

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 ENDING 31 MARCH 2025

FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024
(Figures are not audited unless otherwise specified)
(In Ringgit Malaysia)



SOUTHERN ACIDS (M) BERHAD
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AND ITS SUBSIDIARY COMPANIES

FINANCIAL YEAR ENDING 31 MARCH 2025
INTERIM FINANCIAL REPORT
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

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SOUTHERN ACIDS (M) BERHAD
(Incorporated in Malaysia)
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FINANCIAL YEAR ENDING 31 MARCH 2025
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

	Note	First Quarter ended			Cumulative 3-months ended		
		30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Revenue	A8	241,036	215,325	11.9%	241,036	215,325	11.9%
- Cost of sales		(218,253)	(194,700)	-12.1%	(218,253)	(194,700)	-12.1%
Gross profit		22,783	20,625	10.5%	22,783	20,625	10.5%
- Administrative expenses		(21,645)	(21,520)	-0.6%	(21,645)	(21,520)	-0.6%
- Other income		8,922	20,132	-55.7%	8,922	20,132	-55.7%
Profit from operations		10,060	19,237	-47.7%	10,060	19,237	-47.7%
- Finance costs		(258)	(208)	-24.0%	(258)	(208)	-24.0%
- Share of results of an associate company		187	22	>100%	187	22	>100%
Profit before tax	A8	9,989	19,051	-47.6%	9,989	19,051	-47.6%
- Income tax expense	B5	(5,723)	(6,206)	7.8%	(5,723)	(6,206)	7.8%
Profit for the period	B13	4,266	12,845	-66.8%	4,266	12,845	-66.8%
Attributable to:							
- Equity holders of the Company		1,677	9,129	-81.6%	1,677	9,129	-81.6%
- Non-controlling interests		2,589	3,716	-30.3%	2,589	3,716	-30.3%
		4,266	12,845	-66.8%	4,266	12,845	-66.8%
Earnings per share attributable to equity holders of the Company							
- Basic and diluted (sen)	B12	1.22	6.67	-81.7%	1.22	6.67	-81.7%



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (cont'd)
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE

	Note	First Quarter ended			Cumulative 3-months ended		
		30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Profit for the period	B13	4,266	12,845	-66.8%	4,266	12,845	-66.8%
Other comprehensive (loss)/income:							
Item that may be reclassified subsequently to profit or loss:							
- Foreign currency translation differences on foreign operation		(11,235)	16,674	<-100%	(11,235)	16,674	<-100%
Item that will not be reclassified subsequently to profit or loss:							
-(Loss)/ Gain arising from fair value changes in other investments		(814)	108	<-100%	(814)	108	<-100%
Total comprehensive (loss)/income for the period, net of tax		<u>(7,783)</u>	<u>29,627</u>	<-100%	<u>(7,783)</u>	<u>29,627</u>	<-100%
Attributable to:							
- Equity holders of the Company		(7,001)	19,738	<-100%	(7,001)	19,738	<-100%
- Non-controlling interests		(782)	9,889	<-100%	(782)	9,889	<-100%
		<u>(7,783)</u>	<u>29,627</u>	<-100%	<u>(7,783)</u>	<u>29,627</u>	<-100%

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 2024, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2025
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 31.03.2024 RM'000
ASSETS			
Non-Current Assets			
Land held for property development		139,868	139,868
Property, plant and equipment	A9	205,997	209,633
Right-of-use assets		2,530	2,875
Investment properties		7,940	7,950
Investment in an associate company		2,076	1,889
Other investments		41,218	42,032
Deferred tax assets		1,847	1,996
Total Non-Current Assets		401,476	406,243
Current Assets			
Biological assets		1,773	1,444
Inventories		95,088	77,286
Derivative financial assets	B9	913	2,521
Trade receivables	B14	67,290	61,938
Other receivables, deposits and prepaid expenses		52,630	56,480
Amount owing by an associate company		742	864
Tax recoverable		14,136	15,145
Cash and cash equivalents		381,397	397,022
Total Current Assets		613,969	612,700
TOTAL ASSETS		1,015,445	1,018,943



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FINANCIAL YEAR ENDING 31 MARCH 2025
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 30 JUNE 2024

