



THREE-A RESOURCES BERHAD

199901006659 (481559-M)

MINUTES OF THE 19TH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING FACILITIES WITH THE MAIN VENUE AT BOARDROOM SHARE REGISTRARS SDN BHD AT 12TH FLOOR, MENARA SYMPHONY NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELAGOR DARUL EHSAN, MALAYSIA VIA ONLINE MEETING PLATFORM AT [HTTPS://WEB.LUMIAGM.COM](https://web.lumiagm.com) (“ONLINE MEETING PLATFORM”) ON MONDAY, 21 JUNE 2021 AT 10.00 A.M.

Present via Online Meeting Platform

Dato' Jagjit Singh a/l Bant Singh	<i>(Independent Non-Executive Chairman)</i>
Mr Fong Chu King @ Tong Chu King	<i>(Managing Director)</i>
Mr Liew Kuo Shin	<i>(Non-Independent Executive Director)</i>
Ms Fang Siew Ping	<i>(Non-Independent Executive Director)</i>
Encik Mohd Zaki Bin Hamzah	<i>(Independent Non-Executive Director)</i>
Mr Khoo Wee Boon	<i>(Independent Non-Executive Director)</i>
Mr Kee Thuan Chai	<i>(Non-Independent Non-Executive Director)</i>
Ms Lim Yee Mein	<i>(Non-Independent Non-Executive Director)</i>
Ms Yap Sit Lee	<i>(Company Secretary)</i>
Mr Ho Kok Khiaw	<i>(Representative of BDO PLT, External Auditors)</i>

Absent with apologies

Mr Chew Eng Chai	<i>(Independent Non-Executive Director)</i>
Mr Tan Chon Sing @ Tan Kim Tieng	<i>(Independent Non-Executive Director)</i>

Attendance of Members/ Proxies/Corporate Representatives:

The attendance of members/corporate representatives/proxies who participated through the Remote Participation and Electronic Voting facilities (“RPEV”) via the Online Meeting Platform is as per the Summary of Attendance List.

1. CHAIRMAN

On behalf of the Board of Directors, the Chairman of the Company, Dato' Jagjit Singh a/l Bant Singh, welcomed all members, proxies and attendees who joined the Nineteenth Annual General Meeting (“19th AGM”) of the Company remotely from various locations, to the 19th AGM.

The Chairman informed that the 19th AGM was being conducted fully virtual using the LUMI AGM online meeting platform in accordance with the revised Guidance Notes on the conduct of General Meetings for Listed Issuers issued by the Securities Commission effective on 1 June 2021.

The Chairman then introduced the other members of the Board, the Secretary and the External Auditors of the Company to the meeting.

The Chairman further informed that Mr Chew Eng Chai and Mr Tan Chon Sing @ Tan Kim Tieng, two of the Independent Non-Executive Directors of the Company, had conveyed their apologies for not being able to attend the 19th AGM due to personal reasons.

2. QUORUM

The Chairman advised that the Constitution of the Company required the presence of at least two members or proxies or corporate representatives to form a quorum and as the 19th AGM was being conducted fully virtually, the quorum for the meeting would be determined by the number of

members who logged-in at the start of the meeting. He then informed that there was a requisite quorum pursuant to the Company's Constitution and he called the meeting to order at 10.04 a.m.

3. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company and Bursa Malaysia Securities Berhad within the prescribed period and published in The New Straits Times on 30 April 2021, was taken as read.

Before proceeding with the business of the 19th AGM, the Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll and at least one scrutineer must be appointed to validate the votes cast at the general meeting. In view thereof, the Chairman declared that all resolutions in the Notice of the 19th AGM would be voted by poll. The polling process would be conducted after all items on the agenda had been dealt with.

