

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

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

	3 months ended		Cumulative quarter ended	
	31 December		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	64,818	55,197	248,940	178,582
Cost of sales	(56,463)	(42,335)	(206,130)	(134,728)
Gross Profit	<u>8,355</u>	<u>12,861</u>	<u>42,810</u>	<u>43,854</u>
Other Income	618	(184)	1,056	229
Other Operating Expenses	(4,499)	(5,526)	(19,880)	(17,921)
Share of results of joint venture	<u>(84)</u>	<u>-</u>	<u>(84)</u>	<u>-</u>
Profit from Operations	4,390	7,151	23,902	26,162
Finance costs	(772)	(659)	(2,997)	(2,455)
Profit before Tax	<u>3,618</u>	<u>6,492</u>	<u>20,905</u>	<u>23,707</u>
Income tax	43	(1,978)	(4,018)	(5,668)
Profit net of tax	<u>3,661</u>	<u>4,515</u>	<u>16,887</u>	<u>18,039</u>
Other comprehensive income: Foreign currency translation	7	-	7	-
Total comprehensive income for the year	<u><u>3,668</u></u>	<u><u>4,515</u></u>	<u><u>16,894</u></u>	<u><u>18,039</u></u>
Total comprehensive income attributable to:				
Owners of the parent	3,668	4,515	16,894	18,039
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>3,668</u></u>	<u><u>4,515</u></u>	<u><u>16,894</u></u>	<u><u>18,039</u></u>

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	3 months ended		Cumulative quarter ended	
	31 December		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Basic Earnings per Share (sen)	<u>0.93</u>	<u>1.47</u>	<u>4.44</u>	<u>5.70</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 31 December 2010****(The figures have not been audited)**

	As at 31-Dec-10 RM'000	As at 31-Dec-09 RM'000 (restated)
Non-current Assets		
Property, plant & equipment	107,743	80,331
Prepaid land lease payments	4,911	1,346
Investment in a jointly controlled entity	4,066	-
Deferred tax assets	168	93
	116,888	81,770
Current Assets		
Inventories	53,180	27,865
Trade and other receivables	69,003	55,674
Investment securities	30,122	0
Tax recoverable	741	0
Cash and bank balances	20,425	30,189
	173,471	113,728
TOTAL ASSETS	290,359	195,498
EQUITY AND LIABILITIES		
Share capital	78,720	73,920
Reserves	111,104	62,325
	189,824	136,245
Minority interest	-	-
Total equity	189,824	136,245
Non-current Liabilities		
Borrowings	16,716	14,566
Deferred tax liabilities	8,632	8,035
	25,348	22,601

THREE-A RESOURCES BERHAD (481559-M)

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Condensed Consolidated Statements of Financial Position

As at 31 December 2010

(The figures have not been audited)

	As at 31-Dec-10 RM'000	As at 31-Dec-09 RM'000 (restated)
Current Liabilities		
Borrowings	51,462	18,460
Trade and other payables	23,685	17,269
Taxation	40	923
	75,187	36,652
TOTAL LIABILITIES	100,535	59,253
TOTAL EQUITY AND LIABILITIES	290,359	195,498
Net assets value per share (sen)	48.23	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)
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Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 31 December 2010
(The figures have not been audited)

	Share Capital	Non-distributable Reserve	Non-distributable Share premium	Distributable Reserve	Grand total
	Nominal value (RM'000)	Foreign currency translation reserve (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	
At 1 January 2009	61,600	-	0	18,042	79,642
Issuance of ordinary shares pursuant to bonus issue	12,320	-	33,880	0	46,200
Transactions costs arising from issuance of ordinary shares	-	-	(121)	0	(121)
Dividend	-	-	0	(7,515)	(7,515)
Total comprehensive income	-	-	0	18,039	18,039
At 31 December 2009	73,920	0	33,759	28,566	136,245

THREE-A RESOURCES BERHAD (481559-M)
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Condensed Consolidated Statements of Changes in Equity
For the Quarter Ended 31 December 2010
(The figures have not been audited)

	Share Capital	Non-distributable Reserve		Non-distributable Reserve		Distributable Reserve		Grand total (RM'000)
	Nominal value (RM'000)	Foreign currency translation reserve (RM'000)	Share premium (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	Total reserves (RM'000)		
At 1 January 2010	73,920	-	33,759	28,566	62,325	136,245		
Issuance of ordinary shares pursuant to private placement	4,800	-	36,720	0	36,720	41,520		
Transactions costs arising from issuance of ordinary shares	-	-	(112)	0	(112)	(112)		
Dividend	-	-	0	(4,723)	(4,723)	(4,723)		
Total comprehensive income	-	7	0	16,887	16,894	16,894		
At 31 December 2010	78,720	7	70,367	40,730	111,104	189,824		

(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 31 December 2010 (The figures have not been audited)

	Year-To-Date 31-Dec-10 (RM'000)	Year-To-Date 31-Dec-09 (RM'000)
Net cash (used in)/generated from operating activities	(11,649)	7,773
Net cash used in investing activities	(69,952)	(5,147)
Net cash generated from financing activities	<u>72,290</u>	<u>25,801</u>
Net Change in Cash & Cash Equivalents	(9,311)	28,427
Cash & Cash Equivalents at beginning of the year	29,736	1,309
Cash and bank balances at end of the financial period	<u><u>20,425</u></u>	<u><u>29,736</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and bank balances	20,425	30,189
Bank overdrafts	-	(453)
	<u><u>20,425</u></u>	<u><u>29,736</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)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
31 DECEMBER 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 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRSs are, however not applicable to the Group or the Company

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.

