

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 2019

THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018
(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 2019
INTERIM FINANCIAL REPORT
THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

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

FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

	Note	Third Quarter Ended			Cumulative 9-months Ended		
		31.12.2018	31.12.2017 (Restated)	Changes	31.12.2018	31.12.2017 (Restated)	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	A8	146,647	198,762	-26.2%	457,639	566,468	-19.2%
- Cost of Sales		(123,958)	(168,929)	26.6%	(390,169)	(492,355)	20.8%
Gross Profit		22,689	29,833	-23.9%	67,470	74,113	-9.0%
- Administrative Expenses		(15,249)	(13,407)	-13.7%	(43,959)	(40,949)	-7.4%
- Other Income		2,253	894	152.0%	9,479	4,447	113.2%
Profit from operations		9,693	17,320	-44.0%	32,990	37,611	-12.3%
- Interest expense		(11)	(18)	38.9%	(24)	(39)	38.5%
- Share of results of an Associate (net)		205	(49)	518.4%	543	252	115.5%
Profit before tax	A8	9,887	17,253	-42.7%	33,509	37,824	-11.4%
- Income tax expense	B5	(2,552)	(4,017)	36.5%	(7,355)	(8,337)	-11.8%
Profit for the period	B13	7,335	13,236	-44.6%	26,154	29,487	-11.3%
Attributable to:							
- Equity holders of the Company		5,217	10,448	-50.1%	20,562	24,246	-15.2%
- Non-controlling interests		2,118	2,788	-24.0%	5,592	5,241	6.7%
		7,335	13,236	-44.6%	26,154	29,487	-11.3%
Earnings per share (sen) attributable to equity holder of the Company							
- Basic and diluted	B12	3.81	7.63	-50.1%	15.02	17.71	-15.2%



SOUTHERN ACIDS (M) BERHAD
(Incorporated in Malaysia)
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

	Note	Third Quarter Ended			Cumulative 9-months Ended		
		31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
		RM'000	(Restated) RM'000	%	RM'000	(Restated) RM'000	%
Profit for the period	B13	7,335	13,236	-44.6%	26,154	29,487	-11.3%
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
- Available-for-sales financial assets		(2,625)	1,772	-248.1%	406	1,558	-73.9%
- Exchange differences on translation of foreign subsidiaries		5,287	(7,492)	170.6%	3,587	(16,633)	-121.6%
Total comprehensive income for the period		9,997	7,516	33.0%	30,147	14,412	109.2%
Attributable to:							
- Equity holders of the Company		5,937	3,935	50.9%	23,164	15,136	53.0%
- Non-controlling interests		4,060	3,581	13.4%	6,983	(724)	-1,064.5%
		9,997	7,516	33.0%	30,147	14,412	109.2%

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 2018, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
(Incorporated in Malaysia)
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	As at 31.12.2018 RM'000	As at 31.03.2018 (Restated) RM'000	As at 01.04.2017 (Restated) RM'000
ASSETS				
Non-Current Assets				
Land held for property development		141,926	141,926	141,944
Property, plant and equipment	A9	178,815	171,470	166,568
Investment property		3,318	3,318	3,318
Investment in an associate		3,062	2,519	2,207
Other investments		53,025	52,448	46,544
Advances for KKPA program		9,022	7,381	6,731
Deferred tax assets		1,937	1,893	2,339
		<u>391,105</u>	<u>380,955</u>	<u>369,651</u>
Current Assets				
Biological assets		962	974	1,160
Inventories		67,018	70,866	80,253
Derivative financial assets	B9	164	866	580
Trade receivables	B14	34,251	45,175	53,125
Other receivables, deposits and prepaid expenses		13,287	18,298	18,232
Amounts owing by an associate company		739	630	373
Tax recoverable		32,290	28,461	21,060
Cash and cash equivalents		188,873	174,381	164,225
		<u>337,584</u>	<u>339,651</u>	<u>339,008</u>
TOTAL ASSETS		<u>728,689</u>	<u>720,606</u>	<u>708,659</u>



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 (cont'd)

	As at 31.12.2018	As at 31.03.2018 (Restated)	As at 01.04.2017 (Restated)
	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	171,255	171,255	171,255
Reserves	435,159	418,842	401,244
	<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the Company	606,414	590,097	572,499
Non-controlling interests	56,452	50,765	58,985
	<hr/>	<hr/>	<hr/>
Total Equity	662,866	640,862	631,484
	<hr/>	<hr/>	<hr/>
Non-Current and Deferred Liabilities			
Hire purchase payable	B7 317	123	197
Provision for retirement benefits	11,538	10,312	10,957
Deferred tax liabilities	1,937	1,937	1,357
	<hr/>	<hr/>	<hr/>
	13,792	12,372	12,511
	<hr/>	<hr/>	<hr/>
Current Liabilities			
Trade payables	24,600	36,688	32,137
Other payables and accrued expenses	25,436	28,995	30,038
Contract liabilities	780	526	920
Derivative financial liabilities	B8 -	268	1,040
Hire purchase payable	B7 128	217	408
Tax liabilities	966	557	-
Dividend payable	121	121	121
	<hr/>	<hr/>	<hr/>
	52,031	67,372	64,664
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	65,823	79,744	77,175
	<hr/>	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	728,689	720,606	708,659
	<hr/>	<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 2018, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

