

Registration No. 198001010791 (64577-K)



SOUTHERN ACIDS (M) BERHAD
(Registration No. 198001010791 (64577- K))
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024
(Figures are not audited unless otherwise specified)
(In Ringgit Malaysia)



SOUTHERN ACIDS (M) BERHAD
(Incorporated in Malaysia)
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FINANCIAL YEAR ENDED 31 MARCH 2024
INTERIM FINANCIAL REPORT
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

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

FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

	Note	Fourth Quarter ended			Cumulative 12-months ended		
		31.03.2024 RM'000	31.03.2023 RM'000	Changes %	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Revenue	A8	227,604	246,968	-7.8%	907,963	1,099,875	-17.4%
- Cost of sales		(202,328)	(240,362)	15.8%	(825,966)	(974,385)	15.2%
Gross profit		25,276	6,606	>100%	81,997	125,490	-34.7%
- Administrative expenses		(21,069)	(21,864)	3.6%	(79,420)	(82,476)	3.7%
- Other income		6,163	6,888	-10.5%	42,389	32,689	29.7%
Profit/(Loss) from operations		10,370	(8,370)	>100%	44,966	75,703	-40.6%
- Finance costs		(212)	(132)	-60.6%	(808)	(929)	13.0%
- Share of results of an associate company		183	19	>100%	(570)	135	<-100%
Profit/(Loss) before tax	A8	10,341	(8,483)	>100%	43,588	74,909	-41.8%
- Income tax expense	B5	(3,084)	(496)	<-100%	(18,625)	(20,935)	11.0%
Profit/(Loss) for the period/year	B13	7,257	(8,979)	>100%	24,963	53,974	-53.7%
Attributable to:							
- Equity holders of the Company		5,608	(9,510)	>100%	13,924	33,292	-58.2%
- Non-controlling interests		1,649	531	>100%	11,039	20,682	-46.6%
		7,257	(8,979)	>100%	24,963	53,974	-53.7%
Earnings/(Loss) per share attributable to equity holders of the Company							
- Basic and diluted (sen)	B12	4.10	(6.94)	>100%	10.17	24.31	-58.2%



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (cont'd)
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

	Note	Fourth Quarter ended			Cumulative 12-months ended		
		31.03.2024 RM'000	31.03.2023 RM'000	Changes %	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Profit/(Loss) for the period/year	B13	7,257	(8,979)	>100%	24,963	53,974	-53.7%
Other comprehensive income/(loss):							
Item that may be reclassified subsequently to profit or loss:							
- Foreign currency translation differences on foreign operation		(60)	13,765	<-100%	2,689	1,639	64.1%
Item that will not be reclassified subsequently to profit or loss:							
- Gain/(Loss) arising from fair value changes in other investments		7,104	(910)	>100%	12,770	(500)	>100%
- Remeasurement of defined benefit obligations, net of tax		246	765	-67.0%	246	765	-67.9%
Total comprehensive income for the period/year, net of tax		<u>14,547</u>	<u>4,641</u>	>100%	<u>40,668</u>	<u>55,878</u>	-27.2%
Attributable to:							
- Equity holders of the Company		12,517	(1,266)	>100%	28,229	34,303	-17.7%
- Non-controlling interests		2,030	5,907	-65.6%	12,439	21,575	-42.3%
		<u>14,547</u>	<u>4,641</u>	>100%	<u>40,668</u>	<u>55,878</u>	-27.2%

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
(Incorporated in Malaysia)
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FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	Unaudited As at 31.03.2024 RM'000	Audited As at 31.03.2023 RM'000
ASSETS			
Non-Current Assets			
Land held for property development		139,868	139,868
Property, plant and equipment	A9	211,991	199,267
Right-of-use assets		2,866	3,843
Investment properties		6,008	5,017
Investment in an associate company		1,867	2,437
Other investments		42,033	29,487
Deferred tax assets		2,020	2,743
Total Non-Current Assets		406,653	382,662
Current Assets			
Biological assets		1,444	1,953
Inventories		77,286	89,258
Derivative financial assets	B9	2,521	195
Trade receivables	B14	61,938	56,407
Other receivables, deposits and prepaid expenses		61,479	48,899
Amount owing by an associate company		864	924
Tax recoverable		15,146	6,860
Cash and cash equivalents		392,022	385,581
Total Current Assets		612,700	590,077
TOTAL ASSETS		1,019,353	972,739



