

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 2017

FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016
(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 2017
INTERIM FINANCIAL REPORT
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

CONTENTS	PAGE(S)
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5 6 6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8 6 9
Explanatory Notes to the Interim Financial Report:	
Part A: Pursuant to Financial Reporting Standard # 134	10 6 14
Part B: Pursuant to paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any revision thereon	15 - 20



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

	Note	Cumulative 3-month Ended	
		30.06.2016	30.06.2015
		RM'000	RM'000
Revenue	A8	166,762	121,743
- Cost of sales		(147,443)	(98,135)
		<hr/>	<hr/>
Gross profit		19,319	23,608
- Administrative expenses		(11,888)	(11,941)
- Other income		4,429	3,324
		<hr/>	<hr/>
Profit from operations		11,860	14,991
- Interest expense		(22)	-
- Share of results of an associate (net)		38	-
		<hr/>	<hr/>
Profit before tax	A8	11,876	14,991
- Income tax expense	B5	(3,105)	(3,437)
		<hr/>	<hr/>
Profit for the period	B13	<u>8,771</u>	<u>11,554</u>
Attributable to:			
- Equity holders of the Company		9,097	10,581
- Non-controlling interests		(326)	973
		<hr/>	<hr/>
		<u>8,771</u>	<u>11,554</u>
Earnings per share (sen) attributable to equity holders of the Company			
- Basic and diluted	B11	<u>6.64</u>	<u>7.73</u>



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

	Note	Cumulative 3-month Ended 30.06.2016 RM'000	30.06.2015 RM'000
Profit for the period	B13	8,771	11,554
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
- Available-for-sale financial assets		(5,797)	8,316
- Exchange differences on translation of foreign subsidiaries		4,290	2
Total comprehensive income for the period		7,264	19,872
Attributable to:			
- Equity holders of the Company		5,999	18,896
- Non-controlling interests		1,265	976
		7,264	19,872

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 2016, and the accompanying notes attached to these interim financial statements.



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2016

	Note	Unaudited As of 30.06.2016 RM'000	Audited As of 31.03.2016 RM'000
ASSETS			
Non-Current Assets			
Land held for property development		141,944	141,944
Property, plant and equipment	A9	132,796	132,200
Investment property		3,318	3,318
Biological assets		20,670	19,428
Investment in an associate		3,379	3,341
Available-for-sale investments		33,050	38,780
Advances for KKPA program		4,816	4,431
Deferred tax assets		1,629	1,574
		341,602	345,016
Current Assets			
Inventories		67,492	61,952
Derivative financial assets	B8	1,479	2,359
Trade receivables		32,122	27,704
Other receivables, deposits and prepaid expenses		9,758	9,156
Amounts owing by an associate company		368	123
Tax recoverable		20,237	16,036
Cash and cash equivalents		159,320	164,026
		290,776	281,356
TOTAL ASSETS		632,378	626,372



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2016 (cont'd)

	Unaudited	Audited
	As of	As of
	30.06.2016	31.03.2016
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	136,934	136,934
Reserves	383,007	377,008
	<hr/>	<hr/>
Equity attributable to equity holders of the Company	519,941	513,942
Non-controlling interests	45,841	44,576
	<hr/>	<hr/>
Total Equity	565,782	558,518
Non-Current and Deferred Liabilities		
Hire purchase payable	B7 408	481
Provision for retirement benefits	10,492	10,019
Deferred tax liabilities	1,422	1,422
	<hr/>	<hr/>
	12,322	11,922
	<hr/>	<hr/>
Current Liabilities		
Trade payables	23,240	21,698
Other payables and accrued expenses	30,563	33,606
Amounts owing to an associate company	-	33
Hire purchase payable	B7 350	327
Tax liabilities	-	147
Dividend payable	121	121
	<hr/>	<hr/>
	54,274	55,932
	<hr/>	<hr/>
TOTAL LIABILITIES	66,596	67,854
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	632,378	626,372
	<hr/>	<hr/>

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016, and the accompanying notes attached to these interim financial statements.



