



# **SOUTHERN ACIDS (M) BERHAD**

## **Shareholders' Briefing**

**Financial Results Year Ended 31<sup>st</sup> March 2012**

**26 September 2012**



# Disclaimer Notice

This presentation may contain projections and forward looking statements. Such statements are based on current circumstances and assumptions which may change over time.

Accordingly no reliance should be placed on any of these projections and forward looking statements, express or implied in this presentation.



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# BUSINESS DIVISIONS

**Operating  
Business  
Segments**

-  **Oleochemical Manufacturing**
-  **Palm Oil Plantation**
-  **Healthcare**
-  **Warehousing & Port Cargo  
Conveying**



# Group Financial Highlights



# GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAC 2012

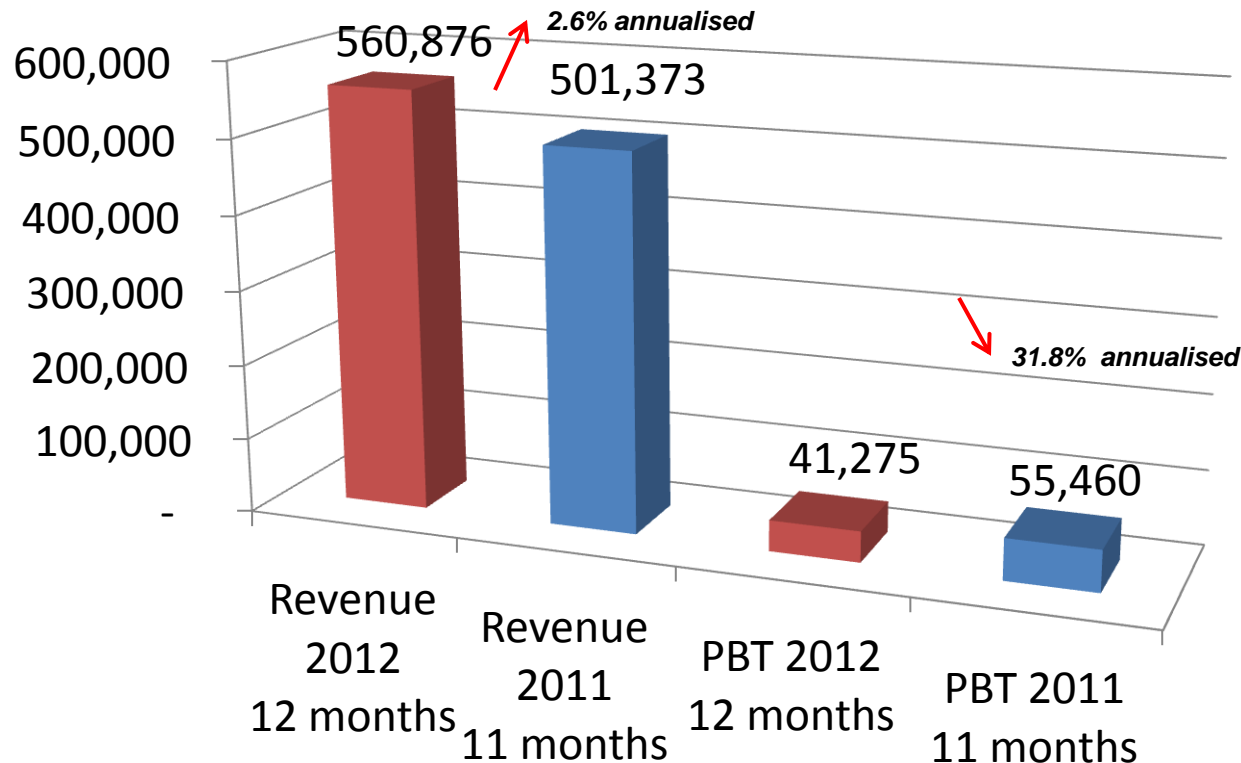
	2012 (RM'000) 12 months	2011 (RM'000) 11 months		Change Annualised
Revenue	560,876	501,373	↑	2.6%
Profit before tax	41,275	55,460	↓	31.8%
Profit for the period after tax	28,014	40,950	↓	37.3%
Profit Attributable to Equity holders of Company	19,924	29,361	↓	37.8%
Earnings per share (EPS)	14.55 sen	21.44 sen	↓	37.8%
Dividend (Net) Pay- Out Ratio	34%	28%	↑	12.5%



