

Company No: 633621-X

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 OCTOBER 2009

(The figures have not been audited)

	As at 31-Oct-09 RM'000	(Audited) As at 31-Jul-09 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,061	59,612
Current assets		
Inventories	26,752	18,379
Trade and other receivables	28,913	26,514
Tax recoverable	266	266
Short term deposit with licence bank	-	637
Cash and bank balances	179	3,695
	<u>56,110</u>	<u>49,491</u>
TOTAL ASSETS	<u><u>115,171</u></u>	<u><u>109,103</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	12,748	10,417
Total equity	<u>53,464</u>	<u>51,133</u>
Non-current liabilities		
Deferred tax liabilities	2,700	2,700
	<u>2,700</u>	<u>2,700</u>
Current liabilities		
Trade and other payables	4,230	7,674
Bank borrowings	54,777	47,596
	<u>59,007</u>	<u>55,270</u>
Total liabilities	61,707	57,970
TOTAL EQUITY AND LIABILITIES	<u><u>115,171</u></u>	<u><u>109,103</u></u>
	RM	RM
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u><u>0.67</u></u>	<u><u>0.64</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 2009.

Company No: 633621-X

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE QUARTER ENDED 31 OCTOBER 2009

(The figures have not been audited)

	Current quarter ended 31-Oct-09 RM'000	Comparative quarter ended 31-Oct-08 RM'000	3 months cumulative 31-Oct-09 RM'000	3 months cumulative 31-Oct-08 RM'000
Revenue	88,292	117,599	88,292	117,599
Cost of sales	<u>(84,504)</u>	<u>(115,278)</u>	<u>(84,504)</u>	<u>(115,278)</u>
Gross profit	3,788	2,321	3,788	2,321
Other operating income	-	7	-	7
Selling and distribution expenses	(205)	(175)	(205)	(175)
Administrative expenses	(842)	(938)	(842)	(938)
Other operating expenses	<u>(30)</u>	<u>(32)</u>	<u>(30)</u>	<u>(32)</u>
Profit from operations	2,711	1,183	2,711	1,183
Finance costs	<u>(380)</u>	<u>(820)</u>	<u>(380)</u>	<u>(820)</u>
Profit before tax	2,331	363	2,331	363
Taxation	-	(48)	-	(48)
Net profit attributable to shareholders	<u>2,331</u>	<u>315</u>	<u>2,331</u>	<u>315</u>
Basic earnings per share (sen)	2.91	0.39	2.91	0.39
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 2009.

Company No: 633621-X

A-RANK BERHAD
(Incorporated in Malaysia)

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

	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance as at 1 Aug 2008	40,000	716	21,457	62,173
Net profit for the financial period	-	-	315	315
Balance as at 31 Oct 2008	<u>40,000</u>	<u>716</u>	<u>21,772</u>	<u>62,488</u>
Balance as at 1 Aug 2009	40,000	716	10,417	51,133
Net profit for the financial period	-	-	2,331	2,331
Balance as at 31 Oct 2009	<u>40,000</u>	<u>716</u>	<u>12,748</u>	<u>53,464</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 2009.

A-RANK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 OCTOBER 2009
(The figures have not been audited)

	3 months period ended 31-Oct-09 RM'000	3 months period ended 31-Oct-08 RM'000
Cash flows from operating activities		
Profit before tax	2,331	363
Adjustments for:		
Non-cash items	807	796
Non-operating expenses	380	816
Operating profit before working capital changes	<u>3,518</u>	<u>1,975</u>
Changes in working capital		
Inventories	(8,373)	(1,991)
Trade and other receivables	(2,399)	(4,868)
Trade and other payables	(3,444)	1,628
Cash used in operations	<u>(10,698)</u>	<u>(3,256)</u>
Interest paid	(43)	(27)
Tax paid	-	(114)
Net cash used in operating activities	<u>(10,741)</u>	<u>(3,397)</u>
Cash flows from investing activities		
Interest received	-	4
Purchase of property, plant and equipment	(256)	(901)
Net cash used in investing activities	<u>(256)</u>	<u>(897)</u>
Cash flows from financing activities		
Net movements in bank borrowings	7,181	4,326
Interest paid	(337)	(793)
Net cash generated from financing activities	<u>6,844</u>	<u>3,533</u>
Net decrease in cash and cash equivalents	(4,153)	(761)
Cash and cash equivalents at beginning of financial period	<u>4,332</u>	<u>978</u>
Cash and cash equivalents at end of financial period	<u><u>179</u></u>	<u><u>217</u></u>
Cash and cash equivalents at end of financial period comprise of :		
Cash and bank balances	<u><u>179</u></u>	<u><u>217</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 2009.

