

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Comprehensive Income  
For the Quarter Ended 31 March 2016  
(The figures have not been audited)**

	3 months ended 31 March		Cumulative quarter ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	107,568	74,593	107,568	74,593
Cost of sales	(86,093)	(61,923)	(86,093)	(61,923)
<b>Gross Profit</b>	<b>21,475</b>	<b>12,670</b>	<b>21,475</b>	<b>12,670</b>
Other income	26	974	26	974
Other operating expenses	(10,862)	(5,899)	(10,862)	(5,899)
Share of results of a jointly controlled entity	(1,013)	(1,612)	(1,013)	(1,612)
<b>Profit from Operations</b>	<b>9,626</b>	<b>6,133</b>	<b>9,626</b>	<b>6,133</b>
Finance costs	(342)	(201)	(342)	(201)
<b>Profit before Tax</b>	<b>9,284</b>	<b>5,932</b>	<b>9,284</b>	<b>5,932</b>
Income tax	(2,592)	(2,417)	(2,592)	(2,417)
<b>Profit net of tax</b>	<b>6,692</b>	<b>3,515</b>	<b>6,692</b>	<b>3,515</b>
Other comprehensive income: Foreign currency translation	(1,152)	213	(1,152)	213
<b>Total comprehensive income for the year</b>	<b>5,540</b>	<b>3,728</b>	<b>5,540</b>	<b>3,728</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	6,692	3,515	6,692	3,515
Non-controlling interest	-	-	-	-
	<b>6,692</b>	<b>3,515</b>	<b>6,692</b>	<b>3,515</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	5,540	3,728	5,540	3,728
Non-controlling interest	-	-	-	-
	<b>5,540</b>	<b>3,728</b>	<b>5,540</b>	<b>3,728</b>
<b>Basic Earnings per Share (sen)</b>	<b>1.70</b>	<b>0.89</b>	<b>1.70</b>	<b>0.89</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 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 March 2016**  
(The figures have not been audited)

	Share Capital Nominal value (RM'000)	Non-distributable Reserve		Non-distributable Share premium (RM'000)	Distributable Retained earnings (RM'000)	Total reserves (RM'000)	Grand total (RM'000)
		Foreign currency translation reserve (RM'000)	Share premium (RM'000)				
<b>At 1 January 2015</b>	78,720	1,709	70,367	81,029	153,105	231,825	
Total comprehensive income	-	213	-	3,515	3,728	3,728	
<b>At 31 March 2015</b>	<u>78,720</u>	<u>1,922</u>	<u>70,367</u>	<u>84,544</u>	<u>156,833</u>	<u>235,553</u>	
<b>At 1 January 2016</b>	78,720	3,483	70,367	95,601	169,451	248,171	
Total comprehensive income	-	(1,152)	-	6,692	5,540	5,540	
<b>At 31 March 2016</b>	<u>78,720</u>	<u>2,331</u>	<u>70,367</u>	<u>102,293</u>	<u>174,991</u>	<u>253,711</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 2015 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 March 2016

(The figures have not been audited)

	As at 31-Mar-16 RM'000	As at 31-Dec-15 RM'000
<b>Non-current Assets</b>		
Property, plant & equipment	139,727	136,388
Land use rights	7,754	5,622
Investment in a jointly controlled entity	11,057	13,221
	<u>158,538</u>	<u>155,231</u>
<b>Current Assets</b>		
Inventories	41,327	61,675
Trade and other receivables	103,250	89,405
Tax recoverable	64	55
Cash and bank balances	4,671	12,753
	<u>149,312</u>	<u>163,888</u>
<b>TOTAL ASSETS</b>	<u>307,850</u>	<u>319,119</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	78,720	78,720
Reserves	174,991	169,451
<b>Total equity</b>	<u>253,711</u>	<u>248,171</u>
<b>Non-current Liabilities</b>		
Borrowings	6,256	7,688
Deferred tax liabilities	13,861	14,406
	<u>20,117</u>	<u>22,094</u>

# THREE-A RESOURCES BERHAD (481559-M)

(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position

As at 31 March 2016

(The figures have not been audited)

