

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

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

	<b>As at 31-Jul-08 RM'000</b>	<b>As at 31-Jul-07 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	58,388	54,808
Current assets		
Inventories	34,995	19,870
Trade receivables	26,873	39,774
Deposits and prepayments	681	355
Tax recoverable	67	118
Cash and bank balances	978	748
	<u>63,594</u>	<u>60,865</u>
<b>TOTAL ASSETS</b>	<u><u>121,982</u></u>	<u><u>115,673</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	<u>21,456</u>	<u>15,332</u>
Total equity	62,172	56,048
Non-current liabilities		
Bank borrowings	253	1,746
Deferred tax liabilities	5,305	4,643
	<u>5,558</u>	<u>6,389</u>
Current liabilities		
Trade payables	3,463	4,611
Other payables and accruals	6,617	2,396
Bank borrowings	44,172	46,229
	<u>54,252</u>	<u>53,236</u>
Total liabilities	59,810	59,625
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>121,982</u></u>	<u><u>115,673</u></u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u>0.78</u>	<u>0.70</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 YEAR ENDED 31 JULY 2008**  
(The figures have not been audited)

	<b>Current quarter ended 31-Jul-08 RM'000</b>	<b>Comparative quarter ended 31-Jul-07 RM'000</b>	<b>12 months cumulative 31-Jul-08 RM'000</b>	<b>12 months cumulative 31-Jul-07 RM'000</b>
Revenue	150,788	79,789	478,330	278,642
Cost of sales	<u>(145,321)</u>	<u>(75,624)</u>	<u>(460,600)</u>	<u>(263,672)</u>
Gross profit	5,467	4,165	17,730	14,970
Other operating income	36	-	51	24
Selling and distribution expenses	(174)	(123)	(906)	(692)
Administrative expenses	(1,099)	(772)	(4,082)	(3,337)
Other operating expenses	<u>(31)</u>	<u>-</u>	<u>(132)</u>	<u>(77)</u>
Profit from operations	4,199	3,270	12,661	10,888
Finance costs	<u>(681)</u>	<u>(598)</u>	<u>(2,568)</u>	<u>(2,282)</u>
Profit before tax	3,518	2,672	10,093	8,606
Tax expense	<u>(623)</u>	<u>(419)</u>	<u>(1,169)</u>	<u>(1,177)</u>
Net profit attributable to shareholders	<u>2,895</u>	<u>2,253</u>	<u>8,924</u>	<u>7,429</u>
Basic earnings per share (sen)	3.62	2.82	11.16	9.29
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 YEAR ENDED 31 JULY 2008**  
(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 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><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>15,332</u></u>	<u><u>56,048</u></u>
<b>Balance as at 1 Aug 2007</b>	40,000	716	-	15,332	56,048
Net profit for the financial year	-	-	-	8,924	8,924
Dividend paid	-	-	-	(2,800)	(2,800)
<b>Balance as at 31 Jul 2008</b>	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>-</u></u>	<u><u>21,456</u></u>	<u><u>62,172</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**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2008**

(The figures have not been audited)

	<b>12 months year ended 31-Jul-08 RM'000</b>	<b>12 months year ended 31-Jul-07 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	10,093	8,606
Adjustments for:		
Non-cash items	3,181	2,985
Non-operating expenses	2,552	2,269
Operating profit before working capital changes	<u>15,826</u>	<u>13,860</u>
Changes in working capital		
Inventories	(15,125)	(2,995)
Trade and other receivables	12,575	(6,416)
Trade and other payables	3,073	(7,197)
Cash generated from/(used in) operations	<u>16,349</u>	<u>(2,748)</u>
Interest paid	(129)	(190)
Tax paid	(456)	(471)
<b>Net cash generated from/(used in) operating activities</b>	<u>15,764</u>	<u>(3,409)</u>
<b>Cash flows from investing activities</b>		
Interest received	16	13
Purchase of property, plant and equipment	(6,795)	(9,157)
Proceed from disposal of property, plant and equipment	34	763
<b>Net cash used in investing activities</b>	<u>(6,745)</u>	<u>(8,381)</u>
<b>Cash flows from financing activities</b>		
Net movements in bank borrowings	(3,546)	15,454
Dividend paid	(2,800)	(2,800)
Interest paid	(2,439)	(2,092)
<b>Net cash (used in)/ generated from financing activities</b>	<u>(8,785)</u>	<u>10,562</u>
Net increase/(decrease) in cash and cash equivalents	234	(1,228)
Cash and cash equivalents at beginning of financial year	744	1,972
Cash and cash equivalents at end of financial year	<u>978</u>	<u>744</u>
<b>Cash and cash equivalents at end of financial year comprise of :</b>		
Cash and bank balances	978	748
Bank overdraft	-	(4)
	<u>978</u>	<u>744</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 YEAR ENDED 31 JULY 2008**

**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 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 has applied 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 has applied 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 YEAR ENDED 31 JULY 2008**

**A Explanatory Notes: FRS 134**

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**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.

