

Company No: 633621-X

**A-RANK BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**AS AT 30 APRIL 2010**

**(The figures have not been audited)**

	<b>As at 30-Apr-10 RM'000</b>	<b>(Audited) As at 31-Jul-09 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	62,693	59,612
Current assets		
Inventories	28,817	18,379
Trade and other receivables	28,767	26,514
Tax recoverable	266	266
Short term deposit with licence bank	-	637
Cash and bank balances	654	3,695
	<u>58,504</u>	<u>49,491</u>
<b>TOTAL ASSETS</b>	<u><u>121,197</u></u>	<u><u>109,103</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	15,405	10,417
Total equity	<u>56,121</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	1,323	7,674
Bank borrowings	61,053	47,596
	<u>62,376</u>	<u>55,270</u>
Total liabilities	65,076	57,970
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>121,197</u></u>	<u><u>109,103</u></u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u>0.70</u>	<u>0.64</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 PERIOD ENDED 30 APRIL 2010**

(The figures have not been audited)

	<b>Current quarter ended 30-Apr-10 RM'000</b>	<b>Comparative quarter ended 30-Apr-09 RM'000</b>	<b>9 months cumulative 30-Apr-10 RM'000</b>	<b>9 months cumulative 30-Apr-09 RM'000</b>
Revenue	95,980	67,989	271,163	244,187
Cost of sales	(92,546)	(64,469)	(260,276)	(251,997)
Gross profit/(loss)	<u>3,434</u>	<u>3,520</u>	<u>10,887</u>	<u>(7,810)</u>
Other operating income	156	15	306	28
Selling and distribution expenses	(202)	(121)	(635)	(418)
Administrative expenses	(838)	(822)	(2,478)	(2,654)
Other operating expenses	(31)	(118)	(106)	(151)
Profit/(Loss) from operations	<u>2,519</u>	<u>2,474</u>	<u>7,974</u>	<u>(11,005)</u>
Finance costs	<u>(469)</u>	<u>(447)</u>	<u>(1,386)</u>	<u>(2,066)</u>
Profit/(Loss) before tax	<u>2,050</u>	<u>2,027</u>	<u>6,588</u>	<u>(13,071)</u>
Taxation	<u>-</u>	<u>2</u>	<u>-</u>	<u>(14)</u>
Net profit/(loss) attributable to shareholders	<u><u>2,050</u></u>	<u><u>2,029</u></u>	<u><u>6,588</u></u>	<u><u>(13,085)</u></u>
Basic earnings/(loss) per share (sen)	2.56	2.54	8.24	(16.36)
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.

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**A-RANK BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

(The figures have not been audited)

	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
<b>Balance as at 1 Aug 2008</b>	40,000	716	21,457	62,173
Net loss for the financial period	-	-	(13,085)	(13,085)
Dividend paid	-	-	(2,800)	(2,800)
<b>Balance as at 30 Apr 2009</b>	<u>40,000</u>	<u>716</u>	<u>5,572</u>	<u>46,288</u>
<b>Balance as at 1 Aug 2009</b>	40,000	716	10,417	51,133
Net profit for the financial period	-	-	6,588	6,588
Dividend paid	-	-	(1,600)	(1,600)
<b>Balance as at 30 Apr 2010</b>	<u>40,000</u>	<u>716</u>	<u>15,405</u>	<u>56,121</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.

Company No: 633621-X

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

**(The figures have not been audited)**

	<b>9 months period ended 30-Apr-10 RM'000</b>	<b>9 months period ended 30-Apr-09 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	6,588	(13,071)
Adjustments for:		
Non-cash items	2,330	2,401
Non-operating expenses	1,386	2,050
Operating profit/(loss) before working capital changes	<u>10,304</u>	<u>(8,620)</u>
Changes in working capital		
Inventories	(10,438)	8,842
Trade and other receivables	(2,253)	4,942
Trade and other payables	(6,351)	(5,350)
Cash used in operations	<u>(8,738)</u>	<u>(186)</u>
Interest paid	(81)	(85)
Tax paid	-	(197)
<b>Net cash used in operating activities</b>	<u>(8,819)</u>	<u>(468)</u>
<b>Cash flows from investing activities</b>		
Interest received	-	16
Purchase of property, plant and equipment	(5,554)	(3,412)
Proceed from disposal of property, plant and equipment	143	-
<b>Net cash used in investing activities</b>	<u>(5,411)</u>	<u>(3,396)</u>
<b>Cash flows from financing activities</b>		
Net movements in bank borrowings	13,457	7,994
Placement of short term deposit with licence bank	-	6,551
Dividend paid	(1,600)	(2,800)
Interest paid	(1,305)	(1,981)
<b>Net cash generated from financing activities</b>	<u>10,552</u>	<u>9,764</u>
Net (decrease)/increase in cash and cash equivalents	(3,678)	5,900
Cash and cash equivalents at beginning of financial period	4,332	978
Cash and cash equivalents at end of financial period	<u>654</u>	<u>6,878</u>
<b>Cash and cash equivalents at end of financial period comprise of :</b>		
Cash and bank balances	654	327
Short term deposit with licence bank	-	6,551
	<u>654</u>	<u>6,878</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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

