

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 2023 (The figures have not been audited)

| | 3 months ended 31 December | | Cumulative quarter ended 31 December | |
|--|-------------------------------|---------------------|---|----------------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Revenue | 150,721 | 164,461 | 603,864 | 658,702 |
| Cost of sales | (119,211) | (145,549) | (504,019) | (570,497) |
| Gross Profit | <u>31,510</u> | <u>18,912</u> | <u>99,845</u> | <u>88,205</u> |
| Other income | 512 | 738 | 3,614 | 5,666 |
| Other operating expenses | (13,622) | (14,526) | (45,598) | (45,638) |
| Profit from Operations | <u>18,400</u> | <u>5,124</u> | <u>57,861</u> | <u>48,233</u> |
| Finance costs | (59) | (198) | (439) | (430) |
| Profit before Tax | <u>18,341</u> | <u>4,926</u> | <u>57,422</u> | <u>47,803</u> |
| Income tax | (4,555) | (1,442) | (12,267) | (12,709) |
| Profit net of tax | <u>13,786</u> | <u>3,484</u> | <u>45,155</u> | <u>35,094</u> |
| Total other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income for the year | <u><u>13,786</u></u> | <u><u>3,484</u></u> | <u><u>45,155</u></u> | <u><u>35,094</u></u> |
| Profit for the period attributable to: | | | | |
| Owners of the parent | 13,786 | 3,484 | 45,155 | 35,094 |
| Non-controlling interest | - | - | - | - |
| | <u><u>13,786</u></u> | <u><u>3,484</u></u> | <u><u>45,155</u></u> | <u><u>35,094</u></u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 13,786 | 3,484 | 45,155 | 35,094 |
| Non-controlling interest | - | - | - | - |
| | <u><u>13,786</u></u> | <u><u>3,484</u></u> | <u><u>45,155</u></u> | <u><u>35,094</u></u> |
| Basic Earnings per Share (sen) | <u><u>2.82</u></u> | <u><u>0.71</u></u> | <u><u>9.23</u></u> | <u><u>7.17</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 2022 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD

Registration no. 199901006659 (481559-M)
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Condensed Consolidated Statement of Changes in Equity For the Quarter Ended 31 December 2023 (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) |
| At 1 January 2022 | 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) |
| At 31 December 2022 | <u>149,087</u> | <u>(2,151)</u> | <u>273,171</u> | <u>420,107</u> |
| At 1 January 2023 | 149,087 | (2,151) | 273,171 | 420,107 |
| Net Profit for the period | - | - | 45,155 | 45,155 |
| Transactions with owners | | | | |
| Dividends | - | - | (14,670) | (14,670) |
| At 31 December 2023 | <u>149,087</u> | <u>(2,151)</u> | <u>303,656</u> | <u>450,592</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 2022 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD

Registration no. 199901006659 (481559-M)

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Condensed Consolidated Statement of Financial Position

As at 31 December 2023

(The figures have not been audited)

| | As at 31-Dec-23 RM'000 | As at 31-Dec-22 RM'000 |
|--------------------------------------|------------------------------|------------------------------|
| Non-current Assets | | |
| Property, plant & equipment | 176,071 | 175,238 |
| Right-of-use assets | 66,005 | 62,722 |
| Total Non-current Assets | 242,076 | 237,960 |
| Current Assets | | |
| Inventories | 79,964 | 105,412 |
| Trade and other receivables | 129,911 | 144,670 |
| Current tax assets | 17 | - |
| Cash and bank balances | 53,696 | 21,006 |
| Total Current Assets | 263,588 | 271,088 |
| TOTAL ASSETS | <u>505,664</u> | <u>509,048</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 149,087 | 149,087 |
| Reserves | 301,505 | 271,020 |
| Total Equity | 450,592 | 420,107 |
| Non-current Liabilities | | |
| Borrowings | 3,278 | 5,012 |
| Deferred tax liabilities | 19,411 | 20,223 |
| Total Non-current Liabilities | 22,689 | 25,235 |
| Current Liabilities | | |
| Trade and other payables | 24,331 | 46,573 |
| Borrowings | 1,619 | 15,235 |
| Income tax liabilities | 6,433 | 1,898 |
| Total Current Liabilities | 32,383 | 63,706 |
| TOTAL LIABILITIES | <u>55,072</u> | <u>88,941</u> |
| TOTAL EQUITY AND LIABILITIES | <u>505,664</u> | <u>509,048</u> |
| Net assets value per share (sen) | <u>92.15</u> | <u>85.91</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 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 2023 (The figures have not been audited)

| | Year-To-Date 31-Dec-23 (RM'000) | Year-To-Date 31-Dec-22 (RM'000) |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 57,422 | 47,803 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 11,500 | 10,346 |
| Depreciation of right-of-use assets | 1,967 | 1,523 |
| Interest expense | 439 | 431 |
| Interest income | (890) | (360) |
| Loss/(Gain) on disposal of property, plant and equipment | 5 | (138) |
| Property, plant and equipment written off | 4 | 9 |
| Reversal of impairment loss on receivables | (3) | (13) |
| Net unrealised foreign exchange (gain)/loss | (648) | 1,643 |
| Operating profit before working capital changes | 69,796 | 61,244 |
| Working capital changes: | | |
| Inventories | 25,448 | (48,396) |
| Trade and other receivables | 15,515 | (20,225) |
| Trade and other payables | (22,242) | 11,484 |
| Cash generated from operations | 88,517 | 4,107 |
| Tax refunded | 8 | 25 |
| Tax paid | (8,569) | (13,035) |
| Net cash generated from/(used in) operating activities | 79,956 | (8,903) |
| Cash flows from investing activities | | |
| Additions of right-of-use assets | (5,250) | (1,484) |
| Interest received | 890 | 360 |
| Proceeds from disposal of property, plant and equipment | - | 247 |
| Purchase of property, plant and equipment | (12,343) | (22,782) |
| Net cash used in investing activities | (16,703) | (23,659) |
| Cash flows from financing activities | | |
| Dividend paid | (14,670) | (12,225) |
| Interest paid | (439) | (431) |
| Net (repayment)/drawdown of bankers acceptances | (13,792) | 13,792 |
| Repayment of term loans | (1,559) | (1,559) |
| Purchase of treasury shares | - | (1,073) |
| Net cash used in financing activities | (30,460) | (1,496) |
| Net increase/(decrease) in cash and cash equivalents | 32,793 | (34,058) |
| Effect of exchange rate changes on cash and cash equivalents | (103) | (36) |
| Cash and cash equivalents at beginning of year | 21,006 | 55,100 |
| Cash and cash equivalents at end of the period | 53,696 | 21,006 |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

