

Company No: 633621-X

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 JANUARY 2009

(The figures have not been audited)

	As at 31-Jan-09 RM'000	(Audited) As at 31-Jul-08 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,116	58,388
Current assets		
Inventories	25,548	34,995
Trade and other receivables	22,921	27,554
Tax recoverable	295	67
Cash and bank balances	985	978
	<u>49,749</u>	<u>63,594</u>
TOTAL ASSETS	<u><u>108,865</u></u>	<u><u>121,982</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	3,543	21,457
Total equity	<u>44,259</u>	<u>62,173</u>
Non-current liabilities		
Bank borrowings	253	253
Deferred tax liabilities	5,321	5,305
	<u>5,574</u>	<u>5,558</u>
Current liabilities		
Trade and other payables	3,409	10,079
Bank borrowings	55,623	44,172
	<u>59,032</u>	<u>54,251</u>
Total liabilities	64,606	59,809
TOTAL EQUITY AND LIABILITIES	<u><u>108,865</u></u>	<u><u>121,982</u></u>
	RM	RM
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u><u>0.55</u></u>	<u><u>0.78</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 2008.

Company No: 633621-X

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE QUARTER ENDED 31 JANUARY 2009

(The figures have not been audited)

	Current quarter ended 31-Jan-09 RM'000	Comparative quarter ended 31-Jan-08 RM'000	6 months cumulative 31-Jan-09 RM'000	6 months cumulative 31-Jan-08 RM'000
Revenue	58,599	104,630	176,198	198,988
Cost of sales	(72,250)	(100,435)	(187,528)	(191,101)
Gross (loss)/profit	<u>(13,651)</u>	<u>4,195</u>	<u>(11,330)</u>	<u>7,887</u>
Other operating income	6	1	13	4
Selling and distribution expenses	(122)	(258)	(297)	(444)
Administrative expenses	(894)	(1,146)	(1,832)	(2,030)
Other operating expenses	(1)	(24)	(33)	(68)
(Loss)/Profit from operations	<u>(14,662)</u>	<u>2,768</u>	<u>(13,479)</u>	<u>5,349</u>
Finance costs	<u>(799)</u>	<u>(584)</u>	<u>(1,619)</u>	<u>(1,132)</u>
(Loss)/Profit before tax	<u>(15,461)</u>	<u>2,184</u>	<u>(15,098)</u>	<u>4,217</u>
Tax expense	<u>32</u>	<u>(162)</u>	<u>(16)</u>	<u>(334)</u>
Net (loss)/profit attributable to shareholders	<u><u>(15,429)</u></u>	<u><u>2,022</u></u>	<u><u>(15,114)</u></u>	<u><u>3,883</u></u>
Basic (loss)/earnings per share (sen)	(19.29)	2.53	(18.89)	4.85
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 2008.

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A-RANK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JANUARY 2009
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000
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>40,000</u>	<u>716</u>	<u>16,415</u>	<u>57,131</u>
Balance as at 1 Aug 2008	40,000	716	21,457	62,173
Net loss for the financial period	-	-	(15,114)	(15,114)
Dividend paid	-	-	(2,800)	(2,800)
Balance as at 31 Jan 2009	<u>40,000</u>	<u>716</u>	<u>3,543</u>	<u>44,259</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 2008.

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A-RANK BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 JANUARY 2009
(The figures have not been audited)

	6 months period ended 31-Jan-09 RM'000	6 months period ended 31-Jan-08 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(15,098)	4,217
Adjustments for:		
Non-cash items	1,594	1,558
Non-operating expenses	1,615	1,129
Operating (loss)/profit before working capital changes	<u>(11,889)</u>	<u>6,904</u>
Changes in working capital		
Inventories	9,447	(9,798)
Trade and other receivables	4,633	(6,079)
Trade and other payables	<u>(6,670)</u>	<u>245</u>
Cash used in operations	<u>(4,479)</u>	<u>(8,728)</u>
Interest paid	(63)	(39)
Tax paid	<u>(228)</u>	<u>(228)</u>
Net cash used in operating activities	<u><u>(4,770)</u></u>	<u><u>(8,995)</u></u>
Cash flows from investing activities		
Interest received	4	3
Purchase of property, plant and equipment	<u>(2,322)</u>	<u>(1,782)</u>
Net cash used in investing activities	<u><u>(2,318)</u></u>	<u><u>(1,779)</u></u>
Cash flows from financing activities		
Net movements in bank borrowings	11,451	14,377
Dividend Paid	(2,800)	(2,800)
Interest paid	<u>(1,556)</u>	<u>(1,093)</u>
Net cash generated from financing activities	<u><u>7,095</u></u>	<u><u>10,484</u></u>
Net increase/(decrease) in cash and cash equivalents	7	(290)
Cash and cash equivalents at beginning of financial period	<u>978</u>	<u>744</u>
Cash and cash equivalents at end of financial period	<u><u>985</u></u>	<u><u>454</u></u>
Cash and cash equivalents at end of financial period comprise of :		
Cash and bank balances	<u><u>985</u></u>	<u><u>454</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 2008.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 JANUARY 2009

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 2008. 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 2008.