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 31 MARCH 2024

	Unaudited	Audited
	As at	As at
	31.03.2024	31.03.2023
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	171,255	171,255
Reserves	608,581	583,672
Equity attributable to equity holders of the Company	779,836	754,927
Non-controlling interests	99,277	115,682
Total Equity	879,113	870,609
Non-Current and Deferred Liabilities		
Loans and borrowings	B7 -	900
Hire purchase payables	B7 368	436
Lease liabilities	1,720	2,807
Provision for retirement benefits	15,247	15,880
Payables for KKPA program	-	218
Deferred tax liabilities	5,871	5,957
Total Non-Current and Deferred Liabilities	23,206	26,198
Current Liabilities		
Trade payables	31,592	23,581
Other payables and accrued expenses	51,923	37,106
Contract liabilities	6,427	7,451
Derivative financial liabilities	B9 1,428	423
Loans and borrowings	B7 20,900	1,200
Hire purchase payables	B7 406	400
Lease liabilities	1,412	1,297
Tax liabilities	2,946	4,474
Total Current Liabilities	117,034	75,932
Total Liabilities	140,240	102,130
TOTAL EQUITY AND LIABILITIES	1,019,353	972,739

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

The Group	<----- Attributable to equity holders of the Company ----->							
	<----- Non-distributable ----->				<Distributable>		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	Other reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000		
As at 1 April 2022	171,255	(11,483)	(322)	3,613	564,407	727,470	95,880	823,350
Profit for the year	-	-	-	-	33,292	33,292	20,682	53,974
Other comprehensive income	-	1,031	-	(500)	481	1,012	892	1,904
Total comprehensive income/(loss) for the year	-	1,031	-	(500)	33,773	34,304	21,574	55,878
Dividend paid	-	-	-	-	(6,847)	(6,847)	-	(6,847)
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(1,772)	(1,772)
As at 31 March 2023	171,255	(10,452)	(322)	3,113	591,333	754,927	115,682	870,609



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FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

The Group	<----- Attributable to equity holders of the Company ----->							
	<----- Non-distributable ----->			<Distributable>		Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	Other reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000			
As at 1 April 2023	171,255	(10,452)	(322)	3,113	591,333	754,927	115,682	870,609
Realisation on fair value of equity instruments	-	-	-	(224)	224	-	-	-
Profit for the year	-	-	-	-	13,924	13,924	11,039	24,963
Other comprehensive income	-	1,380	-	12,770	155	14,305	1,400	15,705
Total comprehensive income for the year	-	1,380	-	12,770	14,079	28,229	12,439	40,668
Dividend paid	-	-	-	-	(6,847)	(6,847)	-	(6,847)
Dividend declared to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(1,817)	(1,817)
Acquisition of non-controlling interest	-	-	-	-	3,527	3,527	(27,027)	(23,500)
As at 31 March 2024	171,255	(9,072)	(322)	15,659	602,316	779,836	99,277	879,113

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

	Cumulative 12-months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	43,588	74,909
Adjustments for:		
Depreciation of property, plant and equipment	23,080	22,868
Depreciation of right-of-use assets	1,377	1,460
Unrealised (loss)/gain on foreign exchange	60	(136)
Provision for retirement benefits	182	1,751
Net fair value change in biological assets	537	1,728
(Loss)/Gain on disposal of property, plant and equipment	122	(56)
Impairment losses on trade receivables	970	432
Reversal of impairment losses on trade receivables no longer required	-	(13)
Inventories written off	18	15
Inventories written (back)/down	(2,733)	5,017
Finance costs	808	929
Property, plant and equipment written off	978	13
Share of results of an associate company	570	(135)
Waiver of specialist fee	(8)	(23)
Changes in fair value of derivatives	(1,321)	6,177
Dividend income	(3,125)	(5,140)
Interest income	(12,599)	(6,864)
Operating Profit Before Working Capital Changes	52,504	102,932
(Increase)/Decrease in:		
Inventories	14,745	18,194
Trade receivables	(6,522)	16,588
Other receivables, deposits and prepaid expenses	(9,203)	20,667
Amount owing by an associate company	60	(209)
Increase/(Decrease) in:		
Trade payables	7,922	(9,368)
Other payables and accrued expenses	(2,785)	(2,376)
Contract liabilities	(1,136)	3,297
Cash Generated From Operations carried forward	55,585	149,725