THREE-A RESOURCES BERHAD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(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 2022.

The accounting policies are consistent with the recent audited financial statements for the year ended 31 December 2022.

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 2022.

A2 Audit report of the preceding annual financial statements

The audited financial statements of the Group for the year ended 31 December 2022 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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(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

The interim single tier dividend of 2.5 sen per ordinary share and special single tier dividend of 0.5 sen per ordinary share amounting to RM12.225 million and RM2.445 million respectively for financial year ended 31 December 2023 was paid on 20 December 2023. (2022: Interim single tier dividend of 2.5 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 | 330,555 | 55% |
| Singapore | 62,630 | 10% |
| Other countries | 210,679 | 35% |
| | <u>603,864</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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(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 2023 :

| | 3 months ended | | Cumulative quarter ended | |
|---|----------------|--------|--------------------------|--------|
| | 31 December | | 31 December | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales of products to: | | | | |
| Seong Chan Sauce & Foodstuff Sdn. Bhd. (A company in which certain directors have financial interests) | 171 | 264 | 876 | 1,008 |

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 2023 is RM4.897 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 RM6.938 million.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements

B1 Review of Performance

| | 4th Quarter Ended 31-Dec-23 RM'000 | 4th Quarter Ended 31-Dec-22 RM'000 | Variance % | Year to date Ended 31-Dec-23 RM'000 | Year to date Ended 31-Dec-22 RM'000 | Variance % |
|-------------------|---|---|---------------|--|--|---------------|
| Revenue | 150,721 | 164,461 | -8.4% | 603,864 | 658,702 | -8.3% |
| Profit before Tax | 18,341 | 4,926 | 272.3% | 57,422 | 47,803 | 20.1% |

The revenue of the Group for the current quarter of RM150.721 million was 8.4% lower than RM164.461 million recorded in the corresponding quarter in the preceding year and was mainly due to lower quantities of products sold. However, the Group's profit before tax increased by 272.3% to RM18.340 million from RM4.926 million and was mainly a result of higher average products selling prices in the current quarter under review.

The Group recorded 8.3% lower revenue of RM603.864 million for the year ended 31 December 2023 as compared to RM658.702 million recorded for the same period last year on lower quantities of products sold. Meanwhile, profit before tax for the year ended 31 December 2023 increased by 20.1% to RM57.422 million from RM47.803 million recorded for the same period last year and was mainly a result of higher average products selling prices.

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-23 RM'000 | 3rd Quarter Ended 30-Sep-23 RM'000 | Variance % |
|------------------------|---|---|---------------|
| Revenue | 150,721 | 152,352 | -1.1% |
| Profit before taxation | 18,341 | 18,752 | -2.2% |

The Group's revenue for the current quarter of RM150.721 million was 1.1% lower as compared to RM152.352 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 RM18.341 million was 2.2% lower than that recorded in the immediate preceding quarter of RM18.752 million and was mainly a result of foreign exchange losses in the current interim quarter under review.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(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 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.

Barring unforeseen circumstances, the Directors anticipate that the Group achieve a satisfactory performance for the financial year 2024.

B4 Forecast of profit after tax

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

B5 Tax expenses

| | Current quarter 31-Dec-23 RM'000 | Cumulative quarter up to 31-Dec-23 RM'000 |
|-----------------------------------|---|--|
| Income tax expense | | |
| - current period | 5,077 | 13,460 |
| - overprovision in the prior year | - | (381) |
| Deferred Taxation | | |
| - current year | (287) | 1,934 |
| - overprovision in the prior year | (235) | (2,746) |
| | <u>4,555</u> | <u>12,267</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 nine months interim period ended 31 December 2023 was lower than the statutory income tax rate and was mainly due to overprovision of deferred taxation in the prior year.

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 22 February 2024 for the current quarter and financial year-to-date.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(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 2023 are as follows:-

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|------------|----------------------|---------------------|-----------------|
| Term Loans | 1,619 | 3,278 | 4,897 |

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 22 February 2024.

B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 22 February 2024.

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-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Interest income | (441) | (162) | (890) | (360) |
| Depreciation of property, plant and equipment | 2,931 | 2,747 | 11,500 | 10,346 |
| Depreciation of right-of-use assets | 513 | 385 | 1,967 | 1,522 |
| Reversal of impairment loss on receivables | - | - | (3) | (13) |
| Realised foreign exchange gain | (662) | (561) | (1,858) | (4,708) |
| Unrealised foreign exchange loss/(gain) | 1,876 | 3,662 | (648) | 1,643 |

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-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| Net profit (RM'000) | 13,786 | 3,484 | 45,155 | 35,094 |
| Weighted average number of ordinary shares in issue ('000) | 489,000 | 489,000 | 489,000 | 489,558 |
| EPS (sen) - Basic and Diluted | 2.82 | 0.71 | 9.23 | 7.17 |