

**A-RANK BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2010****(The figures have not been audited)**

	<b>As at 31-Oct-10 RM'000</b>	<b>(Audited) As at 31-Jul-10 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	64,166	65,028
Current assets		
Inventories	34,102	32,612
Trade and other receivables	31,166	29,040
Tax recoverable	305	305
Short term deposit with a licenced bank	-	-
Cash and cash equivalents	1,843	3,543
	<u>67,416</u>	<u>65,500</u>
<b>TOTAL ASSETS</b>	<u><u>131,582</u></u>	<u><u>130,528</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	16,540	15,039
<b>Total equity</b>	<u>57,256</u>	<u>55,755</u>
Non-current liabilities		
Deferred tax liabilities	5,245	4,793
	<u>5,245</u>	<u>4,793</u>
Current liabilities		
Trade and other payables	7,706	8,787
Derivative financial liabilities	225	-
Bank borrowings	61,150	61,193
	<u>69,081</u>	<u>69,980</u>
<b>Total liabilities</b>	<u>74,326</u>	<u>74,773</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>131,582</u></u>	<u><u>130,528</u></u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u><u>0.72</u></u>	<u><u>0.70</u></u>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2010.

**A-RANK BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 OCTOBER 2010****(The figures have not been audited)**

	<b>Current quarter ended 31-Oct-10 RM'000</b>	<b>Current quarter ended 31-Oct-09 RM'000</b>	<b>3 months cumulative 31-Oct-10 RM'000</b>	<b>3 months cumulative 31-Oct-09 RM'000</b>
Revenue	95,268	88,292	95,268	88,292
Cost of sales	(91,398)	(84,504)	(91,398)	(84,504)
Gross profit	<u>3,870</u>	<u>3,788</u>	<u>3,870</u>	<u>3,788</u>
Other operating income	3	-	3	-
Selling and distribution expenses	(106)	(205)	(106)	(205)
Administrative expenses	(967)	(842)	(967)	(842)
Other operating expenses	(16)	(30)	(16)	(30)
Profit from operations	<u>2,784</u>	<u>2,711</u>	<u>2,784</u>	<u>2,711</u>
Finance costs	(622)	(380)	(622)	(380)
Profit before taxation	<u>2,162</u>	<u>2,331</u>	<u>2,162</u>	<u>2,331</u>
Taxation	(452)	-	(452)	-
Net profit for the period	<u>1,710</u>	<u>2,331</u>	<u>1,710</u>	<u>2,331</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><u>1,710</u></u>	<u><u>2,331</u></u>	<u><u>1,710</u></u>	<u><u>2,331</u></u>
Attributable to:				
Shareholders of the Company	<u><u>1,710</u></u>	<u><u>2,331</u></u>	<u><u>1,710</u></u>	<u><u>2,331</u></u>
	Sen	Sen	Sen	Sen
Net earnings per share attributable to ordinary shareholders :				
- Basic	<u><u>2.14</u></u>	<u><u>2.91</u></u>	<u><u>2.14</u></u>	<u><u>2.91</u></u>
- Diluted	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2010.

**A-RANK BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 OCTOBER 2010**

(The figures have not been audited)

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 Aug 2009	40,000	716	10,417	51,133
Total comprehensive income for the 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>
Balance as at 1 Aug 2010				
As previously reported	40,000	716	15,039	55,755
Effect of adopting FRS 139	-	-	(209)	(209)
As restated	<u>40,000</u>	<u>716</u>	<u>14,830</u>	<u>55,546</u>
Total comprehensive income for the period	-	-	1,710	1,710
Balance as at 31 Oct 2010	<u>40,000</u>	<u>716</u>	<u>16,540</u>	<u>57,256</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 2010.

