SOUTHERN ACIDS (M) BERHAD

Shareholders' Briefing

32nd Annual General Meeting

26 September 2013

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.

Presentation Contents

1. Operating Business Segments
2. Southern Acids (M) Berhad and its subsidiaries ("Southern Acids") Financial Highlights
3. Review of Major Operations
4. Southern Acids 5 Year Profit Before Tax
5. Prospects

BUSINESS DIVISIONS

Operating Business Divisions

- Oleochemicals
- Plantations & Milling
- Healthcare
- Warehousing & Conveying

Southern Acids Financial Highlights

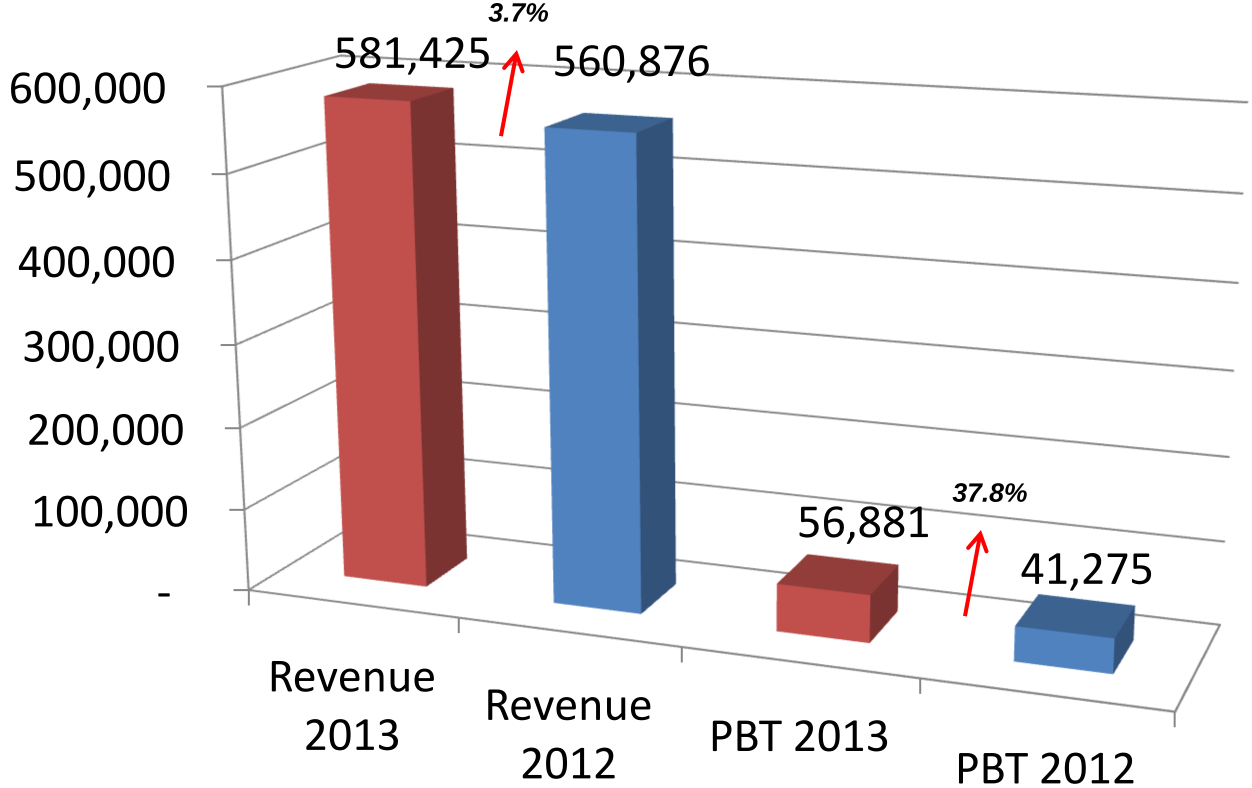
SOUTHERN ACIDS FINANCIAL RESULTS YEAR ENDED 31 MARCH

	2013 (RM'000)	2012 (RM'000)	Change
Revenue	581,425	560,876	↑ 3.7%
Profit before tax	56,881	41,275	↑ 37.8%
Profit for the year	45,635	28,014	↑ 62.9%
Attributable to equity holders of the Company	36,616	19,924	↑ 83.8%
Earnings per share	26.74 sen	14.55 sen	↑ 83.8%
Dividend (net)	5 sen	5 sen	No change

