

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Quarter Ended 31 December 2017**  
 (The figures have not been audited)

|  | 3 months ended<br>31 December |                 | Cumulative quarter ended<br>31 December |                  |
|--|-------------------------------|-----------------|---|------------------|
|  | 2017<br>RM'000                | 2016<br>RM'000  | 2017<br>RM'000                          | 2016<br>RM'000   |
| Revenue  | 109,423                       | 95,037          | 411,485                                 | 387,718          |
| Cost of sales  | <u>(83,138)</u>               | <u>(71,363)</u> | <u>(317,652)</u>                        | <u>(300,326)</u> |
| <b>Gross Profit</b>  | 26,285                        | 23,674          | 93,833                                  | 87,392           |
| Other income   | 2,929                         | 2,049           | 3,554                                   | 2,146            |
| Other operating expenses   | (9,396)                       | (6,521)         | (37,451)                                | (29,045)         |
| Share of results of a jointly<br>controlled entity, net of tax                               | -                             | (1,515)         | (3,156)                                 | (5,877)          |
| <b>Profit from Operations</b>  | 19,818                        | 17,687          | 56,780                                  | 54,616           |
| Finance costs  | <u>(262)</u>                  | <u>(309)</u>    | <u>(989)</u>                            | <u>(1,168)</u>   |
| <b>Profit before Tax</b>   | 19,556                        | 17,378          | 55,791                                  | 53,448           |
| Income tax   | (5,530)                       | (4,425)         | (14,143)                                | (14,527)         |
| <b>Profit net of tax</b>   | 14,026                        | 12,953          | 41,648                                  | 38,921           |
| Other comprehensive income:  |                               |                 |   |                  |
| - Foreign currency translation   | -                             | 330             | (14)                                    | (572)            |
| - Reclassification of exchange<br>reserve to profit and loss on<br>disposal of joint venture | <u>(2,897)</u>                | -               | <u>(2,897)</u>                          | -                |
| Total other comprehensive income,<br>net of tax  | (2,897)                       | 330             | (2,911)                                 | (572)            |
| <b>Total comprehensive income<br/>for the year</b>   | <u>11,129</u>                 | <u>13,283</u>   | <u>38,737</u>                           | <u>38,349</u>    |
| <b>Profit for the period<br/>attributable to:</b>  |                               |                 |   |                  |
| Owners of the parent   | 14,026                        | 12,953          | 41,648                                  | 38,921           |
| Non-controlling interest   | <u>-</u>                      | <u>-</u>        | <u>-</u>                                | <u>-</u>         |
|  | <u>14,026</u>                 | <u>12,953</u>   | <u>41,648</u>                           | <u>38,921</u>    |
| <b>Total comprehensive<br/>income attributable to:</b>                                       |                               |                 |   |                  |
| Owners of the parent   | 11,129                        | 13,283          | 38,737                                  | 38,349           |
| Non-controlling interest   | <u>-</u>                      | <u>-</u>        | <u>-</u>                                | <u>-</u>         |
|  | <u>11,129</u>                 | <u>13,283</u>   | <u>38,737</u>                           | <u>38,349</u>    |
| <b>Basic Earnings per Share (sen)</b>  | <u>2.85</u>                   | <u>2.63</u>     | <u>9.20</u>                             | <u>8.59</u>      |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

**Condensed Consolidated Statement of Changes in Equity**  
**For the Quarter Ended 31 December 2017**  
(The figures have not been audited)