**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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

**A Explanatory Notes: FRS 134**

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**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 30-Apr-10</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	148,732	70,940	26,472	16,904	8,115	271,163
Profit from operations						7,974
Finance costs						(1,386)
Profit before tax						6,588
Taxation						-
Profit after tax						6,588

**A 10 Valuation of property, plant and equipment**

The Group did not revalue 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 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 PERIOD ENDED 30 APRIL 2010**

**A Explanatory Notes: FRS 134**

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**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>As at</b> <b>30-Apr-10</b> <b>RM'000</b>	<b>As at</b> <b>31-Jul-09</b> <b>RM'000</b>
Corporate guarantees in respect of banking facilities granted to a subsidiary	<u>61,053</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 Commitments**

**a) Capital commitment**

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

	<b>As at</b> <b>30-Apr-10</b> <b>RM'000</b>	<b>As at</b> <b>31-Jul-09</b> <b>RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	334	1,125
- Contracted but not provided for	-	-
	<u>334</u>	<u>1,125</u>

**b) Operating lease commitment**

The Group had entered into non-cancellable lease agreements for machinery resulting in future rental commitments. The Group has aggregate future minimum lease commitment as at the balance sheet date as follows:

	<b>As at</b> <b>30-Apr-10</b> <b>RM'000</b>	<b>As at</b> <b>31-Jul-09</b> <b>RM'000</b>
Future minimum lease payments		
- Not later than one (1) year	157	99
- Later than one (1) year and not later than five (5) years	629	-
	<u>786</u>	<u>99</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 30 APRIL 2010**

**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 41.2% to RM96.0 million for the quarter under review compared to RM68.0 million for the corresponding quarter last year. The increased revenue was contributed mainly by the substantial increase in average selling prices owing to the significant rise in underlying raw material costs as well as a slight increase in business volume.

The Group registered a slight improvement in profit before tax of RM2.1 million for the current quarter compared to a profit before tax of RM2.0 million for the corresponding quarter in the previous year. This is not in line with the significant increase in revenue owing to much lower margins following the significant rise in raw material costs.

Profit after tax for the quarter also increased slightly in line with the profit before tax. In addition, no taxation was provided for the quarter under review 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 increased by 10.5% compared to the preceding quarter's revenue of RM86.9 million due mainly to the increase in business volume.

Profit before tax, however, decreased by 7.1% from RM2.2 million for the preceding quarter as a result of lower margins following the rise in raw material costs. Profit after tax for the quarter under review also decreased slightly in line with the profit before tax.

**B 3 Prospects**

The Group's prospect moving forward have stabilised although it will be challenging particularly in the export market. For the domestic market, the Group's dominant position is expected to ensure that business volume carry on as usual especially with the continuing recovery of the Malaysian economy. For the export market, the emergence of a regional competitor has resulted in margins under pressure as the Group vie for market share.

Nonetheless, the group will focus on its core competencies to improve cost efficiencies whilst exploring new market so as to maintain both margins and business volume.

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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

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

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**B 5 Taxation**

	<b>Current quarter ended 30-Apr-10 RM'000</b>	<b>Comparative quarter ended 30-Apr-09 RM'000</b>	<b>9 months cumulative 30-Apr-10 RM'000</b>	<b>9 months cumulative 30-Apr-09 RM'000</b>
Over provision of income tax in respect of prior year	-	(2)	-	(2)
Deferred taxation	-	-	-	16
	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>14</u>

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

No deferred tax liability is recognised for the quarter under review and financial year to-date as there were 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 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 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 30 APRIL 2010**

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

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**B 9 Borrowings**

	<b>As at</b> <b>30-Apr-10</b> <b>RM'000</b>	<b>As at</b> <b>31-Jul-09</b> <b>RM'000</b>
<b>Current liabilities</b>		
<u>Unsecured</u>		
Bankers' acceptances	56,898	36,967
Foreign currency loan (Currency denominated in US Dollar)	4,155	10,629
	<u>61,053</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 30 April 2010.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 APRIL 2010**

**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 30-Apr-10</b>	<b>Cumulative to-date ended 30-Apr-10</b>
Profit after tax (RM'000)	2,050	6,588
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)	2.56	8.24

**(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 quarter under review and financial year to-date.

By Order of the Board

Ng Bee Lian  
Company Secretary

Date: 28 Jun 2010