SOUTHERN ACIDS FINANCIAL POSITION
YEAR ENDED 31 MARCH

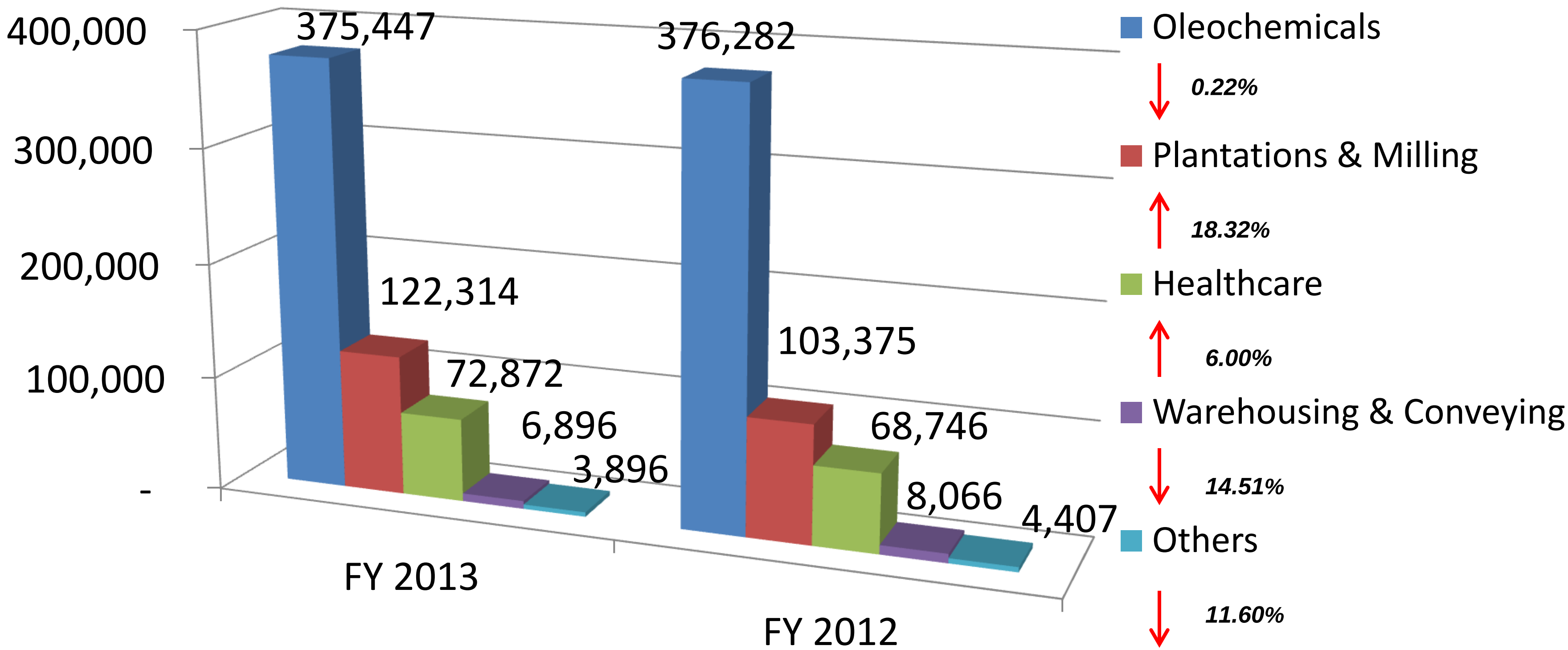
	2013 (RM'000)	2012 (RM'000)	Change
Total Assets	549,359	512,004	⬆ 7.3%
Total Liabilities	66,604	60,804	⬆ 9.5%
Net Current Assets	192,415	159,258	⬆ 20.8%
Equity Attributable to Shareholders' of the Company	446,783	420,584	⬆ 6.2%
Net Assets	482,755	451,200	⬆ 7.0%

Southern Acids Revenue and Profit Before Tax Year Ended 2013 and 2012 (in RM'000)