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

The Group	Non-distributable Reserves				Fair value reserve RM'000	Distributable reserve - Retained earnings RM'000	Equity attributable to 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					
As of 1 April 2015	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	-	-	-	-	-	-	-	-	-
As of 30 June 2015	136,934	34,321	(11,706)	(322)	22,885	330,176	512,288	46,659	558,947
As of 1 April 2016	136,934	34,321	(9,042)	(322)	14,238	337,813	513,942	44,576	558,518
Profit for the period	-	-	-	-	-	9,097	9,097	(326)	8,771
Other comprehensive income/(loss)	-	-	2,699	-	(5,797)	-	(3,098)	1,591	(1,507)
Total comprehensive income/(loss)	-	-	2,699	-	(5,797)	9,097	5,999	1,265	7,264
Dividend paid	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-
As of 30 June 2016	136,934	34,321	(6,343)	(322)	8,441	346,910	519,941	45,841	565,782

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016, and the accompanying notes attached to these interim financial statements.



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

	Cumulative 3-month Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	11,876	14,991
Adjustments for:		
- Dividend income	(1,207)	(1,022)
- Interest income	(1,060)	(1,425)
- Interest expense	22	-
- Unrealised (gain)/loss on foreign exchange	(2,888)	684
- Depreciation of property, plant and equipment	3,366	2,176
- Inventories written down and write off	(22)	142
- Loss/(gain) arising from derivative financial assets	880	(2,440)
- Provision for retirement benefits	434	424
- Amortisation of biological assets	210	181
- Share of results of an associate (net)	(38)	-
- Property, plant and equipment written off	1	-
- Gain on disposal of property, plant and equipment	5	-
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	11,579	13,711
(Increase)/decrease in :		
- Inventories	(5,518)	(6,862)
- Trade receivables	(2,063)	3,982
- Other receivables, deposit and prepaid expenses	(4,202)	(4,805)
- Associate company	(278)	-
Increase/(decrease) in:		
- Trade payables	1,542	6,841
- Other payables and accrued expenses	(3,043)	6,349
	<hr/>	<hr/>
Cash Generated From Operating Activities	(1,983)	19,216
- Income tax paid, net	(3,400)	(3,711)
- Retirement benefits paid, net	(47)	(31)
	<hr/>	<hr/>
Net Cash From Operating Activities	(5,430)	15,474



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

FINANCIAL YEAR ENDING 31 MARCH 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016 (cont'd)

	Cumulative 3-month Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash Flows From/(Used In) Investing Activities		
- Interest received	1,060	1,425
- Dividend received	1,207	1,022
- Investment in quoted share	(68)	-
- Interest expenses	(22)	-
- Net conversion for KKPA and Plasma projects	(385)	(212)
- Proceeds from disposal of property, plant and equipment	2	-
- Addition to:		
- property, plant and equipment (net)	(1,512)	(5,137)
- biological assets	(767)	(1,372)
Net Cash Used In Investing Activities	(485)	(4,274)
Cash Flows Used In Financing Activity		
- Repayment of finance lease	(51)	-
- Dividend paid	-	-
Net Cash Used In Financing Activity	(51)	-
Net Increase in Cash and Cash Equivalents	(5,966)	11,200
Cash and Cash Equivalents at Beginning of Financial Period	164,026	154,425
Effect of Translation Differences	1,260	(45)
Cash and Cash Equivalents at End of Financial Period	159,320	165,580
Composition of Cash and Cash Equivalents:		
- Cash and bank balances	70,594	57,790
- Fixed deposits with licensed banks	11,316	24,753
- Short-term placements	77,410	83,037
	159,320	165,580

The consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016, and the accompanying notes attached to these interim financial statements.



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

FINANCIAL YEAR ENDING 31 MARCH 2017
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016
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 (óMASBö).

