

Company No: 633621-X

**A-RANK BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 31 JULY 2007**

(The figures have not been audited)

	<b>As at 31.07.2007 RM'000</b>	<b>As at 31.07.2006 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	54,808	49,342
Current assets		
Inventories	19,870	16,875
Trade receivables	39,774	32,507
Deposits and prepayments	355	1,206
Tax recoverable	118	-
Cash and bank balances	748	2,621
	<u>60,865</u>	<u>53,209</u>
<b>TOTAL ASSETS</b>	<u><u>115,673</u></u>	<u><u>102,551</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	15,332	10,703
<b>Total equity</b>	<u>56,048</u>	<u>51,419</u>
Non-current liabilities		
Bank borrowings	1,746	1,275
Deferred tax liabilities	4,643	3,814
	<u>6,389</u>	<u>5,089</u>
Current liabilities		
Trade payables	4,611	9,274
Other payables and accruals	2,396	4,874
Bank borrowings	46,229	31,890
Tax liabilities	-	5
	<u>53,236</u>	<u>46,043</u>
<b>Total liabilities</b>	<u>59,625</u>	<u>51,132</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>115,673</u></u>	<u><u>102,551</u></u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u>0.70</u>	<u>0.64</u>

These condensed consolidated balance sheets should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2006.

Company No: 633621-X

**A-RANK BERHAD**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JULY 2007**

**(The figures have not been audited)**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Negative Goodwill RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>
<b>Balance as at 1 Aug 2005</b>	40,000	716	1,583	5,079	47,378
Net profit for the financial year	-	-	-	6,841	6,841
Dividend paid	-	-	-	(2,800)	(2,800)
<b>Balance as at 31 Jul 2006</b>	<u>40,000</u>	<u>716</u>	<u>1,583</u>	<u>9,120</u>	<u>51,419</u>
<b>Balance as at 1 Aug 2006</b>					
As previous stated	40,000	716	1,583	9,120	51,419
Effect of adopting FRS 3	-	-	(1,583)	1,583	-
Restated	<u>40,000</u>	<u>716</u>	<u>-</u>	<u>10,703</u>	<u>51,419</u>
Net profit for the financial year	-	-	-	7,429	7,429
Dividend paid	-	-	-	(2,800)	(2,800)
<b>Balance as at 31 Jul 2007</b>	<u>40,000</u>	<u>716</u>	<u>-</u>	<u>15,332</u>	<u>56,048</u>

These consolidated statement of changes in equity should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2006.

Company No: 633621-X

**A-RANK BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2007**

**(The figures have not been audited)**

	<b>Current quarter ended 31.07.2007 RM'000</b>	<b>Comparative quarter ended 31.07.2006 RM'000</b>	<b>12 months cumulative 31.07.2007 RM'000</b>	<b>12 months cumulative 31.07.2006 RM'000</b>
Revenue	79,789	70,929	278,642	239,067
Cost of sales	(75,624)	(67,377)	(263,672)	(226,641)
Gross profit	4,165	3,552	14,970	12,426
Other operating income	-	-	24	76
Selling and distribution expenses	(123)	(165)	(692)	(675)
Administrative expenses	(772)	(894)	(3,337)	(2,649)
Other operating expenses	-	(211)	(77)	(77)
Profit from operations	3,270	2,282	10,888	9,101
Finance costs	(598)	(411)	(2,282)	(972)
Profit before tax	2,672	1,871	8,606	8,129
Tax expense	(419)	(56)	(1,177)	(1,288)
Net profit attributable to shareholders	2,253	1,815	7,429	6,841
Basic earnings per share (sen)	2.82	2.27	9.29	8.55
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

These condensed consolidated income statements should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2006.

Company No: 633621-X

**A-RANK BERHAD**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2007**

**(The figures have not been audited)**

	<b>12 months period ended 31.07.2007 RM'000</b>	<b>12 months period ended 31.07.2006 RM'000</b>
<b>Cashflows from operating activities</b>		
Profit before tax	8,606	8,129
Adjustments for:		
Non-cash items	2,985	3,094
Non-operating expenses	2,269	950
Operating profit before working capital changes	<u>13,860</u>	<u>12,173</u>
Changes in working capital		
Inventories	(2,995)	(11,037)
Trade and other receivables	(6,416)	(12,100)
Trade and other payables	(7,197)	2,791
Cash used in operations	<u>(2,748)</u>	<u>(8,173)</u>
Interest paid	(190)	(93)
Tax paid	(471)	(463)
<b>Net cash used in operating activities</b>	<u>(3,409)</u>	<u>(8,729)</u>
<b>Cashflows from investing activities</b>		
Interest received	13	22
Purchase of property, plant and equipment	(9,157)	(11,038)
Proceed from disposal of property, plant and equipment	763	-
<b>Net cash used in investing activities</b>	<u>(8,381)</u>	<u>(11,016)</u>
<b>Cashflows from financing activities</b>		
Net movements in bank borrowings	15,454	23,929
Dividend paid	(2,800)	(2,800)
Interest paid	(2,092)	(879)
<b>Net cash from financing activities</b>	<u>10,562</u>	<u>20,250</u>
Net (decrease)/increase in cash and cash equivalents	(1,228)	505
Cash and cash equivalents at beginning of financial year	1,972	1,467
Cash and cash equivalents at end of financial year	<u><u>744</u></u>	<u><u>1,972</u></u>
<b>Cash and cash equivalents at end of financial year comprise of :</b>		
Cash and bank balances	748	2,621
Bank overdraft	(4)	(649)
	<u><u>744</u></u>	<u><u>1,972</u></u>

These condensed consolidated cash flow statement should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2006.

