

# 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 December 2022 (The figures have not been audited)

	3 months ended 31 December		Cumulative quarter ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	164,461	142,200	658,702	515,615
Cost of sales	(145,549)	(120,509)	(570,497)	(418,943)
<b>Gross Profit</b>	<u>18,912</u>	<u>21,691</u>	<u>88,205</u>	<u>96,672</u>
Other income	738	299	5,666	3,701
Other operating expenses	(14,526)	(9,939)	(45,638)	(37,489)
<b>Profit from Operations</b>	<u>5,124</u>	<u>12,051</u>	<u>48,233</u>	<u>62,884</u>
Finance costs	(198)	(66)	(430)	(378)
<b>Profit before Tax</b>	<u>4,926</u>	<u>11,985</u>	<u>47,803</u>	<u>62,506</u>
Income tax	(1,442)	(3,377)	(12,709)	(15,961)
<b>Profit net of tax</b>	<u>3,484</u>	<u>8,608</u>	<u>35,094</u>	<u>46,545</u>
Total other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	<u><u>3,484</u></u>	<u><u>8,608</u></u>	<u><u>35,094</u></u>	<u><u>46,545</u></u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	3,484	8,608	35,094	46,545
Non-controlling interest	-	-	-	-
	<u><u>3,484</u></u>	<u><u>8,608</u></u>	<u><u>35,094</u></u>	<u><u>46,545</u></u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	3,484	8,608	35,094	46,545
Non-controlling interest	-	-	-	-
	<u><u>3,484</u></u>	<u><u>8,608</u></u>	<u><u>35,094</u></u>	<u><u>46,545</u></u>
<b>Basic Earnings per Share (sen)</b>	<u><u>0.71</u></u>	<u><u>1.76</u></u>	<u><u>7.17</u></u>	<u><u>9.49</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 2021 and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD

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## Condensed Consolidated Statement of Changes in Equity For the Quarter Ended 31 December 2022 (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 2021</b>	149,087	(1,078)	218,464	366,473
Net Profit for the period	-	-	46,545	46,545
Transactions with owners				
Dividends	-	-	(14,707)	(14,707)
<b>At 31 December 2021</b>	<u>149,087</u>	<u>(1,078)</u>	<u>250,302</u>	<u>398,311</u>
<b>At 1 January 2022</b>	149,087	(1,078)	250,302	398,311
Net Profit for the period	-	-	35,094	35,094
Purchase of treasury shares	-	(1,073)	-	(1,073)
Transactions with owners				
Dividends	-	-	(12,225)	(12,225)
<b>At 31 December 2022</b>	<u>149,087</u>	<u>(2,151)</u>	<u>273,171</u>	<u>420,107</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 2021 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 December 2022

(The figures have not been audited)

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
<b>Non-current Assets</b>		
Property, plant & equipment	175,238	162,622
Right-of-use assets	62,722	62,761
<b>Total Non-current Assets</b>	237,960	225,383
<b>Current Assets</b>		
Inventories	105,411	57,016
Trade and other receivables	144,671	126,071
Cash and bank balances	21,006	55,100
<b>Total Current Assets</b>	271,088	238,187
<b>TOTAL ASSETS</b>	509,048	463,570
<b>EQUITY AND LIABILITIES</b>		
Share capital	149,087	149,087
Reserves	271,020	249,224
<b>Total Equity</b>	420,107	398,311
<b>Non-current Liabilities</b>		
Borrowings	5,012	2,720
Deferred tax liabilities	20,223	16,068
<b>Total Non-current Liabilities</b>	25,235	18,788

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## Condensed Consolidated Statement of Financial Position

As at 31 December 2022

(The figures have not been audited)

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
<b>Current Liabilities</b>		
Trade and other payables	46,573	34,823
Borrowings	15,235	5,294
Income tax liabilities	1,898	6,354
<b>Total Current Liabilities</b>	63,706	46,471
<b>TOTAL LIABILITIES</b>	88,941	65,259
<b>TOTAL EQUITY AND LIABILITIES</b>	509,048	463,570
Net assets value per share (sen)	85.81	81.36

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021 and and the accompanying explanatory notes attached to the interim financial statements)

# THREE-A RESOURCES BERHAD

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## Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 December 2022 (The figures have not been audited)

	<b>Year-To-Date 31-Dec-22</b>	<b>Year-To-Date 31-Dec-21</b>
	(RM'000)	(RM'000)
<b>Cash flows from operating activities</b>		
Profit before taxation	47,803	62,506
Adjustments for:		
Depreciation of property, plant and equipment	10,346	9,227
Depreciation of right-of-use assets	1,522	1,478
Reversal of impairment loss on receivables	(13)	(534)
Interest expense	431	378
Interest income	(360)	(523)
(Gain)/Loss on disposal of property, plant and equipment	(119)	14
Unrealised foreign exchange loss/(gain)	1,643	(917)
Operating profit before working capital changes	61,253	71,629
Working capital changes:		
Inventories	(48,396)	18,094
Trade and other receivables	(20,194)	(12,440)
Trade and other payables	11,751	(1,109)
Cash generated from operations	4,414	76,174
Tax refunded	25	-
Tax paid	(13,035)	(10,892)
<b>Net cash (used in)/generated from operating activities</b>	<b>(8,596)</b>	<b>65,282</b>
<b>Cash flows from investing activities</b>		
Additions of right-of-use assets	(1,484)	(3,393)
Interest received	360	523
Proceeds from disposal of property, plant and equipment	237	-
Purchase of property, plant and equipment	(23,080)	(14,186)
<b>Net cash used in investing activities</b>	<b>(23,967)</b>	<b>(17,056)</b>

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## Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 December 2022 (The figures have not been audited)