**A-RANK BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31 OCTOBER 2010**

(The figures have not been audited)

	<b>3 months period ended 31-Oct-10 RM'000</b>	<b>3 months period ended 31-Oct-09 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,162	2,331
Adjustments for:		
Non-cash items	1,025	807
Non-operating expenses	622	380
Operating profit before working capital changes	<u>3,809</u>	<u>3,518</u>
Changes in working capital		
Inventories	(1,490)	(8,373)
Trade and other receivables	(2,126)	(2,399)
Trade and other payables	(1,081)	(3,444)
Cash used in operations	<u>(888)</u>	<u>(10,698)</u>
Interest paid	<u>(30)</u>	<u>(43)</u>
<b>Net cash used in operating activities</b>	<u>(918)</u>	<u>(10,741)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<u>(156)</u>	<u>(256)</u>
<b>Net cash used in investing activities</b>	<u>(156)</u>	<u>(256)</u>
<b>Cash flows from financing activities</b>		
Net movements in bank borrowings	2,746	7,181
Interest paid	(592)	(337)
<b>Net cash generated from financing activities</b>	<u>2,154</u>	<u>6,844</u>
Net increase/(decrease) in cash and cash equivalents	1,080	(4,153)
Effect of exchange rate changes on cash and cash equivalents	(28)	-
Cash and cash equivalents at beginning of financial period	<u>791</u>	<u>4,332</u>
Cash and cash equivalents at end of financial period	<u><u>1,843</u></u>	<u><u>179</u></u>
<b>Cash and cash equivalents at end of financial period comprise of :</b>		
Cash and bank balances	<u><u>1,843</u></u>	<u><u>179</u></u>

These condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements of A-Rank Berhad for the financial year ended 31 July 2010.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 OCTOBER 2010**

**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 2010. 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 2010.

**A 2 Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2010 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") effective for financial periods beginning on or after 1 January 2010.

<b>New/Revised FRSs, Amendments to FRSs and IC Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards: Cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellation	1 January 2010
Amendment to FRS 7	Financial Instruments: Disclosures	
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation: Puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound financial instruments	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives	1 January 2010

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**NOTES TO THE FINANCIAL STATEMENTS  
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**A Explanatory Notes: FRS 134**

**A 2 Changes in accounting policies (Cont'd)**

<b>New/Revised FRSs, Amendments to FRSs and IC Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 8 Operating Segments	1 January 2010
Amendment to FRS 107 Statement of Cash Flows	1 January 2010
Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110 Events after the Reporting Period	1 January 2010
Amendment to FRS 116 Property, Plant and Equipment	1 January 2010
Amendment to FRS 117 Leases	1 January 2010
Amendment to FRS 118 Revenue	1 January 2010
Amendment to FRS 119 Employee Benefits	1 January 2010
Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123 Borrowing Costs	1 January 2010
Amendment to FRS 127 Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128 Investments in Associates	1 January 2010
Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131 Interests in Joint Ventures	1 January 2010
Amendment to FRS 134 Interim Financial Reporting	1 January 2010
Amendment to FRS 136 Impairment of Assets	1 January 2010
Amendment to FRS 138 Intangible Assets	1 January 2010
Amendment to FRS 140 Investment Properties	1 January 2010
FRS 1 First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3 Business Combinations (revised)	1 July 2010
FRS 127 Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendment to FRS 2 Share-based Payment	1 July 2010
Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendment to FRS 138 Intangible Assets	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendment to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
Amendment to FRS 132 Financial Instruments: Presentation: Classification of rights issue	1 March 2010

Other than for the application of FRS 8, FRS 101, FRS117 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**A Explanatory Notes: FRS 134**

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**A 2 Changes in accounting policies (Cont'd)**

**(a) FRS 101: Presentation of Financial Statements (revised)**

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

In addition, FRS 101 has introduced new title on the financial statements. Statement of Financial Position has replaced Balance Sheets, Statement of Comprehensive Income has replaced Income Statements and Statement of Cash Flows has replaced Cash Flow Statements. This Standard does not have any material impact on the financial position and results of the Group.

