	<b>14,017</b>	<b>306,852</b>	<b>477,473</b>	<b>40,317</b>	<b>517,790</b>
<b>As of 1 April 2015</b>	136,934	34,321	(11,705)	(322)	14,569	319,595	493,392	45,683	539,075
Profit for the period	-	-	-	-	-	10,581	10,581	973	11,554
Other comprehensive income/(loss)	-	-	(1)	-	8,316	-	8,315	3	8,318
Total comprehensive income/(loss)	-	-	(1)	-	8,316	10,581	18,896	976	19,872
Dividend paid	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-
<b>As of 30 June 2015</b>	<b>136,934</b>	<b>34,321</b>	<b>(11,706)</b>	<b>(322)</b>	<b>22,885</b>	<b>330,176</b>	<b>512,288</b>	<b>46,659</b>	<b>558,947</b>

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015, and the accompanying notes attached to these interim financial statements.



**SOUTHERN ACIDS (M) BERHAD**  
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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	<b>Cumulative 3-month Ended</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From/(Used In) Operating Activities</b>		
Profit before tax	14,991	12,305
Adjustments for:		
- Dividend income	(1,022)	(939)
- Interest income	(1,425)	(1,278)
- Unrealised loss on foreign exchange	684	1,447
- Depreciation of property, plant and equipment	2,176	2,266
- Inventories written down and write off/(reversal)	142	(96)
- (Gain)/loss arising from derivative financial assets	(2,440)	-
- Provision for retirement benefits	424	284
- Amortisation of biological assets	181	179
- Gain on disposal of property, plant and equipment	-	(43)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	13,711	14,125
(Increase)/decrease in :		
- Inventories	(6,862)	349
- Trade receivables	3,982	2,825
- Other receivables, deposit and prepaid expenses	(4,805)	167
Increase/(decrease) in:		
- Trade payables	6,841	3,658
- Other payables and accrued expenses	6,349	(3,446)
	<hr/>	<hr/>
<b>Cash Generated From Operating Activities</b>	<b>19,216</b>	<b>17,678</b>
- Income tax paid, net	(3,711)	(4,970)
- Retirement benefits paid	(31)	(189)
	<hr/>	<hr/>
<b>Net Cash From Operating Activities</b>	<b>15,474</b>	<b>12,519</b>





**SOUTHERN ACIDS (M) BERHAD**  
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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015 (cont'd)**

	<b>Cumulative 3-month Ended</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From/(Used In) Investing Activities</b>		
- Interest received	1,425	1,278
- Dividend received	1,022	939
- Net conversion for KKPA and Plasma projects	(212)	(551)
- Proceeds from disposal of property, plant and equipment	-	44
- Addition to:		
- property, plant and equipment	(5,137)	(11,524)
- biological assets	(1,372)	(561)
<b>Net Cash Used In Investing Activities</b>	<b>(4,274)</b>	<b>(10,375)</b>
<b>Cash Flows Used In Financing Activity</b>		
- Dividend paid	-	-
<b>Net Cash Used In Financing Activity</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>11,200</b>	<b>2,144</b>
<b>Cash and Cash Equivalents at Beginning of Financial Period</b>	<b>154,425</b>	<b>156,742</b>
<b>Effect of Translation Differences</b>	<b>(45)</b>	<b>(4,289)</b>
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>165,580</b>	<b>154,597</b>
<b>Composition of Cash and Cash Equivalents:</b>		
- Cash and bank balances	57,790	33,326
- Fixed deposits with licensed banks	24,753	55,559
- Short-term placements	83,037	65,712
	<b>165,580</b>	<b>154,597</b>

The consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015, and the accompanying notes attached to these interim financial statements.



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**FINANCIAL YEAR ENDING 31 MARCH 2016**  
**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

This Interim Financial Report has been prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard (FRS) No. 134 ó Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board (MASB).

