

**THREE-A RESOURCES BERHAD** (481559-M)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income**  
**For the Quarter Ended 31 March 2010**  
(The figures have not been audited)

	<b>3 months ended</b>		<b>Cumulative quarter ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	61,326	33,074	61,326	33,074
Cost of sales	(47,599)	(26,252)	(47,599)	(26,252)
<b>Gross Profit</b>	<u>13,727</u>	<u>6,822</u>	<u>13,727</u>	<u>6,822</u>
Other Income	109	490	109	490
Other Operating Expenses	(5,820)	(3,788)	(5,820)	(3,788)
<b>Profit from Operations</b>	<u>8,016</u>	<u>3,524</u>	<u>8,016</u>	<u>3,524</u>
Finance costs	(640)	(631)	(640)	(631)
<b>Profit before Tax</b>	<u>7,376</u>	<u>2,893</u>	<u>7,376</u>	<u>2,893</u>
Income tax	(1,429)	(756)	(1,429)	(756)
<b>Profit after Tax</b>	<u>5,947</u>	<u>2,137</u>	<u>5,947</u>	<u>2,137</u>
Minority interest	-	-	-	-
<b>Net Profit for the Period</b>	<u><u>5,947</u></u>	<u><u>2,137</u></u>	<u><u>5,947</u></u>	<u><u>2,137</u></u>
<b>Basic Earnings</b>	<u>1.61</u>	<u>0.69</u>	<u>1.61</u>	<u>0.69</u>
<b>per Share (sen)</b>				

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

## Condensed Consolidated Statements of Financial Position

As at 31 March 2010

(The figures have not been audited)

	As at 31-Mar-10 RM'000	As at 31-Dec-09 RM'000
<b>Non-current Assets</b>		
Property, plant & equipment	73,058	70,133
Prepaid land lease payments	13,879	11,543
	<u>86,937</u>	<u>81,676</u>
<b>Current Assets</b>		
Inventories	36,780	27,865
Trade receivables	55,011	50,603
Other receivables, deposits and prepayment	1,486	5,071
Cash and bank balances	22,367	30,189
	<u>115,644</u>	<u>113,728</u>
<b>TOTAL ASSETS</b>	<u>202,581</u>	<u>195,404</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	73,920	73,920
Reserves	68,272	62,325
	<u>142,192</u>	<u>136,245</u>
Minority interest	-	-
<b>Total equity</b>	<u>142,192</u>	<u>136,245</u>
<b>Non-current Liabilities</b>		
Borrowings	18,254	14,566
Deferred tax liabilities	7,482	7,941
	<u>25,736</u>	<u>22,507</u>

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

## Condensed Consolidated Statements of Financial Position

As at 31 March 2010

(The figures have not been audited)

	As at 31-Mar-10 RM'000	As at 31-Dec-09 RM'000
<b>Current Liabilities</b>		
Borrowings	28,831	18,460
Trade payables	1,673	5,299
Other payables and accruals	2,384	11,970
Taxation	1,765	923
	<u>34,653</u>	<u>36,652</u>
<b>TOTAL LIABILITIES</b>	60,389	59,159
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>202,581</u>	<u>195,404</u>
Net assets value per share (sen)	<u>38.47</u>	<u>36.86</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity**  
**For the Quarter Ended 31 March 2010**  
(The figures have not been audited)

	Share Capital	Non-distributable Reserves	Distributable Reserve	Total reserves	Grand total
	Nominal value (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	(RM'000)	(RM'000)
<b>At 1 January 2009</b>	61,600	0	18,042	18,042	79,642
Dividend	0	0	(3,080)	(3,080)	(3,080)
Net profit for the period	0	0	2,137	2,137	2,137
<b>At 31 March 2009</b>	<u>61,600</u>	<u>0</u>	<u>17,099</u>	<u>17,099</u>	<u>78,699</u>
<b>At 1 January 2010</b>	73,920	33,759	28,566	62,325	136,245
Net profit for the period	0	0	5,947	5,947	5,947
<b>At 31 March 2010</b>	<u>73,920</u>	<u>33,759</u>	<u>34,513</u>	<u>68,272</u>	<u>142,192</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 2009 and the accompanying explanatory notes attached to the interim financial statements)