	Unaudited	Audited
	As at	As at
	30.06.2024	31.03.2024
	RM'000	RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	171,255	171,255
Reserves	601,314	608,315
Equity attributable to equity holders of the Company	772,569	779,570
Non-controlling interests	98,346	99,128
Total Equity	870,915	878,698
Non-Current and Deferred Liabilities		
Hire purchase payables	B7 254	368
Lease liabilities	1,482	1,720
Provision for retirement benefits	14,769	15,247
Other payable	11,679	13,000
Payables for KKPA program	1,147	1,382
Deferred tax liabilities	5,671	5,871
Total Non-Current and Deferred Liabilities	35,002	37,588
Current Liabilities		
Trade payables	38,679	31,609
Other payables and accrued expenses	38,270	37,520
Contract liabilities	7,148	6,427
Derivative financial liabilities	B9 1,009	1,428
Loans and borrowings	B7 20,600	20,900
Hire purchase payables	B7 399	406
Lease liabilities	1,308	1,421
Tax liabilities	2,115	2,946
Total Current Liabilities	109,528	102,657
Total Liabilities	144,530	140,245
TOTAL EQUITY AND LIABILITIES	1,015,445	1,018,943

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2025
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

	<----- Attributable to equity holders of the Company ----->							
	<----- Non-distributable ----->			<Distributable>				
The Group	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	Non-controlling interests RM'000	Total equity 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 period	-	-	-	-	9,129	9,129	3,716	12,845
Other comprehensive income	-	10,501	-	108	-	10,609	6,173	16,782
Total comprehensive income for the period	-	10,501	-	108	9,129	19,738	9,889	29,627
As at 30 June 2023	171,255	49	(322)	2,997	600,686	774,665	125,571	900,236



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 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 2024	171,255	(9,065)	(322)	15,660	602,042	779,570	99,128	878,698
Profit for the period	-	-	-	-	1,677	1,677	2,589	4,266
Other comprehensive loss	-	(7,864)	-	(814)	-	(8,678)	(3,371)	(12,049)
Total comprehensive (loss)/income for the period	-	(7,864)	-	(814)	1,677	(7,001)	(782)	(7,783)
As at 30 June 2024	171,255	(16,929)	(322)	14,846	603,719	772,569	98,346	870,915

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 2024, and the accompanying notes attached to these interim financial statements.



SOUTHERN ACIDS (M) BERHAD
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FINANCIAL YEAR ENDING 31 MARCH 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

	Cumulative 3-months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,989	19,051
Adjustments for:		
Depreciation of property, plant and equipment	5,903	5,289
Depreciation of right-of-use assets	344	350
Unrealised loss/(gain) on foreign exchange	385	(1,115)
Provision for retirement benefits	289	291
Net fair value change in biological assets	(377)	(482)
Loss on disposal of property, plant and equipment	2	-
Impairment losses on trade receivables	37	302
Reversal of impairment losses on trade receivables no longer required	(198)	(7)
Inventories written off	4	3
Inventories written down/(back)	587	(2,173)
Finance costs	258	208
Property, plant and equipment written off	1,021	8
Share of results of an associate company	(187)	(22)
Changes in fair value of derivatives	1,188	1,470
Dividend income	(253)	(974)
Interest income	(4,556)	(2,757)
Operating Profit Before Working Capital Changes	14,436	19,442
(Increase)/Decrease in:		
Inventories	(18,896)	(10,057)
Trade receivables	(5,534)	7,105
Other receivables, deposits and prepaid expenses	3,130	(15,792)
Amount owing by an associate company	122	402
Increase/(Decrease) in:		
Trade payables	7,626	3,821
Other payables and accrued expenses	1,007	3,343
Contract liabilities	823	(612)
Cash Generated From Operations carried forward	2,714	7,652



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

	Cumulative 3-months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)		
Cash Generated From Operations		
brought forward	2,714	7,652
Retirement benefits paid	(527)	(104)
Income tax refunded	92	1,023
Income tax paid	(6,593)	(7,660)
	<hr/>	<hr/>
Net Cash (Used In)/ From Operating Activities	(4,314)	911
	<hr/>	<hr/>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest income received	3,235	2,757
Dividends received	253	28
Proceeds from disposal of property, plant and equipment	1	10
Proceed from disposal of other investments	-	223
Additions to property, plant and equipment	(6,703)	(4,216)
Amount Additional to KKPA program	(192)	(591)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(3,406)	(1,789)
	<hr/>	<hr/>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Drawdown of loans and borrowings - net	(300)	(300)
Repayment of hire purchase payables	(98)	(119)
Repayment of lease liabilities	(351)	(339)
Finance costs paid	(258)	(208)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	(1,007)	(966)
	<hr/>	<hr/>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2024