|  | Share<br>Capital<br>Nominal value<br>(RM'000) | Non-distributable<br>Reserve<br>Exchange<br>translation reserve<br>(RM'000) | Non-distributable<br>Reserve<br>Share premium<br>(RM'000) | Distributable<br>Reserve<br>Retained earnings<br>(RM'000) | Total reserves<br>(RM'000) | Grand total<br>(RM'000) |
|--|---|---|---|---|----------------------------|-------------------------|
| <b>At 1 January 2016</b>   | 78,720  | 3,483   | 70,367  | 95,601  | 169,451                    | 248,171                 |
| Total comprehensive income   | -   | (572)   | -   | 38,921  | 38,349                     | 38,349                  |
| Transactions with owners<br>Dividend   | -   | -   | -   | (7,085)   | (7,085)                    | (7,085)                 |
| <b>At 31 December 2016</b>   | <u>78,720</u>                                 | <u>2,911</u>  | <u>70,367</u>   | <u>127,437</u>  | <u>200,715</u>             | <u>279,435</u>          |
| <b>At 1 January 2017</b>   | 78,720  | 2,911   | 70,367  | 127,437   | 200,715                    | 279,435                 |
| Issuance of ordinary shares pursuant<br>to bonus issue   | 19,680  | -   | (19,680)  | -   | (19,680)                   | -                       |
| Profit for the year  | -   | -   | -   | 41,648  | 41,648                     | 41,648                  |
| Other comprehensive income<br>- Foreign currency translation<br>- Reclassification of exchange<br>reserve to profit and loss on<br>disposal of joint venture | -   | (14)  | -   | -   | (14)                       | (14)                    |
| Total comprehensive income   | -   | (2,897)   | -   | -   | (2,897)                    | (2,897)                 |
|  | -   | (2,911)   | -   | 41,648  | 38,737                     | 38,737                  |

**THREE-A RESOURCES BERHAD** (481559-M)  
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**Condensed Consolidated Statement of Changes in Equity**  
**For the Quarter Ended 31 December 2017**  
(The figures have not been audited)

|                            | Share<br>Capital          | Non-distributable<br>Reserve                | Non-distributable<br>Reserve | Distributable<br>Reserve      | Total reserves | Grand total    |
|----------------------------|---------------------------|---|------------------------------|-------------------------------|----------------|----------------|
|                            | Nominal value<br>(RM'000) | Exchange<br>translation reserve<br>(RM'000) | Share premium<br>(RM'000)    | Retained earnings<br>(RM'000) |                |                |
| Transactions with owners   |                           |   |                              |                               |                |                |
| Dividend                   | -                         | -   | -                            | (8,856)                       | (8,856)        | (8,856)        |
| <b>At 31 December 2017</b> | <u>98,400</u>             | <u>0</u>                                    | <u>50,687</u>                | <u>160,229</u>                | <u>210,916</u> | <u>309,316</u> |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position

As at 31 December 2017

(The figures have not been audited)

|                                      | As at<br>31-Dec-17<br>RM'000 | As at<br>31-Dec-16<br>RM'000 |
|--------------------------------------|------------------------------|------------------------------|
| <b>Non-current Assets</b>            |                              |                              |
| Property, plant & equipment          | 183,514                      | 161,851                      |
| Land use rights                      | 1,447                        | 1,503                        |
| Investment in a joint venture        | -                            | 6,772                        |
| <b>Total Non-current Assets</b>      | <b>184,961</b>               | <b>170,126</b>               |
| <b>Current Assets</b>                |                              |                              |
| Inventories                          | 45,210                       | 48,848                       |
| Trade and other receivables          | 95,052                       | 91,844                       |
| Tax recoverable                      | 35                           | 45                           |
| Cash and bank balances               | 47,332                       | 28,714                       |
| <b>Total Current Assets</b>          | <b>187,629</b>               | <b>169,451</b>               |
| <b>TOTAL ASSETS</b>                  | <b>372,590</b>               | <b>339,577</b>               |
| <b>EQUITY AND LIABILITIES</b>        |                              |                              |
| Share capital                        | 98,400                       | 78,720                       |
| Reserves                             | 210,916                      | 200,715                      |
| <b>Total Equity</b>                  | <b>309,316</b>               | <b>279,435</b>               |
| <b>Non-current Liabilities</b>       |                              |                              |
| Borrowings                           | 16,724                       | 12,237                       |
| Deferred tax liabilities             | 16,271                       | 14,325                       |
| <b>Total Non-current Liabilities</b> | <b>32,995</b>                | <b>26,562</b>                |

