

# THREE-A RESOURCES BERHAD

Registration no. 199901006659 (481559-M)

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Quarter Ended 31 March 2021 (The figures have not been audited)

	3 months ended 31 March		Cumulative quarter ended 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	126,865	100,697	126,865	100,697
Cost of sales	(102,070)	(81,950)	(102,070)	(81,950)
<b>Gross Profit</b>	<u>24,795</u>	<u>18,747</u>	<u>24,795</u>	<u>18,747</u>
Other income	2,207	2,384	2,207	2,384
Other operating expenses	(9,519)	(8,095)	(9,519)	(8,095)
<b>Profit from Operations</b>	<u>17,483</u>	<u>13,036</u>	<u>17,483</u>	<u>13,036</u>
Finance costs	(131)	(191)	(131)	(191)
<b>Profit before Tax</b>	<u>17,352</u>	<u>12,845</u>	<u>17,352</u>	<u>12,845</u>
Income tax	(4,041)	(4,004)	(4,041)	(4,004)
<b>Profit net of tax</b>	<u>13,311</u>	<u>8,841</u>	<u>13,311</u>	<u>8,841</u>
Total other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	<u><u>13,311</u></u>	<u><u>8,841</u></u>	<u><u>13,311</u></u>	<u><u>8,841</u></u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	13,311	8,841	13,311	8,841
Non-controlling interest	-	-	-	-
	<u><u>13,311</u></u>	<u><u>8,841</u></u>	<u><u>13,311</u></u>	<u><u>8,841</u></u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	13,311	8,841	13,311	8,841
Non-controlling interest	-	-	-	-
	<u><u>13,311</u></u>	<u><u>8,841</u></u>	<u><u>13,311</u></u>	<u><u>8,841</u></u>
<b>Basic Earnings per Share (sen)</b>	<u><u>2.72</u></u>	<u><u>1.80</u></u>	<u><u>2.72</u></u>	<u><u>1.80</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

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## Condensed Consolidated Statement of Changes in Equity For the Quarter Ended 31 March 2021 (The figures have not been audited)

	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings</u>	<u>Total</u>
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>At 1 January 2020</b>	149,087	-	199,087	348,174
Net Profit for the period	-	-	8,841	8,841
Purchase of treasury shares	-	(909)	-	(909)
<b>At 31 March 2020</b>	<u>149,087</u>	<u>(909)</u>	<u>207,928</u>	<u>356,106</u>
<b>At 1 January 2021</b>	149,087	(1,078)	218,464	366,473
Net Profit for the period	-	-	13,311	13,311
<b>At 31 March 2021</b>	<u>149,087</u>	<u>(1,078)</u>	<u>231,775</u>	<u>379,784</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 2020 and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD

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## Condensed Consolidated Statement of Financial Position

As at 31 March 2021

(The figures have not been audited)

	As at 31-Mar-21 RM'000	As at 31-Dec-20 RM'000
<b>Non-current Assets</b>		
Property, plant & equipment	160,203	157,082
Right-of-use assets	65,626	60,846
<b>Total Non-current Assets</b>	<b>225,829</b>	<b>217,928</b>
<b>Current Assets</b>		
Inventories	74,696	75,110
Trade and other receivables	110,496	112,181
Cash and bank balances	22,935	26,618
<b>Total Current Assets</b>	<b>208,127</b>	<b>213,909</b>
<b>TOTAL ASSETS</b>	<b>433,956</b>	<b>431,837</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	149,087	149,087
Reserves	230,697	217,386
<b>Total Equity</b>	<b>379,784</b>	<b>366,473</b>
<b>Non-current Liabilities</b>		
Borrowings	6,232	6,429
Deferred tax liabilities	14,640	14,446
<b>Total Non-current Liabilities</b>	<b>20,872</b>	<b>20,875</b>

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## Condensed Consolidated Statement of Financial Position

As at 31 March 2021

(The figures have not been audited)

	<b>As at 31-Mar-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Current Liabilities</b>		
Trade and other payables	23,812	35,333
Borrowings	6,006	6,249
Income tax liabilities	3,482	2,907
<b>Total Current Liabilities</b>	33,300	44,489
<b>TOTAL LIABILITIES</b>	54,172	65,364
<b>TOTAL EQUITY AND LIABILITIES</b>	433,956	431,837
Net assets value per share (sen)	77.21	74.76

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 and and the accompanying explanatory notes attached to the interim financial statements)

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## Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 March 2021 (The figures have not been audited)

	<b>Year-To-Date 31-Mar-21 (RM'000)</b>	<b>Year-To-Date 31-Mar-20 (RM'000)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	17,352	12,845
Adjustments for:		
Depreciation of property, plant and equipment	2,181	2,131
Depreciation of right-of-use assets	390	198
Reversal of impairment loss on receivables	(305)	-
Interest expense	131	191
Interest income	(27)	(324)
Loss on disposal of property, plant and equipment	-	130
Unrealised foreign exchange gain	(2,072)	(1,651)
Operating profit before working capital changes	<u>17,650</u>	<u>13,520</u>
Working capital changes:		
Inventories	414	(5,510)
Trade and other receivables	4,029	20,023
Trade and other payables	(11,520)	4,089
Cash generated from operations	<u>10,573</u>	<u>32,122</u>
Tax paid	(3,273)	(2,073)
<b>Net cash generated from operating activities</b>	<u>7,300</u>	<u>30,049</u>
<b>Cash flows from investing activities</b>		
Additions of right-of-use assets	(5,170)	-
Interest received	27	324
Purchase of property, plant and equipment	(5,302)	(7,443)
<b>Net cash used in investing activities</b>	<u>(10,445)</u>	<u>(7,119)</u>