This Interim Financial Report is unaudited and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 March 2015. The explanatory notes to the Interim Financial Report provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015

**A. Explanatory Notes Pursuant To FRS 134**

**A1. Basis of Preparation**

**A1.1.** The accounting policies and presentation adopted for this Interim Financial Report is consistent with those adopted for the annual financial statements for the financial year ended 31 March 2015. The relevant new/revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group are as listed below:

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) <sup>1</sup>
MFRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities: Applying the Consolidation Exceptions) <sup>2</sup>
MFRS 12	Disclosures of Interests in Other Entities (Amendments relating to Investment Entities: Applying the Consolidation Exceptions) <sup>2</sup>
MFRS 101	Presentation of Financial Statements (Amendments relating to Disclosure Initiative) <sup>2</sup>
MFRS 116	Property, Plant and Equipment (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation) <sup>2</sup>
MFRS 138	Intangible Assets (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation) <sup>2</sup>
Annual Improvements to FRSs 2012 - 2014 cycle <sup>2</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018



<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016

The adoption of these new/revised Standards and IC Interpretations when they become effective, are not expected to have material financial impacts on the financial statements in the period of initial adoptions, if applicable, except for the application of FRS 9 in the future may have a material impact on the amounts reported and disclosures made in the Group's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of FRS 9 until the Group performs a detailed review.

### **A1.2. Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities (TEs).

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 Revenue from Contracts with Customer and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plans, the MASB announced that TEs which have chosen to continue with the FRS framework is not required to adopt the MFRS Framework latest by 1 January 2017.

Accordingly, the Group, being TEs, has availed themselves of this transitional arrangement and will continue to apply FRSs in their next set of financial statements. Accordingly, the Group will be required to apply MFRS 1 First-time adoption of Malaysian Financial Reporting Standards in their financial statements for the financial year ending 31 March 2018, being the first set of financial statements prepared in accordance with new MFRS Framework

### **A2. Qualification Of Audit Report Of The Preceding Annual Financial Statements**

There was no qualification of audit report for the preceding annual financial statements.

### **A3. Seasonal or Cyclical Factors**

The performance and results of the Group's Oleochemicals Division which uses palm oils as its main ingredient, and the Plantation & Milling division, are subject to the cyclical fluctuation in prices of palm oils, which are affected by seasonal weather conditions.

**A4. Unusual Items**

There were no items of an unusual nature, size or incidence which materially affect the assets, liabilities, equity, net income or cash flow during the financial period under review.

**A5. Material Changes in Estimates**

There were no material changes in the estimates of amounts reported during the financial period under review.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and/or repayment of debt and equity securities during the financial period under review.

**A7. Dividends Paid**

No dividend was paid by the Company during the interim financial period under review.

**A8. Segmental Information**

	Cumulative 3-month Ended 30.06.2015		Cumulative 3-month Ended 30.06.2014	
	Revenue RM'000	Profit/(loss) before tax RM'000	Revenue RM'000	Profit/(loss) before tax RM'000
Manufacture and sales of oleochemical products	78,273	7,887	98,694	3,379
Sales of oil palm fruit and crude palm oil	22,329	3,364	26,913	5,536
Private hospital operations	17,303	2,765	22,160	2,498
Warehouse and bulk conveyor operations	2,201	755	1,954	982
Others	1,637	220	1,448	(90)
	<u>121,743</u>	<u>14,991</u>	<u>151,169</u>	<u>12,305</u>

The warehouse and bulk conveyor operations are now operating based on a short-term land lease at Northport of Pelabuhan Klang.



#### **A9. Carrying Amount of Revalued Assets**

There were no changes to the valuation of property, plant and equipment valuation brought forward from the previous audited financial statements for the financial year ended 31 March 2015 to the financial period under review.

#### **A10. Material Event Subsequent to the End of the Interim Financial Period**

There were no material events subsequent to be disclosed as at the date of this report.

#### **A11. Changes in Composition of the Group**

There were no change in the composition of the Group, including business combination, acquisition and/or disposal of subsidiary companies and long term investments, restructuring, and discontinued operations during the interim financial period under review.

#### **A12. Changes in Contingencies**

There were no change in the contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 March 2015.

