

THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income For the Quarter Ended 31 March 2013 (The figures have not been audited)

	3 months ended 31 March		Cumulative quarter ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	73,827	71,439	73,827	71,439
Cost of sales	(63,302)	(59,988)	(63,302)	(59,988)
Gross Profit	<u>10,525</u>	<u>11,451</u>	<u>10,525</u>	<u>11,451</u>
Other income	282	95	282	95
Other operating expenses	(4,915)	(5,355)	(4,915)	(5,355)
Share of results of a jointly controlled entity	(655)	(429)	(655)	(429)
Profit from Operations	<u>5,237</u>	<u>5,762</u>	<u>5,237</u>	<u>5,762</u>
Finance costs	(869)	(825)	(869)	(825)
Profit before Tax	<u>4,368</u>	<u>4,937</u>	<u>4,368</u>	<u>4,937</u>
Income tax	(1,637)	(997)	(1,637)	(997)
Profit net of tax	<u>2,731</u>	<u>3,940</u>	<u>2,731</u>	<u>3,940</u>
Other comprehensive income: Foreign currency translation	157	(257)	157	(257)
Total comprehensive income for the year	<u><u>2,888</u></u>	<u><u>3,683</u></u>	<u><u>2,888</u></u>	<u><u>3,683</u></u>
Profit for the period attributable to:				
Owners of the parent	2,731	3,940	2,731	3,940
Non-controlling interest	-	-	-	-
	<u>2,731</u>	<u>3,940</u>	<u>2,731</u>	<u>3,940</u>
Total comprehensive income attributable to:				
Owners of the parent	2,888	3,683	2,888	3,683
Non-controlling interest	-	-	-	-
	<u>2,888</u>	<u>3,683</u>	<u>2,888</u>	<u>3,683</u>
Basic Earnings per Share (sen)	<u>0.69</u>	<u>1.00</u>	<u>0.69</u>	<u>1.00</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 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 2013

(The figures have not been audited)

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
Non-current Assets		
Property, plant & equipment	135,631	135,324
Land use rights	1,717	1,731
Investment in a jointly controlled entity	11,987	12,486
	149,335	149,541
Current Assets		
Inventories	42,894	63,870
Trade and other receivables	78,457	82,464
Tax recoverable	502	991
Cash and bank balances	18,428	17,782
	140,281	165,107
TOTAL ASSETS	289,616	314,648
EQUITY AND LIABILITIES		
Share capital	78,720	78,720
Reserves	137,922	135,034
Total equity	216,642	213,754
Non-current Liabilities		
Borrowings	19,979	20,964
Deferred tax liabilities	11,566	10,925
	31,545	31,889

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Condensed Consolidated Statements of Financial Position

As at 31 March 2013

(The figures have not been audited)

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
Current Liabilities		
Borrowings	33,162	51,023
Trade and other payables	8,267	13,259
Dividend payable	-	4,723
	41,429	69,005
TOTAL LIABILITIES	72,974	100,894
TOTAL EQUITY AND LIABILITIES	289,616	314,648
Net assets value per share (sen)	55.04	54.31

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and 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 2013
(The figures have not been audited)

	Share Capital	Non-distributable Reserve		Share premium	Distributable Reserve		Total reserves	Grand total
	Nominal value	Foreign currency translation reserve	Share premium	Retained earnings				
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2012	78,720	632	70,367	51,268	122,267	200,987		
Total comprehensive income	-	(257)	-	3,940	3,683	3,683		
At 31 March 2012	<u>78,720</u>	<u>375</u>	<u>70,367</u>	<u>55,208</u>	<u>125,950</u>	<u>204,670</u>		
At 1 January 2013	78,720	483	70,367	64,184	135,034	213,754		
Total comprehensive income	-	157	-	2,731	2,888	2,888		
At 31 March 2013	<u>78,720</u>	<u>640</u>	<u>70,367</u>	<u>66,915</u>	<u>137,922</u>	<u>216,642</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 2012 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 Quarter Ended 31 March 2013 (The figures have not been audited)

