

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 30 September 2024

(The figures have not been audited)

	3 months ended 30 September		Cumulative quarter ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	142,078	152,352	430,751	453,143
Cost of sales	(116,980)	(123,402)	(353,423)	(384,808)
Gross Profit	<u>25,098</u>	<u>28,950</u>	<u>77,328</u>	<u>68,335</u>
Other income	1,765	694	2,867	4,315
Other operating expenses	(19,258)	(10,812)	(41,436)	(33,189)
Profit from Operations	<u>7,605</u>	<u>18,832</u>	<u>38,759</u>	<u>39,461</u>
Finance costs	(46)	(80)	(152)	(380)
Profit before Tax	<u>7,559</u>	<u>18,752</u>	<u>38,607</u>	<u>39,081</u>
Income tax	(2,318)	(3,597)	(8,630)	(7,712)
Profit net of tax	<u>5,241</u>	<u>15,155</u>	<u>29,977</u>	<u>31,369</u>
Total other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	<u><u>5,241</u></u>	<u><u>15,155</u></u>	<u><u>29,977</u></u>	<u><u>31,369</u></u>
Profit for the period attributable to:				
Owners of the parent	5,241	15,155	29,977	31,369
Non-controlling interest	-	-	-	-
	<u><u>5,241</u></u>	<u><u>15,155</u></u>	<u><u>29,977</u></u>	<u><u>31,369</u></u>
Total comprehensive income attributable to:				
Owners of the parent	5,241	15,155	29,977	31,369
Non-controlling interest	-	-	-	-
	<u><u>5,241</u></u>	<u><u>15,155</u></u>	<u><u>29,977</u></u>	<u><u>31,369</u></u>
Basic Earnings per Share (sen)	<u>1.07</u>	<u>3.10</u>	<u>6.13</u>	<u>6.41</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 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 30 September 2024 (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 2023	149,087	(2,151)	273,171	420,107
Net Profit for the period	-	-	31,369	31,369
At 30 September 2023	<u>149,087</u>	<u>(2,151)</u>	<u>304,540</u>	<u>451,476</u>
At 1 January 2024	149,087	(2,151)	303,656	450,592
Net Profit for the period	-	-	29,977	29,977
Transactions with owners				
Dividends	-	-	(9,780)	(9,780)
At 30 September 2024	<u>149,087</u>	<u>(2,151)</u>	<u>323,853</u>	<u>470,789</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 2023 and the accompanying explanatory notes attached to the interim financial statements)

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Condensed Consolidated Statement of Financial Position

As at 30 September 2024

(The figures have not been audited)

	As at 30-Sep-24 RM'000	As at 31-Dec-23 RM'000
Non-current Assets		
Property, plant & equipment	174,962	176,071
Right-of-use assets	64,482	66,005
Total Non-current Assets	239,444	242,076
Current Assets		
Inventories	101,568	79,964
Trade and other receivables	115,280	129,911
Current tax assets	18	17
Cash and bank balances	66,503	53,696
Total Current Assets	283,369	263,588
TOTAL ASSETS	522,813	505,664
EQUITY AND LIABILITIES		
Share capital	149,087	149,087
Reserves	321,702	301,505
Total Equity	470,789	450,592
Non-current Liabilities		
Borrowings	1,935	3,277
Deferred tax liabilities	17,120	19,411
Total Non-current Liabilities	19,055	22,688

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Condensed Consolidated Statement of Financial Position

As at 30 September 2024

(The figures have not been audited)

	As at 30-Sep-24 RM'000	As at 31-Dec-23 RM'000
Current Liabilities		
Trade and other payables	23,549	24,332
Borrowings	1,752	1,619
Income tax liabilities	7,668	6,433
Total Current Liabilities	32,969	32,384
TOTAL LIABILITIES	52,024	55,072
TOTAL EQUITY AND LIABILITIES	522,813	505,664
Net assets value per share (sen)	96.28	92.15

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 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 30 September 2024 (The figures have not been audited)

	Year-To-Date 30-Sep-24 (RM'000)	Year-To-Date 30-Sep-23 (RM'000)
Cash flows from operating activities		
Profit before taxation	38,607	39,081
Adjustments for:		
Depreciation of property, plant and equipment	8,836	8,569
Depreciation of right-of-use assets	1,540	1,453
Interest expense	152	380
Interest income	(1,433)	(449)
Loss on disposal of property, plant and equipment	-	6
Property, plant and equipment written off	132	4
Reversal of impairment loss on receivables	-	(3)
Net unrealised foreign exchange gain	3,403	(2,524)
Operating profit before working capital changes	51,237	46,517
Working capital changes:		
Inventories	(21,604)	20,154
Trade and other receivables	11,145	19,849
Trade and other payables	(783)	(21,222)
Cash generated from operations	39,995	65,298
Tax paid	(9,687)	(3,030)
Net cash generated from operating activities	30,308	62,268
Cash flows from investing activities		
Additions of right-of-use assets	(16)	(5,250)
Interest received	1,434	449
Purchase of property, plant and equipment	(7,860)	(10,049)
Net cash used in investing activities	(6,442)	(14,850)

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Condensed Consolidated Statement of Cash Flow For the Quarter Ended 30 September 2024 (The figures have not been audited)

	Year-To-Date 30-Sep-24	Year-To-Date 30-Sep-23
	(RM'000)	(RM'000)
Cash flows from financing activities		
Dividends paid	(9,780)	-
Interest paid	(152)	(380)
Net repayment of bankers acceptances	-	(13,792)
Repayment of term loans	(1,209)	(1,164)
Net cash used in financing activities	<u>(11,141)</u>	<u>(15,336)</u>
Net increase in cash and cash equivalents	12,725	32,082
Effect of exchange rate changes on cash and cash equivalents	82	58
Cash and cash equivalents at beginning of year	53,696	21,006
Cash and cash equivalents at end of the period	<u>66,503</u>	<u>53,146</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (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 2023.