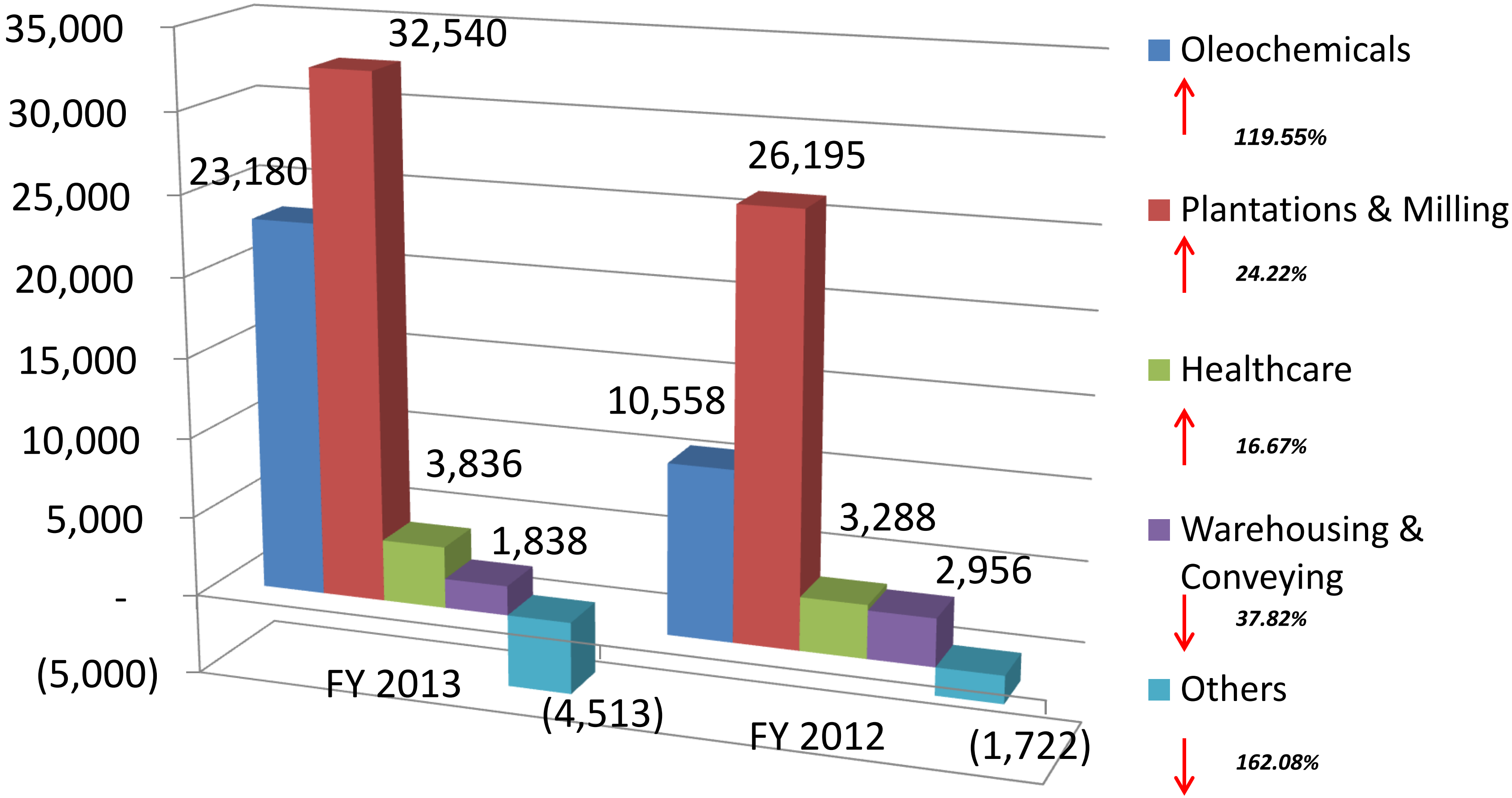
Southern Acids revenue was marginally higher in financial year ("FY") 2013 due mainly to higher sales recorded by the Plantation & Milling Division in Indonesia. Profit before tax was also higher driven primarily by better earnings recorded by the Oleochemicals and Plantation & Milling Divisions.

Revenue by Business Divisions
Year Ended 2013 and 2011(RM'000)



Saved for the 18.32% increase in revenue from the Plantations and Milling division, revenues from the other divisions were at about the levels recorded in FY2012. The higher revenue recorded by the Plantations and Milling division were driven by higher sales/ production volume in FY2013 against FY2012.