	Cumulative 3-months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,727)	(1,844)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	397,022	385,581
EFFECT OF TRANSLATION DIFFERENCES	(6,898)	11,260
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	381,397	394,997

Composition of Cash and Cash Equivalents:

Cash and bank balances	190,832	203,652
Fixed deposits with licensed banks	49,505	53,451
Short-term placements	141,060	137,894
	381,397	394,997

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024, and the accompanying notes attached to these interim financial statements.



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FIRST FINANCIAL QUARTER ENDED 30 JUNE 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 2024 (“FY2024”). 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 FY2024.

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 FY2024, except for the adoption of the Amendments to MFRSs effective on or after 1 April 2024.

The Group has adopted the following Amendments to MFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2024:

Amendments to:

MFRS 16	Lease Liability in a Sale and Leaseback
MFRS 101	Classification of Liabilities as Current or Non-current
MFRS 101	Non-current Liabilities with Covenants
MFRS 107 and MFRS 7	Supplier Finance Arrangements

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

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

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

MFRS 18	Presentation and Disclosure in Financial Statements ³
MFRS 19	Subsidiaries without Public Accountability Disclosures ³



Amendments to:

MFRS 121	Lack of Exchangeability ¹
MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments ²
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
- ⁴ Effective date deferred a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and 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 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 was 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 financial period under review.



A8. Segmental Information

(a) Results for the Quarter/Results for the Year-to-date

	Oleochemical Manufacturing			Milling & Cultivation			Healthcare Services			Investment & Services			Consolidated		
	30.06.24 RM'000	30.06.23 RM'000	Changes %	30.06.24 RM'000	30.06.23 RM'000	Changes %	30.06.24 RM'000	30.06.23 RM'000	Changes %	30.06.24 RM'000	30.06.23 RM'000	Changes %	30.06.24 RM'000	30.06.23 RM'000	Changes %
Revenue															
Total revenue	97,904	82,832	18.2%	108,467	101,363	7.0%	29,966	26,586	12.7%	6,801	6,488	4.8%	243,138	217,269	11.9%
Less:															
Inter-segment sales	-	-	-	-	-	-	-	-	-	(2,102)	(1,944)	-1.3%	(2,102)	(1,944)	-1.3%
External revenue	97,904	82,832	18.2%	108,467	101,363	7.0%	29,966	26,586	12.7%	4,699	4,544	3.4%	241,036	215,325	11.9%
Results															
Segment results	(11,471)	(8,251)	-39.0%	12,480	22,082	-43.5%	9,707	7,087	37.0%	(656)	(1,681)	-61.0%	10,060	19,237	-
Finance costs	(215)	(91)	<-100%	(15)	(71)	78.9%	(16)	(29)	44.8%	(12)	(17)	29.4%	(258)	(208)	-24.0%
Share of results of an associate company	-	-	-	-	-	-	-	-	-	187	22	>100%	187	22	>100%
(Loss)/Profit before tax	(11,686)	(8,342)	-40.1%	12,465	22,011	-43.4%	9,691	7,058	37.3%	(481)	(1,676)	-71.3%	9,989	19,051	47.6%
Assets															
Segment assets	177,104	184,507	-4.0%	554,766	562,826	-1.4%	143,973	135,176	6.5%	139,602	131,950	5.8%	1,015,445	1,014,459	0.2%
Liabilities															
Segment Liabilities	59,906	33,494	-78.9%	35,426	43,750	19.0%	20,925	26,298	20.4%	28,273	10,681	<-100%	144,530	114,223	-26.5%
Exchange Rate	Financial Position – Closing Rate			Profit or Loss – Average Rate											
	30.06.24	30.06.23	Changes	30.06.24	30.06.23	Changes									
USD : RM	4.7195	4.6650	1.2%	4.7316	4.5301	4.4%									
IDR : RM	0.0002880	0.0003110	-7.4%	0.0002930	0.0003046	-3.8%									
HKD : RM	0.6044	0.5954	1.5%	0.6053	0.5779	4.7%									



A9. Carrying Amount of Revalued Assets

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

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

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 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 FY2024.