A-Rank Berhad
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 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 2009. 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 2009.

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 2009.

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 2009 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 of amounts reported in prior financial years that have a material effect in the current quarter and financial year to-date.

A 7 Issuance and repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for 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-Rank Berhad
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 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-Oct-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	47,703	27,223	9,182	3,435	749	88,292
Profit from operations						2,711
Finance costs						(380)
Profit before tax						2,331
Taxation						-
Profit after tax						2,331

A 10 Valuation of property, plant and equipment

The Group did not revalue of its property, plant and equipment during the current quarter under review and financial year to-date.

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 QUARTER ENDED 31 OCTOBER 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:

	As at 31-Oct-09 RM'000	As at 31-Jul-09 RM'000
Corporate guarantees in respect of banking facilities granted to a subsidiary	<u>54,777</u>	<u>47,596</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly-owned subsidiary of up to RM89.2 million. (31.07.09: RM89.2 million).

A 14 Capital commitments

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

	As at 31-Oct-09 RM'000	As at 31-Jul-09 RM'000
Capital expenditures in respect of purchase of property, plant and equipment: - Approved but not contracted for	<u>4,019</u>	<u>1,125</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.

A-Rank Berhad
(Incorporated in Malaysia)

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

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group's revenue decreased by 24.9% to RM88.3 million for the quarter under review compared to RM117.6 million for the corresponding quarter last year. The decreased revenue was despite an increase in business volume of about 7% due to lower average selling prices as a result of the substantial fall in raw material costs.

The Group's registered a substantial increase in profit before tax to RM2.3 million compared to RM0.4 million for the corresponding quarter in the previous year due primarily to improve margins.

Profit after tax for the quarter under review also increased significantly in line with the higher profit before tax. In addition, no taxation was provided for this quarter unlike that of last year due to the availability of unabsorbed business losses and unutilised reinvestment and capital allowances brought forward from previous years.

B 2 Variance of results against preceding quarter

The Group's revenue decreased by 8.8% compared to the preceding quarter's revenue of RM96.8 million contributed by reduced business volume due to lower orders from both domestic and overseas customers.

Profit before tax, however, increased by 4.8% to RM2.3 million compared to RM2.2 million for the preceding quarter as a result of better margins.

Profit after tax, by comparison, reduced by 51.9% to RM2.3 million from RM4.8 million for the preceding quarter. The substantial reduction was owing to the recognition of deferred tax assets in the preceding quarters of RM2.6 million compared to none for the quarter under review.

B 3 Prospects

The prospects for the Group continued to be challenging. Demand levels have dropped compared to the previous quarter. The situation is compounded by increasing raw material costs and current market requirements for competitive pricing. The Group foresee that margins will be under pressure for the next quarter but this difficult environment is expected to be temporary.

Although demand for the Group's products has dropped, the global and Malaysian economies continued to recover and improve and this augurs well for the Group's longer term prospects.

Barring unforeseen circumstances, the Board is of the opinion that the Group will remain profitable for the next quarter.

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 QUARTER ENDED 31 OCTOBER 2009

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Taxation

	Current quarter ended 31-Oct-09 RM'000	Comparative quarter ended 31-Oct-08 RM'000	3 months cumulative 31-Oct-09 RM'000	3 months cumulative 31-Oct-08 RM'000
Current income tax	-	32	-	32
Deferred taxation	-	16	-	16
	<u>-</u>	<u>48</u>	<u>-</u>	<u>48</u>

For the current quarter under review and financial year to-date, no income tax has been provided in view of availability of unabsorbed business losses and unutilised reinvestment and capital allowances brought forward from the previous year.

No deferred tax liability is recognised for the current quarter under review and financial year to-date due to no material 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 QUARTER ENDED 31 OCTOBER 2009

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Borrowings

	As at 31-Oct-09 RM'000	As at 31-Jul-09 RM'000
Current liabilities		
<u>Unsecured</u>		
Bankers' acceptances	34,260	36,967
Foreign currency loan (Currency denominated in US Dollar)	20,517	10,629
	<u>54,777</u>	<u>47,596</u>

All borrowings are denominated in Malaysia Ringgit except as indicated above.

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 commodity future contracts and foreign currency forward contracts 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 October 2009. At the Annual General Meeting held on 22 December 2009, the shareholders of the Company have approved the payment of a first and final tax exempt dividend of 2.0 sen per ordinary share, amounting to RM1.6 million in respect of the financial year ended 31 July 2009.

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A-Rank Berhad
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 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-Oct-09	Cumulative to-date ended 31-Oct-09
Profit after tax (RM'000)	2,331	2,331
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)	2.91	2.91

(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 Dec 2009