**A-Rank Berhad**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**A Explanatory Notes: FRS 134**

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**A 1 Basis of preparation**

The condensed financial statements are unaudited and have been prepared in accordance with FRS 134, "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The condensed financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2006.

**A 2 Changes in accounting policies**

The significant accounting policies and presentation adopted for the condensed financial statements are consistent with those adopted in the Group's most recent audited financial statements for the financial year ended 31 July 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 August 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the new/revised FRSs mentioned above did not result in any significant financial impact on the Group except for the effects of the following FRSs discussed below:

*FRS 3: Business Combinations*

Under FRS 3, any excess of the Group's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combinations, after reassessment, is recognised immediately in profit or loss. Prior to 1 August 2006, negative goodwill was not amortised and was presented as a separate item in equity. In accordance with the transitional provisions of FRS 3, negative goodwill as at 1 August 2006 of RM1,582,952 is derecognised with a corresponding increase in retained earnings.

Company No: 633621-X

**A-Rank Berhad**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**A Explanatory Notes: FRS 134**

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**A 3 Qualification of financial statements**

The audited consolidated financial statements of the Group for the financial year ended 31 July 2006 were not qualified.

**A 4 Seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**A 5 Unusual items affecting assets, liabilities, equity, net income or cashflows**

There were no items affecting assets, liabilities, equity, net income or cashflows that are unusual because of their nature, size or incidence for the current quarter and/or financial year to-date.

**A 6 Change in estimates**

There were no changes in estimates that have a material effect on the current quarter and financial year to-date.

**A 7 Issuances and repayment of debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year to-date.

**A 8 Dividend paid**

A first and final tax exempt dividend of 3.5 sen per ordinary share, amounting to RM2.8million in respect of the previous financial year ended 31 July 2006 was paid on 17 January 2007.

**A-Rank Berhad**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**A Explanatory Notes: FRS 134**

**A 9 Segmental information**

**i) Business segments**

No business segment information has been provided as the Group is principally engaged in the manufacturing and marketing of aluminium billets.

**ii) Geographical segments**

The Group operates principally in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

<b>Cumulative 31.07.2007</b>	<b>Malaysia RM'000</b>	<b>South East Asia other than Malaysia RM'000</b>	<b>South Asia RM'000</b>	<b>Africa RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Revenue	156,488	38,097	51,362	22,791	9,904	278,642
Profit from operations						10,888
Finance costs						(2,282)
Profit before tax						8,606
Tax expense						(1,177)
Profit after tax						7,429

**A 10 Valuation of property, plant and equipment**

The property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment losses, if any. The valuation of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 July 2006.

**A 11 Material events subsequent to balance sheets date**

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statements for the current financial year to date.

**A 12 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter under review and financial year to date.

**A-Rank Berhad**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**A Explanatory Notes: FRS 134**

**A 13 Contingent liabilities**

At the end of the current quarter, there are no material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group except for the following:

<b>Outstanding as at:</b>	<b>31.07.2007</b> <b>RM'000</b>	<b>31.07.2006</b> <b>RM'000</b>
Corporate guarantee in respect of banking facilities granted to a subsidiary company	<u>34,152</u>	<u>23,705</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly owned subsidiary company of up to RM64.2 million. (2006: RM45.2 million)

**A 14 Capital commitments**

At the end of the current quarter, capital commitments of the Group are as follows: -

	<b>31.07.2007</b> <b>RM'000</b>	<b>31.07.2006</b> <b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment:-		
Approved but not contracted for	135	-
Contracted but not provided for	<u>-</u>	<u>3,025</u>
	<u>135</u>	<u>3,025</u>

**Operating lease commitments**

	<b>31.07.2007</b> <b>RM'000</b>	<b>31.07.2006</b> <b>RM'000</b>
Future minimum lease payment		
- not later than one year	396	-
- later than one year and not later than five years	<u>396</u>	<u>-</u>
	<u>792</u>	<u>-</u>

**A 15 Acquisition of property, plant and equipment**

There were no material acquisition or disposal of items of property, plant and equipment during the current financial year to date.



Company No: 633621-X

**A-Rank Berhad**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**B Additional information required by the Bursa Securities' Listing Requirements**

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**B 1 Review of performance**

The Group revenue increased by 12.5% to RM79.8 million compared to RM70.9 million for the corresponding quarter last year due mainly to higher volume of aluminium billets sold.

Profit before tax increased substantially by 42.8% compared to the corresponding quarter in the previous year as a result of the higher revenue, slightly better margin and lower administrative, selling and distribution expenses.