The Chairman briefed the meeting on the flow of the 19th AGM as follows:-

- (a) The meeting would first go through all the 13 Ordinary Resolutions as set out in the Notice of the 19th AGM; and
- (b) Questions and Answers ("**Q&A**") session whereby the Board would address the questions submitted by the members electronically in advance of the 19th AGM, if any, and also the questions posed by the members at the AGM via real time submission of typed texts via the Messaging icon.

He informed that all the resolutions would be put to vote remotely using the RPEV. He added that the online remote voting was accessible from the start of the meeting until such time to be announced later.

The Chairman further informed that the Company had appointed Boardroom, Share Registrars Sdn. Bhd. ("**Boardroom**") as the Poll Administrator and Boardroom Corporate Services Sdn. Bhd. as the Independent Scrutineer for the meeting.

As a reminder, the Chairman informed that attendance at the 19th AGM was restricted strictly to members, proxies and authorised representatives of corporate members who had registered to participate in the meeting remotely and that any recording of the meeting was strictly prohibited unless written consent had been obtained before the meeting.

[The remote voting procedures was displayed on the video conference's screen for the shareholders' information.]

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the Audited Financial Statements For The Financial Year Ended 31 December 2020 ("**AFS 2020**"), together with the Directors' and Auditors' Reports, was meant for discussion only as the Companies Act 2016 did not require a formal approval of the members for the AFS 2020. Therefore, the item was not put forward for voting.

The Chairman further informed the members that they could raise any questions on the AFS 2020 and the reports of the Directors and Auditors by typing their questions on the Messaging icon and the Board would address the questions during the Q&A session later.

The Chairman declared that the AFS 2020, together with the Reports of the Directors' and Auditors' thereon, were received and noted by the meeting.

5. RESOLUTION 1: PAYMENT OF DIRECTORS' FEES OF RM499,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Chairman proceeded to the second item on the agenda, i.e. Resolution 1 on the payment of Directors' fees of RM499,000 for the financial year ended 31 December 2020. He put the following motion to the meeting for consideration:-

"THAT the payment of Directors' fees of RM499,000 for the financial year ended 31 December 2020 be approved."

The Chairman informed the members that they could raise their questions on Resolutions 1 by typing the questions on the Messaging icon. The Board would address the questions during the Q&A session later.

6. RESOLUTION 2: RE-ELECTION OF ENCIK MOHD ZAKI BIN HAMZAH WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

The Chairman moved on to the next item on the agenda, i.e. Resolution 2, which was on the re-election of Encik Mohd Zaki Bin Hamzah.

The Chairman put the following motion to the meeting for consideration:

"THAT Encik Mohd Zaki Bin Hamzah, who retires pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

7. RESOLUTION 3: RE-ELECTION OF MR CHEW ENG CHAI WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

The Chairman moved on to the next item on the agenda, i.e. Resolution 3, which was on the re-election of Mr Chew Eng Chai.

The Chairman put the following motion to the meeting for consideration:-

"THAT Mr Chew Eng Chai, who retires pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

8. RESOLUTION 4: RE-ELECTION OF MR KHOO WEE BOON WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

The Chairman proceeded to the next item on the agenda, which was on the re-election of Mr Khoo Wee Boon.

The Chairman put the following motion to the meeting for consideration:-

"THAT Mr Khoo Wee Boon, who retires pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

9. RESOLUTION 5: RE-ELECTION OF MR KEE THUAN CHAI WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The next item on the agenda, i.e. Resolution 5, was on the re-election of Mr Kee Thuan Chai.

The Chairman put the following motion to the meeting for consideration:-

"THAT Mr Kee Thuan Chai, who retires pursuant to Clause 78 of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

10. RESOLUTION 6: RE-ELECTION OF MS LIM YEE MEIN WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The Chairman moved on to the next item on the agenda, i.e. Resolution 6, which was on the re-election of Ms Lim Yee Mein.

