

Company No: 633621-X

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 OCTOBER 2007

(The figures have not been audited)

	As at 31-Oct-07 RM'000	As at 31-Jul-07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	54,285	54,808
Current assets		
Inventories	22,841	19,871
Trade receivables	34,952	39,773
Deposits and prepayments	39	355
Tax recoverable	126	118
Cash and bank balances	452	748
	<u>58,410</u>	<u>60,865</u>
TOTAL ASSETS	<u><u>112,695</u></u>	<u><u>115,673</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	17,193	15,332
Total equity	<u>57,909</u>	<u>56,048</u>
Non-current liabilities		
Bank borrowings	1,746	1,746
Deferred tax liabilities	4,709	4,643
	<u>6,455</u>	<u>6,389</u>
Current liabilities		
Trade payables	1,285	4,611
Other payables and accruals	2,891	2,396
Bank borrowings	44,155	46,229
	<u>48,331</u>	<u>53,236</u>
Total liabilities	54,786	59,625
TOTAL EQUITY AND LIABILITIES	<u><u>112,695</u></u>	<u><u>115,673</u></u>
	RM	RM
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u><u>0.72</u></u>	<u><u>0.70</u></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 2007.

Company No: 633621-X

A-RANK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007
(The figures have not been audited)

	Current quarter ended 31-Oct-07 RM'000	Comparative quarter ended 31-Oct-06 RM'000	3 months cumulative 31-Oct-07 RM'000	3 months cumulative 31-Oct-06 RM'000
Revenue	94,358	71,547	94,358	71,547
Cost of sales	<u>(90,666)</u>	<u>(67,804)</u>	<u>(90,666)</u>	<u>(67,804)</u>
Gross profit	3,692	3,743	3,692	3,743
Other operating income	3	11	3	11
Selling and distribution expenses	(186)	(240)	(186)	(240)
Administrative expenses	(884)	(796)	(884)	(796)
Other operating expenses	<u>(44)</u>	<u>(70)</u>	<u>(44)</u>	<u>(70)</u>
Profit from operations	2,581	2,648	2,581	2,648
Finance costs	<u>(548)</u>	<u>(489)</u>	<u>(548)</u>	<u>(489)</u>
Profit before tax	2,033	2,159	2,033	2,159
Tax expense	<u>(172)</u>	<u>(225)</u>	<u>(172)</u>	<u>(225)</u>
Net profit attributable to shareholders	<u>1,861</u>	<u>1,934</u>	<u>1,861</u>	<u>1,934</u>
Basic earnings per share (sen)	2.33	2.42	2.33	2.42
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 2007.

A-RANK BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2007
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Negative Goodwill RM'000	Retained Profits RM'000	Total RM'000
Balance as at 1 Aug 2006					
As previous stated	40,000	716	1,583	9,120	51,419
Effect of adopted 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 period	-	-	-	1,934	1,934
Balance as at 31 Oct 2006	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>12,637</u></u>	<u><u>53,353</u></u>
Balance as at 1 Aug 2007	40,000	716	-	15,332	56,048
Net profit for the financial period	-	-	-	1,861	1,861
Balance as at 31 Oct 2007	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>17,193</u></u>	<u><u>57,909</u></u>

These condensed 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 2007.

A-RANK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 OCTOBER 2007
(The figures have not been audited)

	3 months period ended 31-Oct-07 RM'000	3 months period ended 31-Oct-06 RM'000
Cash flows from operating activities		
Profit before tax	2,033	2,159
Adjustments for:		
Non-cash items	772	3,678
Non-operating expenses	545	478
Operating profit before working capital changes	<u>3,350</u>	<u>6,315</u>
Changes in working capital		
Inventories	(2,970)	(8,335)
Trade and other receivables	5,137	2,584
Trade and other payables	(2,831)	(4,176)
Cash generated from/(used in) operations	<u>2,686</u>	<u>(3,612)</u>
Interest paid	(39)	(48)
Tax paid	(114)	(114)
Net cash from/(used in) operating activities	<u><u>2,533</u></u>	<u><u>(3,774)</u></u>
Cash flows from investing activities		
Interest received	3	11
Purchase of property, plant and equipment	(249)	(4,199)
Net cash used in investing activities	<u><u>(246)</u></u>	<u><u>(4,188)</u></u>
Cash flows from financing activities		
Net movements in bank borrowings	(2,070)	6,338
Interest paid	(509)	(441)
Net cash (used in)/from financing activities	<u><u>(2,579)</u></u>	<u><u>5,897</u></u>
Net decrease in cash and cash equivalents	(292)	(2,065)
Cash and cash equivalents at beginning of financial period	744	1,972
Cash and cash equivalents at end of financial period	<u><u>452</u></u>	<u><u>(93)</u></u>
Cash and cash equivalents at end of financial period comprise of :		
Cash and bank balances	452	1,465
Bank overdraft	-	(1,558)
	<u><u>452</u></u>	<u><u>(93)</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 2007.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

A Explanatory Notes: FRS 134

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 2007. The explanatory notes to these financial statements 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 year ended 31 July 2007.

A 2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 July 2007 except for the adoption of the following new / revised FRSs effective for the Group's financial statement commencing 1 August 2007:-

FRS 117 Leases

FRS 117 requires lease payments under operating leases be recognised as an expense on a straight line basis over the lease term. The Group will apply this standard from its annual period beginning 1 August 2007.

