

A-RANK BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2011
(The figures have not been audited)

	As at 31-Jan-11 RM'000	(Audited) As at 31-Jul-10 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	63,263	65,028
Current assets		
Inventories	31,341	32,612
Trade and other receivables	27,882	29,040
Tax recoverable	305	305
Short term deposit with a licenced bank	643	-
Cash and cash equivalents	1,248	3,543
	<u>61,419</u>	<u>65,500</u>
TOTAL ASSETS	<u><u>124,682</u></u>	<u><u>130,528</u></u>
EQUITY AND LIABILITIES		
Share capital		
Share capital	40,000	40,000
Share premium	716	716
Retained profits	16,483	15,039
Total equity	<u>57,199</u>	<u>55,755</u>
Non-current liabilities		
Deferred tax liabilities	5,449	4,793
	<u>5,449</u>	<u>4,793</u>
Current liabilities		
Trade and other payables	3,724	8,787
Derivative financial liabilities	233	-
Bank borrowings	58,077	61,193
	<u>62,034</u>	<u>69,980</u>
Total liabilities	67,483	74,773
TOTAL EQUITY AND LIABILITIES	<u><u>124,682</u></u>	<u><u>130,528</u></u>
	RM	RM
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u>0.71</u>	<u>0.70</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 JANUARY 2011
(The figures have not been audited)

	Current quarter ended 31-Jan-11 RM'000	Current quarter ended 31-Jan-10 RM'000	6 months cumulative 31-Jan-11 RM'000	6 months cumulative 31-Jan-10 RM'000
Revenue	103,843	86,891	199,111	175,183
Cost of sales	<u>(100,099)</u>	<u>(83,226)</u>	<u>(191,497)</u>	<u>(167,730)</u>
Gross profit	3,744	3,665	7,614	7,453
Other operating income	1	150	4	150
Selling and distribution expenses	(158)	(228)	(264)	(433)
Administrative expenses	(1,050)	(798)	(2,017)	(1,640)
Other operating expenses	<u>(90)</u>	<u>(45)</u>	<u>(106)</u>	<u>(75)</u>
Profit from operations	2,447	2,744	5,231	5,455
Finance costs	<u>(500)</u>	<u>(537)</u>	<u>(1,122)</u>	<u>(917)</u>
Profit before taxation	1,947	2,207	4,109	4,538
Taxation	<u>(204)</u>	<u>-</u>	<u>(656)</u>	<u>-</u>
Net profit for the period	1,743	2,207	3,453	4,538
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>1,743</u>	<u>2,207</u>	<u>3,453</u>	<u>4,538</u>
Attributable to:				
Shareholders of the Company	<u>1,743</u>	<u>2,207</u>	<u>3,453</u>	<u>4,538</u>
	Sen	Sen	Sen	Sen
Net earnings per share attributable to ordinary shareholders :				
- Basic	<u>2.18</u>	<u>2.76</u>	<u>4.32</u>	<u>5.67</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2011
(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	-	-	4,538	4,538
Dividend paid	-	-	(1,800)	(1,800)
Balance as at 31 Jan 2010	<u>40,000</u>	<u>716</u>	<u>13,155</u>	<u>53,871</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	-	-	3,453	3,453
Dividend paid	-	-	(1,800)	(1,800)
Balance as at 31 Jan 2011	<u>40,000</u>	<u>716</u>	<u>16,483</u>	<u>57,199</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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 JANUARY 2011
(The figures have not been audited)

	6 months period ended 31-Jan-11 RM'000	6 months period ended 31-Jan-10 RM'000
Cash flows from operating activities		
Profit before tax	4,109	4,538
Adjustments for:		
Non-cash items	2,054	1,602
Non-operating expenses	1,121	917
Operating profit before working capital changes	<u>7,284</u>	<u>7,057</u>
Changes in working capital		
Inventories	1,271	(17,448)
Trade and other receivables	1,158	3,903
Trade and other payables	(5,063)	(5,778)
Cash generated from/(used in) operations	<u>4,650</u>	<u>(12,266)</u>
Interest paid	(61)	(81)
Net generated from/(used in) operating activities	<u>4,589</u>	<u>(12,347)</u>
Cash flows from investing activities		
Interest received	1	-
Purchase of property, plant and equipment	(270)	(5,282)
Net cash used in investing activities	<u>(269)</u>	<u>(5,282)</u>
Cash flows from financing activities		
Net movements in bank borrowings	(364)	16,321
Dividend paid	(1,800)	(1,600)
Interest paid	(1,061)	(836)
Net cash (used in)/generated from financing activities	<u>(3,225)</u>	<u>13,885</u>
Net increase/(decrease) in cash and cash equivalents	1,095	(3,744)
Effect of exchange rate changes on cash and cash equivalents	5	-
Cash and cash equivalents at beginning of financial period	791	4,332
Cash and cash equivalents at end of financial period	<u>1,891</u>	<u>588</u>
Cash and cash equivalents at end of financial period comprise of :		
Short term deposit with a licenced bank	643	-
Cash and cash equivalents	1,248	588
	<u>1,891</u>	<u>588</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.

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

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.

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
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 Cancellations	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

A-Rank Berhad

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011****A Explanatory Notes: FRS 134****A 2 Changes in accounting policies (Cont'd)**

New/Revised FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after
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 Reassessment of Embedded Derivatives Interpretation 9	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.