The Chairman put the following motion to the meeting for consideration:-

"THAT Ms Lim Yee Mein, who retires pursuant to Clause 78 of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

The Chairman informed the members that they could raise their questions on Resolutions 2 to 6 by typing the questions on the Messaging icon. The Board would address the questions during the Q&A session later.

11. RESOLUTION 7: RE-APPOINTMENT OF MESSRS BDO PLT AS AUDITORS OF THE COMPANY

The next item on the agenda was on the re-appointment of Auditors.

The Chairman informed the meeting that the Company's External Auditors, Messrs BDO PLT, had expressed their willingness to continue in office.

The Chairman put the following motion to the meeting for consideration:-

"THAT Messrs BDO PLT be hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting."

The Chairman informed the members that they could raise any questions on Resolution 7 by typing the questions on the Messaging icon. The Board would address the questions during the Q&A session later.

12. RESOLUTION 8: AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The Chairman proceeded to the next item on the agenda, i.e. Resolution 8, which was on the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

The full text of the Resolution 8 was taken as read.

The Chairman put the following motion to the meeting for consideration:-

*"THAT subject always to the Companies Act, 2016 ("**the Act**"), the Constitution of the Company, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirement ("**Listing Requirements**") and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and THAT the Directors be and are hereby also authorised to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities; AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."*

The Chairman informed the members that they could raise any questions on Resolution 8 by typing the questions on the Messaging icon. The Board would address the questions during the Q&A session later.

13. RESOLUTION 9: PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The next item on the agenda, i.e. Resolution 9, was on the proposed renewal of shareholders' mandate for the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares.

The full text of the Resolution 9 was taken as read.

The Chairman put the following motion to the meeting for consideration:-

*"THAT subject always to the Companies Act 2016 (**"the Act"**), the Constitution of the Company, Bursa Malaysia Securities Berhad (**"Bursa Securities"**) Main Market Listing Requirements (**"Listing Requirements"**) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-*

- (i) the aggregate number of issued shares in the Company (**"Shares"**) purchased (**"Purchased Shares"**) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and*
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,*

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (a) The conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;*
- (b) The expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or*
- (c) Revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,*

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- i. To cancel all or part of the Purchased Shares;*
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;*
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;*
- iv. To resell all or part of the treasury shares;*

- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

The Chairman informed the members that they could raise any questions on Resolution 9 by typing them on the Messaging icon. The Board would address the questions during the Q&A session later.

14. RESOLUTION 10: CONTINUATION IN OFFICE AS AN INDEPENDENT DIRECTOR – ENCIK MOHD ZAKI BIN HAMZAH

The Chairman informed that the next four (4) Ordinary Resolutions were to seek shareholders' approval for the Company's Independent Directors i.e. Encik Mohd Zaki Bin Hamzah, Mr. Tan Chon Sing @ Tan Kim Tieng, Mr. Chew Eng Chai and Mr. Khoo Wee Boon, to continue to act as Independent Directors of the Company.

The Chairman further informed that pursuant to the Malaysian Code on Corporate Governance, the Company would seek shareholders' approval through a two-tier voting process for Resolutions 10 to 13 to retain the independent directors who had served the Company for more than 12 years.

The Chairman put the following motion to the meeting for consideration:-

"THAT subject to the passing of Resolution 2 above, approval be and is hereby given to Encik Mohd Zaki bin Hamzah, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company."

15. RESOLUTION 11: CONTINUATION IN OFFICE AS AN INDEPENDENT DIRECTOR – MR TAN CHON SING @ TAN KIM TIENG

The Chairman put the following motion to the meeting for consideration:-

"THAT approval be and is hereby given to Mr Tan Chon Sing @ Tan Kim Tieng, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company."

16. RESOLUTION 12: CONTINUATION IN OFFICE AS AN INDEPENDENT DIRECTOR – MR CHEW ENG CHAI

The Chairman put the following motion to the meeting for consideration:-

"THAT subject to the passing of Resolution 3 above, approval be and is hereby given to Mr Chew Eng Chai, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company."