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## Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 March 2021 (The figures have not been audited)

	<b>Year-To-Date 31-Mar-21 (RM'000)</b>	<b>Year-To-Date 31-Mar-20 (RM'000)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(131)	(191)
Repurchase of treasury shares	-	(909)
Repayments of term loans	(440)	(471)
<b>Net cash used in financing activities</b>	<b>(571)</b>	<b>(1,571)</b>
Net (decrease)/increase in cash and cash equivalents	(3,716)	21,359
Effect of exchange rate changes on cash and cash equivalents	33	(45)
Cash and cash equivalents at beginning of year	26,618	44,207
Cash and cash equivalents at end of the period	<b>22,935</b>	<b>65,521</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021

(The figures have not been audited)

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

#### A1 Basis of Preparation

The 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 2020.

The accounting policies are consistent with the recent audited financial statements for the year ended 31 December 2020.

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 2020.

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

The audited financial statements of the Group for the year ended 31 December 2020 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.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021 (The figures have not been audited)

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

#### 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	71,308	56.2%
Singapore	11,860	9.4%
Other countries	43,697	34.4%
	<u>126,865</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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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021

(The figures have not been audited)

### 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 related parties during the interim period and financial year to date ended 31 March 2021 :

	3 months ended 31 March		Cumulative quarter ended 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sales of products to:				
Seong Chan Sauce & Foodstuff Sdn. Bhd. (A company in which certain directors have financial interests)	218	281	218	281

#### 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 of the Company as at 31 March 2021 is RM12.238 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 RM4.323 million.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021 (The figures have not been audited)

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

#### B1 Review of Performance

	1st Quarter & Year to date Ended 31-Mar-21 RM'000	1st Quarter & Year to date Ended 31-Mar-20 RM'000	Variance %
Revenue	126,865	100,697	26.0%
Profit before Tax	17,352	12,845	35.1%

The revenue of the Group for the current quarter of RM126.865 million was 26.0% higher than RM100.697 million recorded in the corresponding quarter in the preceding year mainly due to higher quantities of products sold. The Group's profit before tax increased by 35.1% to RM17.352 million from RM12.845 million and was mainly a result of higher quantities and also higher average selling prices of products sold in the current quarter under review.

#### 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:-

	1st Quarter Ended 31-Mar-21 RM'000	4th Quarter Ended 31-Dec-20 RM'000	Variance %
Revenue	126,865	114,660	10.6%
Profit before taxation	17,352	9,495	82.7%

The Group's revenue for the current quarter of RM126.865 million was 10.6% higher as compared to RM114.660 million recorded in the immediate preceding quarter and was mainly due to higher quantities of products sold. Profit before taxation for the current quarter of RM17.352 million was 82.7% higher than that recorded in the immediate preceding quarter of RM9.495 million and was mainly a result of higher quantities and also higher average selling prices of products sold and foreign exchange gains in the current interim quarter under review.

#### B3 Prospects

The Group still faces challenges from the Covid-19 pandemic and also fluctuations in raw materials costs in the current interim quarter under review. As a result, the Group remained vigilant and continued with various measures to counter its impacts to business operations.

Despite this, the Group remained focus on efficiency initiatives through economies of scale, cost optimization and efforts to increase productivity and deliver good quality products. Besides, the Group is still continuing with expansion plans for lands acquired in the vicinity of existing factories and the Group is optimistic that its plans would contribute positively to the Group going forward.

Barring unforeseen circumstances, the Directors anticipate that the Group achieve a satisfactory performance for the financial year 2021.

#### B4 Forecast of profit after tax

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

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021 (The figures have not been audited)

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

#### B5 Tax expenses

	Current & Cumulative quarter up to 31-Mar-21 RM'000
Income tax expense	
- current period	3,848
Deferred Taxation	
- current year	623
- overprovision in the prior year	(430)
	<u>4,041</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 quarter was lower than the statutory income tax rate and was mainly due to certain other income not subject to tax during the current interim quarter under review.

#### B6 Unquoted investments and/or properties

There were no sale 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 20 May 2021 for the current quarter and financial year-to-date.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2021 (The figures have not been audited)

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

#### B9 Group borrowings and debt securities

The total Group secured borrowings as at 31 March 2021 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Term Loans	6,006	6,232	12,238

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 May 2021.

#### B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 20 May 2021.

#### 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 Additional disclosures

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

	Current Period		Cumulative Period	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Interest income	(27)	(324)	(27)	(324)
Depreciation of property, plant and equipment	2,181	2,131	2,181	2,131
Depreciation of right-of-use assets	390	198	390	198
Reversal of impairment loss on receivables	(305)	-	(305)	-
Realised foreign exchange loss/(gain)	212	(387)	212	(387)
Unrealised foreign exchange gain	(2,072)	(1,651)	(2,072)	(1,651)

#### B15 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-21	31-Mar-20	31-Mar-21	31-Mar-20
Net profit (RM'000)	13,311	8,841	13,311	8,841
Weighted average number of ordinary shares in issue ('000)	490,231	491,877	490,231	491,877
EPS (sen) - Basic and Diluted	2.72	1.80	2.72	1.80