

**A-Rank Berhad**

(Incorporated in Malaysia)

**Condensed Consolidated Statement Of Financial Position****As at 31 October 2011****(The figures have not been audited)**

	<b>As at 31-Oct-11 RM'000</b>	<b>(Audited) As at 31-Jul-11 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	61,613	62,475
<b>Current assets</b>		
Inventories	41,144	28,232
Trade and other receivables	34,947	32,313
Tax recoverable	96	96
Derivative financial assets	84	-
Short term deposits with a licenced bank	500	1,346
Cash and cash equivalents	536	1,086
	<u>77,307</u>	<u>63,073</u>
<b>TOTAL ASSETS</b>	<u>138,920</u>	<u>125,548</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Share premium	716	716
Retained earnings	21,721	20,112
<b>Total equity</b>	<u>62,437</u>	<u>60,828</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,012	5,794
	<u>6,012</u>	<u>5,794</u>
<b>Current liabilities</b>		
Trade and other payables	8,658	10,472
Derivative financial liabilities	-	72
Bank borrowings	61,813	48,382
	<u>70,471</u>	<u>58,926</u>
<b>Total liabilities</b>	76,483	64,720
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>138,920</u>	<u>125,548</u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 80,000,000 ordinary shares of RM0.50 each	<u>0.78</u>	<u>0.76</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 2011.

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

**Condensed Consolidated Statement Of Comprehensive Income**  
**For The Period Ended 31 October 2011**  
(The figures have not been audited)

	<b>Current quarter ended 31-Oct-11 RM'000</b>	<b>Current quarter ended 31-Oct-10 RM'000</b>	<b>3 months cumulative 31-Oct-11 RM'000</b>	<b>3 months cumulative 31-Oct-10 RM'000</b>
Revenue	100,264	95,268	100,264	95,268
Cost of sales	<u>(96,868)</u>	<u>(91,398)</u>	<u>(96,868)</u>	<u>(91,398)</u>
Gross profit	3,396	3,870	3,396	3,870
Other operating income	4	3	4	3
Selling and distribution expenses	(92)	(106)	(92)	(106)
Administrative expenses	(1,003)	(967)	(1,003)	(967)
Other operating expenses	<u>(18)</u>	<u>(16)</u>	<u>(18)</u>	<u>(16)</u>
Profit from operations	2,287	2,784	2,287	2,784
Finance costs	<u>(457)</u>	<u>(622)</u>	<u>(457)</u>	<u>(622)</u>
Profit before taxation	1,830	2,162	1,830	2,162
Taxation	<u>(221)</u>	<u>(452)</u>	<u>(221)</u>	<u>(452)</u>
Net profit for the period	1,609	1,710	1,609	1,710
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,609</u>	<u>1,710</u>	<u>1,609</u>	<u>1,710</u>
Attributable to:				
Shareholders of the Company	<u>1,609</u>	<u>1,710</u>	<u>1,609</u>	<u>1,710</u>
	Sen	Sen	Sen	Sen
Net earnings per share attributable to ordinary shareholders :				
- Basic	<u>2.01</u>	<u>2.14</u>	<u>2.01</u>	<u>2.14</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 2011.

**A-Rank Berhad**  
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**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 31 October 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 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	-	-	1,710	1,710
Balance as at 31 Oct 2010	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>16,540</u></u>	<u><u>57,256</u></u>
Balance as at 1 Aug 2011	40,000	716	20,112	60,828
Total comprehensive income	-	-	1,609	1,609
Balance as at 31 Oct 2011	<u><u>40,000</u></u>	<u><u>716</u></u>	<u><u>21,721</u></u>	<u><u>62,437</u></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 2011.

**A-Rank Berhad**

(Incorporated in Malaysia)

**Condensed Consolidated Statement Of Cash Flow**  
**For The Period Ended 31 October 2011**  
**(The figures have not been audited)**

	<b>3 months period ended 31-Oct-11 RM'000</b>	<b>3 months period ended 31-Oct-10 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,830	2,162
Adjustments for:		
Non-cash items	917	1,025
Non-operating expenses	456	622
Operating profit before working capital changes	<u>3,203</u>	<u>3,809</u>
Changes in working capital		
Inventories	(12,912)	(1,490)
Trade and other receivables	(2,634)	(2,126)
Trade and other payables	(1,814)	(1,081)
Cash used in operations	<u>(14,157)</u>	<u>(888)</u>
Interest paid	(18)	(30)
Income tax paid	(3)	-
<b>Net cash used in operating activities</b>	<u>(14,178)</u>	<u>(918)</u>
<b>Cash flows from investing activities</b>		
Interest received	1	-
Purchase of property, plant and equipment	(190)	(156)
<b>Net cash used in investing activities</b>	<u>(189)</u>	<u>(156)</u>
<b>Cash flows from financing activities</b>		
Net movements in bank borrowings	13,848	2,746
Interest paid	(439)	(592)
<b>Net cash generated from financing activities</b>	<u>13,409</u>	<u>2,154</u>
Net (decrease)/increase in cash and cash equivalents	(958)	1,080
Effect of exchange rate changes on cash and cash equivalents	(21)	(28)
Cash and cash equivalents at beginning of financial period	<u>2,015</u>	<u>791</u>
Cash and cash equivalents at end of financial period	<u><u>1,036</u></u>	<u><u>1,843</u></u>
<b>Cash and cash equivalents at end of financial period comprise of :</b>		
Cash and cash equivalents	536	1,843
Short term deposits with a licenced bank	500	-
	<u><u>1,036</u></u>	<u><u>1,843</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 2011.