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

	Cumulative 12-months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)		
Cash Generated From Operations		
brought forward	55,585	149,725
Retirement benefits paid	(603)	(1,348)
Income tax refunded	1,851	767
Income tax paid	(32,873)	(38,544)
	<hr/>	<hr/>
Net Cash From Operating Activities	23,960	110,600
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest income received	12,599	6,864
Dividends received	3,125	4,963
Additional to investment property	(990)	(1,699)
Additional to investment in a subsidiary company	(6,000)	-
Proceeds from disposal of property, plant and equipment	60	93
Additional to other investments	-	(430)
Proceed from disposal of other investments	225	-
Additions to property, plant and equipment	(35,829)	(25,795)
Amount Additional to KKPA program	(223)	(1,205)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(27,033)	(17,209)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Drawdown of loans and borrowings - net	18,800	(19,700)
Repayment of hire purchase payables	(607)	(324)
Repayment of lease liabilities	(1,372)	(1,552)
Dividend paid by:		
- Subsidiary company to non-controlling interests	(1,817)	(1,772)
- The Company	(6,847)	(6,847)
Finance costs paid	(808)	(929)
	<hr/>	<hr/>
Net Cash From /(Used In) Financing Activities	7,349	(31,124)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

	Cumulative 12-months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,276	62,267
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	385,581	322,288
EFFECT OF TRANSLATION DIFFERENCES	2,165	1,026
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	392,022	385,581
 Composition of Cash and Cash Equivalents:		
Cash and bank balances	205,644	206,363
Fixed deposits with licensed banks	51,221	50,704
Short-term placements	135,157	128,514
	392,022	385,581

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023, and the accompanying notes attached to these interim financial statements.



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FINANCIAL YEAR ENDED 31 MARCH 2024
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024
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 and other MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements.

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 2023 (“FY2023”). The explanatory notes attached to this 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 FY2023.

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 FY2023, except for the adoption of the Standards and Amendments to MFRSs effective on or after 1 April 2023.

The Group has adopted the following Standards and Amendments to MFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of these Amendments to MFRSs have not resulted in any material impact on the financial statements of the Group.



Amendments that are issued, but not yet effective and have not been early adopted

The Group has not adopted the following Amendments that have been issued as at the date of authorisation of these interim financial statements but are not yet effective for the Group:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements ¹
Amendments to MFRS 121	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

³ Effective date deferred to a date to be determined and announced, with earlier application permitted.

The Directors anticipate that the abovementioned Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Amendments will have no material impact on the financial statements of the Group in the period of initial application.

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

A4. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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



A5. Material Changes in Estimates

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

A6. Debt and Equity Securities

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

A7. Dividends Paid

The following dividend was paid during the current and previous corresponding financial year ended:

	31.03.2024	31.03.2023
Final dividend		
For the financial year ended	31 March 2023	31 March 2022
Declared date	26 May 2023	19 May 2022
Approved date	30 August 2023	30 August 2022
Payment date	26 October 2023	28 November 2022
Number 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 Manufacturing			Milling & Cultivation			Healthcare Services			Investment & Services			Consolidated		
	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %
Revenue															
Total revenue	101,770	79,874	27.4%	89,062	129,021	-31.0%	30,660	29,548	3.8%	8,825	11,075	-20.3%	230,317	249,518	-7.7%
Less:															
Inter-segment sales	-	-	-	-	-	-	-	-	-	(2,713)	(2,550)	-6.4%	(2,713)	(2,550)	-6.4%
External revenue	101,770	79,874	27.4%	89,062	129,021	-31.0%	30,660	29,548	3.8%	6,112	8,525	-28.3%	227,604	246,968	-7.8%
Results															
Segment results	(2,361)	(18,641)	-87.3%	6,544	3,045	>100%	7,397	6,116	20.9%	(1,210)	1,110	<-100%	10,370	(8,370)	>100%
Finance costs	(219)	(66)	<-100%	43	(15)	>100%	(22)	(32)	31.3%	(14)	(19)	26.3%	(212)	(132)	<-100%
Share of results of an associate company	-	-	-	-	-	-	-	-	-	183	(19)	>100%	183	(19)	>100%
(Loss)/Profit before tax	(2,580)	(18,707)	-86.2%	6,587	3,030	86.3%	7,375	6,084	21.2%	(1,041)	1,110	<-100%	10,341	(8,483)	>100%



