

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 2024

(The figures have not been audited)

	3 months ended 31 December		Cumulative quarter ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	126,365	150,721	557,116	603,864
Cost of sales	(100,954)	(119,211)	(454,377)	(504,019)
Gross Profit	<u>25,411</u>	<u>31,510</u>	<u>102,739</u>	<u>99,845</u>
Other income	2,735	518	5,602	3,620
Other operating expenses	(9,779)	(13,628)	(51,215)	(45,604)
Profit from Operations	<u>18,367</u>	<u>18,400</u>	<u>57,126</u>	<u>57,861</u>
Finance costs	(41)	(59)	(193)	(439)
Profit before Tax	<u>18,326</u>	<u>18,341</u>	<u>56,933</u>	<u>57,422</u>
Income tax	(4,854)	(4,555)	(13,484)	(12,267)
Profit net of tax	<u>13,472</u>	<u>13,786</u>	<u>43,449</u>	<u>45,155</u>
Total other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	<u><u>13,472</u></u>	<u><u>13,786</u></u>	<u><u>43,449</u></u>	<u><u>45,155</u></u>
Profit for the period attributable to:				
Owners of the parent	13,472	13,786	43,449	45,155
Non-controlling interest	-	-	-	-
	<u><u>13,472</u></u>	<u><u>13,786</u></u>	<u><u>43,449</u></u>	<u><u>45,155</u></u>
Total comprehensive income attributable to:				
Owners of the parent	13,472	13,786	43,449	45,155
Non-controlling interest	-	-	-	-
	<u><u>13,472</u></u>	<u><u>13,786</u></u>	<u><u>43,449</u></u>	<u><u>45,155</u></u>
Basic Earnings per Share (sen)	<u><u>2.76</u></u>	<u><u>2.82</u></u>	<u><u>8.89</u></u>	<u><u>9.23</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 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 31 December 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	-	-	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>
At 1 January 2024	149,087	(2,151)	303,656	450,592
Net Profit for the period	-	-	43,449	43,449
Transactions with owners				
Dividends	-	-	(13,692)	(13,692)
Purchase of treasury shares	-	(2,490)	-	(2,490)
At 31 December 2024	<u>149,087</u>	<u>(4,641)</u>	<u>333,413</u>	<u>477,859</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 31 December 2024

(The figures have not been audited)

	As at 31-Dec-24 RM'000	As at 31-Dec-23 RM'000
Non-current Assets		
Property, plant & equipment	176,947	176,071
Right-of-use assets	63,968	66,005
Total Non-current Assets	240,915	242,076
Current Assets		
Inventories	94,066	79,964
Trade and other receivables	115,982	129,911
Current tax assets	14	17
Cash and bank balances	84,283	53,696
Total Current Assets	294,345	263,588
TOTAL ASSETS	535,260	505,664
EQUITY AND LIABILITIES		
Share capital	149,087	149,087
Reserves	328,772	301,505
Total Equity	477,859	450,592
Non-current Liabilities		
Borrowings	1,449	3,277
Deferred tax liabilities	18,604	19,411
Total Non-current Liabilities	20,053	22,688

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Condensed Consolidated Statement of Financial Position

As at 31 December 2024

(The figures have not been audited)

	As at 31-Dec-24 RM'000	As at 31-Dec-23 RM'000
Current Liabilities		
Trade and other payables	29,610	24,332
Borrowings	1,826	1,619
Income tax liabilities	5,912	6,433
Total Current Liabilities	37,348	32,384
TOTAL LIABILITIES	57,401	55,072
TOTAL EQUITY AND LIABILITIES	535,260	505,664
Net assets value per share (sen)	98.32	92.17

(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 31 December 2024 (The figures have not been audited)

	Year-To-Date 31-Dec-24 (RM'000)	Year-To-Date 31-Dec-23 (RM'000)
Cash flows from operating activities		
Profit before taxation	56,933	57,422
Adjustments for:		
Depreciation of property, plant and equipment	11,837	11,500
Depreciation of right-of-use assets	2,053	1,967
Interest expense	193	439
Interest income	(2,087)	(889)
Gain on disposal of property, plant and equipment	(27)	(14)
Property, plant and equipment written off	8	6
Reversal of impairment loss on receivables	-	(3)
Net unrealised foreign exchange gain	(1,614)	(648)
Operating profit before working capital changes	<u>67,296</u>	<u>69,780</u>
Working capital changes:		
Inventories	(14,103)	25,448
Trade and other receivables	15,362	15,568
Trade and other payables	4,110	(22,756)
Cash generated from operations	<u>72,665</u>	<u>88,040</u>
Tax refunded	-	8
Tax paid	(14,809)	(8,569)
Net cash generated from operating activities	<u>57,856</u>	<u>79,479</u>
Cash flows from investing activities		
Interest received	2,087	889
Proceeds from disposal of property, plant and equipment	150	18
Purchase of property, plant and equipment	(11,648)	(11,883)
Additions of right-of-use assets	(16)	(5,250)
Net cash used in investing activities	<u>(9,427)</u>	<u>(16,226)</u>

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Condensed Consolidated Statement of Cash Flow For the Quarter Ended 31 December 2024 (The figures have not been audited)

	Year-To-Date 31-Dec-24	Year-To-Date 31-Dec-23
	(RM'000)	(RM'000)
Cash flows from financing activities		
Dividends paid	(13,692)	(14,670)
Interest paid	(193)	(439)
Net repayment of bankers acceptances	-	(13,792)
Purchase of treasury shares	(2,490)	-
Repayment of term loans	(1,622)	(1,559)
Net cash used in financing activities	<u>(17,997)</u>	<u>(30,460)</u>
Net increase in cash and cash equivalents	30,432	32,793
Effect of exchange rate changes on cash and cash equivalents	155	(103)
Cash and cash equivalents at beginning of year	53,696	21,006
Cash and cash equivalents at end of the period	<u>84,283</u>	<u>53,696</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 31 DECEMBER 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 an 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 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 except for the repurchase of 3,000,000 of the Company's own issued ordinary share from the open market at an average price of RM0.8302 per share. The total consideration paid for the repurchase including transaction costs was RM2,490,461 and this was financed by internally generated funds for the financial period under review. The total treasury shares held as at 31 December 2024 was 6,000,000 and were held as treasury shares in accordance with Section 127 of the Companies Act 2016.