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 at 1 April 2017									
As previously stated under FRSs	171,255	-	743	(322)	18,244	378,539	568,459	58,662	627,121
Effect of transition from FRSs to MFRSs	-	-	-	-	3,553	487	4,040	323	4,363
As restated	171,255	-	743	(322)	21,797	379,026	572,499	58,985	631,484
Profit for the year	-	-	-	-	-	24,246	24,246	5,241	29,487
Other comprehensive income/(loss)	-	-	(10,668)	-	1,558	-	(9,110)	(5,965)	(15,075)
Total comprehensive income/(loss)	-	-	(10,668)	-	1,558	24,246	15,136	(724)	14,412
Dividend paid	-	-	-	-	-	(6,847)	(6,847)	-	(6,847)
Dividend paid to non-controlling interests of subsidiary company	-	-	-	-	-	-	-	(3,756)	(3,756)
As at 31 December 2017	171,255	-	(9,925)	(322)	23,355	396,425	580,788	54,505	635,293



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

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					
As at 1 April 2018									
As previously stated under FRSs	171,255	-	(14,553)	(322)	23,986	406,175	586,541	50,481	637,022
Effect of transition from FRSs to MFRSs	-	-	(116)	-	3,553	119	3,556	284	3,840
As restated	171,255	-	(14,669)	(322)	27,539	406,294	590,097	50,756	640,862
Profit for the year	-	-	-	-	-	20,562	20,562	5,592	26,154
Other comprehensive income/(loss)	-	-	2,311	-	406	(116)	2,601	1,392	3,993
Total comprehensive income/(loss)	-	-	2,311	-	406	20,446	23,163	6,984	30,147
Dividend paid	-	-	-	-	-	(6,847)	(6,847)	-	(6,847)
Dividend paid to non-controlling interests of subsidiary company	-	-	-	-	-	-	-	(1,296)	(1,296)
As at 31 December 2018	171,255	-	(12,358)	(322)	27,945	419,893	606,413	56,453	662,866

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018

	Cumulative 9-month Ended	
	31.12.2018	31.12.2017
		(Restated)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	33,509	37,824
Adjustments for:		
- Dividend income	(1,927)	(1,931)
- Interest income	(3,512)	(3,004)
- Interest expense	24	39
- Depreciation of property, plants and equipment	12,349	11,796
- Loss on disposal of property, plants and equipment	2	19
- Property, plants and equipment write off	206	191
- Share of results of an associate	(543)	(252)
- Inventories written off	83	53
- Provision for doubtful debts	(300)	(39)
- Bad debt written off	-	12
- Provision for incremental rental	-	(1,976)
- Unrealised (gain)/loss on foreign exchange	(4,242)	3,256
- Net fair value loss on biological assets	35	62
- Net revaluation gain on derivatives	(870)	(3,230)
- Provision for retirement benefits	1,152	368
Operating Profit Before Working Capital Changes	35,966	43,188
(Increase)/decrease in:		
- Inventories	3,774	2,270
- Trade receivables	18,592	8,544
- Other receivables, deposit and prepaid expenses	3,283	(14,852)
- Amounts owing by an associate company	(228)	(1,334)
Increase/(decrease) in:		
- Trade payables	(10,970)	(6,215)
- Other payables and accrued expenses	(10,226)	(79)
- Contract liabilities	254	916
Cash Generated From Operating Activities	40,445	32,438
- Income tax paid, net	(3,938)	(19)
Net Cash From Operating Activities	36,507	32,419



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018 (cont'd)

	Cumulative 9-month Ended	31.12.2017
	31.12.2018	(Restated)
	RM'000	RM'000
Cash Flows From/(Used In) Investing Activities		
- Interest received	3,512	3,004
- Dividend received	1,927	1,931
- Investment in quoted share	(170)	(163)
- Interest expenses	(24)	(39)
- Additions for KKPA program	(1,416)	(881)
- Proceeds from disposal of property, plant and equipment	-	158
- Addition to property, plant and equipment	(16,847)	(20,102)
	<u>(13,018)</u>	<u>(16,092)</u>
Net Cash Used In Investing Activities		
Cash Flows From/(Used In) Financing Activities		
- Repayment of hire-purchase payables	105	(157)
- Dividend paid by:		
- The Company	(6,847)	(6,847)
- Subsidiary company to non-controlling interests	(1,296)	(3,809)
	<u>(8,038)</u>	<u>(10,813)</u>
Net Cash Used In Financing Activities		
Net Increase in Cash and Cash Equivalents	15,451	5,514
Cash and Cash Equivalents at Beginning of Financial Period	174,381	164,225
Effect of Translation Differences	<u>(959)</u>	<u>(11,857)</u>
Cash and Cash Equivalents at End of Financial Period	<u>188,873</u>	<u>157,882</u>
Composition of Cash and Cash Equivalents:		
- Cash and bank balances	111,749	62,340
- Fixed deposits with licensed banks	20,047	50,276
- Short-term placements	57,077	45,266
	<u>188,873</u>	<u>157,882</u>

The consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2019
THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2018
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

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

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 2018. The explanatory notes attached to the Interim Financial Report provide an 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 2018.

A. Explanatory Notes Pursuant To MFRS 134

A1. Basis of Preparation

The accounting policies adopted by the Group for the Interim Financial Report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2018, except for the adoption of the new and revised Standards and Amendments effective on or after 1 April 2018.