**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-Jul-08</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	243,940	127,766	48,440	34,566	23,618	478,330
Profit from operations						12,661
Finance costs						(2,568)
Profit before tax						10,093
Tax expense						(1,169)
Profit after tax						8,924

**A-Rank Berhad**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2008**

**A Explanatory Notes: FRS 134**

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**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:

	<b>31-Jul-08</b>	<b>31-Jul-07</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Outstanding as at:</b>		
Corporate guarantees in respect of banking facilities granted to a subsidiary company	<u>43,936</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 YEAR ENDED 31 JULY 2008**

**A Explanatory Notes: FRS 134**

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**A 14 Capital commitments**

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

	<b>31-Jul-08</b>	<b>31-Jul-07</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:-		
- Approved but not contracted for	<u>1,635</u>	<u>135</u>

**Operating lease commitments**

	<b>31-Jul-08</b>	<b>31-Jul-07</b>
	<b>RM'000</b>	<b>RM'000</b>
Future minimum lease payments		
- not later than one year	396	396
- later than one year and not later than five years	<u>-</u>	<u>396</u>
	<u>396</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 YEAR ENDED 31 JULY 2008**

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

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**B 1 Review of performance**

The Group's revenue increased by 89% to RM150.8 million compared to RM79.8 million for the corresponding quarter last year due mainly to increased volume of aluminium billets sold as well as higher selling price as a result of the rise in raw material costs.

Profit before tax increased by 31.7% compared to the corresponding quarter in the previous year owing to the higher revenue which was, however, moderated by lower margins as a result of the change in sales mix in which a higher proportion of the revenue is derived from sales of aluminium billets compared to provision of tolling services.

Profit after tax also increased in line with the above.

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

Revenue of the Group increased by 17.3% compared to the preceding quarter's revenue of RM128.6 million due to both higher selling prices and volume of aluminum billets sold.

Profit before tax showed an improvement of 49.2% compared to RM2.4 million for the preceding quarter in view of the higher revenue. Profit after tax also increased in line with the above.

**B 3 Prospects**

The current turmoil in the financial markets and falling commodity prices are expected to have an adverse impact on the global economy as well as that of Malaysia. The Group will similarly be affected as a sizeable proportion of its revenue is derived from exports. Nonetheless, the Group will focus on its core competencies and has adopted measures to maintain its cashflows.

Barring unforeseen circumstances, the Board is of the view that the Group will remain profitable for the forthcoming year.

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

Not applicable as no profit forecast was published.

**A-Rank Berhad**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2008**

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

**B 5 Tax expense**

	<b>Current quarter ended 31-Jul-08 RM'000</b>	<b>Comparative quarter ended 31-Jul-07 RM'000</b>	<b>12 months cumulative 31-Jul-08 RM'000</b>	<b>12 months cumulative 31-Jul-07 RM'000</b>
Current income tax	168	(4)	510	338
Deferred taxation	446	571	653	972
	<u>614</u>	<u>567</u>	<u>1,163</u>	<u>1,310</u>
(Over)/underprovision in respect of prior year				
- income tax	-	(5)	(3)	10
- deferred tax	9	(143)	9	(143)
	<u>623</u>	<u>419</u>	<u>1,169</u>	<u>1,177</u>

The effective tax rate of the Group of 17.7% and 11.6% for the current quarter and financial year ended 31 July 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 RM446,000 and RM653,000 has been provided for as deferred tax liability for the current quarter and financial year ended 31 July 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**  
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**B Additional information required by the Bursa Securities' Listing Requirements**

**B 9 Borrowings**

	<b>As at 31-Jul-08 RM'000</b>	<b>As at 31-Jul-07 RM'000</b>
<b>Current liabilities</b>		
<u>Secured</u>		
Bankers' acceptances	3,100	28,085
Term loans	1,495	1,792
Export credit refinancing	-	3,800
Foreign currency loan (Currency denominated in US Dollar)	39,577	-
Bank overdraft	-	4
	<u>44,172</u>	<u>33,681</u>
<u>Unsecured</u>		
Export credit refinancing	-	12,548
	<u>44,172</u>	<u>46,229</u>
<b>Non-current liabilities</b>		
<u>Secured</u>		
Term loans	<u>253</u>	<u>1,746</u>
Total	<u>44,425</u>	<u>47,975</u>

All borrowings are denominated in Malaysia Ringgit except indicated above.

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, save for the hedging of raw material and foreign currency which are entered into in the ordinary course of business. The hedging are not expected to have any material effect on the financial statement of the Group.

**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 share, amounting to RM2.8 million in respect of the financial year ended 31 July 2008 (2007: 3.5 sen per ordinary share) subject to the approval of shareholders at the forthcoming Annual General Meeting.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2008**

**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: -

	<b>Current quarter ended 31-Jul-08</b>	<b>Cumulative to-date ended 31-Jul-08</b>
Profit after tax (RM'000)	2,895	8,924
Total share capital in issue during the current quarter/ cumulative year to-date (No. of ordinary shares of RM 0.50 each) ('000)	80,000	80,000
Basic earnings per share (sen)	3.62	11.16

**(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: 22 Sep 2008