**(b) FRS 139: Financial Instruments – Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 August 2010.

**Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and financial assets at fair value through profit or loss.

Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

**Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and loans and borrowings, and are carried at amortised cost.

This change in measurement of financial assets and liabilities did not have any impact on the Group's financial position or performance of the Group.

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**A Explanatory Notes: FRS 134**

**A 2 Changes in accounting policies (Cont'd)**

**Impact on opening balances**

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 July 2010 have not been restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 August 2010.

	<b>Previously Stated RM'000</b>	<b>Effect of FRS 139 RM'000</b>	<b>As Restated RM'000</b>
Derivative financial liabilities	-	209	209
Retained earnings	15,039	(209)	14,830

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and Interpretation that were in issue but not yet effective:

<b>New/Revised FRSs, Amendments to FRSs and IC Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 1 First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2 Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4 Determining whether an arrangement contains a lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to Prepayments of a Minimum Funding Requirement IC Interpretation 14	1 July 2011

**A 3 Qualification of financial statements**

The audited consolidated financial statements of the Group for the financial year ended 31 July 2010 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  
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**A Explanatory Notes: FRS 134**

**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 9 Segmental information**

The Group and its subsidiary are principally engaged in investment holding and manufacturing and marketing of aluminium billets respectively.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the geographical areas, which requires different business and marketing strategies. The reportable segments are Malaysia, South East Asia other than Malaysia, South Asia and Africa. Other operating segments that do not constitute reportable segments comprise countries such as China.

<b>Cumulative 31-Oct-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 from external customers	49,177	36,691	5,524	3,510	366	95,268
Profit from operations						2,784
Finance costs						(622)
Profit before tax						2,162
Taxation						(452)
Profit after tax						1,710

**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 31 OCTOBER 2010**

**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:

	<b>As at 31-Oct-10 RM'000</b>	<b>As at 31-Jul-10 RM'000</b>
Corporate guarantees given to financial institutions for banking facilities granted to the subsidiary	<u>61,150</u>	<u>61,193</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly-owned subsidiary of up to RM119.2 million. (31.07.10: RM119.2 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 31-Oct-10 RM'000</b>	<b>As at 31-Jul-10 RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	1,017	33
- Contracted but not provided for	-	-
	<u>1,017</u>	<u>33</u>

**b) Operating lease commitment**

The Group had entered into non-cancellable lease agreements for machinery, resulting in future rental commitments which can, subject to certain terms in the agreements be revised annually based on prevailing market rate. The Group has aggregate future minimum lease commitment as at the date of consolidated statement of financial position as follows:

	<b>As at 31-Oct-10 RM'000</b>	<b>As at 31-Jul-10 RM'000</b>
Future minimum lease payments		
- Not later than one year	509	157
- Later than one year and not later than five years	2,733	590
	<u>3,242</u>	<u>747</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 quarter under review and financial year to-date.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 OCTOBER 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 7.9% to RM95.3 million for the quarter under review compared to RM88.3 million for the corresponding quarter last year. The increased revenue was due to slightly higher business volume and higher average selling prices owing to the rise in underlying raw material costs.

The Group, however registered a drop of 7.3% in profit before tax to RM2.2 million for the current quarter compared to a profit before tax of RM2.3 million for the corresponding quarter in the previous year. This is due to lower margins as a result of the significant increase in raw material costs.

The Group reported a drop in profit after tax to RM1.7 million for the quarter under review compared to a profit after tax of RM2.3 million for the corresponding quarter last year due to the provision of deferred tax liability.

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

The Group's revenue increased slightly by 2.1% from RM93.3 million for the preceding quarter. The increased in revenue was contributed by higher average selling prices as a result of the rise in raw material costs although business volume was lower compared to the preceding quarter.

Profit before tax increased substantially by 28.1% compared to the preceding quarter's profit before tax of RM1.7 million due mainly to better margins.

Profit after tax improved substantially from the preceding quarter's loss after tax of RM0.4 million. The loss suffered in the preceding quarter was due to the provision for deferred tax liability of RM2.1 million whilst the provision for deferred tax liability for the quarter under review was significantly lower at RM0.5 million.