	As at 31-Mar-16 RM'000	As at 31-Dec-15 RM'000
<b>Current Liabilities</b>		
Trade and other payables	13,335	12,075
Dividend payable	-	5,510
Borrowings	15,984	27,882
Current tax liabilities	4,703	3,387
	34,022	48,854
<b>TOTAL LIABILITIES</b>	54,139	70,948
<b>TOTAL EQUITY AND LIABILITIES</b>	307,850	319,119
Net assets value per share (sen)	64.46	63.05

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 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 March 2016**  
**(The figures have not been audited)**

	<b>Year-To-Date 31-Mar-16 (RM'000)</b>	<b>Year-To-Date 31-Mar-15 (RM'000)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	9,284	5,932
Adjustments for:		
Amortisation of land use rights	119	92
Depreciation of property, plant and equipment	1,690	1,689
Unrealised foreign exchange (gain)/loss	3,310	(17)
Interest expense	342	201
Interest income	-	(25)
Loss on disposal of Property, Plant and Equipment	-	1
Share of results of joint venture	1,013	1,612
Operating profit before working capital changes	15,758	9,485
Working capital changes:		
Inventories	20,348	1,301
Trade and other receivables	(16,129)	12,208
Trade and other payables	1,259	(11,743)
Cash generated from operations	21,236	11,251
Income tax paid	(1,829)	(1,391)
<b>Net cash generated from operating activities</b>	19,407	9,860
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,029)	(3,648)
Acquisition of prepaid lease payment for land	(2,251)	-
Proceeds from disposal of Property, Plant and Equipment	-	4
Interest received	-	25
<b>Net cash used in investing activities</b>	(7,280)	(3,619)

**THREE-A RESOURCES BERHAD (481559-M)**  
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**Condensed Consolidated Statement of Cash Flow**  
**For the Quarter Ended 31 March 2016**  
(The figures have not been audited)

	<b>Year-To-Date 31-Mar-16 (RM'000)</b>	<b>Year-To-Date 31-Mar-15 (RM'000)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(5,510)	(5,510)
Interest paid	(342)	(201)
Net repayment of bankers acceptances	(12,875)	-
Net repayments of term loans	(287)	(633)
Net repayments of hire purchase obligations	(168)	(264)
<b>Net cash used in financing activities</b>	<u>(19,182)</u>	<u>(6,608)</u>
Net decrease in cash and cash equivalents	(7,055)	(367)
Effect of exchange rate changes on cash and cash equivalents	(1,027)	16
Cash and cash equivalents at beginning of year	12,753	17,058
Cash and cash equivalents at end of the period	<u>4,671</u>	<u>16,707</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**  
(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 Paragraph 9.22 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 2015.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting period beginning on or after 1 January 2016. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

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 2015.

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

The audited financial statements of the Group for the year ended 31 December 2015 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 dividend of 7% tax exempt in respect of financial year ended 31 December 2015 amounting to RM5.510 million was paid on 8 January 2016. (2014 : 7%)

**THREE-A RESOURCES BERHAD (481559-M)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(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	73,739
Singapore	6,248
Other countries	27,581
	<u>107,568</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.

**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 2016 and 31 March 2015:

	<b>3 months ended</b>		<b>Cumulative quarter ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	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)	<u>188</u>	<u>261</u>	<u>188</u>	<u>261</u>
Three-A (Qinhuangdao) Food Industries Co., Ltd (A company in which the Group has significant influence)	<u>(176)</u>	<u>381</u>	<u>(176)</u>	<u>381</u>

**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.

**THREE-A RESOURCES BERHAD (481559-M)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
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(The figures have not been audited)

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

**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 as at 31 March 2016 is RM20.409 million.

**A14 Capital Commitment**

The approved and contracted for commitment for the purchase of property, plant and equipment as at end of the current interim period is RM14.343 million.

**THREE-A RESOURCES BERHAD (481559-M)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(The figures have not been audited)

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

**B1 Review of Performance**

The revenue of the Group for the current quarter of RM107.568 million is 44.2% higher than RM74.593 million recorded in the corresponding quarter in the preceding year as a result of higher sales of the Group's products.

The Group's profit before taxation increased by 56.5% or from RM5.932 million to RM9.284 million is mainly a result of higher turnover and lower share of losses of a jointly controlled entity for the current quarter under review as compared to the preceding year corresponding quarter.

**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:-

	Current quarter (01. 01. 16 to 31. 03. 16) RM'000	Previous quarter (01. 10. 15 to 31. 12. 15) RM'000
Revenue	<u>107,568</u>	<u>93,924</u>
Profit before taxation	<u>9,284</u>	<u>4,341</u>

The Group's revenue for the current quarter of RM107.568 million is 14.5% higher as compared to RM93.924 million recorded in the immediate preceding quarter mainly due to higher sales of the Group's products.