#### **A13. Capital Commitments**

Capital commitments not recognized in the interim financial statements as at 30 June 2015 is as follows :

Capital expenditure :

	<b>RM'000</b>
Contracted but not provided for	<u>5,656</u>

#### **A14. Related Party Transactions**

During the financial period under review, the material business transactions entered by the Group with related parties were as follows:

	<b>Cumulative 3-month Ended 30.06.2015 RM'000</b>	<b>Cumulative 3-month Ended 30.06.2014 RM'000</b>
Sales of goods	256	162
Purchase of goods	843	1,130
Provision of administrative services	<u>755</u>	<u>509</u>



**B. Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Detailed Analysis of the Performance of the Group's Operating Segments**

**Current Quarter vs Preceding Corresponding Quarter**

In the current quarter under review, the Group's revenue decreased by 19.5% to RM121.7 million compared to the preceding corresponding quarter's revenue of RM151.2 million. Despite the decrease in revenue, the Group's profit before taxation (PBT) increased by 22.0% to RM15.0 million compared to the preceding corresponding PBT of RM12.3 million. The increase in PBT of RM2.7 million was mainly due to higher contribution from Oleochemicals Division.

**1. Oleochemical Division**

Oleochemical Division registered an increase of 133.4% in PBT despite a decrease of 20.7% in revenue to RM78.3 million compared to the preceding corresponding quarter.

The decrease in revenue of RM20.4 million was mainly due to decrease in sales volume and average selling price (ASP) by 15.1% and 6.1% respectively.

The increase in PBT of RM4.5 million was mainly due to the following:-

- Higher operational profit of RM2.0 million; and
- Higher other income of RM2.5 million contributed by net of lower realised forex gain and higher unrealised forex gain.

**2. Plantations & Milling Division**

Plantations & Milling Division registered a decrease of 17.0% in revenue to RM22.3 million and a decrease of 39.2% in PBT to RM3.4 million compared to the preceding corresponding quarter.

The decrease in revenue was mainly due to decrease in sales volume and ASP by 5.4% and 13.1% respectively.

The decrease in PBT of RM2.2 million was mainly due to the following:-

- Lower operational profit of RM1.1 million; and
- Pre-operating expenses of RM1.1 million incurred for the new palm oil mill which was commissioned on 1 August 2015.



### **3. Healthcare Division**

Healthcare Division registered an increase of 10.7% in PBT to RM2.8 million despite a decrease of 21.9% in revenue to RM17.3 million compared to the preceding corresponding quarter.

The decrease in revenue was mainly due to the Company only recognising its admin fees and other incidental costs chargeable to consultants as its revenue with effect from 1 April 2015. The difference amounted to RM4.8 million.

The increase in PBT of RM0.3 million was due to higher other income compared to preceding corresponding quarter.

### **4. Warehousing & Conveying Division**

Warehousing & Conveying Division registered an increase of 12.6% in revenue to RM2.2 million compared to the preceding corresponding quarter. However, the PBT registered a decrease of 23.1% to RM0.8 million.

The increase in revenue was mainly due to higher volume handled and received whereas the decrease in PBT of RM0.2 million was due to higher operating expenses.

## **B2. Material Changes in Financial Results compared to that of the Immediate Preceding Quarter**

In the current quarter under review, the Group registered an increase of 37.4% in PBT to RM15.0 million compared to the immediate preceding quarter. The higher PBT of RM4.0 million was mainly due to the following:-

- higher contribution of RM3.4 million by Oleochemical Division which was mainly due to higher sales volume; and
- higher contribution of RM1.6 million by Healthcare Division which was due to lower administrative expenses.



### B3. Prospect of the Group

In the financial year ending 31 March 2016 (FY2016), the Group's PBT for first quarter was slightly higher than the preceding corresponding quarter.

Nevertheless, the Group's performance will still be subjected to the following critical factors:-

- uncertainty and volatility in currency exchange rate of USD/MYR as well as MYR/IDR;
- unpredictable weather conditions;
- uncertainty and volatility in CPO prices;
- changes in relevant government regulations/policies at the operating countries such as biodiesel mandate, export tariff, minimum wages and utilities costs; and
- land lease renewal.