FRS 124 Related party Disclosure

FRS 124 requires disclosure on key management personnel remuneration and additional disclosures by the Group on related company transaction. The Group will apply this standard from its annual period beginning 1 August 2007.

The adoption of the new / revised FRSs, which are relevant to the Group's operations, does not have any significant financial impact on the Group.

A 3 Qualification of financial statements

The audited consolidated financial statements of the Group for the financial year ended 31 July 2007 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 cash flows

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

A Explanatory Notes: FRS 134

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

No dividend has been paid by the Company during the current quarter. The shareholders of the Company have during the Annual General Meeting held on 18 December 2007, approved the payment of a final dividend of 3.5 sen tax exempt per ordinary share for the financial year ended 31 July 2007.

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.

Cumulative 31-Oct-07	Malaysia RM'000	South East Asia other than Malaysia RM'000	South Asia RM'000	Africa RM'000	Others RM'000	Total RM'000
Revenue	48,791	27,524	5,936	5,160	6,947	94,358
Profit from operations						2,581
Finance costs						(548)
Profit before tax						2,033
Tax expense						(172)
Profit after tax						1,861

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

A Explanatory Notes: FRS 134

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 2007.

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 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:

	31-Oct-07	31-Jul-07
	RM'000	RM'000
Outstanding as at:		
Corporate guarantee in respect of banking facilities granted to a subsidiary company	<u>38,307</u>	<u>34,152</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly owned subsidiary company of up to RM64.2 million. (2007: RM64.2 million).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

A Explanatory Notes: FRS 134

A 14 Capital commitments

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

	31-Oct-07	31-Jul-07
	RM'000	RM'000
Capital expenditure in respect of purchase of property, plant and equipment:-		
- Approved but not contracted for	<u>-</u>	<u>135</u>
Operating lease commitments		
	31-Oct-07	31-Jul-07
	RM'000	RM'000
Future minimum lease payment		
- not later than one year	297	396
- later than one year and not later than five years	<u>396</u>	<u>396</u>
	<u>693</u>	<u>792</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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group revenue increased by 31.9% to RM94.4 million compared to RM71.5 million for the corresponding quarter last year due mainly to higher volume of aluminium billets sold.

Profit before tax decreased by 5.8% compared to the corresponding quarter in the previous year due to reduced margins contributed partly by the strengthening of Ringgit Malaysia.

Profit after tax also decreased in line with the above.

B 2 Variance of results against preceding quarter

Revenue of the Group substantially increased by 18.3% compared to the preceding quarter's revenue of RM79.8 million due to increase volume of aluminium billets sold.

However, profit before tax was lower compared to RM2.7 million for the previous quarter due mainly to the drop in margins contributed partly by the strengthening of Ringgit Malaysia for the quarter under review. Profit after tax also decreased in line with the above.

B 3 Current year prospects

The strong Ringgit Malaysia continue to have an adverse impact on the margins of the Group as export sales are quoted in United States Dollar. As the export market is vital to the growth prospect of the Group, the management has and will continue to implementing cost cutting and improve recovery so as to maintain its margins. On the local front, the economic growth in Malaysia is very encouraging which adds impetus to the Group's domestic business and expects to perform well.

Barring unforeseen circumstances, your Directors are optimistic that the Group will be able to maintain its profitability for the rests of the financial year.

B 4 Variance of actual and profit estimate

Not applicable as no profit forecast was published.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Tax expense

	Current quarter ended 31-Oct-07 RM'000	Comparative quarter ended 31-Oct-06 RM'000	3 months cumulative 31-Oct-07 RM'000	3 months cumulative 31-Oct-06 RM'000
Current income tax	106	114	106	114
Deferred taxation	66	111	66	111
	<u>172</u>	<u>225</u>	<u>172</u>	<u>225</u>

The effective tax rate of the Group of 8.5% for the current quarter and financial period ended 31 October 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 RM66,000 has been provided for as deferred tax liability for the current quarter and financial period ended 31 October 2007 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Borrowings

	As at 31-Oct-07 RM'000	As at 31-Jul-07 RM'000
Current liabilities		
<u>Secured</u>		
Bankers' acceptances	36,295	28,085
Term loans	1,260	1,792
Export Credit Refinancing	-	3,800
Bank overdraft	-	4
	<u>37,555</u>	<u>33,681</u>
<u>Unsecured</u>		
Export Credit Refinancing	<u>6,600</u>	<u>12,548</u>
	<u>44,155</u>	<u>46,229</u>
Non-current liabilities		
<u>Secured</u>		
Term loans	<u>1,746</u>	<u>1,746</u>
Total	<u>45,901</u>	<u>47,975</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 not proposed any dividend for this quarter ended 31 October 2007. At the Annual General Meeting held on 18 December 2007, the shareholders of the Company have approved the payment of a final dividend of 3.5 sen tax exempt per ordinary share for the financial year ended 31 July 2007.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2007

B Additional information required by the Bursa Securities' Listing Requirements

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: -

	Current quarter Ended 31-Oct-07	Cumulative To-Date Ended 31-Oct-07
Profit after tax (RM'000)	1,861	1,861
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)	2.33	2.33

(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: 18 Dec 2007