A8. Segmental Information

(b) Results for the Year-to-date

	Oleochemical Manufacturing			Milling & Cultivation			Healthcare Services			Investment & Services			Consolidated		
	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %	31.03.24 RM'000	31.03.23 RM'000	Changes %
Revenue															
Total revenue	356,142	478,996	-25.6%	413,259	484,796	-14.85	117,959	112,727	4.6%	29,927	32,557	-8.1%	917,287	1,109,076	-17.3%
Less:															
Inter-segment sales	-	-	-	-	-	-	-	-	-	(9,324)	(9,201)	-1.3%	(9,324)	(9,201)	-1.3%
External revenue	356,142	478,996	-25.6%	413,259	484,796	-14.85	117,959	112,727	4.6%	20,603	23,356	-11.8%	907,963	1,099,875	-17.4%
Results															
Segment results	(32,090)	(26,484)	-21.2%	49,465	74,609	-33.7%	35,827	31,543	13.6%	(8,236)	(3,965)	->100%	44,966	75,703	-40.6%
Finance costs	(556)	(665)	16.4%	(92)	(57)	-61.4%	(96)	(123)	22.0%	(64)	(84)	23.8%	(808)	(929)	13.0%
Share of results of an associate company	-	-	-	-	-	-	-	-	-	(570)	135	<-100%	(570)	135	<-100%
(Loss)/Profit before tax	(32,646)	(27,149)	-20.2%	49,373	74,552	-33.8%	35,731	31,420	13.7%	(8,870)	(3,914)	->100%	43,588	74,909	-41.8%
Assets															
Segment assets	172,461	182,244	-5.4%	562,702	527,202	6.7%	139,255	125,237	11.2%	144,935	138,056	5.0%	1,019,353	972,739	4.8%
Liabilities															
Segment liabilities	47,829	22,195	100%	39,519	41,206	4.1%	24,673	28,321	12.9%	28,219	10,408	-40.2%	140,240	102,130	-37.3%
Exchange Rate	Financial Position – Closing Rate			Profit or Loss – Average Rate											
	31.03.24	31.03.23	Changes	31.03.24	31.03.23	Changes									
USD : RM	4.7205	4.4170	6.9%	4.6458	4.4516	4.4%									
IDR : RM	0.0002980	0.0002950	1.0%	0.0003028	0.0002954	2.5%									
HKD : RM	0.56032	0.5627	7.2%	0.5938	0.5679	4.6%									



A9. Carrying Amount of Revalued Assets

There were no valuations of property, plant and equipment in the financial year under review.

A10. Material Event Subsequent to the End of the Financial Year

There were no material subsequent events 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 financial year 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 FY2023.

A13. Capital Commitments

The capital commitments not recognised in the interim financial statements as at 31 March 2024 amounted to RM21.5 million.

A14. Related Party Transactions

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

	Cumulative 12-months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Administrative charges received/receivable	11,112	9,532
Advisory fee paid/payable	(336)	(300)
Lease rental paid/payable	(962)	(1,054)
Plantation advisory fee paid/payable	(96)	(96)
Purchase of goods	(7,257)	(17,116)



B. Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements

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

Current Quarter vs Preceding Corresponding Quarter

The Group	Fourth Quarter ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	227,604	246,968	(19,364)	-7.8%
Operation profit	10,370	(8,370)	18,740	>100%
Profit before interest and tax	10,553	(8,351)	18,904	>100%
Profit before tax	10,341	(8,483)	18,824	>100%
Profit after tax	7,257	(8,979)	16,236	>100%
Profit attributable to equity holders of the Company	5,608	(9,510)	15,118	>100%

In the fourth quarter of our financial year ended 31 March 2024 (“FY2024”), Group revenue declined 7.8% to RM227.6 million from RM247.0 million achieved in the preceding corresponding quarter of financial year ended 31 March 2023 (“FY2023”). Both the Oleochemical Manufacturing and Healthcare Services delivered higher revenue contributions in the quarter. Nonetheless, revenue performance was impacted by lower contribution from Milling & Cultivation.

The Group recorded a profit before tax (“PBT”) of RM10.3 million in the quarter under review, an improvement from a loss before tax (“LBT”) of RM8.5 million reported in the fourth quarter of FY2023. Overall improvement was mainly attributable to higher PBT contributions from Milling & Cultivation and Healthcare Services as well as lower reported LBT in Oleochemical Manufacturing.