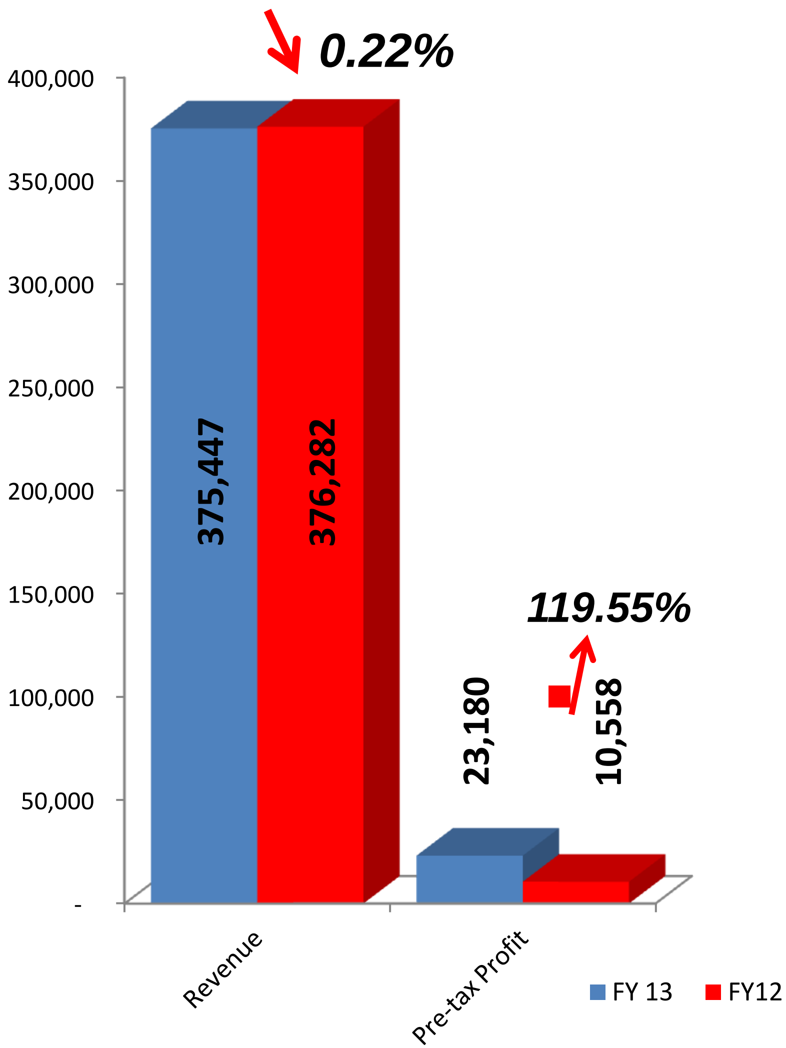
Profit/ (Loss) Before Tax by Business Divisions (RM'000)



Profit before tax for the Oleochemicals and the Plantations and Milling divisions were markedly higher in FY2013 against FY2012. Saved for these two divisions, profit before tax for the other divisions were at about the levels recorded in FY2012.