In view of the above factors, the Board is of the opinion that the Group's performance for FY2016 will remain challenging and as such will take necessary steps to maintain good financial performance.

### B4. Profit Forecast

There were no profit forecast and profit guarantee issued during the financial period under review.

### B5. Income Tax Expense

	<b>Cumulative 3-month Ended</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Estimated tax payable		
- Malaysian tax expense	2,600	1,182
- Overseas tax expense	837	1,571
	3,437	2,753
- Provision of deferred tax assets	-	-
	3,437	2,753
<b>Total</b>	<b>3,437</b>	<b>2,753</b>





## B6. Corporate Proposals

There were no outstanding corporate proposals announced but not completed as at the date of this report.

## B7. Group Borrowings and Debt Securities

There were no outstanding borrowing and debt securities as at 30 June 2015.

## B8. Financial Instruments

The Group did not enter into any new type of derivatives during the interim financial period under review that had not been disclosed in the preceding year's annual audited financial statements.

### (a) Foreign currency forward contract

Sales denominated in foreign currencies constitute a substantial portion of the Group annual revenue. The Group enters into foreign currency exchange contracts to manage its exposure to fluctuations in foreign currency exchange rates.

The outstanding foreign currency exchange contracts as at 30 June 2015 was as follows :

	<b>Contract Value RM'000</b>	<b>Fair Value RM'000</b>	<b>Derivative Assets/(Liabilities) RM'000</b>
<b>Based Currency</b>	<b>&lt; 1 year</b>	<b>&lt; 1 year</b>	<b>&lt; 1 year</b>
USD	61,966	62,254	(288)

### (b) Commodity future contracts

Commodity future contracts were entered into to manage exposure to adverse movements in crude palm oil prices. These contracts were entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's usage requirements.

Gains or losses arising from these contracts are deferred and included in the measurement of the purchase or sale transactions only upon the recognition of the anticipated transactions.

There was no outstanding commodity future contracts as at 30 June 2015.



### B9. Material Litigation

As at the date of this report, there were no material litigation since the last audited financial statements for the financial year ended 31 March 2015.

### B10. Dividends

The Company had on 28 August 2015 obtained its shareholders' approval at the Annual General Meeting of the Company on the proposed Single Tier Final Dividend of 5 sen per ordinary share of RM1.00 each, amounting to RM6,846,707 for FY2015 which will be paid on 3 October 2015.

### B11. Earnings per Share

	<b>Cumulative 3-month Ended</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
Profit attributable to equity holders of the Company (in RM'000)	10,581	7,748
Weighted average number of ordinary shares in issue (in '000)	136,934	136,934
Basic earnings per share (in Sen)	<u>7.73</u>	<u>5.66</u>

### B12. Realised and Unrealised Retained Earnings

	<b>Unaudited As of 30.06.2015 RM'000</b>	<b>Audited As of 31.03.2015 RM'000</b>
Total retained earnings of the Group		
- Realised	342,082	331,756
- Unrealised	80	(436)
	<u>342,162</u>	<u>331,320</u>
Less: Consolidation adjustments	(11,986)	(11,725)
Total Group retained earnings	<u>330,176</u>	<u>319,595</u>

**B13. Profit for the Period**

	<b>Cumulative 3-month Ended</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the period is arrived at after crediting /(debiting) the following income/(expenses):		
- Interest income	1,425	1,278
- Other income	362	588
- Depreciation and amortization	(2,357)	(2,445)
- Inventories written down	(142)	96
- (Loss)/ gain on foreign exchange:		
Realised	(219)	(51)
Unrealised	(684)	(1,447)
- Unrealised loss on derivatives financial liabilities	2,440	-

Other items of disclosure pursuant to Appendix 9B, Part A, paragraphs 16 and 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable for disclosure.

**B14. Auditors' Report on Preceding Annual Financial Statements**

The audit report for the financial year ended 31 March 2015 was not subject to any qualifications.

This Interim Financial Report of Southern Acids (M) Berhad for the first quarter of FY2016, was authorised for issuance by the Board of Directors of the Company on 28 August 2015.