Oleochemical Manufacturing

	Fourth Quarter ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	101,770	79,874	21,896	27.4%
Operation loss	(2,361)	(18,641)	16,280	-87.3%
Loss before interest and tax	(2,361)	(18,641)	16,280	-87.3%
Loss before tax	(2,580)	(18,707)	16,127	-86.2%
(B) Non-Financial Highlights:				
Production capacity (MT)	24,000	24,000	-	-
Production utilisation (%)	82.8%	62.2%	20.6%	33.1%
Quantity sold (MT)	20,184	15,015	5,169	34.4%
Gross loss margin (%)	-4.1%	-21.8%	17.6%	-81.0%

Revenue in Oleochemical Manufacturing increased 27.4% to RM101.8 million from RM79.9 million reported in the fourth quarter of FY2023. Average Selling Price (“ASP”) of fatty acids and glycerine fell 7.3% and 1.3% respectively during the quarter under review. Sales volume was 34.4% higher at 20,184 metric tonnes (“MT”). In line with the increase in sales volume, production utilisation rose to 82.8% from 62.2% recorded in the fourth quarter of FY2023.

Oleochemical Manufacturing reported a LBT of RM2.6 million, compared to a LBT of RM18.7 million reported in the fourth quarter of FY2023. Oleochemical Manufacturing LBT comprised mainly core LBT of RM4.3million and non-core PBT of RM1.7 million. The non-core PBT was mainly derived from realised and unrealised gains on foreign exchange and unrealised gains on Crude Palm Oil (“CPO”) futures contracts.



Milling & Cultivation

	Fourth Quarter ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	89,062	129,021	(39,959)	-31.0%
Operation profit	6,544	3,045	3,499	>100%
Profit before interest and tax	6,544	3,045	3,499	>100%
Profit before tax	6,587	3,030	3,557	>100%
(B) Non-Financial Highlights:				
FFB processed (MT)	106,563	152,623	(46,060)	-30.2%
FFB production (MT)	20,734	19,188	1,546	8.1%
CPO sales volume (MT)	22,132	33,678	(11,546)	-34.3%
PK sales volume (MT)	5,788	8,238	(2,450)	-29.7%
Average CPO selling price per MT (RM)	3,521	3,399	122	3.6%
Average PK selling price per MT (RM)	1,744	1,640	104	6.3%

Revenue in Milling & Cultivation declined 31.0% to RM89.1 million from RM129.0 million reported in the fourth quarter of FY2023. ASP for CPO increased 3.6%, whilst ASP for Palm Kernel (“PK”) rose 6.3% compared to the preceding corresponding quarter of FY2023.

Sales volume for CPO decreased 34.3% to 22,132 MT whilst sales volume for PK fell 29.7% to 5,788 MT. In line with the lower sales volume, processed Fresh Fruit Bunches (“FFB”) declined 30.2% to 106,563 MT from 152,623 MT recorded in the fourth quarter of FY2023.

Milling & Cultivation PBT rose more than 100% to RM6.6 million from RM3.0 million achieved in the fourth quarter of FY2023. This comprised core PBT of RM2.8 million and non-core PBT of RM3.8 million. The non-core PBT was mainly derived from sales proceeds from the disposal of PK shells and interest income.



Healthcare Services

	Fourth Quarter ended			
	31.03.2024 RM'000	31.03.2023 RM'000	Changes RM'000	Changes %
(A) Financial Data:				
Revenue	30,660	29,548	1,112	3.8%
Operation profit	7,397	6,116	1,281	20.9%
Profit before interest and tax	7,397	6,116	1,281	20.9%
Profit before tax	7,375	6,084	1,291	21.2%
(B) Statistics:				
Number of patients:				
a. Outpatient	17,824	19,432	(1,608)	-8.3%
b. Inpatient	2,877	3,082	(205)	-6.7%

Revenue in our Healthcare Services improved 3.8% to RM30.7 million, compared to RM29.5 million reported in the fourth quarter of FY2023. During the quarter, the number of registered outpatients declined 8.3%, whilst the number of inpatients fell 6.7%.

Healthcare Services PBT increased 21.2% to RM7.4 million from RM6.1 million achieved in the fourth quarter of FY2023. This comprised core PBT of RM6.4 million and non-core PBT of RM1.0 million. The non-core PBT was mainly derived from interest income and rental income.



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

The Group	Cumulative 12-months ended			
	31.03.2024 RM'000	31.03.2023 RM'000	Changes RM'000	Changes %
Revenue	907,963	1,099,875	(191,912)	-17.4%
Operation profit	44,966	75,703	(30,737)	-40.6%
Profit before interest and tax	44,396	75,838	(31,442)	-41.5%
Profit before tax	43,588	74,909	(31,321)	-41.8%
Profit after tax	24,963	53,974	(29,011)	-53.7%
Profit attributable to equity holders of the Company	13,924	33,292	(19,368)	-58.2%

In the cumulative 12-month period of FY2024, Group revenue declined 17.4% to RM908.0 million compared to RM1.1 billion recorded in FY2023. This was mainly attributable to lower revenue contributions from our Oleochemical Manufacturing and Milling & Cultivation respectively.