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 2016. 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 2016

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 2016. 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 107	Statement of Cash Flows (Amendments relating to Disclosure Initiative) ¹
FRS 112	Income Taxes (Amendments relating to Recognition of Deferred Tax Assets for Unrealised Losses) ¹
FRS 9	Financial Instruments (IFRS 9 as issued by IASB in November 2009) ²
FRS 9	Financial Instruments (IFRS 9 as issued by IASB in October 2010) ²
FRS 9	Financial Instruments (Hedging Accounting and amendments to FRS 9, FRS 7 and FRS 139) ²
FRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014) ²
FRS 9 and FRS 7	Mandatory Effective Date of FRS9 (IFRS 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures ²
FRS 10 and FRS 128	Amendments relating to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³



- 1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- 2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- 3 Effective date deferred to a date to be determined and announced, with earlier application permitted.

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 Plants, 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 Oleochemical 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 30.06.2016		Cumulative 3-month Ended 30.06.2015	
	Revenue RM'000	Profit/(loss) before tax RM'000	Revenue RM'000	Profit before tax RM'000
Manufacture and sales of oleochemical products	76,809	6,031	78,273	7,887
Sales of oil palm fruit and crude palm oil	66,780	105	22,329	3,364
Private hospital operations	19,600	4,792	17,303	2,765
Others	3,573	910	3,838	975
	<u>166,762</u>	<u>11,838</u>	<u>121,743</u>	<u>14,991</u>
Share of profits of an associate (net)	-	38	-	-
	<u>166,762</u>	<u>11,876</u>	<u>121,743</u>	<u>14,991</u>

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 2016 to the current quarter 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 2016.

A13. Capital Commitments

Capital commitments not recognized in the interim financial statements as at 30 June 2016 is as follows :

Capital expenditure :

	RM'000
Contracted but not provided for	<u>5,307</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:

	Cumulative 3-month Ended 30.06.2016 RM'000	Cumulative 3-month Ended 30.06.2015 RM'000
Sales of goods	294	256
Purchase of goods	2,188	843
Provision of administrative services	<u>1,102</u>	<u>788</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 increased by 37.0% to RM166.8 million compared to the preceding corresponding quarter's revenue of RM121.7 million. However, the Group's profit before taxation (PBT) decreased by 20.8% to RM11.9 million compared to the preceding corresponding PBT of RM15.0 million. The decrease in PBT of RM3.1 million was due to lower contribution from Plantation & Milling and Oleochemical Division despite higher contribution from Healthcare Division.

1. Oleochemical Division

Oleochemical Division registered a decrease of 1.9% in revenue to RM76.8 million and a decrease of 23.5% in PBT to RM6.0 million compared to the preceding corresponding quarter.

The decrease in revenue of RM1.5 million was mainly due to decrease in sales volume by 4.7%.

The decrease in PBT of RM1.9 million which mainly from operational profit was due to lower sales volume and higher operation costs.

2. Plantation & Milling Division

Plantation & Milling Division registered an increase of 199.1% in revenue to RM66.8 million. However, PBT decreased by 96.9% to RM0.1 million compared to the preceding corresponding quarter.

The increase in revenue was mainly due to increase in sales volume and average selling price by 148.4% and 28.1% respectively. The substantial increase in revenue was contributed by the new 60MT palm oil mill.

The decrease in PBT of RM3.3 million was mainly due to the following:-

- Lower operational profit of RM4.5 million; and
- Higher other income of RM1.2 million which was due to unrealised forex gain and other sales.



The lower operational profit was due to higher price of externally sourced FFB, lower supply of FFB to the palm oil mills and the generally low quality of FFB which was due to post-El Nino effect.

3. Healthcare Division

Healthcare Division registered an increase of 13.3% in revenue to RM19.6 million and an increase of 73.3% in PBT to RM4.8 million compared to the preceding corresponding quarter.

The increase in revenue was mainly due to better bed occupancy rate and higher average revenue per patient; albeit a marginal decrease in number of patients.

The increase in PBT was mainly contributed by higher operational profit.

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 137.2% in PBT to RM11.9 million compared to the immediate preceding quarter. The higher PBT of RM6.9 million was mainly due to the following:-

- Higher contribution of RM4.2 million by Oleochemical Division;
- Higher contribution of RM1.0 million by Plantation & Milling Division; and
- Higher contribution of RM1.5 million by Others Division.

