

THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

Condensed Consolidated Income Statements For the Quarter Ended 31 March 2008 (The figures have not been audited)

	3 months ended 31 Mar		Cumulative quarter ended 31 Mar	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	37,547	22,460	37,547	22,460
Cost of sales	(30,588)	(16,448)	(30,588)	(16,448)
Gross Profit	<u>6,959</u>	<u>6,012</u>	<u>6,959</u>	<u>6,012</u>
Other Operating Income	6	0	6	0
Other Operating Expenses	(3,831)	(3,043)	(3,831)	(3,043)
Profit from Operations	<u>3,134</u>	<u>2,969</u>	<u>3,134</u>	<u>2,969</u>
Finance costs	(626)	(453)	(626)	(453)
Profit before Tax	<u>2,508</u>	<u>2,516</u>	<u>2,508</u>	<u>2,516</u>
Income tax	(477)	(232)	(477)	(232)
Profit after Tax	<u>2,031</u>	<u>2,284</u>	<u>2,031</u>	<u>2,284</u>
Minority interest	0	0	0	0
Net Profit for the Period	<u><u>2,031</u></u>	<u><u>2,284</u></u>	<u><u>2,031</u></u>	<u><u>2,284</u></u>
Basic Earnings per Share (sen)	<u><u>1.06</u></u>	<u><u>1.31</u></u>	<u><u>1.06</u></u>	<u><u>1.31</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets

As at 31 March 2008

(The figures have not been audited)

	As at 31-Mar-08 RM'000	As at 31-Dec-07 RM'000 (Restated)
Non-current Assets		
Property, plant & equipment	54,358	53,433
Prepaid land lease payments	9,765	9,726
	64,123	63,159
Current Assets		
Inventories	26,102	20,867
Trade receivables	33,324	29,517
Other receivables, deposits and prepayment	7,290	3,379
Taxation	-	136
Cash and bank balances	5,890	4,954
	72,606	58,853
TOTAL ASSETS	136,729	122,012
EQUITY AND LIABILITIES		
Share capital	38,500	38,500
Reserves	31,178	31,530
	69,678	70,030
Minority interest	-	0
Total equity	69,678	70,030
Non-current Liabilities		
Borrowings	10,423	9,324
Deferred tax liabilities	6,190	5,952
	16,613	15,276

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Condensed Consolidated Balance Sheets

As at 31 March 2008

(The figures have not been audited)

	As at 31-Mar-08 RM'000	As at 31-Dec-07 RM'000 (Restated)
Current Liabilities		
Borrowings	40,387	30,582
Trade payables	8,779	3,024
Other payables and accruals	1,164	3,095
Taxation	108	5
	50,438	36,706
TOTAL LIABILITIES	67,051	51,982
	136,729	122,012
Net assets value per share (sen)	36.20	36.38

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD (481559-M)
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Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 31 March 2008
(The figures have not been audited)

	<u>Share Capital</u>	<u>Non-distributable Reserves</u>	<u>Distributable Reserve</u>		
	Nominal value	Share premium	Retained earnings	Total reserves	Grand total
	RM	RM	RM	RM	RM
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2007					
As previously stated	35,000	734	18,457	19,191	54,191
Effect of adopting FRS 112	0	0	31	31	31
At 1 January 2007 (restated)	<u>35,000</u>	<u>734</u>	<u>18,488</u>	<u>19,222</u>	<u>54,222</u>
Net profit for the period	0	0	2,284	2,284	2,284
At 31 March 2007 (restated)	<u>35,000</u>	<u>734</u>	<u>20,772</u>	<u>21,506</u>	<u>56,506</u>

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Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 31 March 2008
(The figures have not been audited)

	Share Capital	Non-distributable Reserves	Distributable Reserve		
	Nominal value	Share premium	Retained earnings	Total reserves	Grand total
	RM	RM	RM	RM	RM
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2008					
As previously stated	38,500	4,847	26,470	31,317	69,817
Effect of adopting FRS 112	0	0	213	213	213
At 1 January 2008 (restated)	<u>38,500</u>	<u>4,847</u>	<u>26,683</u>	<u>31,530</u>	<u>70,030</u>
Expenses incurred on corporate exercise pursuant to transfer of listing to the Main Board of Bursa Malaysia Securities Berhad	0	(73)	0	(73)	(73)
Dividend	0	0	(2,310)	(2,310)	(2,310)
Net profit for the period	0	0	2,031	2,031	2,031
At 31 March 2008	<u>38,500</u>	<u>4,774</u>	<u>26,404</u>	<u>31,178</u>	<u>69,678</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD (481559-M)