Group PBT decreased 41.8% to RM43.6 million from RM74.9 million recorded in FY2023. Lower Group PBT was mainly due to higher LBT incurred in our Oleochemical Manufacturing and lower PBT contribution from Milling and Cultivation. This was partly cushioned by higher PBT achieved in our Healthcare Services.



Oleochemical Manufacturing

	Cumulative 12-months ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	356,142	478,996	(122,854)	-25.6%
Operation loss	(32,090)	(26,484)	(5,606)	-21.2%
Loss before interest and tax	(32,090)	(26,484)	(5,606)	-21.2%
Loss before tax	(32,646)	(27,149)	(5,497)	-20.2%
(B) Non-Financial Highlights:				
Production capacity (MT)	96,000	96,000	-	-
Production utilisation (%)	76.0%	72.9%	3.1%	4.3%
Quantity sold (MT)	72,388	71,140	1,248	1.8%
Gross profit margin (%)	-9.3%	-4.5%	-4.8%	<-100%

Revenue in Oleochemical Manufacturing decreased 25.6% to RM356.1 million from RM479.0 million delivered in FY2023. During the period under review, ASP for both fatty acids and glycerine declined 25.9% and 43.8% respectively. Overall sales volume increased 1.8% to 72,388 MT. Production utilisation was higher at 76.0%, compared to 72.9% previously, in line with higher sales volume.

Oleochemical Manufacturing incurred LBT of RM32.6 million, as compared to LBT of RM27.1 million recorded in FY2023. Oleochemical Manufacturing LBT comprised core LBT of RM37.5 million and non-core PBT of RM4.9 million. The non-core PBT was mainly derived from unrealised loss on CPO futures contracts, unrealised loss on forward foreign exchange contracts, as well as realised and unrealised gains on foreign exchange.



Milling & Cultivation

	Cumulative 12-months ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	413,259	484,796	(71,537)	-14.8%
Operation profit	49,465	74,609	(25,144)	-33.7%
Profit before interest and tax	49,465	74,609	(25,144)	-33.7%
Profit before tax	49,373	74,552	(25,179)	-33.8%
(B) Non-Financial Highlights:				
FFB processed (MT)	548,640	598,960	(50,320)	-8.4%
FFB production (MT)	91,945	93,842	(1,897)	-2.0%
CPO sales volume (MT)	110,017	121,690	(11,673)	-9.6%
PK sales volume (MT)	29,117	31,138	(2,021)	-6.5%
Average CPO selling price per MT (RM)	3,294	3,437	(143)	-4.2%
Average PK selling price per MT (RM)	1,601	1,985	(384)	-19.3%

Revenue in our Milling & Cultivation fell 14.8% to RM413.3 million, compared to RM484.8 million reported in FY2023. ASP of CPO decreased 4.2% to RM3,294 per MT, whilst ASP of PK was 19.3% lower at RM1,601 per MT as compared to the corresponding period of FY2023. Sales volume of CPO and PK declined 9.6% and 6.5% respectively. Processed FFB declined 8.4% to 548,640 MT whilst FFB production fell 2.0% to 91,945 MT during this financial year under review.

Milling & Cultivation PBT declined 33.8% to RM49.4 million from RM74.6 million achieved in FY2024. Core PBT for the financial year amounted to RM16.9 million whilst non-core PBT stood at RM32.5million.



Healthcare Services

	Cumulative 12-months ended			
	31.03.2024	31.03.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Data:				
Revenue	117,959	112,727	5,232	4.6%
Operation profit	35,827	31,543	4,284	13.6%
Profit before interest and tax	35,827	31,543	4,284	13.6%
Profit before tax	35,731	31,420	4,311	13.7%
(B) Statistics:				
Number of patients:				
a. Outpatient	72,586	82,155	(9,569)	-11.6%
b. Inpatient	11,610	11,676	(66)	-0.6%

Revenue in our Healthcare Services improved 4.6% to RM118.0 million from RM112.7 million recorded in FY2023. In the financial year under review, the number of registered outpatients fell 11.6% to 72,568 whilst number of registered inpatients was largely unchanged at 11,610 during the financial year under review.