17. RESOLUTION 13: CONTINUATION IN OFFICE AS AN INDEPENDENT DIRECTOR – MR KHOO WEE BOON

The Chairman put the following motion to the meeting for consideration:-

“THAT subject to the passing of Resolution 4 above, approval be and is hereby given to Mr Khoo Wee Boon, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company.”

The Chairman informed the members that should they could raise any questions on Resolutions 10 to 13 by typing the questions on the Messaging icon. The Board would address the questions during the Q&A session later.

18. ANY OTHER BUSINESS

The Chairman informed that the Company had not received any notice to deal with any other business for which due notice was required to be given pursuant to Companies Act 2016 and that since all items on the agenda had been dealt with, the meeting would proceed to conduct the Q&A session.

19. QUESTIONS AND ANSWERS SESSION

The Chairman and the Board Members addressed the questions submitted prior and during the 19th AGM by the members.

Questions that could not be addressed during the Q&A session due to time constraint would either be emailed after the 19th AGM or posted on the Company’s website.

The Chairman closed the Q&A session at 10.55 a.m.

The summary of questions from the members/proxies received (Summary of Questions and Answers) and the answers from the Board is attached hereto as “**APPENDIX A**” and shall form part of these minutes.

20. CONDUCT OF POLL

Having dealt with all the items on the agenda, the meeting proceeded to vote on Resolutions 1 to 13 by poll. The Chairman declared the voting session closed and adjourned the meeting at 11.07 a.m. for the counting of votes.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman resumed the meeting at 11.30 a.m. for the declaration of the results of the poll.

21. ANNOUNCEMENT OF POLL RESULTS

Based on the poll results, attached to these minutes as “**APPENDIX B**”, the Chairman declared Resolutions 1 to 13 carried.

22. CLOSURE

The Chairman thanked those present for their participation and closed the meeting at 11.32 a.m.



APPENDIX A

**SUMMARY OF QUESTIONS AND ANSWERS
19TH ANNUAL GENERAL MEETING HELD ON 21 JUNE 2021**

1. Much emphasis has recently been placed on Economic Social Governances (ESG). Has 3A Resources taken any steps to observe the ESG?
2. Due to Covid-19 pandemic has the company carried out any CSR and social activities?

Response

Listed companies are required to have Sustainability Statement in the Annual Report. The Sustainable Statement of the company is found at pages 16 to 20 of the Annual Report of the company. Listed companies are also required to report activities that they undertake in the sustainability matters. The Sustainability Working Committee of the company has quantified initiatives, amongst others, reducing the plastic usage by reconditioning the plastic packaging containers received from suppliers and repackage them with the company's products. The Management is also studying on sustainability activities in relation to conservation of energy by installing solar panel so that the solar is able to generate the energy from sunlight to the company.

The company had contributed and encouraged donations from time to time for the benefit of our front liners. In particular, the Company has donated PPE items to the front-liners of the local community. For the employee's safety and health, the company has provided PPE to relevant employees including facemasks, face shield, hand sanitizers and hand glove to lorry drivers for prevention of the Covid-19.

-
3. Why the Board has not adopted a dividend policy?
 4. Will the Company continue paying dividend in the current financial year?

Response

As the Group is still growing, the Board takes into consideration of the Group's requirements for cash flows for investments to continue to generate returns to our shareholders. Therefore, the Board is of the view that given current developments, now is not the right timing for the Group to adopt a dividend policy.

Based on recent financial performance of the Group, the Board is confident that the Company can continue to pay reasonable amount of dividend to shareholders. The Board is always mindful of the need to strike a balance between allocating adequate funds for operating and investing requirements to earn better returns for shareholders as compared to declaring dividend.

5. Does the Company have intention to issue bonus shares as there is sufficient retained profit?

Response:

The Company does not have intention to issue bonus shares as the Board views that the current number of shares is reflective of the size of the Company now.