Profit after tax, however, increased by only 24.1% compared to the same period last year due to higher provision of deferred tax.

**B 2 Variance of results against preceding quarter**

Revenue of the Group was substantially higher by 36.6% compared to the preceding quarter's revenue of RM58.4 million due to increase volume of aluminium billets sold.

Profit before tax was also substantially better compared to RM1.9 million for the previous quarter due mainly to the higher revenue for the quarter under review. Profit after tax also increased in line with the above.

**B 3 Current year prospects**

The recent upturn in the export market augurs well for the prospect of the Group. The export market remains the Group's main focus for continued growth and with the recent abolishment of the export tariff rebates in China will motivate us to do better. The strong fundamentals of the Malaysian economy will continue to underpin our growth in the domestic market.

Barring unforeseen circumstances, your Directors are optimistic that the Group will be able to maintain, if not improve on its performances for the forthcoming year.

**B 4 Variance of actual and profit estimate**

Not applicable as no profit forecast was published.

**A-Rank Berhad**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**B Additional information required by the Bursa Securities' Listing Requirements**

**B 5 Tax expense**

	<b>Current quarter ended 31-Jul-07 RM'000</b>	<b>Comparative quarter ended 31-Jul-06 RM'000</b>	<b>12 months cumulative 31-Jul-07 RM'000</b>	<b>12 months cumulative 31-Jul-06 RM'000</b>
Current income tax	(4)	119	338	461
Deferred taxation	571	(226)	972	656
	<u>567</u>	<u>(107)</u>	<u>1,310</u>	<u>1,117</u>
(Over)/underprovision in respect of prior year				
- income tax	(5)	(90)	10	(82)
- deferred tax	(143)	253	(143)	253
	<u>419</u>	<u>56</u>	<u>1,177</u>	<u>1,288</u>

The effective tax rate of the Group of 15.7% and 13.7% respectively for the current quarter and financial year ended 31 July 2007 are lower than the statutory tax rate due principally to the availability of reinvestment allowances as well as unabsorbed reinvestment allowances carried forward which arose from the subsidiary company's capital expenditures in the current quarter and previous financial years.

Net amount of RM0.428 million and RM0.829 million have been provided for as deferred tax liability for the current quarter and financial year ended 31 July 2007 respectively due to temporary differences between depreciation and capital allowances claimed.

**B 6 Unquoted investments and/or properties**

There were no purchase or disposal of unquoted investment and/or properties during the current quarter under review and financial year to date.

**B 7 Quoted and marketable investments**

There were no purchase or disposal of quoted and marketable securities during the current quarter under review and financial year to date.

**B 8 Status of corporate proposals**

There were no corporate proposals announced pending completion.

**A-Rank Berhad**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**B Additional information required by the Bursa Securities' Listing Requirements**

**B 9 Borrowings**

	<b>As at</b>	<b>As at</b>
	<b>31.07.2007</b>	<b>31.07.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current liabilities</b>		
<u>Secured</u>		
Bankers' acceptances	28,085	22,437
Term loans	1,792	1,377
Export Credit Refinancing	3,800	619
Bank overdraft	4	649
	<u>33,681</u>	<u>25,082</u>
<u>Unsecured</u>		
Bankers' acceptances	-	1,013
Export Credit Refinancing	12,548	5,795
	<u>46,229</u>	<u>31,890</u>
<b>Non-current liabilities</b>		
<u>Secured</u>		
Term loans	<u>1,746</u>	<u>1,275</u>
Total	<u>47,975</u>	<u>33,165</u>

All borrowings are denominated in Malaysia Ringgit.

Certain bank borrowings of the subsidiary company are secured by legal charges over seven pieces of freehold land of the subsidiary company and factory buildings erected thereon and additionally guaranteed by the Company.

**B 10 Off balance sheet financial instruments**

The Group has not entered into any off balance sheet financial instrument as at the date of this quarterly report.

**B 11 Changes in material litigation**

The Group does not have any material litigation as at the date of this announcement.

**B 12 Dividend**

The Board of Directors has proposed a first and final tax exempt dividend of 3.5 sen per ordinary shares, amounting to RM2.8 million in respect of the financial year ended 31 July 2007 subject to the approval of shareholders at the forthcoming Annual General Meeting that will be accounted for as an appropriation of retained profits in the financial year ending 31 July 2008.

Company No: 633621-X

**A-Rank Berhad**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

**B Additional information required by the Bursa Securities' Listing Requirements**

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**B 13 Earnings per share**

**(a) Basic earnings per share**

The basic earnings per share for the current quarter under review and cumulative year to-date are computed as follows:

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	<b>Current quarter Ended 31.07.2007</b>	<b>Cumulative To-Date Ended 31.07.2007</b>
Profit after tax (RM'000)	2,253	7,429
Total share capital in issue during the current quarter/cumulative period to-date (no. of ordinary shares of RM 0.50 each) ('000)	80,000	80,000
Basic earnings per share (sen)	2.82	9.29

**(b) Diluted earnings per share**

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial year to-date.

By Order of the Board

Ng Bee Lian  
Company Secretary

Date: 27 Sept 2007