	Year-To-Date 31-Mar-13 (RM'000)	Year-To-Date 31-Mar-12 (RM'000)
Cash flows from operating activities		
Profit before taxation	4,368	4,937
Adjustments for:		
Amortisation of land use rights	93	52
Depreciation of property, plant and equipment	1,620	1,434
Unrealised foreign exchange gain	(240)	(349)
Interest expense	869	825
Interest income	(43)	(95)
Share of results of joint venture	655	429
Operating profit before working capital changes	<u>7,322</u>	<u>7,233</u>
Working capital changes:		
Inventories	20,975	12,042
Receivables	5,567	474
Prepayment	(1,380)	-
Payables	<u>(4,992)</u>	<u>(8,942)</u>
Cash generated from operations	27,492	10,807
Interest paid	(869)	(825)
Income tax paid	(507)	-
Net cash generated from operating activities	<u>26,116</u>	<u>9,982</u>
Cash flows from investing activities		
Investment in a joint venture	-	257
Purchase of property, plant and equipment	(2,005)	(3,050)
Interest received	43	95
Net cash used in investing activities	<u>(1,962)</u>	<u>(2,698)</u>

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Condensed Consolidated Cash Flow Statements For the Quarter Ended 31 March 2013 (The figures have not been audited)

	Year-To-Date 31-Mar-13 (RM'000)	Year-To-Date 31-Mar-12 (RM'000)
Cash flows from financing activities		
Dividends paid	(4,723)	(4,723)
Net (repayment)/drawdown of bankers acceptances	(20,330)	7,724
Net repayment of term loans	(1,075)	(639)
Net drawdown/(payments) of hire purchase obligations	255	(105)
Net cash used in financing activities	(25,873)	2,257
Net (decrease)/increase in cash and cash equivalents	(1,719)	9,541
Effect of exchange rate changes on cash and cash equivalents	61	(257)
Cash and cash equivalents at beginning of year	17,397	18,472
Cash and cash equivalents at end of the period	15,739	27,756
CASH AND CASH EQUIVALENTS COMPRISE		
Cash at banks and on hand	13,428	15,693
Short term deposits with licensed banks	5,000	12,063
Cash at banks and on hand	18,428	27,756
Bank overdrafts	(2,689)	-
Cash and cash equivalents	15,739	27,756

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 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 2013**

(The figures have not been audited)

Explanatory Notes to the Interim Financial Statements Pursuant to MFRS 134

A1 Basis of Preparation

These unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statement, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012.

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 2012.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following:

MFRSs/ Amendments/ Interpretations	Effective date
Amendments to MFRS 101, <i>Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income</i>	1 July 2012
MFRS 3, <i>Business Combinations (2004)</i>	1 January 2013
MFRS 10, <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 11, <i>Joint Arrangements</i>	1 January 2013
MFRS 12, <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13, <i>Fair Value Measurement</i>	1 January 2013
MFRS 119, <i>Employee Benefits (2011)</i>	1 January 2013
MFRS 127, <i>Consolidated and Separate Financial Statements</i>	1 January 2013
MFRS 127, <i>Separate Financial Statements (2011)</i>	1 January 2013
MFRS 128, <i>Investment in Associates and Joint Ventures (2011)</i>	1 January 2013
Amendments to MFRS 7, <i>Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRS 10, <i>Consolidated Financial Statements - Transition Guidance</i>	1 January 2013
Amendments to MFRS 11, <i>Joint Arrangements - Transition Guidance</i>	1 January 2013
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities - Transition Guidance</i>	1 January 2013
Annual Improvements 2009 - 2011 Cycle	1 January 2013

The initial application of the aforesaid applicable standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

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.

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Explanatory Notes to the Interim Financial Statements Pursuant to MFRS 134

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

The interim dividend of 6% tax exempt in respect of financial year ended 31 December 2012 amounting to RM4.723 million was paid on 11 January 2013. (2010 : 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	52,001
Singapore	6,643
Other countries	15,183
	<u>73,827</u>

The Group's assets and liabilities are mainly 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.

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Explanatory Notes to the Interim Financial Statements Pursuant to MFRS 134

A11 Related party transactions

The following table provides information on the transactions which have been entered into with a related party in which certain directors have financial interests during the interim period and financial year to date ended 31 March 2013 and 31 March 2012:

	3 months ended 31 March		Cumulative quarter ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales to Seong Chan Sauce & Foodstuff Sdn. Bhd.	(230)	(231)	(230)	(231)

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.

A13 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 2013 is RM48.741 million.

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 RM0.397 million.

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Additional information Required By The Bursa Malaysia Listing Requirements

B1 Review of Performance

The turnover of the Group for the current quarter of RM73.827 million is 3.3% higher than RM71.439 million recorded in the corresponding quarter in the preceding year as a result of the increase in the demand of the Group's products.