# GROUP'S FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 31 MAC 2012

	2012 (RM'000)	2011 (RM'000)	Change
Total Assets	512,004	506,564	↑ 1.07%
Total Liabilities	60,804	57,690	↑ 5.40%
Net Current Assets	159,258	158,450	↑ 0.50%
Equity Attributable to Shareholders' of the Company	420,584	418,388	↑ 0.52%
Net Assets	451,200	448,874	↑ 0.52%

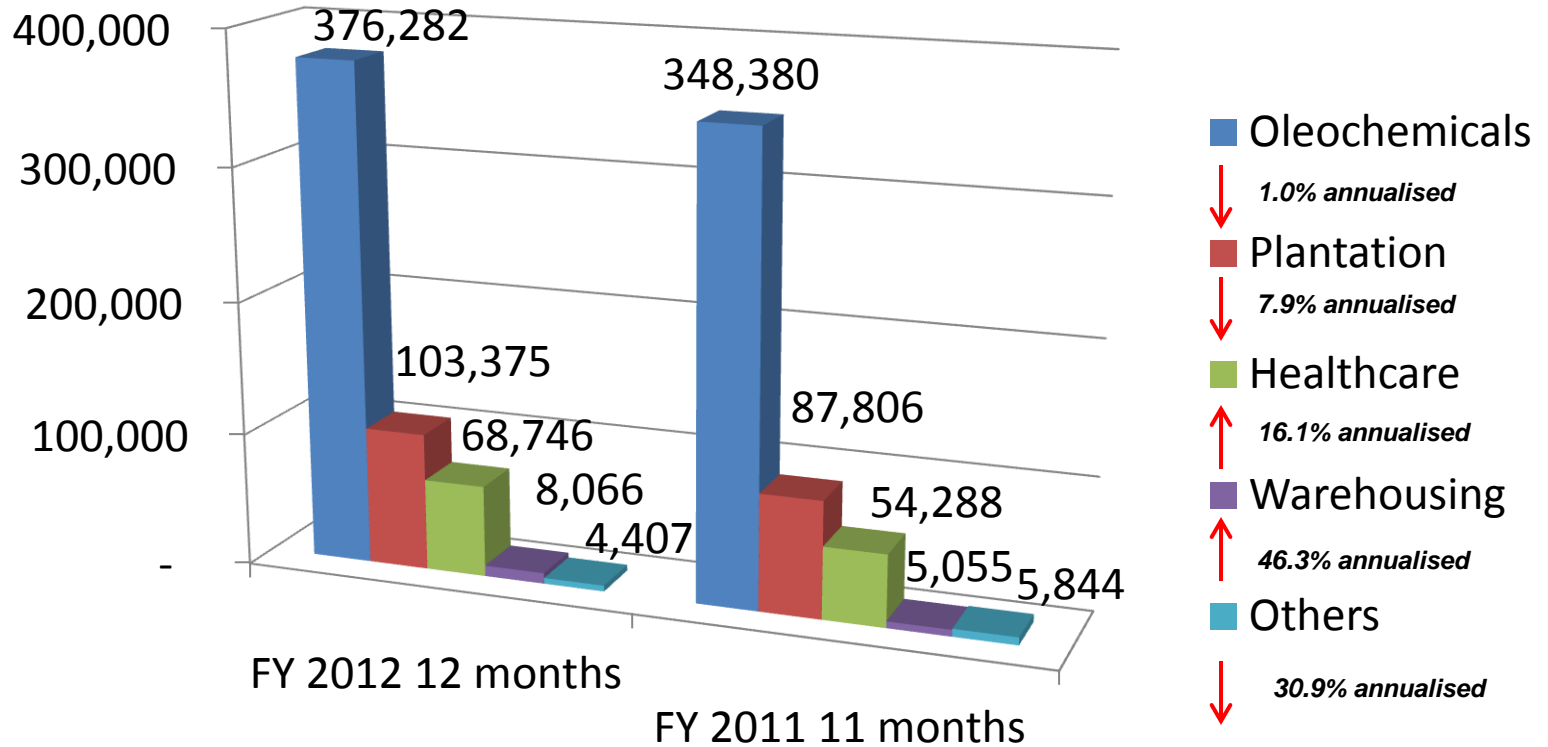
# Group Revenue and Profit Before Tax (PBT) Year Ended 2012 and 2011 (in RM'000)