Healthcare Services PBT rose 13.7% to RM35.7 million as compared to RM31.4 million recorded in FY2024. This comprised core PBT of RM32.4 million and non-core PBT of RM3.3 million. The non-core PBT was mainly derived from rental income and interest income.



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

The Group	Individual Quarter ended			
	31.03.2024 RM'000	31.12.2023 RM'000	Changes RM'000	Changes %
Revenue	227,604	232,576	(4,972)	-2.1%
Operation profit	10,370	12,001	(1,631)	-13.6%
Profit before interest and tax	10,553	12,049	(1,496)	-12.4%
Profit before tax	10,341	11,908	(1,560)	-13.1%
Profit after tax	7,257	7,572	(315)	-4.2%
Profit attributable to equity holders of the Company	5,608	4,565	1,043	22.8%

In the current quarter under review, Group revenue declined 2.1% to RM227.6 million, as compared to RM232.6 million reported in the immediate preceding quarter of FY2024. This was attributed to lower revenue contribution from Milling & Cultivation.

Comparatively, Oleochemical Manufacturing delivered higher revenue, whilst contribution from Healthcare Services was largely unchanged.

Group PBT declined to RM10.3 million, compared to RM11.9 million recorded in the immediate preceding quarter of FY2024. This was mainly attributed to lower PBT contributions from Milling & Cultivation and Healthcare Services. Oleochemical Manufacturing reported a lower LBT as compared to the immediate preceding quarter.

B3. Prospect of the Group

Oleochemical Manufacturing

Oleochemical Manufacturing continues to operate in a highly competitive global market. Our current operational size lacks the economies of scale needed to compete effectively. Uncertainty over global growth and sustained geopolitical conflicts may impact demand and transportation cost. These, and challenges such as higher production costs, volatility in commodity prices, and the risk of lower sales volume are factors that may continue to cloud the outlook for this business segment.

Milling & Cultivation

CPO prices recovered to above RM4,500/MT in April 2024, resulting from supply constraints and stronger seasonal demand, but have since drifted to below RM4,000/MT.

We maintain a cautious outlook on Milling & Cultivation. Looking ahead, CPO prices may stay rangebound as palm oil production increases. Factors such as seasonality,



competition from other edible oils, and weaker global demand could adversely affect both the industry and our business segment.

Healthcare Services

Our Healthcare Services has consistently delivered a steady performance, benefiting from the rising awareness of private healthcare within a growing middle-income population. Our dedication remains focused on delivering high-quality healthcare services, enhancing our medical facilities and strengthening our team of medical professionals to elevate our standard of patient treatment.

Moving forward, we will persist in adapting and innovating to meet the changing healthcare needs of our community, maintaining an unwavering commitment to delivering exceptional medical care at all times.

Overall

Uncertainty regarding global economic growth, ongoing geopolitical tensions between the US and China affecting trade, and sustained conflicts in regions like Ukraine and the Middle East are significant factors that will continue to challenge the Group's business outlook. It remains important for us to focus on improving our operational efficiencies, strengthening our operational platform, as well as to fortify our balance sheet to effectively navigate through these external challenges.

B4. Profit Forecast

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

**B5. Income Tax Expense**

	Fourth Quarter ended		Cumulative 12-months ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Estimated tax payable:				
Current financial year				
- Malaysian tax expense	1,744	1,892	10,053	7,870
- Overseas tax expense	698	305	7,790	16,051
Under/(Over) provision in prior financial period/years	150	16	150	(527)
	2,592	2,213	17,993	23,394
Deferred tax				
Current financial year				
Under/(Over) provision in prior financial period/years	492	(1,808)	632	(4,178)
	-	91		1,719
	492	(1,717)	632	(2,459)
Total	3,084	496	18,625	20,935

The Group's effective tax rates for the financial year is higher than the statutory tax rate mainly due to certain expenses which are not allowable and deferred tax assets not recognised on losses in certain subsidiaries.