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(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2017**  
**(The figures have not been audited)**

|                                     | <b>As at<br/>31-Dec-17<br/>RM'000</b> | <b>As at<br/>31-Dec-16<br/>RM'000</b> |
|-------------------------------------|---------------------------------------|---------------------------------------|
| <b>Current Liabilities</b>          |                                       |                                       |
| Trade and other payables            | 26,126                                | 27,182                                |
| Borrowings                          | 3,294                                 | 2,672                                 |
| Current tax liabilities             | 859                                   | 3,726                                 |
| <b>Total Current Liabilities</b>    | <b>30,279</b>                         | <b>33,580</b>                         |
| <b>TOTAL LIABILITIES</b>            | <b>63,274</b>                         | <b>60,142</b>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>372,590</b>                        | <b>339,577</b>                        |
| Net assets value per share (sen)    | <b>62.87</b>                          | <b>56.80</b> *                        |

\* For comparative purpose, Net Assets Value per share as at 31 December 2016 had been adjusted to reflect the bonus issue of 1 for 4 existing ordinary share which was completed on 26 May 2017.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 and and the accompanying explanatory notes attached to the interim financial statements)

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

(Incorporated in Malaysia)

### Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 December 2017 (The figures have not been audited)

|   | Year-To-Date<br>31-Dec-17<br>(RM'000) | Year-To-Date<br>31-Dec-16<br>(RM'000) |
|---|---------------------------------------|---------------------------------------|
| <b>Cash flows from operating activities</b>             |                                       |                                       |
| Profit before taxation                                  | 55,791                                | 53,448                                |
| Adjustments for:  |                                       |                                       |
| Amortisation of land use rights                         | 56                                    | 56                                    |
| Depreciation of property, plant and equipment           | 8,705                                 | 7,093                                 |
| Gain on disposal of Property, Plant and Equipment       | -                                     | (17)                                  |
| Interest expense  | 989                                   | 1,168                                 |
| Property, Plant and Equipment written off               | -                                     | 5                                     |
| Interest income   | (912)                                 | (96)                                  |
| Share of results of a joint venture, net of tax         | 3,156                                 | 5,877                                 |
| Gain on disposal of investment in a joint venture       | (2,547)                               | -                                     |
| Unrealised foreign exchange loss/(gain)                 | 2,352                                 | (905)                                 |
| Operating profit before working capital changes         | <u>67,590</u>                         | <u>66,629</u>                         |
| Working capital changes:                                |                                       |                                       |
| Inventories   | 3,637                                 | 12,827                                |
| Trade and other receivables                             | (2,279)                               | (878)                                 |
| Trade and other payables                                | (1,055)                               | 14,180                                |
| Cash generated from operations                          | <u>67,894</u>                         | <u>92,758</u>                         |
| Income tax refunded                                     | 38                                    | 43                                    |
| Income tax paid   | (15,092)                              | (14,302)                              |
| <b>Net cash generated from operating activities</b>     | <u>52,839</u>                         | <u>78,499</u>                         |
| <b>Cash flows from investing activities</b>             |                                       |                                       |
| Purchase of property, plant and equipment               | (30,368)                              | (27,597)                              |
| Proceeds from disposal of Property, Plant and Equipment | -                                     | 17                                    |
| Interest received                                       | 912                                   | 96                                    |
| <b>Net cash used in investing activities</b>            | <u>(29,456)</u>                       | <u>(27,484)</u>                       |

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(Incorporated in Malaysia)

## Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 December 2017 (The figures have not been audited)

|   | <u>Year-To-Date<br/>31-Dec-17<br/>(RM'000)</u> | <u>Year-To-Date<br/>31-Dec-16<br/>(RM'000)</u> |
|---|--|--|
| <b>Cash flows from financing activities</b>                     |  |  |
| Dividends paid  | (8,856)  | (12,595)                                       |
| Interest paid   | (989)  | (1,168)  |
| Net repayment of bankers acceptances                            | -  | (26,073)                                       |
| Drawdown of term loans  | 7,600  | 7,100  |
| Repayments of term loans  | (1,875)  | (1,171)  |
| Repayments of hire purchase obligations                         | (615)  | (517)  |
| <b>Net cash generated used in financing activities</b>          | <u>(4,735)</u>                                 | <u>(34,424)</u>                                |
| Net increase in cash and cash equivalents                       | 18,648   | 16,591   |
| Effect of exchange rate changes on cash<br>and cash equivalents | (30)   | (630)  |
| Cash and cash equivalents at beginning of year                  | 28,714   | 12,753   |
| Cash and cash equivalents at end of the period                  | <u>47,332</u>                                  | <u>28,714</u>                                  |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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(Incorporated in Malaysia)

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 DECEMBER 2017**

(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 applicable disclosure provisions 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 2016.

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 2016.

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

The audited financial statements of the Group for the year ended 31 December 2016 were 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.

**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 single tier dividend of 1.8 sen per ordinary share in respect of financial year ended 31 December 2017 amounting to RM8.856 million was paid on 12 December 2017. (2016 : 1.8 sen)

**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        | 256,719        | 62% |
| Singapore       | 37,055         | 9%  |
| Other countries | 117,711        | 29% |
|                 | <u>411,485</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.



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(The figures have not been audited)

**Explanatory Notes to the Interim Financial Statements Pursuant to MFRS 134**

**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 Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the interim period and financial year to date ended 31 December 2017 :

|  | 3 months ended<br>31 December |                | Cumulative quarter ended<br>31 December |                |
|--|-------------------------------|----------------|---|----------------|
|  | 2017<br>RM'000                | 2016<br>RM'000 | 2017<br>RM'000                          | 2016<br>RM'000 |
| Sales of products to:  |                               |                |   |                |
| Seong Chan Sauce<br>& Foodstuff Sdn. Bhd.<br>(A company in which certain<br>directors have financial interests)  | 338                           | 248            | 1,150                                   | 945            |
| Three-A (Qinhuangdao) Food<br>Industries Co., Ltd<br>(A company in which the Group<br>has significant influence) | -                             | 540            | 11                                      | 597            |
| Purchases of products from:  |                               |                |   |                |
| Three-A (Qinhuangdao) Food<br>Industries Co., Ltd<br>(A company in which the Group<br>has significant influence) | 1,017                         | -              | 2,533                                   | -              |

**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 the disposal of an investment in a joint venture as disclosed in **Note B6-Unquoted Investments and/or Properties** of this report.

**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 of the Company as at 31 December 2017 is RM19.152 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 RM4.942 million.

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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**

**B1 Review of Performance**

|                           | 4th Quarter<br>Ended<br>31-Dec-17<br>RM'000 | 4th Quarter<br>Ended<br>31-Dec-16<br>RM'000 | Variance<br>% | Year to date<br>31-Dec-17<br>RM'000 | Year to date<br>31-Dec-16<br>RM'000 | Variance<br>% |
|---------------------------|---|---|---------------|-------------------------------------|-------------------------------------|---------------|
| Revenue                   | 109,423                                     | 95,037                                      | 15.1%         | 411,485                             | 387,718                             | 6.1%          |
| Profit before<br>taxation | 19,556                                      | 17,378                                      | 12.5%         | 55,791                              | 53,448                              | 4.4%          |

The revenue of the Group for the current quarter of RM109.423 million is 15.1% higher than RM95.037 million recorded in the corresponding quarter in the preceding year as a result of higher sales volume in terms of products quantities sold.

However, the Group's profit before taxation increased by a lower percentage of 12.5% or from RM17.378 million to RM19.556 million is mainly a result of lower product margins and net foreign currency exchange losses for the current quarter as compared to net foreign currency exchange gains in the preceding year corresponding quarter.