6. 3A share price is trading at a low PE ratio, what steps will the Company take to bring the share price closer to its intrinsic value?

Response

Movement of share prices are subject to many market forces including external factors. However, the board always believe in trying our best to deliver good performance and subsequently the share price shall reflect on our achievements.

7. How do you deal with the volatility of raw materials costs?
8. What would be the most critical long-term challenge of 3A and how you address this challenge?
9. Over the past 3 years, our company's revenue has been relatively flat with no growth, what are the main reasons behind this? Thank you.
10. How confident is the company to pass the cost to customers due to the increase of raw material price?

Response

Even though the Group aimed to achieve growth in revenue in the last few financial years, the market conditions were not favourable for the Group in view of volatility of raw materials and competition in the industry. Nevertheless, the Group continues to adopt a dynamic inventory holding policy and to take necessary actions such as construction of warehousing facilities to mitigate the challenges of the raw material price volatility. The Group also takes prompt approach to pass on significant raw materials costs movements to our customers through our products selling prices.

11. What is the shelflife of the tapioca, the major raw materials of the group?

Response

The shelf life of tapioca starch is generally 2 years.

12. Does Covid-19 have any impact on the Company? Is it affected by any positive cases?
13. How does the board of directors expect the prospect of the group in FY2021 in view of the persistence of FMCO/MCO implementation, Covid-19 pandemic and forex volatility in the year?
14. Has Covid 19 pandemic impacted on the Company's employee's safety and health and what are the measures taken by the Company to ensure the health and safety of the employees?

Response

The Group was granted approval from MITI to operate with conditions from the very initial phase of MCO right until now. So far, this pandemic event did not cause severe adverse impact on the Group for financial year 2020. However, we see challenges of volatility in raw materials prices brought about by market uncertainties and competition in our industry now.

The Group has not only continuously practicing and putting into place all Covid-19 SOPs that were issued from time to time by the relevant government authorities but also implemented additional measures in our defense against the threat of Covid-19 as follows:

- The Group established the Covid-19 Policy, Response Team, Pandemic Preparedness and Response Plan with the primary objectives to get the Group to deal with the pandemic. The Covid-19 Risk Assessment was carried out to identify preventive actions and to monitor risks.
 - Work from home schedules were introduced for employees and the Group encouraged virtual meetings.
 - The use of MySejahtera apps was made compulsory for all employees in the Group's premises for contact tracing.
 - Preventive measures were rolled out for all employees that includes
 - physical distancing;
 - the use of medical face masks, face shields and gloves;
 - frequent hand wash, proper ventilation in working spaces and comprehensive quarantine protocols is in place;
 - sanitisation in the workplace takes place regularly.
 - The Group implemented policies whereby those who are unwell and or demonstrate symptoms are required to inform and stay home or seek medication immediately. Any employees with close contact with Covid-19 positive patients immediately practice self-isolation while waiting for instructions from authorities.
 - The Group also strongly encourages employees to register and take Covid-19 vaccine as early as possible. Recently, the Group participated in SELangkah Vaccine and PIKAS programs.
-

15. How many plants/lines do the group have to date? Please disclose how many lines/plants are used for maltodextrin, caramel liquid, caramel powder, HPV, fermented vinegar etc.
16. What is the total capacity per month for every product? Please describe.
17. What is the average utilisation rate of all the plants over the 5 years? Please explain
18. What is the current utilization rate for Maltodextrin Plant No 3? Thank you.