Adoption of Amendments to MFRSs

The Group adopted the following amendments to MFRSs and IC Interpretations, mandatory for annual financial periods beginning on or after 1 April 2018.

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers (and the related clarifications)
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (<i>Annual Improvements to FRS Standards 2014-2016 Cycle</i>)
Amendments to MFRS 140	Investment Property – Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 cycle



The effects of first-time adoption of MFRS are primarily from the following:

a) MFRS 9 Financial Instruments

Classification and Measurement

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model. The Group has categorised its financial assets as financial assets measured at amortised cost or fair value through other comprehensive income.

Impairment

MFRS 9 introduces a forward looking expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income. The changes have been accounted for retrospectively and comparatives are restated.

b) MFRS 15 Revenue from Contracts with Customers

The adoption of MFRS 15 does not have significant impact to the Group's financial statements, except for the reclassification of sales proceeds from customers prior to the fulfilment of sales contracts from other payables to contract liabilities.

c) Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture

Bearer plants

The Amendments to MFRS 116 and MFRS 141 introduce new category of biological assets i.e. bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the biological assets at cost less amortisation, the change in accounting policies is limited to reclassification of the biological assets to bearer plants.

Biological assets

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell, with fair value changes recognised in profit or loss.



The financial impact of adoption of MFRS 9, 15 and 141 are as follows:

Condensed Consolidated Statement of Financial Position

<u>As at 31 March 2018</u>	Previously stated under FRSs RM'000	Effects on adoption of MFRSs RM'000	Restated under MFRSs RM'000
Non-current assets			
Property, plant and equipment	149,179	22,291	171,470
Biological assets	22,291	(22,291)	-
Available-for-sale investments	48,895	(48,895)	-
Other investments	-	52,448	52,448
Current assets			
Biological assets	-	974	974
Trade receivables	45,862	(687)	45,175
Capital and reserves			
Reserves	415,286	3,556	418,842
Non-controlling interest	50,481	284	50,765
Current liabilities			
Trade payables	37,032	(344)	36,688
Other payables and accrued expenses	29,177	(182)	28,995
Contract liabilities	-	526	526
 <u>As at 1 April 2017</u>			
Non-current assets			
Property, plant and equipment	143,389	23,179	166,568
Biological assets	23,179	(23,179)	-
Available-for-sale investments	42,991	(42,991)	-
Other investments	-	46,544	46,544
Current assets			
Biological assets	-	1,160	1,160
Trade receivables	53,475	(350)	53,125
Capital and reserves			
Reserves	397,204	4,040	401,244
Non-controlling interest	58,662	323	58,985
Current liabilities			
Trade payables	32,389	(252)	32,137
Other payables and accrued expenses	30,706	(668)	30,038
Contract liabilities	-	920	920



Condensed Consolidated Statement of Comprehensive Income

	Previously stated under FRSs RM'000	Effects on adoption of MFRSs RM'000	Restated under MFRSs RM'000
<u>Preceding year corresponding quarter ended 31 December 2017</u>			
Other income	4,509	(62)	4,447
Profit attributable to:			
Equity holders of the Company	24,289	(43)	24,246
Non-controlling interest	5,260	(19)	5,241
	<u>29,549</u>	<u>(62)</u>	<u>29,487</u>
Total comprehensive income attributable to:			
Owners of the Company	15,262	(126)	15,136
Non-controlling interests	(670)	(54)	(724)
	<u>14,592</u>	<u>(180)</u>	<u>14,412</u>

Condensed Consolidated Statement of Cash Flows

	Previously stated under FRSs RM'000	Effects on adoption of MFRSs RM'000	Restated under MFRSs RM'000
<u>For the 9 months ended 31 December 2017</u>			
Cash flows from Operating Activities			
Profit before tax	37,886	(62)	37,824
Adjustments for:			
Depreciation of property, plant and equipment	11,006	790	11,796
Amortisation of biological assets	790	(790)	-
Fair value gain on biological assets	-		62
Cash flows from Investing Activities			
Addition to property, plant and equipment	(17,833)	(2,269)	(20,102)
Addition to biological assets	(2,269)	2,269	-



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 financial performance of the Group's Milling & Estate Segment is affected by seasonal crop production, seasonal external supply of fresh fruits bunch and fluctuating commodity prices whereas the Group's Oleochemical Segment is mainly affected by its fluctuating feedstock prices.

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

The dividend paid during the current and preceding corresponding financial year-to-date was as follows:

	31.12.2018	31.12.2017
Final Dividend		
For the financial year ended	31 March 2018	31 March 2017
Declared date	25 May 2018	30 May 2017
Approved date	30 August 2018	23 August 2017
Payment date	28 September 2018	29 September 2017
No of outstanding shares ('000)	136,934	136,934
Dividend per share (single tier)	5.0 sen	5.0 sen
Net dividend paid (RM'000)	6,847	6,847