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 borrowings as at 31 March 2024: -

	Unaudited		Audited	
	As at 31.03.2024 Foreign Currency IDR million	As at 31.03.2024 RM Equivalent RM'000	As at 31.03.2023 Foreign Currency IDR million	As at 31.03.2023 RM Equivalent RM'000
Short term				
Unsecured				
- Term loan	-	900	-	1,200
- Bankers' acceptance	-	20,000	-	-
Secured				
- Hire purchase payables denominated in IDR	1,363	406	1,357	400
Long term				
Unsecured				
- Term loan		-	-	900
Secured				
- Hire purchase payables denominated in IDR	1,236	368	1,477	436
Effective interest rate		4.07% to 13.11%		3.97% to 13.11%

B8. Financial Instruments

As at 31 March 2024, the fair values of the outstanding derivatives are as follows:

Types of Derivatives	Based Currency	Contract/Notional Value RM'000	Fair Value as at 31.03.2024 RM'000
(i) Forward foreign exchange contracts			
- Less than 1 year	USD	90,500	91,374
(ii) Commodity future contracts			
<i>Buy</i>			
- Less than 1 year	RM	29,733	32,255
<i>Sell</i>			
- Less than 1 year	RM	12,440	12,995



B8. Financial Instruments

Forward foreign exchange contracts

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

Commodity future contracts

The commodity future contracts are used to manage and hedge the Group's Oleochemical Manufacturing's exposure to adverse price movements in CPO prices.

There is no significant change for the financial derivatives in respect of the following since the previous FY2023:

- 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 Assets or Liabilities

Types of Derivatives	Basis of Fair Value Measurement	Fair Value Net gains/(losses) 31.03.2024 RM'000
(i) Forward foreign exchange contracts - Less than 1 year	The difference between the contracted rates and the Bank Negara closing rates	(874)
(ii) Commodity future contracts - Less than 1 year	The difference between the contracted prices and the market forward prices	1,967

The fair value gain/(loss) of the forward foreign exchange contracts is determined by reference to the difference between the contracted rates and the market rates as at the reporting date whereas the fair value gain/(loss) of the commodity futures contracts is determined by reference to the difference between the contracted rates and the forward rates 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 FY2023.

**B11. Dividends**

A proposed single tier final dividend of 5.00 sen per ordinary share for the financial year ended 31 March 2024 has been recommended by the Board of Directors.

B12. Earnings/(Loss) per Share

	Fourth Quarter ended		Cumulative 12-months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit /(Loss) attributable to equity holders of the Company (in RM'000)	5,608	(9,510)	13,924	33,292
Weighted average number of ordinary shares in issue (in '000)	136,934	136,934	136,934	136,934
Earnings/(Loss) per share (in sen) – basic and diluted	4.10	(6.94)	10.17	24.31

B13. Profit for the Year

	Cumulative 12-months ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Profit for the year is arrived at after crediting /(debiting) the following income/(expenses):		
- Interest income	12,599	6,864
- Finance costs	(808)	(929)
- Depreciation of property, plant and equipment	(23,080)	(22,863)
- Depreciation of right-of-use assets	(1,377)	(1,460)
- Impairment losses on trade receivables	(970)	(432)
- Inventories written off	(18)	(15)
- Inventories written back/(down)	2,733	(5,017)
- Net fair value change in biological assets	(537)	(1,728)
- (Loss)/Gain on disposal of property, plant and equipment	(122)	56
- Property, plant and equipment written off	(978)	(13)
- Waiver of specialist fee	8	23
- Reversal of impairment losses on trade receivable no longer required	-	13
- Gain/(Loss) on foreign exchange:		
Realised	1,935	5,013
Unrealised	(60)	136
- Changes in fair value of derivatives	1,321	(6,177)



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

B14. Trade Receivables

	Unaudited As at 31.03.2024 RM'000	Audited As at 31.03.2023 RM'000
Third parties	63,096	56,066
Related parties	1,053	1,628
Trade receivables	64,149	57,694
Less: Impairment losses	(2,211)	(1,287)
Trade receivables, net	<u>61,938</u>	<u>56,407</u>

The credit period granted on sales of goods and services rendered ranges from 7 to 90 days (2023: 7 to 90 days).

An allowance of RM2,211,000 (2023: RM1,287,000) 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: -

	Unaudited As at 31.03.2024 RM'000	Audited As at 31.03.2023 RM'000
Neither past due nor impaired	47,622	41,611
Past due but not impaired:		
30 days and below	7,304	3,917
31 – 60 days	4,803	7,144
61 – 90 days	1,708	2,800
91 – 120 days	490	935
121 – 150 days	11	-
	14,316	14,796
Past due and impaired	2,211	1,287
Trade receivables	<u>64,149</u>	<u>57,694</u>



B15. Auditors' Report on Preceding Annual Financial Statements

The audit report for the FY2023 was not subject to any qualifications.

This Interim Financial Report of Southern Acids (M) Berhad for the Fourth Quarter of financial year ended 31 March 2024 was authorised for issuance by the Board of Directors of the Company on 30 May 2024.