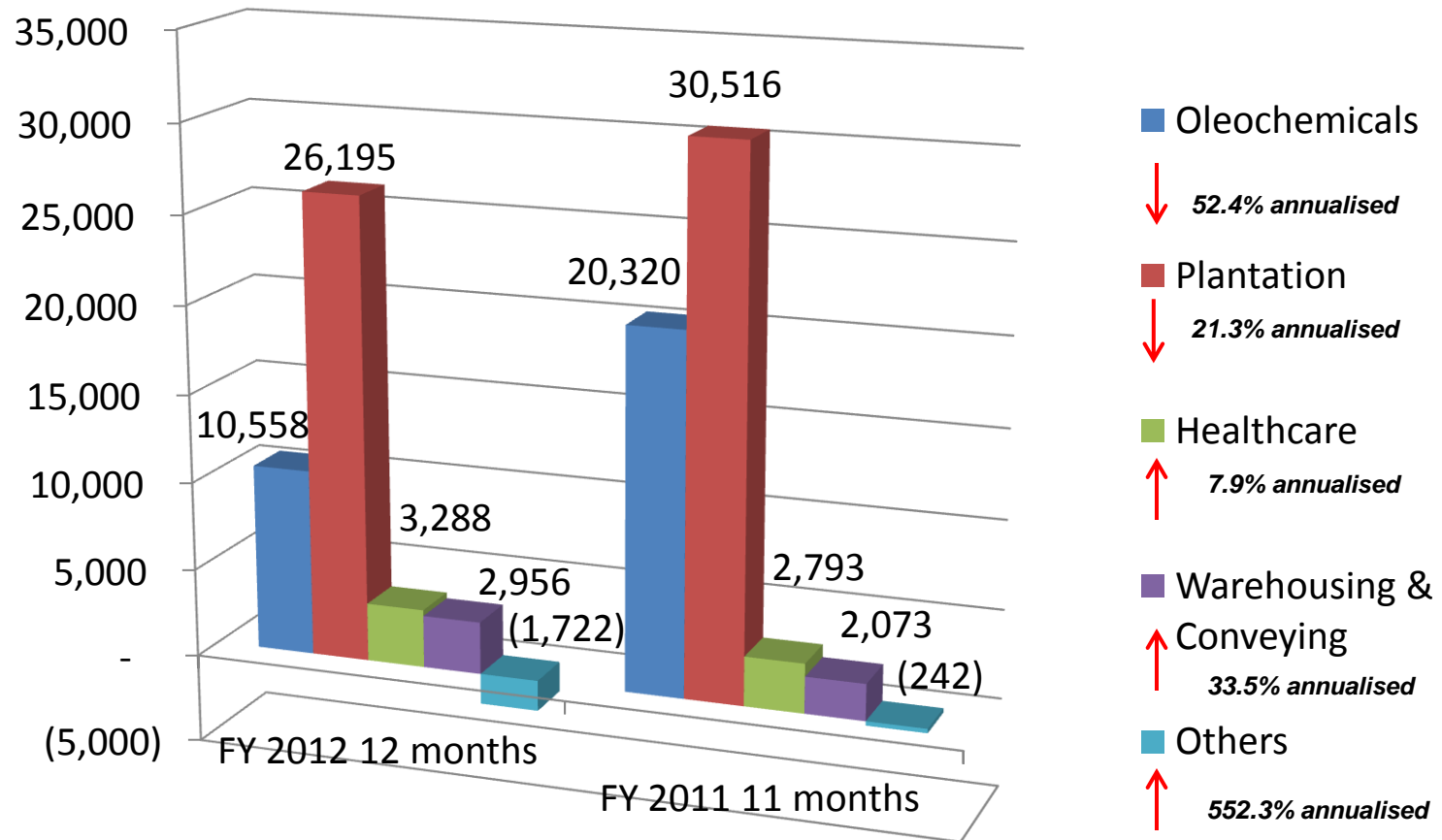
**Group revenue increased marginally on an annualised basis but profit before tax was down mainly because of lower earnings registered by the oleochemical and plantation divisions.**