A8. Segmental Information

(a) Results for the Quarter

	Oleochemical			Milling & Estate			Healthcare			Investment & Services			Consolidated		
	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Revenue															
Total Revenue	72,796	95,942	-24.1%	47,463	78,727	-39.7%	21,925	19,930	10.0%	5,361	5,480	-2.2%	147,545	200,079	-26.3%
Less:															
Inter-segment sales	-	-	-	-	-	-	-	-	-	(898)	(1,317)	31.8%	(898)	(1,317)	31.8%
External Sales	72,796	95,942	-24.1%	47,463	78,727	-39.7%	21,925	19,930	10.0%	4,463	4,163	7.2%	146,647	198,762	-26.2%
Results															
Segment results	(2,689)	4,603	-158.4%	5,987	8,007	-25.2%	6,177	4,894	26.2%	218	(184)	218.5%	9,693	17,320	-44.0%
Finance Cost	-	-	-	(11)	(18)	38.9%	-	-	-	-	-	-	(11)	(18)	38.9%
Share of results of an Associate (net)	-	-	-	-	-	-	-	-	-	205	(49)	518.4%	205	(49)	518.4%
Profit before tax	(2,689)	4,603	-158.4%	5,976	7,989	-25.2%	6,177	4,894	26.2%	423	(233)	281.5%	9,887	17,253	-42.7%

**A8. Segmental Information** (cont'd)**(b) Results for Year-To-Date**

	Oleochemical			Milling & Estate			Healthcare			Investment & Services			Consolidated		
	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Revenue															
Total Revenue	224,270	288,347	-22.2%	155,299	203,224	-23.6%	63,016	61,998	1.6%	25,341	16,123	57.2%	467,926	569,692	-17.9%
Less:															
Inter-segment	-	-	-	-	-	-	-	-	-	(10,287)	(3,224)	-219.1%	(10,287)	(3,224)	-219.1%
External Sales	224,270	288,347	-22.2%	155,299	203,224	-23.6%	63,016	61,998	1.6%	15,054	12,899	16.7%	457,639	566,468	-19.2%
Results															
Segment results	(2,302)	6,162	-137.4%	16,914	15,190	11.3%	16,844	14,782	13.9%	1,534	1,477	3.9%	32,990	37,611	-12.5%
Finance Cost	-	-	-	(24)	(39)	38.5%	-	-	-	-	-	-	(24)	(39)	-38.5%
Share of results of an Associate (net)	-	-	-	-	-	-	-	-	-	543	252	115.5%	543	252	115.5%
Profit before tax	(2,302)	6,162	-137.4%	16,890	15,151	11.5%	16,844	14,782	13.9%	2,077	1,729	20.1%	33,509	37,824	-11.4%
Assets															
Segment assets	178,401	187,067	-4.6%	342,018	340,082	0.6%	113,792	100,731	13.0%	94,478	80,695	11.1%	728,689	708,575	2.3%
Liabilities															
Segment liabilities	19,083	21,872	-12.8%	26,237	30,974	-15.3%	18,167	16,286	11.5%	2,336	4,150	-43.7%	65,823	73,282	-10.2%
Exchange Rate	Financial Position – Closing Rate			Profit or Loss – Average Rate											
	31.12.18	31.12.17	Changes	31.12.18	31.12.17	Changes									
USD : RM	4.1360	4.0475	2.2%	4.0723	4.2507	-4.2%									
IDR : RM	0.0002880	0.0002980	-3.4%	0.0002819	0.0003174	-11.2%									
HKD : RM	0.5282	0.5180	2.0%	0.5194	0.5447	-4.6%									



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 2018 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 was 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 was no change in the contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 March 2018.

A13. Capital Commitments

The capital commitments not recognized in the interim financial statements as at 31 December 2018 amounting to RM6.3 million.

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 9-month Ended 31.12.2018 RM'000	Cumulative 9-month Ended 31.12.2017 RM'000
Sales of goods	1,118	1,260
Purchase of goods	6,048	2,503
Provision of administrative services	3,416	4,250



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

	Third Quarter Ended			
	31.12.2018	31.12.2017	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	146,647	198,762	(52,115)	(26.2%)
Operation profit	9,693	17,320	(7,627)	(44.0%)
Profit before interest and tax	9,898	17,271	(7,373)	(42.7%)
Profit before tax	9,887	17,253	(7,366)	(42.7%)
Profit after tax	7,335	13,236	(5,901)	(44.6%)
Profit attributable to equity holders of the Company	5,217	10,448	(5,231)	(50.1%)

In the current quarter under review, the Group recorded a profit before tax (“PBT”) of RM9.9 million compared with a PBT of RM17.3 million in the corresponding quarter of the preceding year. Excluding the impact on adoption of MFRS Framework, the Group would have shown a slightly higher PBT by RM0.02 million to RM9.9 million compared with a PBT of RM17.8 million in the preceding corresponding quarter.

The Group revenue declined 26.2% to RM146.6 million from RM198.8 million reported in the preceding corresponding quarter. This was due to a decrease in revenue contribution from the Oleochemical and Milling & Estate Segments brought about by broad declines in the volume and average selling price (“ASP”) of fatty acids, crude palm oil (“CPO”) and palm kernel (“PK”). These segments accounted for 82.0% of Group revenue in the current quarter.

In tandem with the decline in revenue, Group PBT decreased 42.7% to RM9.9 million from RM17.3 million reported in the preceding corresponding quarter. The marked decrease was due to a loss before tax (“LBT”) reported in the Oleochemical Segment and lower PBT contribution from the Milling & Estate Segment brought about by lower sales volume and depressed ASPs.