The Group achieved 6.1% higher sales revenue of RM411.485 million for 12 months ended 31 December 2017 as compared to RM387.718 million registered for the same period last year on the back of higher quantities of products sold. Meanwhile, profit before taxation for this period only increased by 4.4% to RM55.791 million, mainly a result of net foreign currency exchange losses for the year as compared to net foreign currency exchange gains in the preceding year.

**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:-

|                        | 4th Quarter<br>Ended<br>31-Dec-17<br>RM'000 | 3rd Quarter<br>Ended<br>30-Sep-17<br>RM'000 | Variance<br>% |
|------------------------|---|---|---------------|
| Revenue                | 109,423                                     | 96,542                                      | 13.3%         |
| Profit before taxation | 19,556                                      | 10,773                                      | 81.5%         |

The Group's revenue for the current quarter of RM109.423 million is 13.3% higher as compared to RM96.542 million recorded in the immediate preceding quarter mainly due to higher quantities of products sold. Meanwhile, the profit before taxation for the current quarter of RM19.556 million is 81.5% higher than that recorded in the immediate preceding quarter of RM10.773 million, mainly a result of higher revenue from higher

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(The figures have not been audited)

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

quantities sold and also higher product margins recorded besides gain on completion of disposal of a jointly controlled entity.

**B3 Prospects**

The Group is continuing its efforts to capture more product market share from the recently completed Maltodextrin product Plant no 3 and roll out plans for lands acquired in the vicinity of the existing factories. The Board expects these plans to contribute positively to the Group's earnings.

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(The figures have not been audited)

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

As the business environment remains competitive and the volatility in raw material prices, the Group continues to place utmost emphasis and commitment on efficiency through economies of scale, cost optimization and increase productivity and simultaneously produce good quality products to achieve better performance.

Barring unforeseen circumstances, the Directors anticipate that the Group achieve a satisfactory performance for the financial year 2018.

**B4 Forecast of profit after tax**

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

**B5 Tax expenses**

|                                    | Current<br>quarter<br>31-Dec-17<br>RM'000 | Cumulative<br>quarter up to<br>31-Dec-17<br>RM'000 |
|------------------------------------|---|--|
| Income tax expense                 |   |  |
| - current                          | 4,035                                     | 11,934   |
| - underprovision in the prior year | -   | 263  |
| Deferred Taxation                  |   |  |
| - recognised in income statement   | 1,580                                     | 2,031  |
| - overprovision in the prior year  | (85)                                      | (85)   |
|                                    | <u>5,530</u>                              | <u>14,143</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 the current interim period and financial year-to-date are higher than the statutory income tax rate mainly a result of expenses not allowable for tax deduction and underprovision of income tax.

**B6 Unquoted investments and/or properties**

On 5 September 2017, the Group announced that Three-A Food Industries (M) Sdn Bhd ("TAFISB"), a wholly-owned subsidiary of the Company, has entered into a Share Purchase Agreement with Yihai Kerry Investments Co. Ltd., a wholly-owned subsidiary of Wilmar International Limited, for the proposed disposal of the entire 50% equity interest held by TAFISB in Three-A (Qinhuangdao) Food Industries Co. Ltd ("TAQ") for RMB5,000,000.00. ("Proposed Disposal")

Upon completion of the Proposed Disposal, TAQ will cease to be a joint venture entity of the Group.