	<b>Year-To-Date 31-Dec-22</b>	<b>Year-To-Date 31-Dec-21</b>
	(RM'000)	(RM'000)
<b>Cash flows from financing activities</b>		
Dividend paid	(12,225)	(14,707)
Interest paid	(430)	(378)
Net Drawdown of bankers acceptances	13,792	-
Repurchase of treasury shares	(1,073)	-
Repayment of term loans	(1,559)	(4,664)
<b>Net cash used in financing activities</b>	<u>(1,495)</u>	<u>(19,749)</u>
Net (decrease)/increase in cash and cash equivalents	(34,058)	28,477
Effect of exchange rate changes on cash and cash equivalents	(36)	5
Cash and cash equivalents at beginning of year	<u>55,100</u>	<u>26,618</u>
Cash and cash equivalents at end of the period	<u>21,006</u>	<u>55,100</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021 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 DECEMBER 2022

(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 2021.

The accounting policies are consistent with the recent audited financial statements for the year ended 31 December 2021.

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 2021.

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

The audited financial statements of the Group for the year ended 31 December 2021 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 2.5 sen per ordinary share amounting to RM12.225 million for financial year ended 31 December 2022 was paid on 21 December 2022. (2021: Interim single tier dividend of 2.2 sen and special dividend of 0.8 sen per ordinary share)

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(The figures have not been audited)

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

#### 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	379,950	58%
Singapore	63,983	10%
Other countries	<u>214,769</u>	32%
	<u>658,702</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 DECEMBER 2022

(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 that are significant which have been entered into with related parties during the interim period and financial year to date ended 31 December 2022 :

	3 months ended 31 December		Cumulative quarter ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sales of products to:				
Seong Chan Sauce & Foodstuff Sdn. Bhd. (A company in which certain directors have financial interests)	264	302	1,008	931

#### 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 December 2022 is RM20.247 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 RM2.992 million.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(The figures have not been audited)

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

#### B1 Review of Performance

	4th Quarter Ended 31-Dec-22 RM'000	4th Quarter Ended 31-Dec-21 RM'000	Variance %	Year to date Ended 31-Dec-22 RM'000	Year to date Ended 31-Dec-21 RM'000	Variance %
Revenue	164,461	142,200	15.7%	658,702	515,615	27.8%
Profit before Tax	4,926	11,985	-58.9%	47,803	62,506	-23.5%

The revenue of the Group for the current quarter of RM164.461 million was 15.7% higher than RM142.200 million recorded in the corresponding quarter in the preceding year and was mainly due to higher average selling prices and higher quantities of products sold. However, the Group's profit before tax decreased by 58.9% to RM4.926 million from RM11.985 million and was mainly a result of higher main raw materials and energy costs in the current quarter under review.

The Group recorded 27.8% higher revenue of RM658.702 million for the year ended 31 December 2022 as compared to RM515.615 million recorded last year on higher average selling prices of products and higher quantities of products sold. However, profit before tax for the same period declined by 23.5% to RM47.803 million from RM62.506 million recorded for the same period last year and was mainly a result of higher main raw materials and energy 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:-

	4th Quarter Ended 31-Dec-22 RM'000	3th Quarter Ended 30-Sep-22 RM'000	Variance %
Revenue	164,461	173,082	-5.0%
Profit before taxation	4,926	10,918	-54.9%

The Group's revenue for the current quarter of RM164.461 million was 5.0% lower as compared to RM173.082 million recorded in the immediate preceding quarter and was mainly due to lower quantities of products sold. Profit before taxation for the current quarter of RM4.926 million was 54.9% lower than that recorded in the immediate preceding quarter of RM10.918 million and was mainly a result of foreign exchange losses and energy cost increases in the current interim quarter under review.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(The figures have not been audited)

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

#### B3 Prospects

The Group continues to face challenges, mainly from the increase of volatility in raw materials, energy and other costs stemming from the ongoing Russia-Ukraine war and uncertain global economic landscape.

In facing with these headwinds, 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.

Under the current challenging economic conditions, the Group envisage a satisfactory performance for the financial year 2023.

#### B4 Forecast of profit after tax

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

#### B5 Tax expenses

	Current quarter 31-Dec-22 RM'000	Cumulative quarter up to 31-Dec-22 RM'000
Income tax expense		
- current period	1,114	8,640
- overprovision in the prior year	-	(86)
Deferred Taxation		
- current year	419	4,133
- (over)/underprovision in the prior year	(91)	22
	<u>1,442</u>	<u>12,709</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 and the financial year was higher than the statutory income tax rate and was mainly due to certain expenses not allowable for tax deduction.

#### 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 23 February 2023 for the current quarter and financial year-to-date.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(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 December 2022 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers Acceptances	13,792	-	13,792
Term Loans	1,443	5,012	6,455
	<u>15,235</u>	<u>5,012</u>	<u>20,247</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 23 February 2023.

#### B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 23 February 2023.

#### 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-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Interest income	(162)	(244)	(360)	(523)
Depreciation of property, plant and equipment	2,747	2,648	10,346	9,227
Depreciation of right-of-use assets	385	377	1,522	1,478
Reversal of impairment loss on receivables	-	(2)	(13)	(534)
Realised foreign exchange gain	(561)	(28)	(4,708)	(1,216)
Unrealised foreign exchange loss/(gain)	3,662	259	1,643	(918)

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(The figures have not been audited)

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

#### 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-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Net profit (RM'000)	3,484	8,608	35,094	46,545
Weighted average number of ordinary shares in issue ('000)	489,000	490,231	489,558	490,231
EPS (sen) - Basic and Diluted	<u>0.71</u>	<u>1.76</u>	<u>7.17</u>	<u>9.49</u>