



SOUTHERN ACIDS (M) BERHAD



**40TH ANNUAL
GENERAL MEETING**

27 AUGUST 2021

**REPLIES TO WRITTEN
QUESTIONS BY MSWG**



SLIDE 1 **OPERATIONAL & FINANCIAL MATTERS**

Oleochemical Segment	FY2021	FY2020	Changes
Revenue (RM'000)	325,541	282,410	15.3%
Loss Before Tax (RM'000)	(548)	(3,219)	83.0%

The Oleochemical Segment posted a pre-tax loss of RM0.5 million as compared to a pre-tax loss of RM3.2 million for the year before. The lower segmental loss posted in FY2021 was due to higher ASPs for fatty acids and glycerin, notwithstanding lower sales and production capacity utilization.

Is the performance of the Oleochemical segment expected to improve in FY2022? What is the guidance on revenue and profit/loss before tax?

Reply

The performance of the Oleochemical Segment is expected to show slow improvement in FY2022.

The Management is forecasting a slight profit before tax for FY2022 based on all the assumptions made.



SLIDE 2 **OPERATIONAL & FINANCIAL MATTERS**

On Healthcare Segment, is the declining in trend of outpatient and inpatient visits to Sri Kota Specialist Medical Centre expected to rebound in FY2022?

If so, what are the catalysts for the expected improvement?

Reply

Sri Kota Specialist Medical Centre (“SKSMC”) operating environment has also been challenged with the current pandemic environment. However, the management is assured that with our value based healthcare system, and as the nation is heading to achieve herd immunity against Covid-19 by December 2021, we will be able to combat the crisis and see a positive improvement in Q2 of 2022. The primary strength will be in Cancer Treatment, Cardiology and Orthopaedic disciplines, the catalysts to fuel the numbers to achieve the hospital’s objectives.

Equally, the strategy is also to maximize our credible relationship with patients, customers and related stakeholders to achieve the best clinical outcomes at affordable prices. Together with our consultants, the SKSMC family shall focus towards a patient-centered approach, and as the preferred hospital of choice.



SLIDE 3 **OPERATIONAL & FINANCIAL MATTERS**

For FY2021, Southern Acids Industries Sdn. Bhd. recorded greenhouse gases (“GHG”) emission intensity of 0.6 mt CO₂ eq (FY2020: 0.53 MT CO₂) from electricity usage and non-renewable fuels for every metric tonne of product produced (page 36 of AR2021). This GHG emission level was also the highest since FY2015.

The increase in GHG emission from non-renewable fuels was due to the deteriorating condition of the biomass boiler fuel feeding system and downtimes due to upgrade and inspection.

What are the FY2022 emission targets? How does the Company intend to achieve these targets?

Reply

The Management targets the emission intensity to be below 0.60 MT CO₂ for FY 2022. Upgrades on the current biomass boiler is being made this year and we will be looking at a potential new biomass plant in the near future



SLIDE 4 **CORPORATE GOVERNANCE MATTERS**

Paragraph 15.08 (2), Chapter 15 Corporate Governance of Bursa Securities Listing Requirements requires directors of listed issuers to undertake continuous training to enable them to discharge their duties effectively.

However, only two directors namely Mr. Lim Kim Long and Mr. Chung Kin Mun were reported as attending training programs in FY2021 (page 61 of AR2021).

Why did the other three directors not attend any virtual training sessions in FY2021?

Reply

The Board takes note on your highlight and will look into this matter in due course.



SLIDE 5 **CORPORATE GOVERNANCE MATTERS**

Chapter 9, Paragraph 9.21 (2) of the MMLR requires companies to publish a summary of the key matters discussed (KMD) at the AGM onto Company's website soon after the conclusion of the general meeting. As of 19 August 2021, KMD for the 39th AGM held on 25 September 2020 was not available on the company website under the section Presentation to Shareholders.

What was the KMD not uploaded in the corporate website?

Reply

Thank you for your reminder. The Board will ensure compliance of Bursa Malaysia Main Market Listing Requirements at all times moving forward.



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THANK YOU