

**Summary of Key Matters discussed at Southern Acids (M) Berhad (“SAB”)
36th Annual General Meeting held on 23 August 2017**

	Questions Raised	Reply by SAB
1	<p>Question by Mr Teh Kian Lang:</p> <p>Will the Company be able to maintain the performance in the coming years?</p>	<p>Reply by the Managing Director, Dr Low Kok Thye:</p> <p>In terms of the outlook for the Oleochemical Division, the Company will not be expecting any changes and it is expected to maintain a stable performance.</p>
2	<p>Question by Mr Teh Kian Lang:</p> <p>What is the payback period of the heavy capital expenditure in the Healthcare Division?</p>	<p>Reply by the Executive Director, Mr Lim Kim Long:</p> <p>Return of Investment on the capital expenditure in the Healthcare Division could be based on various models or scenario i.e. outright purchase or through joint venture and there is no decision yet to-date.</p>
3	<p>Question by Mr Teh Kian Lang:</p> <p>What is the progress of the transfer of land title of the land where the hospital is situated?</p>	<p>Reply by the Executive Director, Mr Lim Kim Long:</p> <p>The efforts are being made to have the transfer effected and noted the caveat placed on the land is still valid.</p>
4	<p>Question by Mr Chia Yoo Hock @ Cheah Yoo Hock:</p> <p>Mr Chia enquired on the Statement of Cash Flows for FY 2017</p>	<p>Reply by the CFO, Mr Cheong Kee Yoong:</p> <p>The lower operating cash flow for FY 2017 as compared to FY 2016 was due to timing difference as most of the cash are tied up in working capital such as trade receivables and inventory.</p>
5	<p>Question by Mr Lee Tuan Tiak:</p> <p>What is the SAB plan for the industrial land in Kampung Jawa?</p>	<p>Reply by the Executive Director, Mr Lim Kim Long:</p> <p>The land is agricultural land and was not converted to industrial land and will be maintained as such and replanting done.</p>

6	<p>Question by Encik Muhammad Nafaiz B Rosli:</p> <p>What is the SAB's plan for the cash availability of RM160 Million in the Company?</p>	<p>Reply by the Managing Director, Dr Low Kok Thye:</p> <p>The Company requires high working capital. Further, the oleochemical plant of the Company's subsidiary is 30 years old and a sum of RM50 million would be required for refurbishment/ replacement of the old oleochemical plant.</p>
7	<p>Question by Encik Rashid Bin Esoofi Mamajiwalla:</p> <p>What does the low Trading Volume (shares) as stated in page 20 of the Annual Report refer to?</p>	<p>Reply by the CFO, Mr Cheong Kee Yoong:</p> <p>The Trading Volume (shares) is referring to the average daily volume.</p>