**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statements**  
**For the period ended 31 March 2010**  
**(The figures have not been audited)**

	<b>Year-To-Date 31-Mar-10 (RM'000)</b>	<b>Year-To-Date 31-Mar-09 (RM'000)</b>
Net cash (used in)/generated from operating activities	(8,148)	8,093
Net cash used in investing activities	(9,299)	(840)
Net cash generated from/ (used in) financing activities	<u>9,600</u>	<u>(8,356)</u>
Net Change in Cash & Cash Equivalents	(7,847)	(1,103)
Cash & Cash Equivalents at beginning of the year	29,736	1,309
Cash & Cash Equivalents at end of the financial period	<u><u>21,889</u></u>	<u><u>206</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Cash and bank balances	22,367	973
Bank overdrafts	<u>(478)</u>	<u>(767)</u>
	<u><u>21,889</u></u>	<u><u>206</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

---

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2010

(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 Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

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 2009 except for the following significant accounting policies that were effective and have been applied by the Group on 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (as revised in 2009)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives

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 2009.

#### A2 Audit report of the preceding annual financial statements

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

#### A3 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.

#### A4 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.

#### A5 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.

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

---

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2010

(The figures have not been audited)

### Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

#### A6 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.

#### A7 Dividends

The interim dividend of 8% per ordinary share less 25% tax in respect of financial year ended 31 December 2009 amounting to RM4.4352 million was paid on 19 January 2010. (2008 : 6%)

#### A8 Segmental information

The Group's activities are predominantly in the manufacturing industry segment. The following presents revenue regarding the Group's geographical segment:

	RM'000
Malaysia	44,604
Foreign countries	16,722
	<u>61,326</u>

The Group's assets and liabilities are solely located in Malaysia.

#### A9 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.

#### A10 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.

#### A11 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.

#### A12 Changes in contingent liabilities and contingent assets

The amount of corporate guarantees provided to licensed financial institutions in respect of credit facilities granted to a wholly-owned subsidiary as at 31 March 2010 is RM45.314 million.

#### A13 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 RM11.438 million.

**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

---

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2010**

(The figures have not been audited)

**Additional Information Required By The Bursa Malaysia Listing Requirements**

**B1 Review of Performance**

There is an increase of 85.4% in the turnover of the Group for the current quarter from RM33.074 million to RM61.326 million as compared to the corresponding quarter in the preceding year mainly due to better demand for the Group's products during the current quarter under review.

Likewise, the Group's profit before taxation also increase significantly or 154.9% higher or from RM2.893 million in the preceding year corresponding quarter to RM7.376 million for the current quarter under review as a result of higher turnover and improvement in efficiency.

**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. 10 to 31. 03. 10) RM'000	Previous quarter (01. 10. 09 to 31. 12. 09) RM'000
Turnover	<u>61,326</u>	<u>55,197</u>
Profit before taxation	<u>7,376</u>	<u>6,493</u>

The Group's turnover in the current quarter of RM61.326 million is 11.1% higher than RM55.197 million recorded in the immediate preceding quarter.

Meanwhile, the profit before taxation for the current quarter of RM7.376 million is also higher by 13.6% than that recorded in the immediate preceding quarter of RM6.493 million. The reason is due to improvement in efficiency for the quarter.

**B3 Prospects**

The Group's products are expected to remain competitive. Despite the prevailing economic conditions, the Directors anticipate that the Group will achieve a satisfactory performance for financial year 2010.