Review Of Major Operations

Review of Major Operations

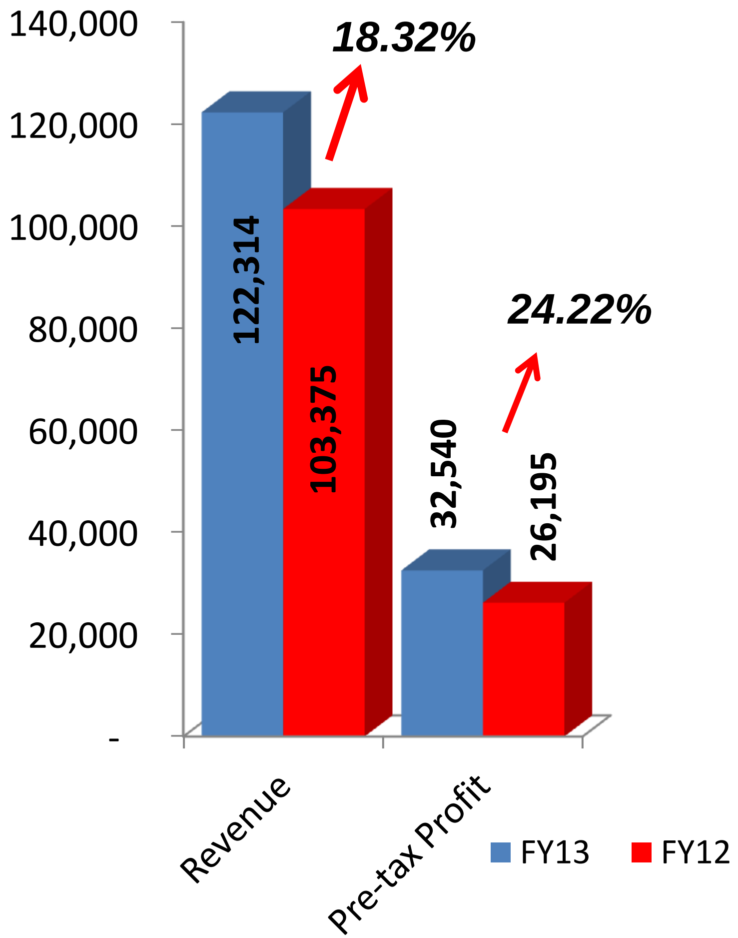


Oleochemicals

- Revenue were consistent at about the RM375 million level for the two FYs under review in spite of the lower average selling prices of fatty acids and glycerine in FY2013. FY2013 revenue were bolstered/ held up by higher production/ sales volume driven by better production efficiency and the division's success in diversifying into new markets to broaden its customers' base.

- FY2013 profit before tax was markedly higher at RM23.18 million; a 119.55% increase against FY2012 contributed mainly by higher sales volume and improved production level/ efficiency mentioned above.

Review of Major Operations

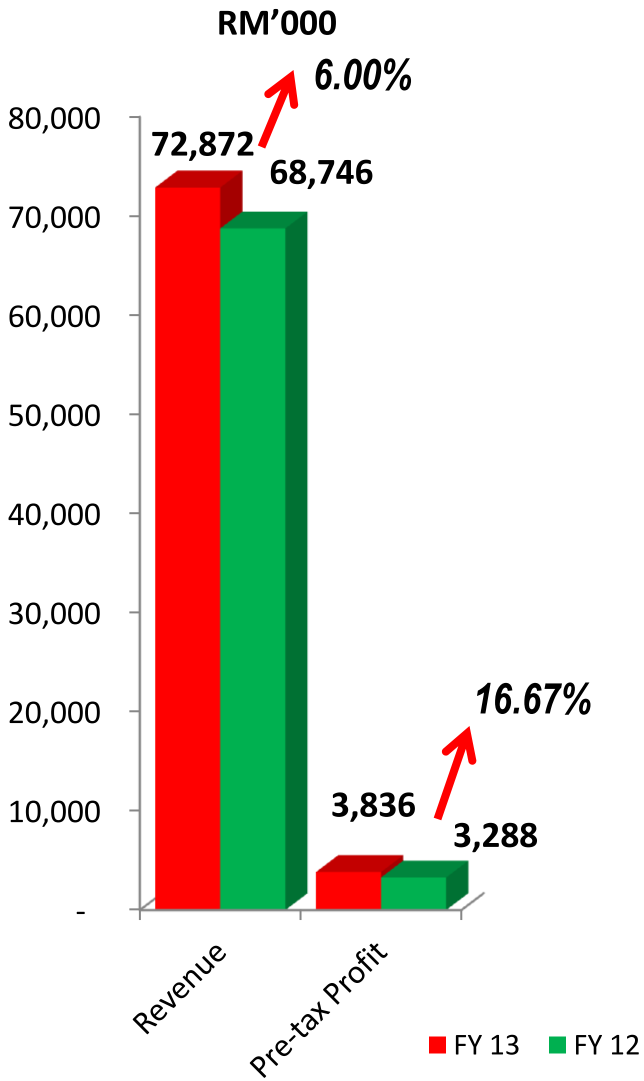


Plantations & Milling

- Both revenue and profit before tax profit were higher in FY2013 compared to FY 2012 driven primarily by increased sales/ production volume and better fresh fruit bunches (FFBs) yield from the division's estates and higher volume of FFBs processed from both internal estates and outside suppliers.

- FFBs processed/ crude palm oil (CPO) production/ kernel production were 45%/ 42%/ 53% higher respectively in FY2013 compared to FY2012 because of higher FFBs harvested from the division's internal estates and FFBs purchased from external estates.