THREE-A RESOURCES BERHAD (481559-M)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
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(The figures have not been audited)

Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

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.

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	178,514
Singapore	29,537
Other countries	40,889
	<u>248,940</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.

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Explanatory Notes to the Interim Financial Statements Pursuant to FRS 134

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 December 2010 is RM66.691 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 RM0.360 million.

THREE-A RESOURCES BERHAD (481559-M)
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Additional Information Required By The Bursa Malaysia Listing Requirements

B1 Review of Performance

There is an increase of 17.4% in the turnover of the Group for the current quarter from RM55.197 million to RM64.818 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 44.3% or from RM6.492 million in the preceding year corresponding quarter to RM3.618 million for the current quarter under review as a result of the continuous 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. 10. 10 to 31. 12. 10) RM'000	Previous quarter (01. 07. 10 to 30. 09. 10) RM'000
Turnover	<u>64,818</u>	<u>65,740</u>
Profit before taxation	<u>3,618</u>	<u>3,328</u>

The Group's turnover in the current quarter of RM64.818 million is slightly lower than RM65.740 million recorded in the immediate preceding quarter.

Meanwhile, the profit before taxation for the current quarter of RM3.618 million is higher by 8.7% than that recorded in the immediate preceding quarter of RM3.328 million. The reason is due to stabilisation of raw material costs in the current quarter following a drastic increase in the immediate preceding 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 2011.

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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. 12. 10 RM'000	Cumulative quarter up to 31. 12. 10 RM'000
Income tax expense		
- current	(15)	3,400
- underprovision in prior year	96	96
Deferred Taxation		
- relating to origination and reversal of temporary differences	(124)	522
	<u>(43)</u>	<u>4,018</u>

The effective tax rate for the financial year-to-date is 19.2%, that is 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 except for the investment in a joint venture.

The Group has 50% (2009:Nil) equity interest in a jointly-controlled entity, Three-A (Qinhuangdao) Food Industries Co. Ltd that is held through a subsidiary. This joint venture is incorporated in the People's Republic of China on 9 August 2010 and is in the business of manufacturing, processing, and trading of Hydrolyzed Vegetable Protein (HVP) (in Liquid and Powder form) and all related by-products.

The Group recognises its interest in joint venture using the equity method. Under the equity method, the investment in joint venture is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture.

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired.

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Additional Information Required By The Bursa Malaysia Listing Requirements

	Group 31. 12. 10 RM'000
Unquoted shares, at cost	4,143
Share of post-acquisition results	(84)
	4,059
Exchange differences	7
	4,066
Less: Accumulated impairment losses	-
	4,066

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

	Group 31. 12. 10 RM'000
Assets and liabilities:	
Current assets	4,160
Non-current assets	108
Total assets	4,268
Current liabilities	202
Non-current liabilities	-
Total liabilities	202
Income and expenses	
Income	-
Expenses	(84)

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.

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Additional Information Required By The Bursa Malaysia Listing Requirements

B8 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 25 February 2010 except for the following:-

- 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.

Status of Utilisation of Proceeds up to 31 December 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	4,143	15,857	Note 1
Related Expenses for the Private Placement	400	400	-	
	<u>46,200</u>	<u>30,343</u>	<u>15,857</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 31 December 2010 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' Acceptance	47,802	-	47,802
Term Loans	2,928	15,961	18,889
Hire Purchase Creditors	732	755	1,487
Total	<u>51,462</u>	<u>16,716</u>	<u>68,178</u>

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 25 February 2011.

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

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements

B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 25 February 2011.

B12 Dividend

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

B13 Realised and Unrealised Profits/Losses Disclosure

	As at 30-Sep-10 RM'000	As at 31-Dec-10 RM'000	As at 31-Dec-09 RM'000
Total retained profits of Three-A Resources Berhad and its subsidiaries:			
- Realised	53,715	52,402	
- Unrealised	173	251	
	53,888	52,653	
Less: Consolidation adjustments	(12,096)	(11,923)	
Total group retained profits as per consolidated accounts	41,792	40,730	N/A
Total share of accumulated losses from a jointly controlled entity:			
- Realised	(62)	(84)	
- Unrealised	-	-	
	(62)	(84)	N/A

Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosures.

B14 Earnings per share

	Current Quarter 31. 12. 10	Cumulative Quarter 31. 12. 10
Net profit (RM'000)	3,668	16,894
Weighted average number of ordinary shares in issue	393,339,149	380,712,348
EPS (sen) - Basic	0.93	4.44
- Diluted	-	-