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Condensed Consolidated Cash Flow Statements For the period ended 31 March 2008 (The figures have not been audited)

	Year-To-Date 31-Mar-08 (RM'000)	Year-To-Date 31-Mar-07 (RM'000)
Net cash (used in)/generated from operating activities	(5,993)	3,161
Net cash used in investing activities	(3,975)	(3,507)
Net cash generated from/(used in) financing activities	<u>10,904</u>	<u>(1,258)</u>
Net Change in Cash & Cash Equivalents	936	(1,604)
Cash & Cash Equivalents at beginning of the year	4,954	1,313
Cash & Cash Equivalents at end of the financial period	<u><u>5,890</u></u>	<u><u>(291)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and bank balances	5,890	82
Bank overdrafts	0	(373)
	<u><u>5,890</u></u>	<u><u>(291)</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD (481559-M)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

(The figures have not been audited)

Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

A1 Basis of Preparation

The interim financial statements of the Group have been prepared in accordance with Financial Reporting Standards No. 134 -Interim Financial Reporting ("FRS 134") and Appendix 9B of the Revamped Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the Mesdaq Market.

The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the financial statements for the year ended 31 December 2007. These explanatory notes attached to the 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 financial period ended 31 December 2007.

A2 Material Changes in Accounting Policies

The Group has not recognised the potential deferred tax benefits arising from unutilised reinvestment allowance. On the adoption of FRS 112 : Income Taxes, the following amounts have been adjusted:

	As at 1.1.2008 RM'000	As at 1.1.2007 RM'000
Decrease in deferred taxation	(213)	(31)
Increase in retained earnings	213	31

The effects arising from this change on the comparative figures are as follows:

	Previously stated RM'000	Adjustments RM'000	Restated RM'000
At 31 December 2007			
Deferred taxation	6,165	(213)	5,952
Retained earnings	26,470	213	26,683

A3 Audit report of the preceding annual financial statements

The auditors' report on the preceding annual financial statements was not subject to any qualification.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

(The figures have not been audited)

Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

A4 Seasonal or cyclical factors of interim operations

There were no seasonal or cyclical factors affecting the results of the Group for the current interim period.

A5 Unusual items affecting assets, liabilities, equity, net income, or cash flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence for the current interim period and financial year-to-date.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect for the current interim period.

A7 Issuances, cancellations, repurchases, resale and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current interim period.

A8 Dividends

The interim dividend of 6% tax exempt in respect of financial year ended 31 December 2007 amounting to RM2.31 million was paid on 3 March 2008. (2006 : 6%)

A9 Segmental information

Information on the Group's operations by industry and geographical segments is not provided as the Group is principally involved in one industry segment ie. manufacturing and supplying of food and beverage ingredients and operates principally in Malaysia.

A10 Valuations of Property, Plant & Equipment

The valuations of Property, Plant and Equipment of the Group have been brought forward without amendment from the previous annual financial statements.

A11 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current interim period.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

(The figures have not been audited)

Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the interim period including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except for on 19 February 2008, the Company announced the setting up of a wholly-owned subsidiary known as THREE-A PLANTATION (PAHANG) SDN. BHD. with an authorised share capital of RM100,000 comprising of 100,000 ordinary shares of RM1 each. The current issued and paid-up capital is RM2 comprising of 2 ordinary shares of RM1 each fully paid up.

A13 Changes in contingent liabilities and contingent assets

The amount of corporate guarantee provided to licensed financial institutions in respect of credit facilities granted to a wholly-owned subsidiary as at 31 March 2008 is RM87,906,000.

A14 Capital Commitment

The approved and contracted for commitment for the purchase of property, plant and equipment as at the end of the current interim period is RM4,040,000.

THREE-A RESOURCES BERHAD (481559-M)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
31 MARCH 2008**

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements for the Mesdaq Market

B1 Review of Performance

There is an increase in the turnover of the Group for the current quarter by 67.2% or from RM22.460 million to RM37.547 million as compared to the corresponding quarter in the preceding year mainly due to higher demand for the Group's products during the current quarter under review.

