

Company No: 633621-X

A-RANK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 JANUARY 2008
(The figures have not been audited)

	As at 31-Jan-08 RM'000	As at 31-Jul-07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,032	54,808
Current assets		
Inventories	29,669	19,871
Trade receivables	45,701	39,773
Deposits and prepayments	506	355
Tax recoverable	118	118
Cash and bank balances	454	748
	<u>76,448</u>	<u>60,865</u>
TOTAL ASSETS	<u><u>131,480</u></u>	<u><u>115,673</u></u>
EQUITY AND LIABILITIES		
Share capital		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	16,415	15,332
Total equity	<u>57,131</u>	<u>56,048</u>
Non-current liabilities		
Bank borrowings	1,746	1,746
Deferred tax liabilities	4,749	4,643
	<u>6,495</u>	<u>6,389</u>
Current liabilities		
Trade payables	5,199	4,611
Other payables and accruals	2,053	2,396
Bank borrowings	60,602	46,229
	<u>67,854</u>	<u>53,236</u>
Total liabilities	74,349	59,625
TOTAL EQUITY AND LIABILITIES	<u><u>131,480</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>0.71</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 JANUARY 2008
(The figures have not been audited)

	Current quarter ended 31-Jan-08 RM'000	Comparative quarter ended 31-Jan-07 RM'000	6 months cumulative 31-Jan-08 RM'000	6 months cumulative 31-Jan-07 RM'000
Revenue	104,630	68,876	198,988	140,423
Cost of sales	<u>(100,435)</u>	<u>(65,367)</u>	<u>(191,101)</u>	<u>(133,171)</u>
Gross profit	4,195	3,509	7,887	7,252
Other operating income	1	12	4	23
Selling and distribution expenses	(258)	(154)	(444)	(394)
Administrative expenses	(1,146)	(823)	(2,030)	(1,619)
Other operating expenses	<u>(24)</u>	<u>(70)</u>	<u>(68)</u>	<u>(140)</u>
Profit from operations	2,768	2,474	5,349	5,122
Finance costs	<u>(584)</u>	<u>(592)</u>	<u>(1,132)</u>	<u>(1,081)</u>
Profit before tax	2,184	1,882	4,217	4,041
Tax expense	<u>(162)</u>	<u>(270)</u>	<u>(334)</u>	<u>(495)</u>
Net profit attributable to shareholders	<u>2,022</u>	<u>1,612</u>	<u>3,883</u>	<u>3,546</u>
Basic earnings per share (sen)	2.53	2.02	4.85	4.43
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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2008
(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 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 period	-	-	-	3,546	3,546
Dividend paid	-	-	-	(2,800)	(2,800)
Balance as at 31 Jan 2007	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>11,449</u></u>	<u><u>52,165</u></u>
Balance as at 1 Aug 2007	40,000	716	-	15,332	56,048
Net profit for the financial period	-	-	-	3,883	3,883
Dividend paid	-	-	-	(2,800)	(2,800)
Balance as at 31 Jan 2008	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>16,415</u></u>	<u><u>57,131</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 JANUARY 2008
(The figures have not been audited)

	6 months period ended 31-Jan-08 RM'000	6 months period ended 31-Jan-07 RM'000
Cash flows from operating activities		
Profit before tax	4,217	4,041
Adjustments for:		
Non-cash items	1,558	1,725
Non-operating expenses	1,129	1,070
Operating profit before working capital changes	<u>6,904</u>	<u>6,836</u>
Changes in working capital		
Inventories	(9,798)	(15,814)
Trade and other receivables	(6,079)	(2,644)
Trade and other payables	245	53
Cash used in operations	<u>(8,728)</u>	<u>(11,569)</u>
Interest paid	(39)	(104)
Tax paid	<u>(228)</u>	<u>(228)</u>
Net cash used in operating activities	<u>(8,995)</u>	<u>(11,901)</u>
Cash flows from investing activities		
Interest received	3	11
Purchase of property, plant and equipment	<u>(1,782)</u>	<u>(5,680)</u>
Net cash used in investing activities	<u>(1,779)</u>	<u>(5,669)</u>
Cash flows from financing activities		
Net movements in bank borrowings	14,377	18,246
Dividend paid	(2,800)	(2,800)
Interest paid	<u>(1,093)</u>	<u>(977)</u>
Net cash generated from financing activities	<u>10,484</u>	<u>14,469</u>
Net decrease in cash and cash equivalents	(290)	(3,101)
Cash and cash equivalents at beginning of financial period	<u>744</u>	<u>1,972</u>
Cash and cash equivalents at end of financial period	<u><u>454</u></u>	<u><u>(1,129)</u></u>
Cash and cash equivalents at end of financial period comprise of :		
Cash and bank balances	454	726
Bank overdraft	<u>-</u>	<u>(1,855)</u>
	<u><u>454</u></u>	<u><u>(1,129)</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 JANUARY 2008