Oleochemical Segment

	31.12.2018	Third Quarter Ended		
		31.12.2017	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	72,796	95,942	(23,146)	(24.1%)
Operation Profit	(2,689)	4,603	(7,292)	(158.4%)
Profit before interest and tax	(2,689)	4,603	(7,292)	(158.4%)
Profit before tax	(2,689)	4,603	(7,292)	(158.4%)
(B) Non-Financial Highlights:				
Production Capacity (MT)	25,000	25,000	-	-
Production Utilisation (%)	86.5%	94.5%	(8.0%)	(8.5%)
Quantity Sold (MT)	21,463	23,947	(2,484)	(10.4%)
Gross Profit Margin (%)	(3.9%)	6.7%	(10.6%)	(158.2%)

Oleochemical Segment LBT of RM2.7 million was recorded in the current quarter compared with a PBT of RM4.6 million in the preceding corresponding quarter. Excluding the impact on adoption of MFRS Framework, Oleochemical Segment would have shown a slightly higher LBT by RM0.04 million in the current quarter whereas there was no impact on the PBT of the preceding corresponding quarter.

Revenue in the Oleochemical Segment decreased 24.1% to RM72.8 million compared to RM95.9 million achieved in the preceding corresponding quarter. The key factors contributing to the decline in revenue is a 15.5% decrease in the ASP of fatty acids (approximately 90% of segment revenue) compounded by a drop in sales volume for fatty acids and glycerin, which decreased by 10.4% in the quarter.

Production capacity utilization rate was lower at 86.5% from 94.5% achieved in the preceding corresponding quarter in line with the decline in sales volume.

The Oleochemical Segment reported a LBT of RM2.7 million in the quarter, which comprised core LBT of RM3.7 million and non-core PBT of RM1.0 million. The non-core PBT was mainly due to unrealized gain from foreign exchange.



Milling & Estate Segment

	31.12.2018	Third Quarter Ended		
		31.12.2017	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	47,463	78,727	(31,264)	(39.7%)
Operation profit	5,987	8,007	(2,020)	(25.2%)
Profit before interest and tax	5,987	8,007	(2,020)	(25.2%)
Profit before tax	5,976	7,989	(2,013)	(25.2%)
(B) Non-Financial Highlights:				
FFB Processed (MT)	84,077	123,929	(39,852)	(32.2%)
FFB Production (MT)	22,995	21,158	1,837	8.7%
CPO Sale Volume (MT)	22,952	25,038	(2,086)	(8.3%)
PK Sales Volume (MT)	4,418	6,376	(1,958)	(30.7%)
Average CPO Selling Price per MT (RM)	1,788	2,563	(775)	(30.2%)
Average PK Selling Price Per MT (RM)	1,362	2,523	(1,161)	(46.0%)

Milling & Estate Segment PBT of RM6.0 million was recorded in the current quarter compared with a PBT of RM8.0 million in the preceding corresponding quarter. Excluding the impact on adoption of MFRS Framework, Milling & Estate Segment would have shown a PBT of RM6.3 million in the current quarter compared to a PBT of RM8.5 million in the preceding corresponding quarter.

Revenue in the Milling & Estate Segment fell 39.7% to RM47.5 million from RM78.7 million achieved in the preceding corresponding quarter. The decline was due to lower sales volume and substantially lower ASPs of CPO and PK, which declined 30.2% and 46.0% respectively.

Fresh fruit bunch (“FFB”) production experienced an 8.7% uptick during the quarter whilst FFB processed declined by 32.2% to 84,077 metric tons (“MT”) from 123,929 MT in the preceding corresponding quarter.

Segment PBT decreased by 25.2% to RM6.0 million in the quarter under review. This comprised core PBT of RM5.1 million and non-core PBT of RM0.9 million. The non-core PBT was mainly derived from sale proceeds from the disposal of PK shells and scraps.



Healthcare Segment

	31.12.2018	Third Quarter Ended		
		31.12.2017	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
(A) Financial Data:				
Revenue	21,925	19,930	1,995	10.0%
Operation profit	6,177	4,894	1,283	26.2%
Profit before interest and tax	6,177	4,894	1,283	26.2%
Profit before tax	6,177	4,894	1,283	26.2%
(B) Statistics:				
Bed Occupancy Rate (%)	59.7%	52.6%	7.1%	13.5%
Number of patients				
a. Outpatient	20,361	19,539	822	4.2%
b. Inpatient	3,294	2,971	323	10.9%
Average revenue per patient ("ARPP") (RM)				
a. Outpatient	129	145	(16)	(11.0%)
b. Inpatient	5,595	5,505	90	1.6%

Healthcare Segment PBT of RM6.2 million was recorded in the current quarter compared with a PBT of RM4.9 million in the preceding corresponding quarter. Excluding the impact on adoption of MFRS Framework, Healthcare Segment would have shown a PBT of RM6.0 million in the current quarter whereas there was no impact on the PBT of the preceding corresponding quarter.

Revenue in the Healthcare Segment improved by 10.0% to RM21.9 million compared to the preceding corresponding quarter.

The number of registered inpatients and outpatients increased by 10.9% and 4.2% respectively to 3,294 and 20,361. The ARPP for inpatients increased marginally by 1.6% to RM5,595 whilst outpatients experienced a decrease of 11.0% to RM129.

Overall bed occupancy rate increased to 59.7% from 52.6% previously.