Response

The utilisation rate of the production facilities of the Group are as follows:

<u>Production Plant</u>	<u>No. of Plant</u>	<u>Total Plant Capacity (per month)</u>	<u>Present Utilisation Rate</u>
Caramel Plant	2	8,000 MT	60% - 80%
Glucose Plant	3	21,000 MT	65% - 85%
Maltodextrin Plant	3	5,000 MT	70% - 90%
HVP / SPS Plant	1	1,000 MT	80% - 95%
Vinegar Plant	1	1,000 MT	50% - 70%
Caramel Powder Plant	1	40 MT	80% - 95%

-
19. Please disclose the composition of the revenue by products in 2019 and 2020 which did not disclose in the annual report (maltodextrin, caramel, HVP etc)

Response

Three products namely Caramel, Maltodextrin and Glucose constituted more than 80% of the revenue of the Group for the financial year 2020.

-
20. What do you expect the future growth of the Company in the next few years?
 21. Can the Board tell us about the Group's future capital expenditure plans?
 22. What is the group's growth strategy for the next 5 to 10 years?
 23. Dear sir, what is the future outlook for the company in next 5 years. Thank you.

Response

As the Covid-19 pandemic is still impacting businesses, the Group is cautious with its medium and long-term business plans. Meanwhile, plans on automation as well as upgrading and expansion for certain production plants are still on-going. The Board expects to leverage on our know-how accumulated over more than 4 decades and our agility to serve unique demands of our customers' evolving requirements moving forward to grow our business into the future. The Board is optimistic that the Group will continue to deliver reasonable revenue growth and profitability in the next few years.

24. Good morning Board of Directors. I have 4 questions here.
- i. Has the Group been instructed by Ministry of Health to shut down the operation in 2021 due to spread of covid-19? If yes, how many days have been stopped?
 - ii. The raw materials costs were relatively stable in FY 2020 [AR, page 10]. How is the raw materials costs movement from January to May 2021 compared to last year?
 - iii. What is the planned Capex (PPE & ROU assets) for FY 2021?
 - iv. The annual revenue of the Group has been stagnant around RM 437m since FY 2018. Does the Group has confident to achieve higher revenue in FY 2021?

Response

- i. No, we were not required to shut down from the very beginning of the MCO.
 - ii. We are seeing increased volatility in the raw materials costs in the last few months.
 - iii. The planned and Board approved capex to be spent for financial year 2021 currently is approximately RM21 million.
 - iv. The Board is confident of achieving a reasonable growth in revenue in the financial year 2021.
-

25. The outbreak of the Covid 19 pandemic has affected the overall business and the slowing down of the economy. Some regular customers may have financial difficulty causing drop of sales and delay in payment. Has the company put into place any measures to minimize the losses?
26. For 1Q21, revenue generated from Malaysian segment surged by 31.3% year-on-year and 17.1% on a sequential basis to RM71.3mn. Was the jump in revenue in Malaysian segment in 1Q21 mainly due to local clients sourcing bigger volume from local suppliers, including 3A due to the recent logistic disruption and high freight costs? If not, what were the main reasons for the jump in the quarterly revenue?
27. Is the decent margin recorded in 1Q21 sustainable in the next 3 to 6 months?
28. FY2021 Q1 reported significantly improved results, is it sustainable? Thank you.

Response

As a result of the Covid-19 pandemic, the Group recorded lower revenue contribution from local sales in financial year 2020 arising from weaknesses in the local business environment but was offset by the increase in overseas export revenue. Our Sales and Marketing division continues with its efforts to attract customers with our range of products with exceptional quality and agility in meeting customers' expectations. Simultaneously, the Credit Control division has been monitoring the payment patterns and analysing the financial positions of customers in order for the Group to take appropriate actions to mitigate credit risk.

One of the main reasons of the increase in our local sales in 1Q21 was mainly due to local customers sourcing for more products from 3A as a result of logistical supply chain issues compounded with resulting sudden surge in freight costs. In addition, the increase in quarterly revenue was also attributed by higher contribution from overseas export revenue.

The Board is cautiously confident that the Group can continue with the current financial performance in the coming 6 months.