However, the Group's profit before taxation decreased by 11.5% or from RM4.937 million to RM4.368 million is mainly due to higher raw material costs as well as higher share of losses from a jointly controlled entity for the current quarter under review as compared to 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. 13 to 31. 03. 13) RM'000	Previous quarter (01. 10. 12 to 31. 12 12) RM'000
Turnover	<u>73,827</u>	<u>82,885</u>
Profit before taxation	<u>4,368</u>	<u>6,423</u>

The Group's turnover for the current quarter of RM73.827 million is 10.9% lower as compared to RM82.885 million recorded in the immediate preceding quarter due to lower demand of the Group's products.

Meanwhile, the profit before taxation for the current quarter of RM4.368 million is 32.0% lower than that recorded in the immediate preceding quarter of RM6.423 million, mainly a result of higher raw material costs and the decrease in turnover as well as higher share of losses from a jointly controlled entity in the current quarter as compared to the immediate preceding quarter.

B3 Prospects

The Group's products are expected to remain competitive. Barring unforeseen circumstances, the Directors anticipate that the Group to achieve a satisfactory performance for financial year 2013.

B4 Forecast of profit after tax

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

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Additional Information Required By The Bursa Malaysia Listing Requirements

B5 Tax expenses

	Current quarter 31-Mar-13 RM'000	Cumulative quarter up to 31-Mar-13 RM'000
Income tax expense		
- current	996	996
Deferred Taxation		
- recognised in income statement	641	641
	<u>1,637</u>	<u>1,637</u>

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate for both the current interim period and financial year-to-date are higher than the statutory income tax rate, mainly due to expenses not allowable for tax deduction and reversal of deferred tax asset previously recognised on 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 share of results from the investment in a joint venture.

The Group has 50% (2011:50%) 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-Mar-13 RM'000
Unquoted shares, at cost	14,039
Share of post-acquisition results	(2,691)
	11,348
Exchange differences	639
	11,987

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-Mar-13 RM'000
Assets and liabilities:	
Current assets	6,659
Non-current assets	25,835
Total assets	32,494
Current liabilities	20,507
Non-current liabilities	-
Total liabilities	20,507
Income and expenses for the period ended	
Other Income	11
Expenses	(666)

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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(The figures have not been audited)

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 April 2013 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 March 2013 is as follows:-

<u>Descriptions</u>	<u>Proposed Utilisation (RM'000)</u>	<u>Actual Utilisation (RM'000)</u>	<u>Balance Unutilised (RM'000)</u>	<u>Intended timeframe for utilisation</u>
Working capital	25,800	25,800	-	
Overseas Investment	20,000	14,039	5,961	Note 1
Related Expenses for the Private Placement	400	400	-	
	<u>46,200</u>	<u>40,239</u>	<u>5,961</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. As announced, the Board of Directors of the Group has resolved and approved to extend the timeframe for the utilization of the balance of proceeds arising from the Private Placement until 12 May 2013.

B9 Group borrowings and debt securities

The total Group secured borrowings as at 31 March 2013 are as follows:-

	<u>Short Term RM'000</u>	<u>Long Term RM'000</u>	<u>Total RM'000</u>
Bank Overdraft	2,689	-	2,689
Bankers' Acceptance	25,135	-	25,135
Term Loans	4,547	16,370	20,917
Hire Purchase Creditors	791	3,609	4,400
Total	<u>33,162</u>	<u>19,979</u>	<u>53,141</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 April 2013.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
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(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 April 2013.

B12 Dividend

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

B13 Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

B14 Realised and unrealised profits/losses disclosure

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits of Three-A Resources Berhad and its subsidiaries:		
- Realised	90,819	88,231
- Unrealised	(11,326)	(10,552)
	79,493	77,679
Total share of retained earnings from a jointly controlled entity:		
- Realised	(1,007)	(1,920)
- Unrealised	352	348
	78,838	76,107
Less: Consolidation adjustments	(11,923)	(11,923)
Total group retained profits as per consolidated accounts	66,915	64,184

B15 Additional disclosures

For the quarter ended 31 March 2013
RM'000

	Current Period		Cumulative Period	
	2013	2012	2013	2012
Interest income	(43)	(95)	(43)	(95)
Depreciation and amortisation	1,713	1,485	1,713	1,485
Realised foreign exchange (gain)/loss	1	516	1	516
Unrealised foreign exchange gain	(240)	(349)	(240)	(349)

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Additional Information Required By The Bursa Malaysia Listing Requirements

B16 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

	Current Quarter		Cumulative Quarter	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Net profit (RM'000)	2,731	3,940	2,731	3,940
Weighted average number of ordinary shares in issue ('000)	393,600	393,600	393,600	393,600
EPS (sen) - Basic	<u>0.69</u>	<u>1.00</u>	<u>0.69</u>	<u>1.00</u>
- Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>