

THREE-A RESOURCES BERHAD (481659-M)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income
For the Quarter Ended 30 June 2010**
(The figures have not been audited)

	3 months ended 30 June		Cumulative quarter ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	57,056	45,175	118,382	78,249
Cost of sales	(45,846)	(33,073)	(93,445)	(59,325)
Gross Profit	<u>11,210</u>	<u>12,102</u>	<u>24,937</u>	<u>18,924</u>
Other Income	285	42	394	532
Other Operating Expenses	(4,186)	(4,293)	(10,006)	(8,080)
Profit from Operations	<u>7,309</u>	<u>7,851</u>	<u>15,325</u>	<u>11,376</u>
Finance costs	(726)	(586)	(1,366)	(1,217)
Profit before Tax	<u>6,583</u>	<u>7,265</u>	<u>13,959</u>	<u>10,159</u>
Income tax	(1,960)	(1,777)	(3,389)	(2,533)
Profit after Tax	<u>4,623</u>	<u>5,488</u>	<u>10,570</u>	<u>7,626</u>
Minority interest	-	-	-	-
Net Profit for the Period	<u><u>4,623</u></u>	<u><u>5,488</u></u>	<u><u>10,570</u></u>	<u><u>7,626</u></u>
Basic Earnings per Share (sen)	<u>1.25</u>	<u>1.78</u>	<u>2.86</u>	<u>2.48</u>

(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 30 June 2010

(The figures have not been audited)

	As at 30-Jun-10 RM'000	As at 31-Dec-09 RM'000
Non-current Assets		
Property, plant & equipment	77,445	70,133
Prepaid land lease payments	15,099	11,543
	<u>92,544</u>	<u>81,676</u>
Current Assets		
Inventories	44,084	27,865
Trade receivables	58,776	50,603
Other receivables, deposits and prepayment	3,115	5,071
Cash and bank balances	28,407	30,189
	<u>134,382</u>	<u>113,728</u>
TOTAL ASSETS	<u>226,926</u>	<u>195,404</u>
EQUITY AND LIABILITIES		
Share capital	73,920	73,920
Reserves	72,884	62,325
	<u>146,804</u>	<u>136,245</u>
Minority interest	-	-
Total equity	<u>146,804</u>	<u>136,245</u>
Non-current Liabilities		
Borrowings	17,405	14,566
Deferred tax liabilities	8,088	7,941
	<u>25,493</u>	<u>22,507</u>

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Condensed Consolidated Statements of Financial Position

As at 30 June 2010

(The figures have not been audited)

	As at 30-Jun-10 RM'000	As at 31-Dec-09 RM'000
Current Liabilities		
Borrowings	43,011	18,460
Trade payables	7,084	5,299
Other payables and accruals	2,158	11,970
Taxation	2,376	923
	54,629	36,652
TOTAL LIABILITIES	80,122	59,159
TOTAL EQUITY AND LIABILITIES	226,926	195,404
Net assets value per share (sen)	39.72	36.86

(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 30 June 2010**
(The figures have not been audited)

	Share Capital	Non-distributable Reserves		Distributable Reserve		Grand total (RM'000)
	Nominal value (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	Total reserves (RM'000)	Total reserves (RM'000)	
At 1 January 2009	61,600	0	18,042	18,042	18,042	79,642
Dividend	0	0	(3,080)	(3,080)	(3,080)	(3,080)
Net profit for the period	0	0	7,626	7,626	7,626	7,626
At 30 June 2009	<u>61,600</u>	<u>0</u>	<u>22,588</u>	<u>22,588</u>	<u>22,588</u>	<u>84,188</u>
At 1 January 2010	73,920	33,759	28,566	28,566	62,325	136,245
Net profit for the period	0	0	10,570	10,570	10,570	10,570
Transactions costs arising from issuance of ordinary shares	0	(11)	0	(11)	(11)	(11)
At 30 June 2010	<u>73,920</u>	<u>33,748</u>	<u>39,136</u>	<u>39,136</u>	<u>72,884</u>	<u>146,804</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)
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Condensed Consolidated Cash Flow Statements
For the period ended 30 June 2010
(The figures have not been audited)