29. i. The sales generated from Malaysia market has declined from 289 million since 2018 (before COVID) to 226 million in 2020. May I know why sales in Malaysia drops for 2 years consecutively even though before COVID?
- ii. May I know the maltodextrin produced by 3A is mainly used in which F&B applications?
- iii. Why you think potential customers would look for 3A, instead of your competitors?
- iv. What is the retention rate of your customers?
30. What is the market landscape for the food additive industry? What is the strength, weakness, opportunities, and threats of 3A Resources? Thank you

Response

The decline of sales contribution from Malaysia for year 2019 from 2018 was mainly because the Group was facing fierce market competition in the local scene from competitors located overseas. Meanwhile, the Covid-19 pandemic exacerbated the situation in financial year 2020 resulted in further drop in sales from Malaysia while the volatility in raw materials costs continue to present challenges to the Group.

However, the demand for the food and beverage products has started to pick up in the local as well as overseas markets. On the back of more than forty years of experience in the industry, the Group is known in the region to produce products of exceptional quality at competitive prices. Moreover, the Group continues to leverage on our core competency to develop products that meets unique and constantly evolving requirements from customers. Nevertheless, we see challenges of volatility in raw material prices brought about by market uncertainties and competition in our industry.

The main customers of the Group's maltodextrin products consist of manufacturers of dairy / non-dairy products, infant and baby milk formula, premixed drinks, confectionery products, condiments etc.

-
31. Is there any difference in terms of gross profit margin between the products sold? If yes, please disclose the gross profit margin range for every product.

Response

There are differences in terms of gross profit margin between the products sold, however the Board deems the requested information is too sensitive and we are unable to disclose to protect the interests of the Group.

-
32. How much does the company spend on this virtual Agm?

Response

The cost of conducting the 19th Virtual AGM is about RM70,000. This includes the cost of virtual meeting services, remote participation and voting facilities, scrutineer fee, secretarial fee, printing cost, advertisement fee, postage, etc.

33. i. Are Directors attending this virtual AGM being paid meeting allowances?
ii. What is the cost-savings for conducting this virtual AGM compared to last year virtual AGM and also to previous year's physical
iii. Is the Minutes of this AGM going to be uploaded to the corporate website? If yes, please do not include the personal particulars of RPV participants as they would become public domain material in breach of the Data Protection Act. Some cases already detected via Google search.

Response

- i. Independent Non-Executive Directors who attend meetings and make contribution to the performance of the Group are compensated with fees that are subject to shareholder's approval yearly.
ii. The cost of a virtual AGM is significantly less than a physical AGM as it does not involve the cost of AGM venue, meals and logistics arrangement.
iii. The Minutes of Meeting together with the Summary of Questions and Answers will be uploaded to the Company's website within 30 days from the date of AGM. We take note of the non-disclosure of personal particulars of RPV participants.
-

34. i. Kindly list down the top 5 other foreign countries which contributed total revenue of RM168.49m as shown in the Annual Report page 66.
ii. Is recent spike in commodity prices affect production cost of the Group?
iii. What is the current plant's capacity utilization rate?
iv. Which export markets does the Group concentrate the most in the next 3 -5 years?
v. With favourable outlook for maltodextrin product, kindly elaborate the outlook for HVP, caramel and glucose syrup products as some of these expansion plans were put on hold.
vi. Does the Group has any target in growth of revenue in the next 3 - 5 years?
vii. Does the Group face any shortage of foreign worker and what is the mitigation plan?
Thank you.