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 2008.

The adoption of the new or revised FRSs 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 2008 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.

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 2008 was paid on 9 January 2009.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 JANUARY 2009

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.

Cumulative 31-Jan-09	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	100,892	44,074	9,153	17,100	4,979	176,198
Loss from operations						(13,479)
Finance costs						(1,619)
Loss before tax						(15,098)
Tax expense						(16)
Loss after tax						(15,114)

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 2008.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 JANUARY 2009

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:

	31-Jan-09	31-Jul-08
	RM'000	RM'000
Outstanding as at:		
Corporate guarantees in respect of banking facilities granted to a subsidiary	<u>55,876</u>	<u>43,936</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly-owned subsidiary of up to RM89.2 million. (31.07.08: RM89.2 million).

A 14 Capital commitments

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

	31-Jan-09	31-Jul-08
	RM'000	RM'000
Capital expenditures in respect of purchase of property, plant and equipment:-		
- Approved but not contracted for	<u>-</u>	<u>1,635</u>

Operating lease commitments

	31-Jan-09	31-Jul-08
	RM'000	RM'000
Future minimum lease payments		
- not later than one year	<u>198</u>	<u>396</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 QUARTER ENDED 31 JANUARY 2009

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group's revenue decreased by 44% to RM58.6 million compared to RM104.6 million for the corresponding quarter last year due mainly to a reduction in volume of aluminium billets sold and the sharp fall in aluminium prices following the global economic crisis.

The Group registered a loss before tax of RM15.4 million for the current quarter as opposed to a RM2.2 million profit before tax for the corresponding quarter last year. The loss was attributable to the write down in the Group's inventory costs by RM 16.2 million to its net realizable value as a result of the substantial drop in aluminium prices during the quarter under review.

The Group also registered a loss after tax compared to a profit after tax for the corresponding quarter in the previous year in line with the above.

B 2 Variance of results against preceding quarter

Revenue of the Group decreased by 50.2% compared to the preceding quarter's revenue of RM117.6 million due to the drop in volume of aluminium billets sold as well as the sharp decline in aluminium prices.

The Group incurred a loss before and after tax of RM15.9 million and RM15.8 million compared to the preceding quarter's profit before and after tax of RM0.4 million and RM0.3 million respectively due to the write down in the Group's costs of inventories as mentioned above .

B 3 Prospects

The outlook for the aluminium industry will continue to be challenging in the midst of the global financial crisis and economic recession. Current demand levels are low and customers are finding it difficult to forecast future requirements. The stimulus plans announced recently by the Malaysian Government to combat the global slowdown should come into effect soon and your Directors are hopeful that the measures will mitigate the expected contraction of the local economy.

In view of the economic uncertainties and adversities, the operating environment is expected to remain tough. The Group will, however, continue to focus on operational efficiency and appropriate marketing strategies to ease the negative impacts of the economic downturn.

Barring unforeseen circumstances, the Board is of the view that the Group will return to profitability for the next quarter.

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 QUARTER ENDED 31 JANUARY 2009

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Tax expense

	Current quarter ended 31-Jan-09 RM'000	Comparative quarter ended 31-Jan-08 RM'000	6 months cumulative 31-Jan-09 RM'000	6 months cumulative 31-Jan-08 RM'000
Current income tax	(32)	122	-	228
Deferred taxation	-	40	16	106
	<u>(32)</u>	<u>162</u>	<u>16</u>	<u>334</u>

For the quarter under review, an amount of RM32,000 previously provided for income tax was reverse in view of the loss reported by the Group.

An amount of RM16,000 has been provided for as deferred tax liability for the financial year to date ended 31 January 2009 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 QUARTER ENDED 31 JANUARY 2009

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Borrowings

	As at	As at
	31-Jan-09	31-Jul-08
	RM'000	RM'000
Current liabilities		
<u>Secured</u>		
Bankers' acceptances	45,089	3,100
Term loans	642	1,495
Export credit refinancing	1,035	-
Foreign currency loan (Currency denominated in US Dollar)	8,857	39,577
	<u>55,623</u>	<u>44,172</u>
Non-current liabilities		
<u>Secured</u>		
Term loans	253	253
	<u>253</u>	<u>253</u>
Total	<u>55,876</u>	<u>44,425</u>

All borrowings are denominated in Malaysia Ringgit except indicated above.

Certain bank borrowings of the subsidiary are secured by legal charges over seven pieces of freehold land of the subsidiary 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 not proposed any dividend for this quarter ended 31 January 2009.

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 JANUARY 2009

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-09	Cumulative to-date ended 31-Jan-09
Loss after tax (RM'000)	(15,429)	(15,114)
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 loss per share (sen)	(19.29)	(18.89)

(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: 31 March 2009