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

A Explanatory Notes: FRS 134

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.

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

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.

	Previously Stated RM'000	Effect of FRS 139 RM'000	As Restated RM'000
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:

New/Revised FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginning on or after	
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 IC Interpretation 14	Prepayments of a Minimum Funding Requirement	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.

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

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

A first and final tax exempt dividend of 2.25 sen per ordinary share, amounting to RM1.8 million in respect of the previous financial year ended 31 July 2010 was paid on 30 December 2010.

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 and South America.

Cumulative 31-Jan-11	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 from external customers	98,869	72,758	12,946	12,875	1,663	199,111
Profit from operations						5,231
Finance costs						(1,122)
Profit before tax						4,109
Taxation						(656)
Profit after tax						3,453

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-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

A Explanatory Notes: FRS 134

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:

	As at 31-Jan-11 RM'000	As at 31-Jul-10 RM'000
Corporate guarantees given to financial institutions for banking facilities granted to the subsidiary	<u>58,077</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:

	As at 31-Jan-11 RM'000	As at 31-Jul-10 RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	780	33
- Contracted but not provided for	-	-
	<u>780</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:

	As at 31-Jan-11 RM'000	As at 31-Jul-10 RM'000
Future minimum lease payments		
- Not later than one year	469	157
- Later than one year and not later than five years	2,734	590
	<u>3,203</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.

A-Rank Berhad

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group's revenue increased by 19.5% to RM103.8 million for the quarter under review compared to RM86.9 million for the corresponding quarter last year. The increased revenue was due mainly to higher average selling prices owing to the rise in underlying raw material costs whilst business volume remain about the same.

The Group, however, registered a drop of 11.4% in profit before tax to RM2.0 million for the current quarter compared to a profit before tax of RM2.2 million for the corresponding quarter last year due mainly to lower margins as a result of the increase in raw material costs.

The Group reported a drop in profit after tax to RM1.8 million for the quarter under review compared to a profit after tax of RM2.2 million for the corresponding quarter last year due to the above as well as the provision for deferred tax liability.

B 2 Variance of results against preceding quarter

The Group's revenue increased by 9% from RM95.3 million for the preceding quarter. The increased in revenue was contributed by higher business volume and increase in average selling prices as a result of the rise in raw material costs.

However, profit before tax decreased by 9.5% compared to the preceding quarter's profit before tax of RM2.2 million due mainly to lower margins.

Profit after tax for both quarters were about the same due to lower provision for deferred tax liability for the quarter under review.

B 3 Prospects

The upheavals in North Africa and the Middle East as well as the catastrophe in Japan have caused uncertainty over the global economic recovery. However, we remain optimistic of the longer term prospect of the health of the global economy.

Closer to home, the Malaysian economy continue to perform in which augurs well for our prospect domestically. Although the continue strengthening of the Malaysian Ringgit will put pressure on the margins for our exports, the Group will persist in improving cost efficiencies to reduce its impact.

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 PERIOD ENDED 31 JANUARY 2011**

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Taxation

	Current quarter ended 31-Jan-11 RM'000	Comparative quarter ended 31-Jan-10 RM'000	6 months cumulative 31-Jan-11 RM'000	6 months cumulative 31-Jan-10 RM'000
Current income tax	-	-	-	-
Deferred taxation	204	-	656	-
	<u>204</u>	<u>-</u>	<u>656</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 RM0.204 million and RM0.656 million have been provided for as deferred tax liability for the current quarter and financial year to date 31 January 2011 respectively 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

	As at 31-Jan-11 RM'000	As at 31-Jul-10 RM'000
Current liabilities - unsecured		
Bankers' acceptances	44,483	58,441
Foreign currency loan (Currency denominated in US Dollar)	13,594	-
Bank overdraft	-	2,752
	<u>58,077</u>	<u>61,193</u>

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

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

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 January 2011, 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
Sales Contracts	<u>5,231</u>	<u>5,458</u>	<u>(228)</u>	<u>Within a year</u>

ii) Foreign currency forward contracts

As at 31 January 2011, 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
Purchase contracts used to hedge foreign currency loan	<u>3,075</u>	<u>3,070</u>	<u>(5)</u>	<u>Within a year</u>

A-Rank Berhad
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

B Additional information required by the Bursa Securities' Listing Requirements

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 January 2011. 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 Realised and Unrealised Profit or Losses

The breakdown of retained profit of the Group as at 31 January 2011 into realised and unrealised profits or losses are as follows:

	As at 31-Jan-11 RM'000
Total retained profits of the Company and its subsidiary	
- Realised profit	21,932
- Unrealised loss	<u>(5,449)</u>
	<u>16,483</u>

Comparative figures are not required in the first year of complying with the realised and unrealised profits/losses disclosure.

B 12 Changes in material litigation

The Group does not have any material litigation as at the date of this announcement.

B 13 Dividend

The Board of Directors has not proposed any dividend for this quarter ended 31 January 2011.

Company No: 633621-X

A-Rank Berhad

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2011**

B Additional information required by the Bursa Securities' Listing Requirements

B 14 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:

	Current quarter ended 31-Jan-11	Cumulative to-date ended 31-Jan-11
Profit after tax (RM'000)	1,743	3,453
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)	2.18	4.32

(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: 29 Mar 2011