Response

- i. The top 5 other foreign countries are Indonesia, Philippines, China / Hong Kong, USA and Vietnam.
ii. The volatility of raw material cost continues to present challenges to the Group; however prompt approach will be taken to pass on significant raw materials costs movements to our customers through our products selling prices.
iii. The Board wishes to inform that we have responded to this question earlier.
iv. The Group foresees the export markets will continue to grow in the regions of Asia Pacific and Americas.
v. The Group expects a favourable outlook for HVP and Caramel products and anticipates the demand of these products to increase gradually. Meanwhile, glucose product is expected to be resilient.
vi. The Board is optimistic that the Group will continue to deliver reasonable revenue growth and profitability in the next few years.
vii. At present, the issue of shortage of foreign workers is manageable.
-

35. Why didn't the Company giving E-voucher or E-wallet to the shareholders attending the meeting?
36. I'm a long time shareholder of the company, Since last year virtual Agm, the company had not giving anything for shareholders participated in RPV, I would like to request that the company give Touch n Go e- wallet as a token of appreciation for attending this year virtual Agm, especially during this current difficult period of FMCO. Thank you.
37. Is the company giving any E-wallet /E-gift for the shareholders who attended the virtual AGM? It was gracious of the company to " belanja Makan " after the AGM when it was conducted physically before. Now it is virtual, will the company give the shareholders E-wallet?
38. Good morning. Our Company is doing well. My full support for all the resolutions. Hope for some e vouchers for all loyal shareholders participating today in this RPV.
39. Would the Board re- consider to reward long time shareholder like me, with a small token of e wallet.afterall this is a minimal cost to the company. Thank you
40. My full support for all the 13 resolutions. This is a good Company. Hope for some e vouchers for all of us today.
41. Mr. Chairman, in this difficult Pandemic period, please give Ewallet credits (e.g. Touch&Go) for us loyal minority shareholders voting today. Thank you.
42. Mr. Chairman, we loyal shareholders are taking time & efforts to register, go online & vote for the AGM & would appreciate that the company reward us appropriately with Touch&Go credits or post some food vouchers to us. Thank you.
43. Good morning. My votes are all in favour. Two requests from me.
- i. When uploading the AGM minutes, please do not upload all the personal details of shareholders.
 - ii. Hope for some evouchers for all hard core loyal shareholders voting today. Thank you

Response

It has not been the Company's practice to give out food vouchers or e-wallet to the shareholders who attend our AGM. However, the board takes note of the suggestion.

44. I would like to request a printed hard copy of the company annual report. Thank you.

Response

We have arranged the delivery of the annual report hardcopy to you.



THREE-A RESOURCES BERHAD

199901006659 (481559-M)

APPENDIX B

POLLING RESULTS
19TH ANNUAL GENERAL MEETING HELD ON 21 JUNE 2021

RESOLUTION	Vote FOR			Vote AGAINST		
	NO. OF			NO. OF		
	REC	UNITS	%	REC	UNITS	%
Resolution 1	70	250,599,174	99.9123	21	220,009	0.0877
Resolution 2	78	229,786,751	91.3890	14	21,651,207	8.6110
Resolution 3	84	229,950,651	91.4520	9	21,493,557	8.5480
Resolution 4	84	229,950,651	91.4520	9	21,493,557	8.5480
Resolution 5	86	251,429,701	99.9942	7	14,507	0.0058
Resolution 6	85	251,427,201	99.9932	8	17,007	0.0068
Resolution 7	85	251,429,651	99.9942	8	14,557	0.0058
Resolution 8	71	229,756,774	91.3858	21	21,657,434	8.6142
Resolution 9	83	251,377,549	99.9735	9	66,559	0.0265
Resolution 10 - Tier 1	3	100,850,000	100.0000	0	0	0.0000
Resolution 10 - Tier 2	75	128,990,751	85.6581	14	21,597,207	14.3419
Resolution 11 - Tier 1	3	100,850,000	100.0000	0	0	0.0000
Resolution 11 - Tier 2	78	129,090,901	85.7246	11	21,497,057	14.2754
Resolution 12 - Tier 1	3	100,850,000	100.0000	0	0	0.0000
Resolution 12 - Tier 2	78	129,090,901	85.7246	11	21,497,057	14.2754
Resolution 13 - Tier 1	3	100,850,000	100.0000	0	0	0.0000
Resolution 13 - Tier 2	78	129,090,901	85.7246	11	21,497,057	14.2754