Review of Major Operations



Healthcare

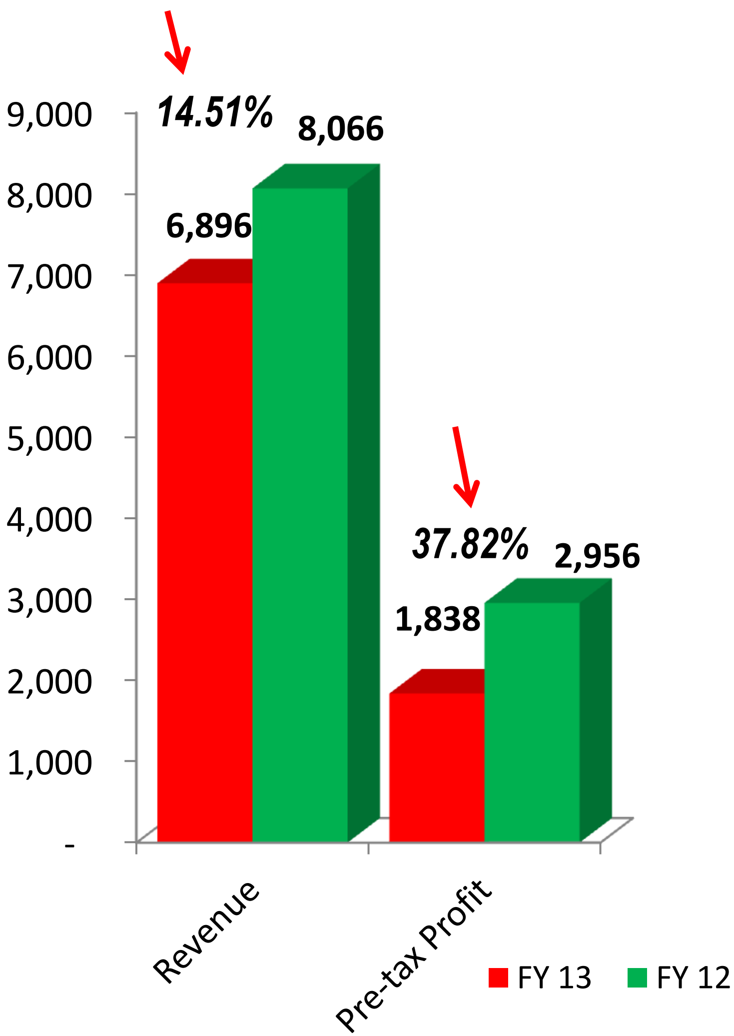
- Revenue for FY2013 was 6% higher at RM72.872 million against the RM68.746 million recorded in FY2012 due mainly to higher inpatient census and income per patient recorded in FY2013 against FY2012.

- Profit before tax was also higher in FY 2013; a 16.67% increase against FY2012 driven mainly by higher revenue.

- The division has added Neurosurgery to its range of services during the FY and is continuing with its efforts to promote the Hospital under the Malaysian Government sponsored medical tourism program in collaboration with the Malaysia Healthcare Travel Council .