**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

---

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2010**

(The figures have not been audited)

**Additional Information Required By The Bursa Malaysia Listing Requirements**

**B4 Forecast of profit after tax**

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

**B5 Tax expenses**

	Current quarter 31. 03. 10 RM'000	Cumulative quarter up to 31. 03. 10 RM'000
Income tax expense		
- current	1,889	1,889
Deferred Taxation		
- relating to origination and reversal of temporary differences	(460)	(460)
	<u>1,429</u>	<u>1,429</u>

The effective tax rate for the financial year-to-date is 19.4%, that is lower than the statutory income tax rate of 25% as a result of reversal of provision of deferred taxation.

**B6 Unquoted investments and/or properties**

There were no sale or purchase of unquoted investments and properties for the current quarter and financial year-to-date except for the purchase of 2 pieces of leasehold land totaling RM2.02 million.

**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**

There were no corporate proposals announced but not completed as at 24 May 2010 except for the following:-

- 1 On 12 November 2009, the Company completed its private placement of 61,600,000 3A shares ("Private Placement") which had been listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on even date.

**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2010**

(The figures have not been audited)

**Additional Information Required By The Bursa Malaysia Listing Requirements**

Status of Utilisation of Proceeds up to 31 March 2010 is as follows:-

Descriptions	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended timeframe for utilisation
Working capital	25,800	25,133	667	Note 1
Overseas Investment	20,000	-	20,000	Note 1
Related Expenses for the Private Placement	400	126	274	
	<u>46,200</u>	<u>25,259</u>	<u>20,941</u>	

Note:-

- The proceeds from the Private Placement are expected to be utilised within 24 months from the date of the completion of the Private Placement on 12 November 2009.
- On 5 May 2010, OSK Investment Bank Berhad had on our behalf, announced that the Company had entered into a framework co-operation agreement with Wilmar International Limited ("Wilmar") to invest and explore the possibility of setting up equity joint venture enterprises in the People's Republic of China on terms and conditions to be set out in more specific joint venture agreements to be entered into between the parties.

Pursuant to the Co-operation Agreement, Three-A Food Industries (M) Sdn. Bhd. (formerly known as Three-A Plantations (Pahang) Sdn. Bhd.), a wholly-owned subsidiary of the Company had on even date entered into a joint venture agreement with Yihai Kerry Investments Co, Ltd., a 98.39% owned subsidiary of Wilmar, to incorporate a joint venture company in Shanhaiguan, PRC.

Kindly refer to the announcement made on 5 May 2010 to Bursa Malaysia Securities Berhad website for more information.

**B9 Group borrowings and debt securities**

The total Group secured borrowings as at 31 March 2010 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Overdrafts	477	-	477
Bankers' Acceptance	25,129	-	25,129
Term Loans	2,710	16,998	19,708
Hire Purchase Creditors	515	1,256	1,771
Total	<u>28,831</u>	<u>18,254</u>	<u>47,085</u>

**THREE-A RESOURCES BERHAD** (481559-M)  
(Incorporated in Malaysia)

---

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2010**

(The figures have not been audited)

**Additional Information Required By The Bursa Malaysia Listing Requirements**

All the abovementioned borrowings were denominated in Ringgit Malaysia.

**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 as at 24 May 2010 except for forward foreign exchange contract that were entered into by the Group to hedge its foreign purchase of machineries amounting to RM1.359 million.

Forward foreign exchange contracts are used by the Group as hedges in currencies other than the functional currency to manage exposure to fluctuations in foreign exchange risk.

**B11 Changes in material litigation**

There was no material litigation pending for the current financial period to-date and up to 24 May 2010.

**B12 Dividend**

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

**B13 Earnings per share**

	Current Quarter 31. 03. 10	Cumulative Quarter 31. 03. 10
Net profit (RM'000)	5,947	5,947
Weighted average number of ordinary shares in issue	369,600,019	369,600,019
EPS (sen) - Basic	<u>1.61</u>	<u>1.61</u>
- Diluted	<u>-</u>	<u>-</u>