	Year-To-Date 30-Jun-10 (RM'000)	Year-To-Date 30-Jun-09 (RM'000)
Net cash (used in)/generated from operating activities	(14,267)	3,996
Net cash used in investing activities	(14,906)	(2,384)
Net cash generated from/ (used in) financing activities	<u>27,844</u>	<u>(268)</u>
Net Change in Cash & Cash Equivalents	(1,329)	1,344
Cash & Cash Equivalents at beginning of the year	29,736	1,309
Cash and bank balances at end of the financial period	<u><u>28,407</u></u>	<u><u>2,653</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 30 JUNE 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)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 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

No dividend was paid during the current interim period under review.

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	84,789
Foreign countries	33,593
	<u>118,382</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 except for on 14 July 2010, Aminvestment Bank Berhad, on behalf of the Board, announced that 24,000,000 new ordinary shares of RM0.20 each to be issued pursuant to the private placement would be granted listing on 15 July 2010.

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 30 June 2010 is RM60.416 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 RM10.587 million.

THREE-A RESOURCES BERHAD (481559-M)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
30 JUNE 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 26.3% in the turnover of the Group for the current quarter from RM45.175 million to RM57.056 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.

However, the Group's profit before taxation decrease by 9.4% or from RM7.265 million in the preceding year corresponding quarter to RM6.583 million for the current quarter under review as a result of increase in raw material costs.

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. 04. 10 to 30. 06. 10) RM'000	Previous quarter (01. 01. 10 to 31. 03. 10) RM'000
Turnover	<u>57,056</u>	<u>61,326</u>
Profit before taxation	<u>6,583</u>	<u>7,376</u>

The Group's turnover in the current quarter of RM57.056 million is 7.0% lower than RM61.326 million recorded in the immediate preceding quarter.

Meanwhile, the profit before taxation for the current quarter of RM6.583 million is also lower by 10.7% than that recorded in the immediate preceding quarter of RM7.376 million. The reason is due to increase in raw material costs.

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.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
30 JUNE 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 30. 06. 10 RM'000	Cumulative quarter up to 30. 06. 10 RM'000
Income tax expense - current	1,354	3,243
Deferred Taxation - relating to origination and reversal of temporary differences	606	146
	1,960	3,389

The effective tax rate for the financial year-to-date is 24.3%, that is slightly lower than the statutory income tax rate of 25% as a result of utilisation of reinvestment allowance.

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.

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 18 August 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.

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30 JUNE 2010**

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Additional Information Required By The Bursa Malaysia Listing Requirements

Status of Utilisation of Proceeds up to 30 June 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	25,800	-	
Overseas Investment	20,000	-	20,000	Note 1
Related Expenses for the Private Placement	400	400	-	
	<u>46,200</u>	<u>26,200</u>	<u>20,000</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.

B9 Group borrowings and debt securities

The total Group secured borrowings as at 30 June 2010 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' Acceptance	39,787	-	39,787
Term Loans	2,709	16,336	19,045
Hire Purchase Creditors	515	1,069	1,584
Total	<u>43,011</u>	<u>17,405</u>	<u>60,416</u>

All the abovementioned borrowings were denominated in Ringgit Malaysia.

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30 JUNE 2010**

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Additional Information Required By The Bursa Malaysia Listing Requirements

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 18 August 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 18 August 2010.

B12 Dividend

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

B13 Earnings per share

	Current Quarter 30. 06. 10	Cumulative Quarter 30. 06. 10
Net profit (RM'000)	4,623	10,570
Weighted average number of ordinary shares in issue	369,600,019	369,600,019
EPS (sen) - Basic	<u>1.25</u>	<u>2.86</u>
- Diluted	<u>-</u>	<u>-</u>