B3. Prospect of the Group

The Group's performance are very much subjected to the following critical uncontrollable factors:-

- Impact of post-El Nino on FFB production and its quality;
- stiff competition from competitors in international market;
- uncertainty and volatility in currency exchange rate namely USD/MYR and MYR/IDR;
- uncertainty and volatility in CPO prices;
- unpredictable weather conditions; and
- frequent changes in relevant government regulations or policies for the biodiesel mandate, rising minimum wages and export tariff.

In view of the above factors, the Board is of the opinion that the Group's performance for FY2017 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

	Cumulative 3-month Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Estimated tax payable		
- Malaysian tax expense	2,686	2,600
- Overseas tax expense	419	837
	<hr/>	<hr/>
	3,105	3,437
- Provision of deferred tax	<hr/>	<hr/>
	-	-
Total	<hr/> <hr/>	<hr/> <hr/>
	3,105	3,437

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

The Group's borrowing as at 30 June 2016:-

	Unaudited	Audited
	As of	As of
	30.06.2016	30.03.2016
	RM'000	RM'000
Short term (Secured)		
- Hire purchase payable		
Denominated in IDR (IDR1,146 million)	<hr/>	<hr/>
	350	327
Long term (Secured)		
- Hire purchase payable		
Denominated in IDR (IDR1,337 million)	<hr/> <hr/>	<hr/> <hr/>
	408	481



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 2016 was as follows :

	Contract Value RM'000	Fair Value RM'000	Derivative Assets/(Liabilities) RM'000
Based Currency	< 1 year	< 1 year	< 1 year
USD	39,375	37,896	1,479

(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.

As at 30 June 2016, total outstanding commodity future contracts of the Group amounted to RM7.0 million, with effective dates of execution up to Nov 2016.

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 2016.



B10. Dividends

The Board of Directors had on 31 May 2016 recommended a Single Tier Final Dividend of 5.0 sen per ordinary share of RM1.00 each, amounting to a total payout of RM6,846,707 in respect of the financial year ended 31 March 2016. This dividend proposal is subject to the approval by shareholders at the forthcoming Annual General Meeting of the Company.

On 29 July 2016, the Board of Directors had further announced that the recommended Single Tier Final Dividend, if approved by the shareholders, shall be paid on 30 September 2016.

B11. Earnings per Share

	Cumulative 3-month Ended	
	30.06.2016	30.06.2015
Profit attributable to equity holders of the Company (in RM'000)	9,097	10,581
Weighted average number of ordinary shares in issue (in '000)	136,934	136,934
	<hr/>	<hr/>
Basic earnings per share (in Sen)	6.64	7.73
	<hr/> <hr/>	<hr/> <hr/>

B12. Realised and Unrealised Retained Earnings

	Unaudited As of 30.06.2016 RM'000	Audited As of 30.03.2016 RM'000
Total retained earnings of the Group		
- Realised	354,359	345,380
- Unrealised	403	461
	<hr/>	<hr/>
	354,762	345,841
Total retained earnings of the Associate		
Less: Consolidation adjustments	<hr/>	<hr/>
	(7,852)	(8,028)
Total Group retained earnings	<hr/> <hr/>	<hr/> <hr/>
	346,910	337,813

**B13. Profit for the period**

	Cumulative 3-month Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Profit for the period is arrived at after crediting /(debiting) the following income/(expenses):		
- Interest income	1,060	1,425
- Interest expense	(22)	-
- Other income	1,418	362
- Depreciation and amortization	(3,576)	(2,357)
- Inventories written down, net	(22)	(142)
- (Loss)/gain on foreign exchange:		
Realised	(57)	(219)
Unrealised	2,888	(684)
- Unrealised gain/(loss) on derivatives financial asstes/liabilities	(880)	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 2016 was not subject to any qualifications.

This Interim Financial Report of Southern Acids (M) Berhad for the first quarter of FY2017, was authorised for issuance by the Board of Directors of the Company on 22 August 2016.