A13. Capital Commitments

The capital commitments not recognised in the interim financial statements as at 30 June 2024 amounted to RM20.2 million.

A14. Related Party Transactions

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

	Cumulative 3-months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Administrative charges received/receivable	2,343	2,099
Advisory fee paid/payable	(81)	(75)
Lease rental paid/payable	(240)	(240)
Plantation advisory fee paid/payable	(24)	(24)
Purchase of goods	(11,859)	(2,863)



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

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

The Group	First Quarter ended			
	30.06.2024 RM'000	30.06.2023 RM'000	Changes RM'000	Changes %
Revenue	241,036	215,325	25,711	11.9%
Operation profit	10,060	19,237	(9,177)	-47.7%
Profit before interest and tax	10,247	19,259	(9,012)	-46.8%
Profit before tax	9,989	19,051	(9,062)	-47.6%
Profit after tax	4,266	12,845	(8,579)	-66.8%
Profit attributable to equity holders of the Company	1,677	9,129	(7,452)	-81.6%

In the first quarter of our financial year ending 31 March 2025 (“FY2025”), Group revenue increased 11.9% to RM241.0 million from RM215.3 million recorded in the corresponding quarter of financial year ended 31 March 2024 (“FY2024”). This was mainly driven by higher revenue contribution across three core business segments during the quarter under review.

Group profit before tax (“PBT”) decreased 47.6% to RM10.0 million from RM19.1 million achieved in the corresponding quarter of FY2024. The decline was mainly due to a loss before tax (“LBT”) reported in Oleochemical Manufacturing. This was however partly cushioned by higher PBT from Healthcare Services.



Oleochemical Manufacturing

	First Quarter ended			
	30.06.2024	30.06.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	97,904	82,832	15,072	18.2%
Operation loss	(11,471)	(8,251)	(3,220)	-39.0%
Loss before interest and tax	(11,471)	(8,251)	(3,220)	-39.0%
Loss before tax	(11,686)	(8,342)	(3,344)	-40.1%
(B) Non-Financial Highlights:				
Production capacity (MT)	24,000	24,000	-	-
Production utilisation (%)	76.4%	69.3%	7.1%	10.2%
Quantity sold (MT)	18,485	16,181	2,304	14.2%
Gross loss margin (%)	-8.6%	-9.1%	0.5%	-5.3%

Revenue in Oleochemical Manufacturing rose 18.2% to RM97.9 million from RM82.8 million reported in the first quarter of FY2024. Average Selling Price (“ASP”) of fatty acids and glycerine increased 7.3% and 2.0% respectively during the quarter under review. Sales volume was 14.2% higher at 18,485 metric tonnes (“MT”). In line with the increase in sales volume, production utilisation rose to 76.4% from 69.3% recorded in the first quarter of FY2024.

Oleochemical Manufacturing reported a LBT of RM11.7 million, compared to a LBT of RM8.3 million reported in the first quarter of FY2024. Oleochemical Manufacturing LBT comprised mainly core LBT of RM10.3 million and non-core LBT of RM1.4 million. The non-core LBT was mainly derived from realised gain and unrealised loss on foreign exchange and unrealised loss on Crude Palm Oil (“CPO”) futures contracts.



Milling & Cultivation

	First Quarter ended			
	30.06.2024	30.06.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Highlights:				
Revenue	108,467	101,363	7,104	7.0%
Operation profit	12,480	22,082	(9,602)	-43.5%
Profit before interest and tax	12,480	22,082	(9,602)	-43.5%
Profit before tax	12,465	22,011	(9,546)	-43.4%
(B) Non-Financial Highlights:				
FFB processed (MT)	132,838	145,151	(12,313)	-8.5%
FFB production (MT)	21,711	20,866	845	4.0%
CPO sales volume (MT)	25,999	27,435	(1,436)	-5.2%
PK sales volume (MT)	6,596	7,355	(759)	-10.3%
Average CPO selling price per MT (RM)	3,589	3,219	370	11.5%
Average PK selling price per MT (RM)	2,104	1,650	454	27.5%

Revenue in Milling & Cultivation increased 7.0% to RM108.5 million from RM101.4 million achieved in the first quarter of FY2024. ASP for CPO increased 11.5%, whilst ASP for Palm Kernel (“PK”) rose 27.5% compared to the preceding corresponding quarter of FY2024.