# Revenue by Business Segments Year Ended 2012 and 2011 (RM'000)



# Profit Before Tax by Business Segments (RM'000)

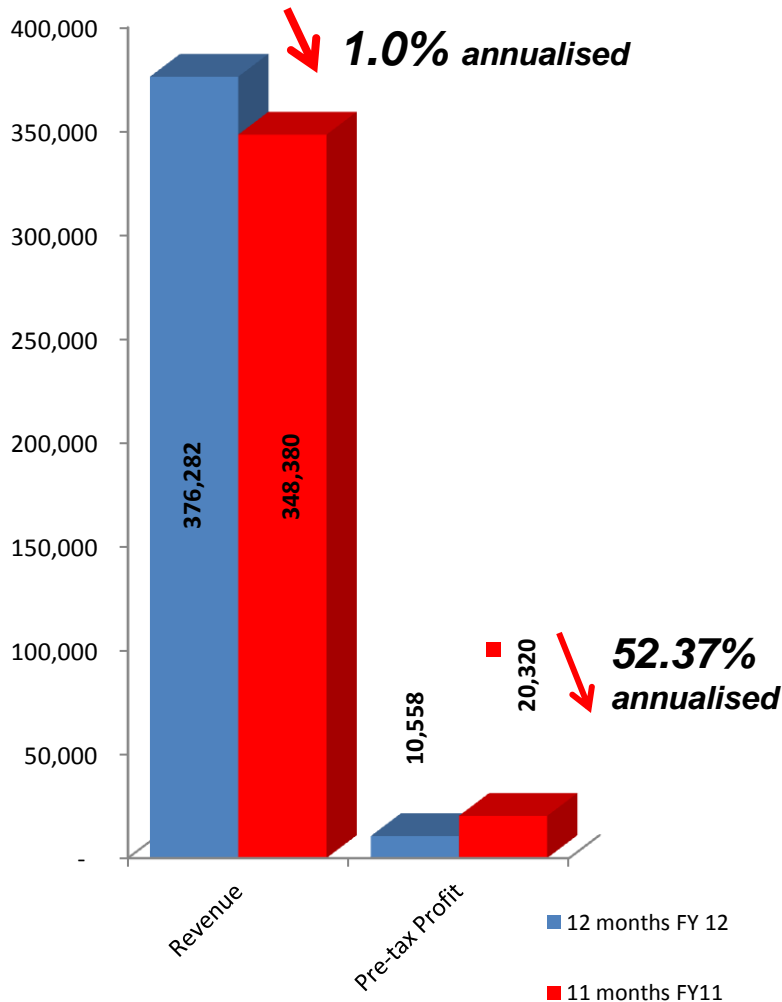




# Review Of Major Operations



# Review of Major Operations

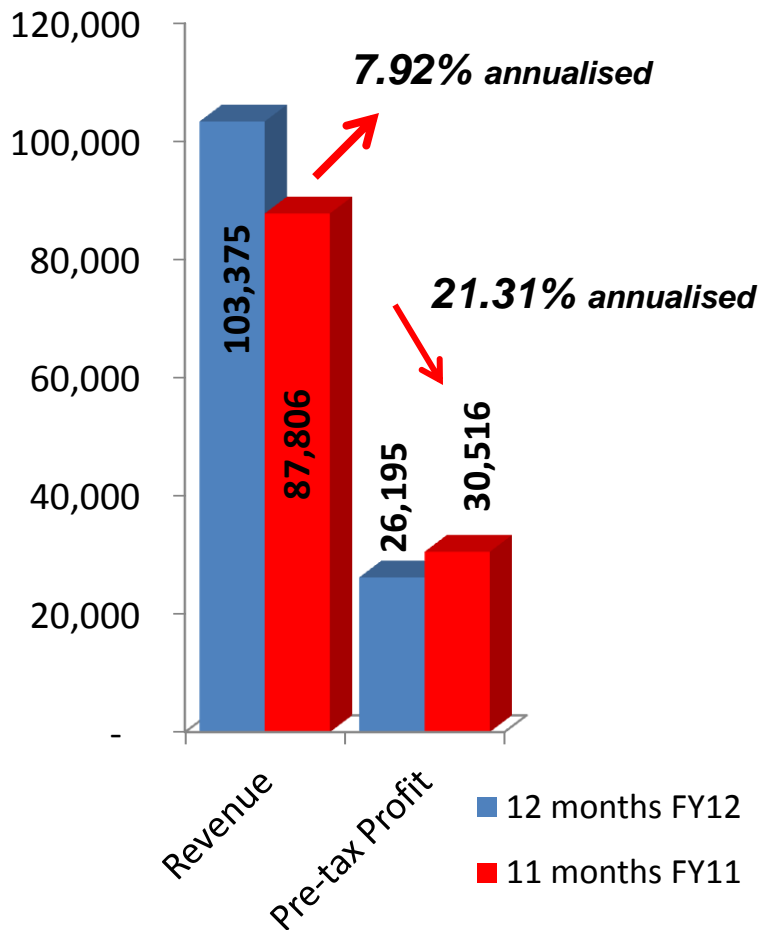


## Oleochemical

- In spite of the increasing competition from downstream operators in Indonesia, demand and sales for the oleochemical division remains strong; benefiting from its good reputation in the industry as a reliable supplier; both in terms of quality and timing of delivery. The division has also been successful in securing customers in new export destinations beyond our traditional market.
- However, pre-tax profit for FY 2012 was lower at **RM10.558 million** against the RM20.32 in FY 2011 because of intense competition from downstream operators in Indonesia which