**B 3 Prospects**

The Group's outlook continue to be bright but many challenges remain. The demand for the Group's products and services for the forthcoming quarter is good and the Group is optimistic that this trend will be maintained. However, the Group remains cautious over the volatility in raw material costs whilst the stronger Ringgit against the USD poses another big challenge on margins given our significant exports. Nonetheless, the continued recovery of the global economy and particularly that of Malaysia following the announcement of mega projects during the recent national budget 2011 is positive for the Group's prospect moving forward.

The Group will continue to focus on its core competencies to improve cost efficiencies to maintain profit margins as well as source for new customers and markets.

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

**B 5 Taxation**

	<b>Current quarter ended 31-Oct-10 RM'000</b>	<b>Comparative quarter ended 31-Oct-09 RM'000</b>	<b>3 months cumulative 31-Oct-10 RM'000</b>	<b>3 months cumulative 31-Oct-09 RM'000</b>
Current income tax	-	-	-	-
Deferred taxation	452	-	452	-
	<u>452</u>	<u>-</u>	<u>452</u>	<u>-</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.

Net amount of RM0.452 million has been provided for as deferred tax liability for the current quarter and financial year ended 31 October 2010 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 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.

**B 9 Borrowings**

	<b>As at 31-Oct-10 RM'000</b>	<b>As at 31-Jul-10 RM'000</b>
<b>Current liabilities - unsecured</b>		
Bankers' acceptances	55,193	58,441
Foreign currency loan (Currency denominated in US Dollar)	5,957	-
Bank overdraft	-	2,752
	<u>61,150</u>	<u>61,193</u>

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

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

**B 10 Off balance sheet financial instruments**

With the adoption of FRS 139 Financial Instruments : Recognition and Measurement, off balance sheet financial instruments are now recognised on the financial statements.

**a) Commodity future contracts and foreign currency forward contracts**

**i) Commodity future contracts**

As at 31 October 2010, the Group entered into commodity future contracts with the objective of hedging the Group's exposure to adverse price movements in aluminum. The commodity future contracts entered into by the Group are as follow:

Type of Transaction	Notional value RM'000	Fair value RM'000	Loss on fair value RM'000	Maturity analysis RM'000
Sales Contracts	4,871	5,087	(216)	Within a year

**ii) Foreign currency forward contracts**

As at 31 October 2010, the Group entered into forward foreign exchange purchase contracts to hedge the receipts and payments in foreign currency and settlement of foreign currency loan. The foreign currency contracts entered into by the Group are as follow:

Type of Transaction	Notional value RM'000	Fair value RM'000	Loss on fair value RM'000	Maturity analysis RM'000
Sales contracts used to hedge trade receivables	1,399	1,408	(9)	Within a year
Purchase contracts used to hedge foreign currency loan	1,463	1,463	-	Within a year

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**NOTES TO THE FINANCIAL STATEMENTS  
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**B Additional information required by the Bursa Securities' Listing Requirements**

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**B 10 Off balance sheet financial instruments (Cont'd)**

**b) Credit risk**

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by the senior management.

The Group has no significant concentration of credit risk as at 31 October 2010. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

**c) Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents and credit lines deemed adequate to finance the Group's activities.

**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 2010. At the Annual General Meeting held on 10 December 2010, the shareholders of the Company have approved the payment of a first and final single tier tax exempt dividend of 2.25 sen per ordinary share, amounting to RM1.8 million in respect of the financial year ended 31 July 2010.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 OCTOBER 2010**

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

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**B 13 Earnings per ordinary share**

**(a) Basic earnings per ordinary share**

The basic earnings per ordinary share for the current quarter under review and cumulative year to-date are computed as follows:

	<b>Current quarter ended 31-Oct-10</b>	<b>Cumulative to-date ended 31-Oct-10</b>
Profit after tax (RM'000)	1,710	1,710
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)	2.14	2.14

**(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: 10 Dec 2010