Segment PBT rose 26.2% to RM6.2 million in the quarter under review. This comprised core PBT of RM5.5 million and non-core PBT of RM0.7 million.



Current Financial Year-To-Date vs Preceding Corresponding Financial Year-To-Date

	Cumulative 9-months Ended			
	31.12.2018	31.12.2017	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	457,639	566,468	(108,829)	(19.2%)
Operation profit	32,990	37,611	(4,621)	(12.3%)
Profit before interest and tax	33,533	37,863	(4,330)	(11.4%)
Profit before tax	33,509	37,824	(4,315)	(11.4%)
Profit after tax	26,154	29,487	(3,333)	(11.3%)
Profit attributable to equity holders of the Company	20,562	24,246	(3,684)	(15.2%)

In the current financial year-to-date, the Group recorded a PBT of RM33.5 million compared with a PBT of RM37.8 million in the preceding corresponding period. Excluding the impact on adoption of MFRS Framework, the PBT in the current financial year-to-date would have shown a PBT of RM33.3 million in the current financial year-to-date compared with a PBT of RM37.9 million in the preceding corresponding period.

The Group revenue decreased 19.2% to RM457.6 million from RM566.5 million achieved in the preceding corresponding period. This was mainly due to declines in revenue contribution from the Oleochemical and Milling & Estate Segments. These segments accounted for 82.9% of Group revenue in the current period under review.

In-line with the decline in revenue, Group PBT declined 11.4% to RM33.5 million from RM37.8 million achieved in the preceding corresponding period. This was due to an overall decline in contributions from the Oleochemical and Milling & Estate Segments as a result of lower ASPs and a drop in production volumes.



Oleochemical Segment

	Cumulative 9-months Ended			
	31.12.2018	31.12.2017	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	224,270	288,347	(64,077)	(22.2%)
Operation profit	(2,302)	6,162	(8,464)	(137.4%)
Profit before interest and tax	(2,302)	6,162	(8,464)	(137.4%)
Profit before tax	(2,302)	6,162	(8,464)	(137.4%)
(B) Non-Financial Highlights:				
Production Capacity (MT)	75,000	75,000	-	0.0%
Production Utilisation (%)	84.0%	94.6%	(10.6%)	(11.2%)
Quantity Sold (MT)	62,094	70,842	(8,748)	(12.3%)
Gross Profit Margin (%)	(1.3%)	3.4%	(4.7%)	(138.2%)

In the current financial year-to-date, Oleochemical Segment recorded a LBT of RM2.3 million compared with a PBT of RM6.2 million in the preceding corresponding period. Excluding the impact on adoption of MFRS Framework, Oleochemical Segment would have shown a slightly higher LBT by RM0.04 million in the current financial year-to-date whereas there was no impact on the PBT of the preceding corresponding quarter.

Revenue in the Oleochemical Segment decreased 22.2% to RM224.3 million from RM288.3 million achieved in the preceding corresponding period. This is as a result of two main factors; a decline in sales volume of fatty acids and glycerin, which decreased by 12.3%, and a 12.8% decline in the ASP of fatty acids. Production capacity utilization rate declined to 84.0% from 94.6% achieved in the preceding corresponding period.

The Oleochemical Segment reported a LBT of RM2.3 million during the period, which comprised core LBT of RM6.2 million and non-core PBT of RM3.9 million. The non-core PBT was mainly due both realized losses and unrealized gain from foreign exchange.



Milling & Estate Segment

	Cumulative 9-months Ended			
	31.12.2018	31.12.2017	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	155,299	203,224	(47,925)	(23.6%)
Operation profit	16,914	15,190	1,724	11.3%
Profit before interest and tax	16,914	15,190	1,724	11.3%
Profit before tax	16,890	15,151	1,739	11.5%
(B) Non-Financial Highlights:				
FFB Processed (MT)	323,781	334,080	(10,299)	(3.1%)
FFB Production (MT)	67,396	53,389	14,007	26.2%
CPO Sales Volume (MT)	65,473	65,828	(355)	(0.5%)
PK Sales Volume (MT)	16,494	16,618	(124)	(0.7%)
Average CPO Selling Price Per MT	1,979	2,527	(548)	(21.7%)
Average PK Selling Price Per MT	1,490	2,138	(648)	(30.3%)

In the current financial year-to-date, Milling & Estate Segment recorded a PBT of RM16.9 million compared with a PBT of RM15.2 million in the preceding corresponding period. Excluding the impact on adoption of MFRS Framework, the PBT in the current financial year-to-date would have shown a higher PBT by RM0.04 million as well as a higher PBT by RM0.06 million for the preceding corresponding period.

Revenue in the Milling & Estate Segment decreased 23.6% to RM155.3 million from RM203.2 million achieved in the preceding corresponding period despite largely unchanged sales volumes. The decline was brought about by the significantly lower ASP of CPO and PK, which declined 21.7% and 30.3% respectively.

On a positive note, FFB production increased 26.2% to 67,396 MT; cushioning the negative effects of the decline in ASP of CPO and PK.

Segment PBT rose by 11.5% to RM16.9 million in the period under review. This comprised core PBT of RM13.7 million and non-core PBT of RM3.2 million. The non-core PBT was mainly derived from interest income and the disposal of PK shells and scraps.