have benefited from the new export duty regime introduced by the Indonesia Government which indirectly subsidises the cost of raw material inputs of our competitors in Indonesia.



# Review of Major Operations

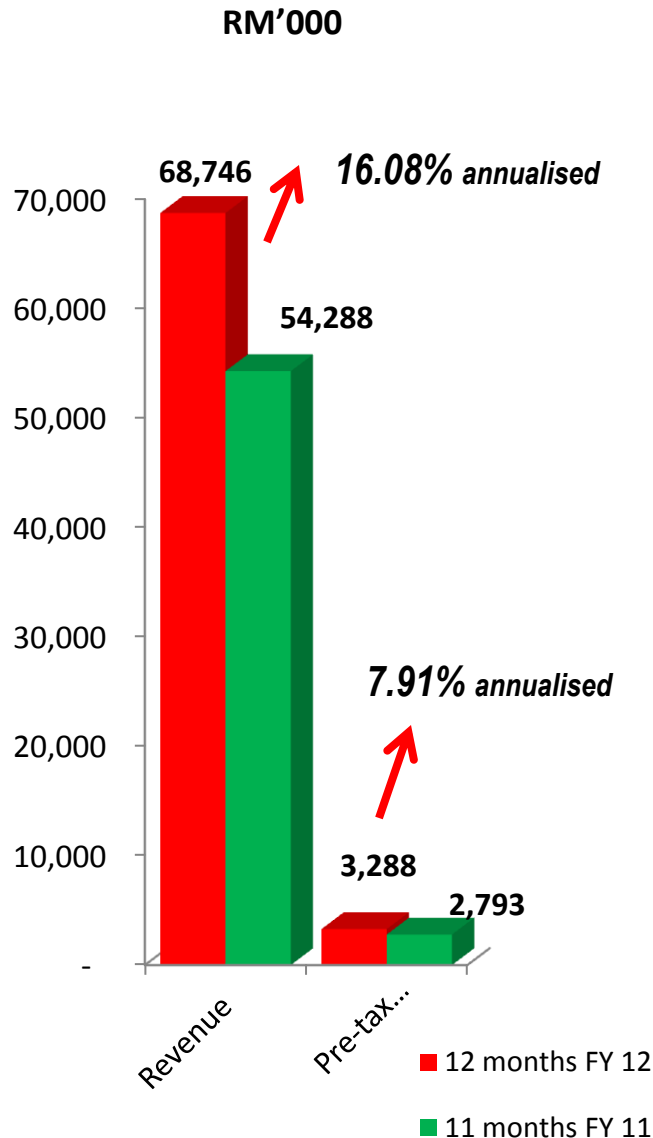


## Palm Oil Plantation

- The results of our plantation and milling division was adversely affected by the new export duty structure in Indonesia which favours processed palm oil products and depressed domestic CPO prices below those in Malaysia.
- On a brighter note, the planned fertiliser programme which commenced in FY2011 is bearing fruits. FFB yield, although unsatisfactory still, has improved to 15.1 mt/ha in FY 2012 compared to 14.8mt/ha in FY 2011. Both the OER and KER rates were at respectable rates of 23.4% and 5.1% respectively in 2012 compared to the 23.5% and 4.8% in FY 2011.