Sales volume for CPO declined 5.2% to 25,999 MT whilst sales volume for PK fell 10.3% to 6,596 MT. In line with the lower sales volume, processed Fresh Fruit Bunches (“FFB”) declined 8.5% to 132,838 MT from 145,151 MT recorded in the first quarter of FY2024.

Milling & Cultivation PBT declined 43.4% to RM12.5 million from RM22.0 million reported in the first quarter of FY2024. This comprised core PBT of RM7.0 million and non-core PBT of RM5.5 million. The non-core PBT was mainly derived from sales proceeds from the disposal of PK shells and interest income.



Healthcare Services

	First Quarter ended			
	30.06.2024	30.06.2023	Changes	Changes
	RM'000	RM'000	RM'000	%
(A) Financial Data:				
Revenue	29,966	26,586	3,380	12.7%
Operation profit	9,707	7,087	2,620	37.0%
Profit before interest and tax	9,707	7,087	2,620	37.0%
Profit before tax	9,691	7,058	2,633	37.3%
(B) Statistics:				
Number of patients:				
a. Outpatient	18,204	16,837	1,367	8.1%
b. Inpatient	3,003	2,601	402	15.5%

Revenue in our Healthcare Services rose 12.7% to RM30.0 million, compared to RM26.6 million recorded in the first quarter of FY2024. During the quarter, the number of registered outpatients improved by 8.1%, whilst the number of inpatients rose 15.5%.

Healthcare Services PBT improved 37.3% to RM9.7 million from RM7.1 million achieved in the first quarter of FY2024. This comprised core PBT of RM8.8 million and non-core PBT of RM0.9 million. The non-core PBT was mainly derived from interest income and rental income.



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

The Group	Individual Quarter ended			
	30.06.2024	31.03.2024	Changes	Changes
	RM'000	RM'000	RM'000	%
Revenue	241,036	227,604	13,432	5.9%
Operation profit	10,060	9,926	134	1.3%
Profit before interest and tax	10,247	10,131	116	1.1%
Profit before tax	9,989	9,919	70	0.7%
Profit after tax	4,266	6,834	(2,568)	-37.6%
Profit attributable to equity holders of the Company	1,677	5,319	(3,642)	-68.5%

Compared to the immediate preceding quarter, Group revenue increased 5.9% to RM241.0 million from RM227.6 million. This was attributed to higher revenue contribution from Milling & Cultivation. Revenue from both Oleochemical Manufacturing and Healthcare Services were lower respectively.

Group PBT was largely unchanged at RM10.0 million, compared to RM9.9 million recorded in the immediate preceding quarter. This was mainly driven by higher PBT contributions from Milling & Cultivation and Healthcare Services. This was however offset by a higher LBT reported in Oleochemical Manufacturing.

B3. Prospect of the Group

Oleochemical Manufacturing

The global oleochemical market is competitive and fragmented. Our smaller scale of operations will be sensitive to production costs, sales fluctuations as well as volatility in commodity prices. Externally slower global growth and geopolitical conflicts may also dampen the outlook in our Oleochemical Manufacturing business.

We remain committed to optimizing costs and enhancing our operational efficiencies. Product customisation has also proven to be an effective value-added approach, strengthening our relationships with loyal customers as well as gaining new ones.

Milling & Cultivation

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.

Possible emergence of the La Nina phenomenon affecting palm oil productions and supplies, a favorable CPO price discount compared to other edible oils and low inventory



levels among key importing countries may sustain the demand for CPO, thereby supporting CPO prices in the short term.

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

We look forward to better prospects in the coming year but remain mindful of the potential global headwinds that may adversely affect our business operations. We will continue to improve on our operational efficiencies and maintain a solid balance sheet to weather through such potential adversities.