Healthcare Segment

	Cumulative 9-months Ended			
	31.12.2018	31.12.2017	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	63,016	61,998	1,018	1.6%
Operation profit	16,844	14,782	2,062	13.9%
Profit before interest and tax	16,844	14,782	2,062	13.9%
Profit before tax	16,844	14,782	2,062	13.9%
(B) Non-Financial Highlights:				
Bed Occupancy Rate (%)	56.2%	56.9%	(0.7%)	(1.2%)
Number of Patients				
a. Outpatient	60,845	59,991	854	1.4%
b. Inpatient	9,440	9,442	(2)	0%
Average revenue per patient ("ARPP") (RM)				
a. Outpatient	140	156	(16)	(10.3%)
b. Inpatient	5,510	5,322	188	3.5%

In the current financial year-to-date, Healthcare Segment recorded a PBT of RM16.8 million compared with a PBT of RM14.8 million in the preceding corresponding period. Excluding the impact on adoption of MFRS Framework, Healthcare Segment would have shown a PBT of RM16.6 million in the current financial year-to-date whereas there was no impact on the PBT of the preceding corresponding quarter.

Revenue in the Healthcare Segment increased marginally to RM63.0 million from RM62.0 million achieved in the preceding corresponding period.

During the period, the number of registered inpatients remained largely unchanged at 9,440 whereas outpatients increased marginally to 60,845. The ARPP for inpatients grew 3.5% to RM5,510 whilst outpatients decreased to RM140.

Overall bed occupancy rate decreased marginally to 56.2% from 56.9% previously.

Segment PBT rose 13.9% to RM16.8 million in the period under review. This comprised core PBT of RM14.6 million and non-core PBT of RM2.2 million.



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

	Individual Quarter Ended			
	31.12.2018	30.09.2018	Changes	Changes
	RM'000	(Restated) RM'000	RM'000	%
Revenue	146,647	153,042	(6,395)	(4.2%)
Operation profit	9,693	13,055	(3,362)	(25.8%)
Profit before interest and tax	9,898	13,087	(3,189)	(24.4%)
Profit before tax	9,887	13,082	(3,195)	(24.4%)
Profit after tax	7,335	10,397	(3,062)	(29.5%)
Profit attributable to equity holders of the Company	5,217	8,129	(2,912)	(35.8%)

In the current quarter under review, the Group recorded a PBT of RM9.9 million compared with a PBT of RM13.1 million in the immediate preceding quarter. Excluding the impact on adoption of MFRS Framework, the PBT in the current quarter would be RM10.0 million compared with a PBT of RM13.3 million in the immediate preceding quarter.

In the current quarter under review, Group revenue declined slightly to RM146.6 million from RM153.0 million achieved in the immediate preceding quarter. This was due to decreased contributions from the Oleochemical and Milling & Estate Segments as a result of declines in the ASPs of fatty acids, glycerin, CPO and PK.

Group PBT decreased 24.4% to RM9.9 million from RM13.1 million in the immediate preceding quarter. The significant decline in Group PBT performance was largely due to industry wide headwinds and a challenging operating environment in the Oleochemical Segment resulting in a higher LBT of RM2.7 million in the quarter.

B3. Prospect of the Group

Oleochemical Segment

The Oleochemical Segment continued to be hampered by escalating production costs and increasingly intense competition in the international market during the quarter under review as crude oil prices declined to the year low in December 2018. This brought down the prices of substitute products and hampered Segment margins.



In the medium term, the Segment is expected benefit from the recent surge in crude oil prices off the December 2018 lows as ASPs of substitute products are slated to increase. The recent volatility of the USD/MYR continues to be a cause for concern going forward as the US-China trade war continues to rattle global trade.

Milling & Estate Segment

Monthly average CPO prices fell to a low of RM1,795 per MT in December 2018 from RM2,427 per MT as at March 2018. CPO inventories rose 38.5% to 3.2 million tonnes in that period amidst higher output but overall subdued demand. This has impacted our financial year-to-date performance in this segment.

Nonetheless, the market has started the new year on a more positive note – with average CPO prices having risen to RM2,039 per MT in January 2019. Inventories declined 6.7% to 3.0 million tonnes from December 2018 on the back of stronger exports from key markets of Europe, China and India, triggered by a reduction in CPO import duties announced in early 2019.

Near term the Segment will benefit from this uptick in CPO prices, but we remain cautious overall. A more affirmed recovery in CPO prices could stem from a sustained growth momentum in demand and concern over a possible El Nino effect disrupting production flows.

Healthcare Segment

The Healthcare Segment is expected to remain stable in FY2019, underpinned by growing healthcare awareness, rising medical insurance coverage, expanding middle income group and an ageing population.

The Group is exploring avenues to upgrade and refurbish existing facilities to better cater to our existing and future patients. Key performance drivers are in the growth of inpatients and outpatients, as well as in the average revenue per patient.

Overall

Recent recovery in CPO and crude oil prices should translate to a more favorable operating environment near term. Nonetheless, the Board is cautiously optimistic and will endeavor to achieve an optimal performance in our Group operations. The Group is also backed by a robust balance sheet sporting a net cash position of RM188.9 million that will enable us to boost current operations or capitalize on opportunities that may arise.