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, where 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 JANUARY 2008**

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

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 2007 was paid on 17 January 2008.

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-Jan-08	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	94,406	66,545	17,965	11,193	8,879	198,988
Profit from operations						5,349
Finance costs						(1,132)
Profit before tax						4,217
Tax expense						(334)
Profit after tax						3,883

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2008

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-Jan-08	31-Jul-07
	RM'000	RM'000
Outstanding as at:		
Corporate guarantee in respect of banking facilities granted to a subsidiary company	<u>56,523</u>	<u>34,152</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly owned subsidiary company of up to RM89.2 million. (2007: RM64.2 million).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2008

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-Jan-08	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-Jan-08	31-Jul-07
	RM'000	RM'000
Future minimum lease payment		
- not later than one year	198	396
- later than one year and not later than five years	<u>396</u>	<u>396</u>
	<u>594</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 JANUARY 2008

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group's revenue increased by 51.9% to RM104.6 million compared to RM68.9 million for the corresponding quarter last year due mainly to changing in sales mix and higher volume of aluminium billets sold.

Profit before tax increased by 16.0% compared to the corresponding quarter in the previous year as a result of the higher revenue which was, however, moderated by lower margins as a consequence of the stronger Ringgit.

Profit after tax also increased in line with the above.

B 2 Variance of results against preceding quarter

Revenue of the Group increased by 10.8% compared to the preceding quarter's revenue of RM94.4 million due to higher volume of aluminium billets sold.

Profit before tax show a slight improvement compared to RM2.0 million for the preceding quarter in view of the higher revenue. Profit after tax also increased in line with the above.

B 3 Current year prospects

The Group continue to enjoy success in the export market with export now contributing more than 50% of the Group's revenue. The current turmoil in the financial market worldwide have not had an impact on the Group's performance. The domestic market continues to be resilient and the Group, as the leading supplier of aluminium billets in Malaysia, is expected to remain dominant. The strengthening Ringgit will carry on having an adverse impact on our margins particularly export. As in previous year, we will continue to adopt measures to lower cost to improve efficiency so as to maintain our margins.

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 JANUARY 2008

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Tax expense

	Current quarter ended 31-Jan-08 RM'000	Comparative quarter ended 31-Jan-07 RM'000	6 months cumulative 31-Jan-08 RM'000	6 months cumulative 31-Jan-07 RM'000
Current income tax	122	114	228	228
Deferred taxation	40	156	106	267
	<u>162</u>	<u>270</u>	<u>334</u>	<u>495</u>

The effective tax rate of the Group of 7.4% and 7.9% for the current quarter and financial period ended 31 January 2008 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 RM40,000 and RM106,000 has been provided for as deferred tax liability for the current quarter and financial period ended 31 January 2008 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 JANUARY 2008

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Borrowings

	As at 31-Jan-08 RM'000	As at 31-Jul-07 RM'000
Current liabilities		
<u>Secured</u>		
Bankers' acceptances	49,646	28,085
Term loans	840	1,792
Export credit refinancing	-	3,800
Foreign currency loan	5,116	-
Bank overdraft	-	4
	<u>55,602</u>	<u>33,681</u>
<u>Unsecured</u>		
Export credit refinancing	<u>5,000</u>	<u>12,548</u>
	<u>60,602</u>	<u>46,229</u>
Non-current liabilities		
<u>Secured</u>		
Term loans	<u>1,746</u>	<u>1,746</u>
Total	<u>62,348</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 January 2008.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2008

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-Jan-08	Cumulative To-Date Ended 31-Jan-08
Profit after tax (RM'000)	2,022	3,883
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)	2.53	4.85

(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: 26 Mar 2008