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)

The third interim single tier dividend of 0.8 sen per ordinary share amounting to RM3.912 million for financial year ending 31 December 2024 was paid on 24 December 2024. (2023: 3.0 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	300,152	54%
Singapore	59,747	11%
Other countries	197,217	35%
	<u>557,116</u>	

The Group's assets and liabilities are mainly located in Malaysia.

A9 Valuations of Property, Plant & Equipment

The valuations of Property, Plant and Equipment of the Group have been brought forward without amendment from the previous annual financial statements.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current interim period.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 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 in with related parties during the interim period and financial year todate ended 31 December 2024 :

	3 months ended 31 December		Cumulative quarter ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sales of products to:				
Seong Chan Sauce & Foodstuff Sdn. Bhd. (A company in which certain directors have financial interests)	265	171	948	876

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 2024 is RM3.275 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 RM7.839 million.

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(The figures have not been audited)

Additional Information Required By The Bursa Malaysia Listing Requirements

B1 Review of Performance

	4th Quarter Ended 31-Dec-24 RM'000	4th Quarter Ended 31-Dec-23 RM'000	Variance %	Year to date Ended 31-Dec-24 RM'000	Year to date Ended 31-Dec-23 RM'000	Variance %
Revenue	126,365	150,721	-16.2%	557,116	603,864	-7.7%
Profit before Tax	18,326	18,341	-0.1%	56,933	57,422	-0.9%

The revenue of the Group for the current quarter of RM126.365 million was 16.2% lower than RM150.721 million recorded in the corresponding quarter in the preceding year and was mainly due to lower quantities of products sold. The Group's profit before tax decreased marginally by 0.1% to RM18.326 million from RM18.341 million and was mainly a result of lower quantities of products sold in the current quarter under review.

The Group recorded 7.7% lower revenue of RM557.116 million for the year ended 31 December 2024 as compared to RM603.864 million recorded for the same period last year on lower quantities of products sold. Meanwhile, profit before tax for the year ended 31 December 2024 decreased by 0.9% to RM56.933 million from RM57.422 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:-

	4th Quarter Ended 31-Dec-24 RM'000	3rd Quarter Ended 30-Sep-24 RM'000	Variance %
Revenue	126,365	142,078	-11.1%
Profit before taxation	18,326	7,559	142.4%

The Group's revenue for the current quarter of RM126.365 million was 11.1% lower as compared to RM142.078 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 RM18.326 million was 142.5% higher than that recorded in the immediate preceding quarter of RM7.559 million and was mainly a result of foreign exchange losses in the immediate preceding quarter under review.

B3 Prospects

The Group continues to face challenges, mainly from the increase of volatility in raw materials costs stemming from the ongoing geopolitical events and increasing challenging 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.

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Additional Information Required By The Bursa Malaysia Listing Requirements

Barring unforeseen circumstances, the Directors anticipate that the Group achieve a satisfactory performance for the financial year 2025.

B4 Forecast of profit after tax

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

B5 Tax expenses

	Current quarter 31-Dec-24 RM'000	Cumulative quarter up to 31-Dec-24 RM'000
Income tax expense		
- current period	3,370	14,719
- overprovision of tax in the prior year	-	(428)
Deferred Taxation		
- current year	1,290	422
- under/(over)provision in the prior year	194	(1,229)

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Additional Information Required By The Bursa Malaysia Listing Requirements

4,854

13,484

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 year ended 31 December 2024 was lower than the statutory income tax rate and was mainly due to overprovision of deferred taxation in the prior year.

B6 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 25 February 2025 for the current quarter and financial year-to-date.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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Additional Information Required By The Bursa Malaysia Listing Requirements

B7 Group borrowings and debt securities

The total Group secured borrowings as at 31 December 2024 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Term Loans	1,826	1,449	3,275

All the abovementioned borrowings were denominated in Ringgit Malaysia.

B8 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 25 February 2025.

B9 Changes in material litigation

There was no material litigation pending for the current financial period to-date and up to 25 February 2025.

B10 Dividend

The Board does not recommend any dividend for the current quarter under review.

B11 Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

B12 Additional disclosures

Profit for the period is arrived at after (crediting)/charging:

	Current Period		Cumulative Period	
	31-Dec-24 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-23 RM'000
Interest income	(654)	(440)	(2,087)	(889)
Depreciation of property, plant and equipment	3,001	2,931	11,837	11,500
Depreciation of right-of-use assets	513	513	2,053	1,967
Reversal of impairment loss on receivables	-	-	-	(3)
Realised foreign exchange loss/(gain)	1,173	(662)	4,839	(1,858)
Unrealised foreign exchange (gain)/loss	(5,017)	1,876	(1,614)	(648)

B13 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-24	31-Dec-23	31-Dec-24	31-Dec-23
Net profit (RM'000)	13,472	13,786	43,449	45,155
Weighted average number of	488,575	489,000	488,894	489,000

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Additional Information Required By The Bursa Malaysia Listing Requirements

ordinary shares in issue ('000)

EPS (sen) - Basic and Diluted

2.76

2.82

8.89

9.23