The accounting policies are consistent with the recent audited financial statements for the year ended 31 December 2023.

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 2023.

A2 Audit report of the preceding annual financial statements

The audited financial statements of the Group for the year ended 31 December 2023 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 30 SEPTEMBER 2024 (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 first interim single tier dividend of 1.0 sen per ordinary share amounting to RM4.890 million for financial year ending 31 December 2024 was paid on 21 June 2024. (2023: Nil)

The second interim single tier dividend of 1.0 sen per ordinary share amounting to RM4.890 million for financial year ending 31 December 2024 was paid on 24 September 2024. (2023: Nil)

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	233,010	54%
Singapore	45,487	11%
Other countries	152,254	35%
	<u>430,751</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 30 SEPTEMBER 2024

(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 30 September 2024 :

	3 months ended		Cumulative quarter ended	
	2024	2023	2024	2023
	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)	243	323	684	704

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 30 September 2024 is RM3.687 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 RM11.886 million.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements

B1 Review of Performance

	3rd Quarter Ended 30-Sep-24 RM'000	3rd Quarter Ended 30-Sep-23 RM'000	Variance %	Year to date Ended 30-Sep-24 RM'000	Year to date Ended 30-Sep-23 RM'000	Variance %
Revenue	142,078	152,352	-6.7%	430,751	453,143	-4.9%
Profit before Tax	7,559	18,752	-59.7%	38,607	39,081	-1.2%

The revenue of the Group for the current quarter of RM142.078 million was 6.7% lower than RM152.352 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 decreased by 59.7% to RM7.559 million from RM18.752 million and was mainly a result of foreign exchange losses in the current quarter under review.

The Group recorded 4.9% lower revenue of RM430.751 million for the nine months ended 30 September 2024 as compared to RM453.143 million recorded for the same period last year on lower quantities of products sold. Meanwhile, profit before tax for the nine months ended 30 September 2024 decreased by 1.2% to RM38.607 million from RM39.081 million recorded for the same period last year and was mainly a result of foreign exchange losses.

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:-

	3rd Quarter Ended 30-Sep-24 RM'000	2nd Quarter Ended 30-Jun-24 RM'000	Variance %
Revenue	142,078	139,916	1.5%
Profit before taxation	7,559	16,359	-53.8%

The Group's revenue for the current quarter of RM142.078 million was 1.5% higher as compared to RM139.916 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 RM7.559 million was 53.8% lower than that recorded in the immediate preceding quarter of RM16.359 million and was mainly a result of foreign exchange losses in the current quarter under review.

B3 Prospects

The Group remained focus on efficiency initiatives through economies of scale, cost optimization and efforts to increase productivity and deliver good quality products.

The Group is still continuing with expansion plans for lands acquired in the vicinity of existing factories and is optimistic that its plans would contribute positively to the Group going forward.

This is despite the Group continues to face challenges, mainly from the increase of volatility in raw materials costs stemming from the ongoing geopolitical events and uncertain global economic landscape.

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

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(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements

B4 Forecast of profit after tax

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

B5 Tax expenses

	Current quarter 30-Sep-24 RM'000	Cumulative quarter up to 30-Sep-24 RM'000
Income tax expense		
- current period	3,250	11,357
- overprovision of tax in the prior year	(436)	(436)
Deferred Taxation		
- current year	(1,022)	(868)
- overprovision in the prior year	526	(1,423)
	<u>2,318</u>	<u>8,630</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 under review was higher than the statutory income tax rate and was mainly due to certain expenses not allowable for tax deduction. Meanwhile, the effective tax rate for the nine months ended 30 September 2024 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 21 November 2024 for the current quarter and financial year-to-date.

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Additional Information Required By The Bursa Malaysia Listing Requirements

B9 Group borrowings and debt securities

The total Group secured borrowings as at 30 September 2024 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Term Loans	1,752	1,935	3,687

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 21 November 2024.

B11 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 21 November 2024.

B12 Dividend

On 21 November 2024, the Board of Directors declared a third interim single tier dividend of 0.8 sen per ordinary share amounting to RM3.912 million in respect of financial year ending 31 December 2024. (2023: 3.0 sen)

The entitlement date for the dividend is fixed on 6 December 2024 and payment will be made on 24 December 2024.

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	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Interest income	(511)	(277)	(1,433)	(449)
Depreciation of property, plant and equipment	2,959	2,893	8,836	8,569
Depreciation of right-of-use assets	513	512	1,540	1,453
Reversal of impairment loss on receivables	-	(3)	-	(3)
Realised foreign exchange loss/(gain)	4,206	(1,196)	3,666	(1,196)
Unrealised foreign exchange loss/(gain)	4,605	837	3,403	(2,524)

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	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Net profit (RM'000)	5,241	15,155	29,977	31,369
Weighted average number of ordinary shares in issue ('000)	489,000	489,000	489,000	489,000
EPS (sen) - Basic and Diluted	1.07	3.10	6.13	6.41