Review of Major Operations

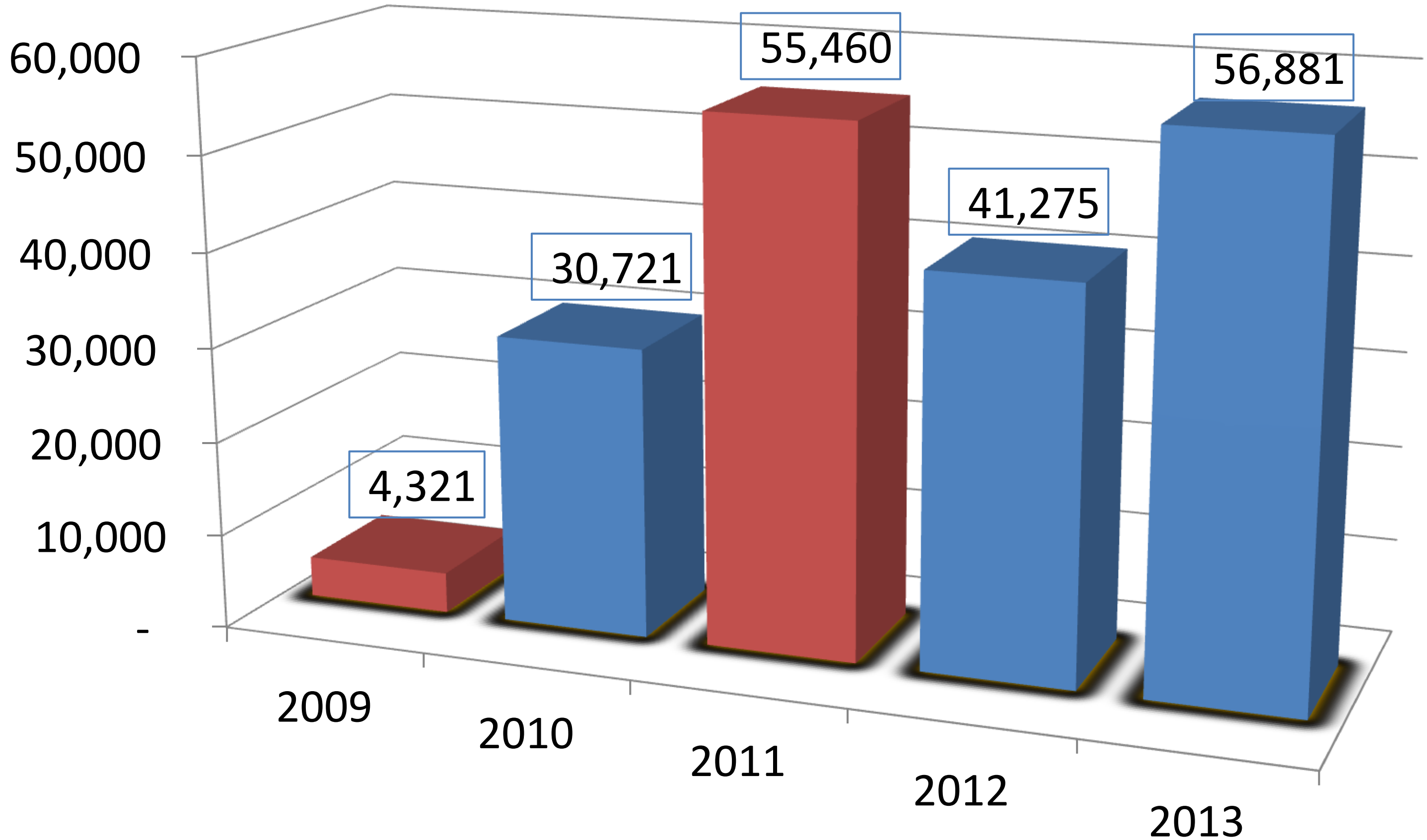
RM'000



Warehouse & Conveying

- Both revenue and profit before tax from the warehousing and conveying division were lower in FY2013 mainly because of lower volume of PKE received into its warehouse and cargo handled by its conveying loading facility compared to FY2012. FY2013 results were also affected by a machinery breakdown/ the ensuing costs from the breakdown.

Southern Acids
5 Year Profit Before Tax (RM'000)



Prospects

- **<u>Oleochemicals</u>**

  We expect the plant will continue to run at full capacity as forecasted demand will continue to exceed the plant's production capacity. The division's performance will hinge significantly on the volatility in prices of key raw materials and the USD/ MYR exchange rate. Going forward, this division is expected to continue to contribute significantly to the bottom line of Southern Acids.

- **<u>Plantations and Milling</u>**

  The division's performance will hinge substantially on the movement of CPO price. Total planted and matured area in FY2014 will reduce by about 258 hectares and 300 acres in Indonesia and Malaysia respectively to make way for the division's replanting programme. The reduced planted/ matured area will likely affect the division's performance in FY2014. Nevertheless, the division will continue to be a significant contributor to the bottom line of Southern Acids. The additional contribution from the new 60MT/ hour Mill which is now under construction will contribute positively only from FY2016 on.

Prospects

- **Healthcare Division**

  Going forward, we expect revenue from the Healthcare division to increase gradually from FY2014 on in line with the division's on-going plans to increase the number of consultants and medical discipline at the Hospital. Profitability though is expected to grow at a slower rate than revenue due mainly to the impact of depreciation on new capital expenditure. The positive financial impact from the investment on upgrading of key equipment will only be realised much later.

- **Warehousing & Conveying Division**

  The continuity of the division's business is dependent on the successful renewal of the land lease with Northport. We expect the results from the coming year (assuming the continuity of our operations with/ from our present facilities/ location at Wharf 15) to be in line with the results recorded in the last few years.

Questions & Answers

Thank you