# Review of Major Operations

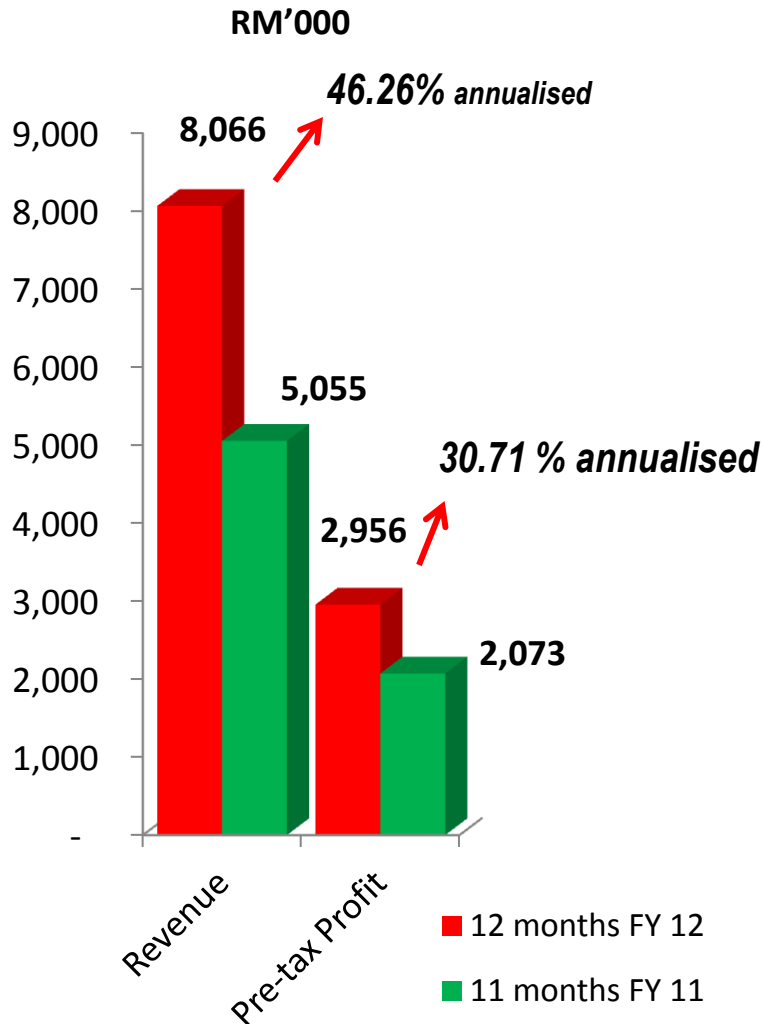


## Private Healthcare

- The Healthcare division registered a profit before tax of RM3.288 million in FY2012 as against RM2.793 million in FY 2011 buoyed by an increase in revenue of 16.08% (annualised).
- During FY 2012, Sri Kota Medical Centre was awarded with the prestigious 3 year MSQH Accreditation. The 3 year accreditation runs from November 2011 to November 2014.
- The accreditation is a testament to the Hospital's continual efforts to improve its standard of healthcare and services to the community it serves.