Meanwhile, the profit before taxation for the current quarter of RM9.284 million is 113.9% higher than that recorded in the immediate preceding quarter of RM4.341 million, mainly a result of higher revenue and lower share of losses of a jointly controlled entity for the current quarter.

**B3 Prospects**

The Group's products are expected to remain competitive. Barring unforeseen circumstances, the Directors anticipate that the Group to achieve a satisfactory performance for the financial year 2016.

**B4 Forecast of profit after tax**

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

**THREE-A RESOURCES BERHAD (481559-M)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

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

**B5 Tax expenses**

	Current quarter 31-Mar-16 RM'000	Cumulative quarter up to 31-Mar-16 RM'000
Income tax expense - current	3,137	3,137
Deferred Taxation - recognised in income statement	(545)	(545)
	<u>2,592</u>	<u>2,592</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 both the current interim period and financial year-to-date are higher than the statutory income tax rate, mainly due to expenses not allowable for tax deduction.

**B6 Unquoted investments and/or properties**

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

The Group has 50% (2015:50%) equity interest in a jointly-controlled entity, Three-A (Qinhuangdao) Food Industries Co. Ltd that is held through a subsidiary. This joint venture is incorporated in the People's Republic of China on 9 August 2010 and is in the business of manufacturing, processing, and trading of Hydrolyzed Vegetable Protein (HVP) (in Liquid and Powder form) and all related by-products.

The Group recognises its interest in joint venture using the equity method. Under the equity method, the investment in joint venture is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture.

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired.

**THREE-A RESOURCES BERHAD (481559-M)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(The figures have not been audited)

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

	Group 31-Mar-16 RM'000
Unquoted shares, at cost	29,277
Share of post-acquisition results	(20,551)
	<u>8,726</u>
Exchange differences	2,331
	<u>11,057</u>

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

	Group 31-Mar-16 RM'000
<b>Assets and liabilities:</b>	
Current assets	4,443
Non-current assets	28,862
Total assets	<u>33,305</u>
Current liabilities	22,248
Non-current liabilities	-
Total liabilities	<u>22,248</u>
<b>Income and expenses for the period ended</b>	
Income	1,416
Expenses	(2,429)

**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.

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(The figures have not been audited)

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

**B8 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 5 May 2016 for the current quarter and financial year-to-date.

**B9 Group borrowings and debt securities**

The total Group secured borrowings as at 31 March 2016 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Bankers' Acceptance	13,198	-	13,198
Term Loans	2,174	5,037	7,211
Hire Purchase Creditors	612	1,219	1,831
Total	<u>15,984</u>	<u>6,256</u>	<u>22,240</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 5 May 2016.

**B11 Changes in material litigation**

There was no material litigation pending for the current financial period to-date and up to 5 May 2016.

**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.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(The figures have not been audited)

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

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

	As at 31-Mar-16 RM'000	As at 31-Dec-15 RM'000
Total retained profits of Three-A Resources Berhad and its subsidiaries:		
- Realised	124,216	113,413
- Unrealised	10,551	13,650
	134,767	127,063
Total share of retained earnings from a jointly controlled entity:		
- Realised	(20,551)	(19,539)
- Unrealised	-	-
	114,216	107,524
Less: Consolidation adjustments	(11,923)	(11,923)
Total group retained profits as per consolidated accounts	102,293	95,601

**B15 Additional disclosures**

For the quarter and cumulative period ended 31 March 2016:

(RM'000)	Current Period		Cumulative Period	
	2016	2015	2016	2015
Interest income	-	(25)	-	(25)
Depreciation and amortisation	1,809	1,781	1,809	1,781
Realised foreign exchange loss/(gain)	706	(893)	706	(893)
Unrealised foreign exchange loss/(gain)	3,310	(17)	3,310	(17)

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED  
31 MARCH 2016**

(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 Quarter		Cumulative Quarter	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Net profit (RM'000)	6,692	3,515	6,692	3,515
Weighted average number of ordinary shares in issue ('000)	393,600	393,600	393,600	393,600
EPS (sen) - Basic	1.70	0.89	1.70	0.89
- Diluted				