The expected loss from the Proposed Disposal is calculated by the difference between the disposal consideration and the carrying amount of the 3A Group's investment in TAQ as at date of disposal and presented as follows:

RM'000

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 DECEMBER 2017**

(The figures have not been audited)

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

|   |              |
|---|--------------|
| Carrying amount as at 31 December 2016                          | 6,772        |
| Less: Share of results for year 2017 up to the date of disposal | (3,156)      |
| Less: Exchange differences                                      | (14)         |
| Carrying amount as at date of proposed disposal                 | <u>3,602</u> |

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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**

|   |              |
|---|--------------|
| Proposed Disposal Consideration at date of disposal<br>(RMB5 million at exchange rate of RMB1:RM0.6504) | 3,252        |
| Loss on proposed disposal (before reclassification adjustment)  | (350)        |
| Add: Reclassification adjustment of OCI reserves  | 2,897        |
| Gain on disposal  | <u>2,547</u> |

On 1 December 2017, the Group announced that the Proposed Disposal has been completed. Accordingly, TAQ has ceased to be a joint venture company of the Group.

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

**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 20 February 2018 for the current quarter and financial year-to-date.

**B9 Group borrowings and debt securities**

The total Group secured borrowings as at 31 December 2017 are as follows:-

|                         | Short Term<br>RM'000 | Long Term<br>RM'000 | Total<br>RM'000 |
|-------------------------|----------------------|---------------------|-----------------|
| Term Loans              | 2,639                | 16,513              | 19,152          |
| Hire Purchase Creditors | 655                  | 211                 | 866             |
| Total                   | <u>3,294</u>         | <u>16,724</u>       | <u>20,018</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 20 February 2018.

**B11 Changes in material litigation**

There was no material litigation pending for the current financial period to-date and up to 20 February 2018.

**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.

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

**B14 Realised and unrealised profits/losses disclosure**

|  | As at<br>31-Dec-17<br>RM'000 | As at<br>31-Dec-16<br>RM'000 |
|--|------------------------------|------------------------------|
| Total retained profits of Three-A Resources Berhad and its subsidiaries: |                              |                              |
| - Realised   | 158,233                      | 152,113                      |
| - Unrealised   | 13,919                       | 12,663                       |
|  | <u>172,152</u>               | <u>164,776</u>               |
| Total share of retained earnings from a jointly controlled entity:       |                              |                              |
| - Realised   | -                            | (25,416)                     |
| - Unrealised   | -                            | -                            |
|  | <u>172,152</u>               | <u>139,360</u>               |
| Less: Consolidation adjustments  | (11,923)                     | (11,923)                     |
| Total group retained profits as per consolidated accounts                | <u><u>160,229</u></u>        | <u><u>127,437</u></u>        |

**B15 Additional disclosures**

Profit for the period is arrived at after (crediting)/charging:

| (RM'000)  | Current Period |         | Cumulative Period |       |
|---|----------------|---------|-------------------|-------|
|   | 2017           | 2016    | 2017              | 2016  |
| Interest income                                   | (356)          | (86)    | (912)             | (96)  |
| Depreciation and amortisation                     | 2,278          | 1,827   | 8,761             | 7,149 |
| Gain on disposal of investment in a joint venture | (2,547)        | -       | (2,547)           | -     |
| Realised foreign exchange loss/(gain)             | 986            | (2,804) | 1,466             | (967) |
| Unrealised foreign exchange loss/(gain)           | 625            | (806)   | 2,499             | (905) |

**THREE-A RESOURCES BERHAD** (481559-M)  
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(The figures have not been audited)

**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<br>Quarter |             | Cumulative<br>Quarter |             |
|---|--------------------|-------------|-----------------------|-------------|
|   | 31-Dec-17          | 31-Dec-16   | 31-Dec-17             | 31-Dec-16   |
| Net profit (RM'000)   | 14,026             | 12,953      | 41,648                | 38,921      |
| Weighted average number of<br>ordinary shares in issue ('000) | 492,000            | 492,000 *   | 452,910               | 452,910 *   |
| EPS (sen) - Basic and Diluted                                 | <u>2.85</u>        | <u>2.63</u> | <u>9.20</u>           | <u>8.59</u> |

\*For comparative purpose, the number of ordinary shares issued as at 30 September 2016 had been adjusted to reflect the bonus issue of 1 for 4 existing ordinary share which was completed on 26 May 2017.