Meanwhile, the Group's profit before taxation was relatively unchanged at RM2.508 million for the current interim period from RM2.516 million in the preceding year corresponding quarter.

B2 Material changes in profit before taxation for the current quarter as compared with the immediate preceding quarter

The comparison of results between the current quarter and the immediate preceding quarter are as follows:-

	Current quarter (01. 01. 08 to 31. 03. 08) RM'000	Previous quarter (01. 10. 07 to 31. 12. 07) RM'000
Turnover	<u>37,547</u>	<u>33,639</u>
Profit before taxation	<u>2,508</u>	<u>2,760</u>

The Group's turnover is higher by 11.6% or from RM33.639 million to RM37.547 million during the current quarter under review as compared to the immediate preceding quarter as a result of higher demand for the Group's products during the current quarter under review. Profit before taxation decreased by 9.1% or from RM2.760 million to RM2.508 million mainly resulting from increase in raw material costs during the quarter under review.

B3 Prospects

The demand for the Group's products continue to be strong despite the Group operating in the competitive environment. Barring unforeseen circumstances, the Directors anticipate that the Group will achieve a satisfactory performance for year 2008.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
31 MARCH 2008**

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements for the Mesdaq Market

B4 Forecast of profit after tax

Not applicable as no forecast was disclosed in any public document.

B5 Tax expenses

	Current quarter 31. 03. 08 RM'000	Cumulative quarter up to 31. 03. 08 RM'000
Income tax expense	239	239
Deferred Tax: Relating to origination and reversal of temporary differences	238	238
	<u>477</u>	<u>477</u>

The effective tax rate for the financial year-to-date is 19.0%, that is lower than the statutory income tax rate of 26% mainly due to utilisation of reinvestment allowance.

B6 Unquoted investments and/or properties

There were no sale of unquoted investments and properties for the current quarter and financial year-to-date.

B7 Quoted securities other than securities in existing subsidiaries and associated companies

There were no purchases and disposals of quoted securities other than securities in existing subsidiaries and associated companies for the current quarter and financial year-to-date.

B8 Status of Corporate Proposals

On 13 March 2008, the Company's advisor, OSK Investment Bank Berhad had on behalf of the Company announced the following proposals:-

- (i) Proposed increase in authorised share capital of the Company from RM50,000,000 comprising 250,000,000 ordinary shares of RM0.20 each to RM100,000,000 comprising 500,000,000 shares;
- (ii) Proposed bonus issue of 115,500,007 new ordinary shares of RM0.20 each in the Company or on the basis 3 shares for every 5 existing shares held on an entitlement date to be determined later;
- (iii) Proposed amendments to the Articles of Association of the Company.

Bursa Malaysia Securities Berhad and Ministry of International Trade and Industry had both approved the proposals on 9 April 2008 and 30 April 2008 respectively whereas Securities Commission and Foreign Investment Committee had both approved the proposals on 5 May 2008.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
31 MARCH 2008**

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements for the Mesdaq Market

Meanwhile, shareholders of the Company had given approvals in the Extraordinary General Meeting that was convened on 13 May 2008.

Save for the above, there was no corporate proposals announced but not completed as at 14 May 2008.

B9 Group borrowings and debt securities

The total Group secured borrowings as at 31 March 2008 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' Acceptance	32,024	-	32,024
Foreign Currency Trade Finance	6,139	-	6,139
Term Loans	1,843	10,086	11,929
Hire Purchase Creditors	381	337	718
Total	<u>40,387</u>	<u>10,423</u>	<u>50,810</u>

All the abovementioned borrowings were denominated in Ringgit Malaysia except for Foreign Currency Trade Finance that were denominated in USD\$.

B10 Off Balance Sheet financial instruments

The Group had not entered into any contracts involving off balance sheet financial instruments with off balance sheet risk except for the following as at 14 May 2008:

	Currency	Total RM'000
Forward foreign exchange contract used to hedge trade receivables	United States Dollar	<u>11,224</u>

B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 14 May 2008.

B12 Dividend

The Board does not recommend any dividend for the current quarter under review.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements for the Mesdaq Market

B13 Earnings per share

	Current Quarter 31. 03. 08	Cumulative Quarter 31. 03. 08
Net profit (RM'000)	2,031	2,031
Weighted average number of ordinary shares in issue	192,500,012	192,500,012
EPS (sen) - Basic	1.06	1.06
- Diluted	-	-