B4. Profit Forecast

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

**B5. Income Tax Expense**

	First Quarter ended		Cumulative 3-months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Estimated tax payable:				
Current financial period				
- Malaysian tax expense	2,367	3,771	2,367	3,771
- Overseas tax expense	3,473	2,612	3,473	2,612
	5,840	6,383	5,840	6,383
Deferred tax				
Current financial period	(117)	(177)	(117)	(177)
	(177)	(177)	(177)	(177)
Total	5,723	6,206	5,723	6,206

The Group's effective tax rates for the financial period 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 30 June 2024: -

	Unaudited		Audited	
	As at 30.06.2024 Foreign Currency IDR million	As at 30.06.2024 RM Equivalent RM'000	As at 31.03.2023 Foreign Currency IDR million	As at 31.03.2023 RM Equivalent RM'000
Short term				
<i>Unsecured</i>				
- Term loan	-	600	-	900
- Bankers' acceptance	-	20,000	-	20,000
<i>Secured</i>				
- Hire purchase payables denominated in IDR	1,385	399	1,363	406
Long term				
<i>Unsecured</i>				
- Term loan		-		-
<i>Secured</i>				
- Hire purchase payables denominated in IDR	881	254	1,236	368
Effective interest rate		8.35% to 13.11%		8.35% to 13.11%

B8. Financial Instruments

As at 30 June 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 30.06.2024 RM'000
(i) Forward foreign exchange contracts			
- Less than 1 year	USD	85,435	86,443
(ii) Commodity future contracts			
<i>Buy</i>			
- Less than 1 year	RM	47,130	48,031
<i>Sell</i>			
- Less than 1 year	RM	1,682	1,670



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 FY2024:

- 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) 30.06.2024 RM'000
(i) Forward foreign exchange contracts - Less than 1 year	The difference between the contracted rates and the Bank Negara closing rates	(1,009)
(ii) Commodity future contracts - Less than 1 year	The difference between the contracted prices and the market forward prices	913

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 FY2024.



B11. Dividends

The Board of Directors had on 30 May 2024 recommended a Single Tier Final Dividend of 5.0 sen per ordinary share, amounting to a total payout of RM6,846,707 in respect of the financial year ended 31 March 2024. The dividend proposal is subject to the approval by shareholders at the forthcoming Annual General Meeting of the Company.

B12. Earnings per Share

	First Quarter ended		Cumulative 3-months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit attributable to equity holders of the Company (in RM'000)	1,677	9,129	1,677	9,129
Weighted average number of ordinary shares in issue (in '000)	136,934	136,934	136,934	136,934
Earnings per share (in sen) – basic and diluted	1.22	6.67	1.22	6.67

B13. Profit for the Period

	Cumulative 3-months ended	
	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period is arrived at after crediting /((debiting) the following income/(expenses):		
- Interest income	4,556	2,757
- Finance costs	(258)	(208)
- Depreciation of property, plant and equipment	(5,903)	(5,289)
- Depreciation of right-of-use assets	(344)	(350)
- Impairment losses on trade receivables	(37)	(302)
- Inventories written off	(4)	(3)
- Inventories written (down)/back	(578)	2,173
- Net fair value change in biological assets	377	482
- Reversal of impairment losses on trade receivable no longer required	198	7
- Gain/(Loss) on foreign exchange:		
Realised	439	692
Unrealised	(385)	1,115
- Changes in fair value of derivatives	(1,188)	(1,470)

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 30.06.2024 RM'000	Audited As at 31.03.2024 RM'000
Third parties	67,735	63,096
Related parties	1,580	1,053
Trade receivables	69,315	64,149
Less: Impairment losses	(2,025)	(2,211)
Trade receivables, net	<u>67,290</u>	<u>61,938</u>

The credit period granted on sales of goods and services rendered ranges from 7 to 90 days (2024: 7 to 90 days).

An allowance of RM2,025,000 (2024: RM2,211,000) 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 30.06.2024 RM'000	Audited As at 31.03.2024 RM'000
Neither past due nor impaired	46,352	47,622
Past due but not impaired:		
30 days and below	10,600	7,304
31 – 60 days	5,693	4,803
61 – 90 days	1,659	1,708
91 – 120 days	985	490
121 – 150 days	1	11
	18,938	14,316
Past due and impaired	2,025	2,211
Trade receivables	<u>67,315</u>	<u>64,149</u>



B15. Auditors' Report on Preceding Annual Financial Statements

The audit report for the FY2024 was not subject to any qualifications.

This Interim Financial Report of Southern Acids (M) Berhad for the first quarter of financial year ending 31 March 2025 was authorised for issuance by the Board of Directors of the Company on 23 August 2024.