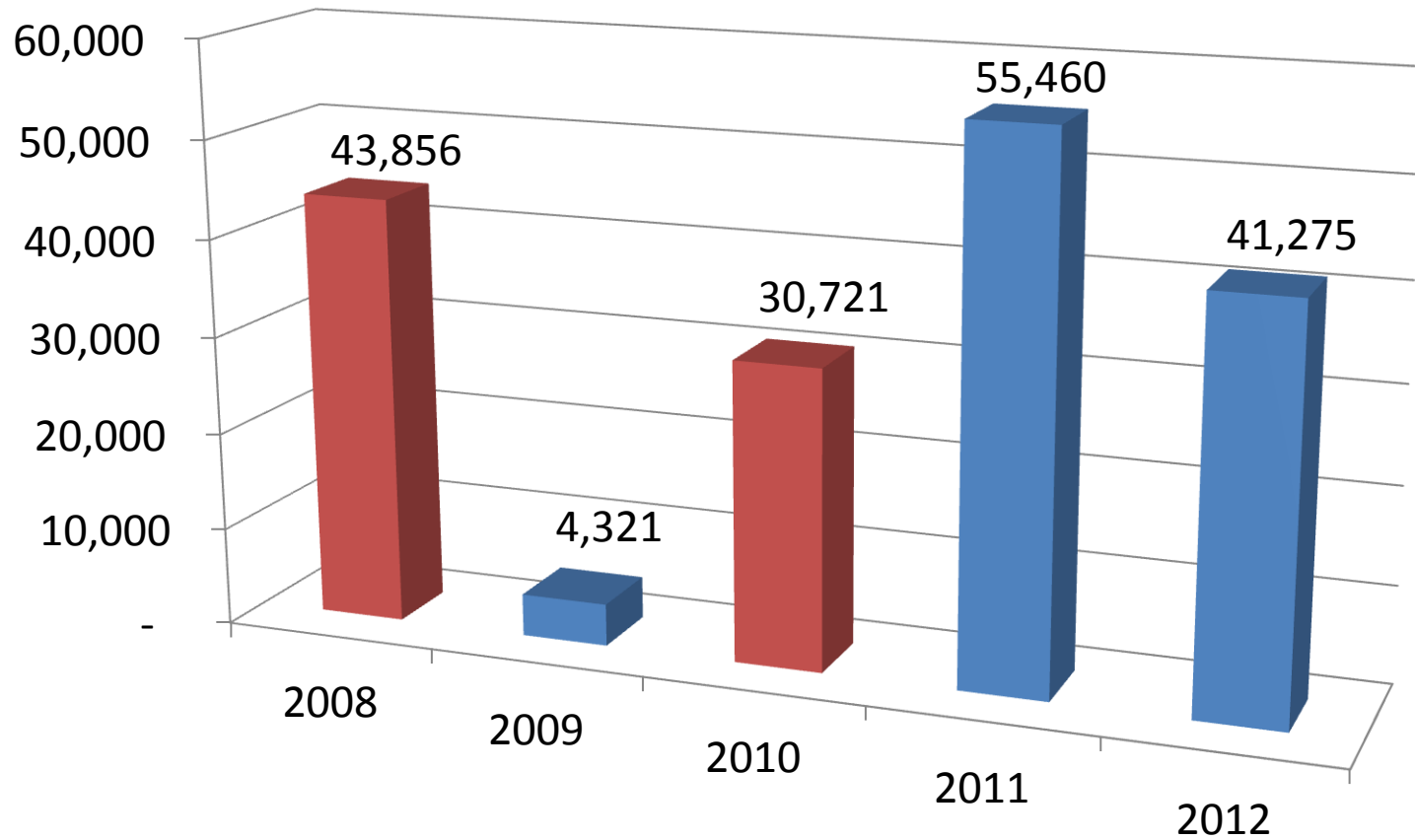
# Review of Major Operations



## Warehousing & Port Cargo Handling

- Both revenue and pre-tax profit from the warehousing and conveying division was higher because of the higher volume of PKE received into its warehouse and the tonnage handled by its conveyor loading facility in FY2011 against FY2010.

# Group 5 Year Pre-Tax Profit (RM'000)







# Business Outlook

- Group

The Group's performance going forward, will be affected by the uncertainties in the global business environment. The lacklustre economic growth in US, the potential contagion effects of the Eurozone crisis and a possible slow down in China's economic growth will impact the Group's operating performance in FY2013.

- Oleochemical and Plantation Divisions

The performance of both our oleochemical and plantation divisions will continue to be affected by the Indonesian's new export tax regime. The management will continue to explore new markets (for the oleochemical division) and increase our plantation yields and our mill's extraction rates to sustain our profitability and competitiveness.



# Business Outlook

- **Healthcare Division**

We expect our Healthcare division's performance to exceed FY 2012 performance in terms of patient registration and support from corporate clients. Sri Kota Medical Centre is now a participating private tertiary hospital in the Malaysian Government sponsored Health Tourism Programme under the Economic Transformation Programme (ETP). Sri Kota will build on its accreditation under MSQH as a platform to further strengthen the community's trust and confidence in our medical professionals and the quality of our services and we should see an increase in patient's inflow because of this.

- **Warehousing & Conveying Division**

This division's performance is dependent on harvest yields of the oil palm plantation and production of palm kernel expeller (pke). We expect revenue and profits generated from volume received into our portside warehouse and tonnage volume handled by our conveyor, to be on par with level achieved during FY2012.



# Questions & Answers

**Thank you**