B4. Profit Forecast

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

B5. Income Tax Expense

	Third Quarter Ended		Cumulative 9-months Ended	
	31.12.2018	31.12.2017 (Restated)	31.12.2018	31.12.2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable				
- Malaysian tax expense	692	1,866	2,942	4,443
- Overseas tax expense	1,860	2,151	4,413	3,894
	<u>2,552</u>	<u>4,017</u>	<u>7,355</u>	<u>8,337</u>
- Provision of deferred tax	-	-	-	-
Total	<u>2,552</u>	<u>4,017</u>	<u>7,355</u>	<u>8,337</u>

B6. Corporate Proposals

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

B7. Group Borrowings and Debt Securities

The Group borrowing as at 31 December 2018:-

	As at	As at	As at	As at
	31.12.2018	31.12.2018	31.03.2018	31.03.2018
	Foreign	RM	Foreign	RM
	Currency	Equivalent	Currency	Equivalent
	IDR million	RM'000	IDR million	RM'000
Short term (Secured)				
- Hire purchase payable				
Denominated in IDR	443	128	771	217
Long term (Secured)				
- Hire purchase payable				
Denominated in IDR	1,102	317	438	123
Effective interest rate		<u>9% to 15%</u>		<u>9% to 15%</u>

All the Group borrowing are secured and denominated in foreign currency IDR.



B8. Financial Instruments

The Group uses forward foreign exchange contracts to manage its exposure to various financial risks. As at 31 December 2018, the fair values of these derivatives are as follows:

Types of Derivatives	Based Currency	Contract/Notional Value RM'000	Fair Value as at 31.12.2018 RM'000
(i) Forward foreign exchange contracts - Less than 1 year	USD	53,104	52,940

Forward foreign exchange contracts

The forward foreign exchange contracts were entered into by the Group's Oleochemical Segment as hedges for its exports sales mainly denominated in USD currency in order to manage exposure to fluctuations in foreign exchange currency rates on specific transactions.

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 March 2018:

- i. The credit risk, market risk and liquidity risk associated with those financial derivatives;
- ii. The cash requirements of the financial derivatives; and
- iii. The policy in place for mitigating or controlling the risks associated with those financial derivatives.

B9. Fair Value Changes of Financial Liabilities

Types Of Derivatives	Basis of Fair Value Measurement	Current Quarter 31.12.2018 RM'000
(i) Forward foreign exchange contracts - Less than 1 year	The difference between the contracted rates and the Bank Nagara closing rates	164

The fair value of the forward foreign exchange contracts is determined by reference to the difference between the contracted rate and the market rate as at the reporting date whereas the fair value of the commodity futures contracts is determined by reference to the difference between the contracted rate and the forward rate as at the reporting date.

B10. Material Litigation

As at the date of this report, there was no material litigation since the last audited financial statements for the financial year ended 31 March 2018.

**B11. Dividends**

There is no interim dividend declared or recommended in the current quarter under review.

B12. Earnings per Share

	Third Quarter Ended		Cumulative 9-months Ended	
	31.12.2018	31.12.2017 (Restated)	31.12.2018	31.12.2017 (Restated)
Profit attributable to equity holders of the Company (in RM'000)	5,217	10,448	20,562	24,246
Weighted average number of ordinary shares in issue (in '000)	136,934	136,934	136,934	136,934
Basic earnings per share (in Sen)	3.81	7.63	15.02	17.71

B13. Profit for the period

	Cumulative 9-months Ended	
	31.12.2018 RM'000	31.12.2017 (Restated) RM'000
Profit for the period is arrived at after crediting /(debiting) the following income/(expenses):		
- Interest income	3,512	3,004
- Interest expense	(24)	(39)
- Other income	5,967	1,443
- Depreciation of property, plant and equipment	(12,349)	(11,796)
- Inventories written off	(83)	(53)
- Provision for doubtful debts	300	39
- Bad debt written off	-	(12)
- Net fair value loss on biological assets	(35)	(62)
- Gain/(loss) on foreign exchange:		
Realised	1,120	1,149
Unrealised	4,242	(3,256)
- Net revaluation gain on derivatives	870	3,230

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

**B14. Trade Receivables**

	As at 31.12.2018 RM'000	As at 31.03.2018 (Restated) RM'000
Third parties	34,108	45,039
Related parties	1,136	1,086
Trade receivable	35,244	46,125
Less: allowance for doubtful debts	(993)	(950)
Trade receivable, net	<u>34,251</u>	<u>45,175</u>

The credit period granted on sales of goods and services rendered ranges from 30 to 90 days (2018: 30 to 90 days).

An allowance of RM993,000 (2018: RM950,000) for the Group has been made for estimated irrecoverable amounts from the sale of goods and services rendered. This allowance has been determined based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

The aging analysis of trade receivables is as follows:-

	As at 31.12.2018 RM'000	As at 31.03.2018 (Restated) RM'000
Neither past due nor impaired	26,594	37,727
Past due but not impaired		
31 – 60 days	7,267	6,887
61 – 90 days	393	716
91 – 120 days	395	112
121 – 150 days	18	-
	<u>8,073</u>	<u>7,715</u>
Past due and impaired	577	683
Trade receivable	<u>35,244</u>	<u>46,125</u>



B15. Auditors' Report on Preceding Annual Financial Statements

The audit report for the financial year ended 31 March 2018 was not subject to any qualifications.

This Interim Financial Report of Southern Acids (M) Berhad for the third quarter of FY2019 was authorised for issuance by the Board of Directors of the Company on 27 February 2019.