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

**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 2011. 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 2011.

**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 2011 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 August 2011.

<b>New/Revised FRSs, Amendments to FRSs and IC Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011
Amendments to FRSs	Improvements to FRSs (2010)	1 January 2011
Amendments to IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

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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(Incorporated in Malaysia)

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

**A Explanatory Notes: FRS 134**

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

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and IC 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>
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
FRS 124	Related Party Disclosures	1 January 2012

**A 3 Qualification of financial statements**

The audited consolidated financial statements of the Group for the financial year ended 31 July 2011 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 period 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 period 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 period 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 Period Ended 31 October 2011**

**A Explanatory Notes: FRS 134**

**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 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 Uruguay.

Cumulative 31-Oct-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	55,034	29,496	7,996	7,557	181	100,264
Profit from operations						2,287
Finance costs						(457)
Profit before tax						1,830
Taxation						(221)
Profit after tax						1,609

**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 period 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 period 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 period to-date.

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**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

**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-11 RM'000</b>	<b>As at 31-Jul-11 RM'000</b>
Corporate guarantees given to financial institutions for banking facilities granted to the subsidiary	<u>61,813</u>	<u>48,382</u>

The Company has provided corporate guarantees for banking facilities granted to a wholly-owned subsidiary of up to RM119.2 million. (31 July 2011: 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-11 RM'000</b>	<b>As at 31-Jul-11 RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	808	-
- Contracted but not provided for	-	-
	<u>808</u>	<u>-</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-11 RM'000</b>	<b>As at 31-Jul-11 RM'000</b>
Future minimum lease payments		
- Not later than one year	627	830
- Later than one year and not later than five years	2,044	2,045
	<u>2,671</u>	<u>2,875</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 period to-date.



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**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

**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 5.2% to RM100.3 million for the quarter under review compared to RM95.3 million for the corresponding quarter last year. The increased revenue was contributed by higher business volume as well as a slight increase in average selling prices due to the rise in underlying raw material costs.

However, the Group registered a decrease of 15.4% in profit before tax to RM1.8 million for the current quarter compared to a profit before tax of RM2.2 million for the quarter last year due mainly to lower margins as a result of the volatility in aluminium prices as well as the stronger Malaysian Ringgit which impacted export margins.

The Group reported a smaller decrease in profit after tax to RM1.6 million for the quarter under review from a profit after tax of RM1.7 million for the corresponding quarter last year due to lower provision for deferred tax liability compared to that of the previous year's quarter.

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

The Group's revenue decreased by 17.6% for the quarter under review compared to RM121.6 million registered for the preceding quarter. The decreased revenue was contributed by lower business volume as well as lower average selling prices due to the drop in the aluminium price compared to that of the preceding quarter.

Profit before tax decreased by 18.1% compared to the preceding quarter's profit before tax of RM2.2 million following the drop in revenue. Profit after tax also decreased by 23.1% compared with the profit after tax of RM2.1 million for the preceding quarter in line with the above.

**B 3 Prospects**

The Asian economies including that of Malaysia which are the main market for the Group's products continue to be robust and should improve the prospect of the Group moving forward. However, the continue volatility of aluminium prices and that of the Malaysian Ringgit has adversely impacted on the Group's margins. The Management has and will monitor this situation closely, so as to mitigate the effect of any sudden and significant movement of aluminium prices as well as the Malaysian Ringgit.

The Group will continue to explore new markets as evidenced by its export to South America whilst focusing on cost efficiencies to improve both business volume and margins.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group will remain profitable for the forthcoming 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 31 October 2011**

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

**B 5 Taxation**

	<b>Current quarter ended 31-Oct-11 RM'000</b>	<b>Comparative quarter ended 31-Oct-10 RM'000</b>	<b>3 months cumulative 31-Oct-11 RM'000</b>	<b>3 months cumulative 31-Oct-10 RM'000</b>
Current income tax	3	-	3	-
Deferred tax	218	452	218	452
	<u>221</u>	<u>452</u>	<u>221</u>	<u>452</u>

The effective tax rate of the Group of 12.1% for the current quarter and financial period ended 31 October 2011 is lower than the statutory tax rate due principally to the availability of reinvestment allowances which arose from the subsidiary's capital expenditures in the current quarter and previous financial years as well as special export incentive and unabsorbed tax losses brought forward.

**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 period 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 period to-date.

**B 8 Status of corporate proposals**

There were no corporate proposals announced pending completion.

**B 9 Borrowings**

	<b>As at 31-Oct-11 RM'000</b>	<b>As at 31-Jul-11 RM'000</b>
<b>Current liabilities - unsecured</b>		
Bankers' acceptances	35,155	36,288
Foreign currency loan (Currency denominated in US Dollar)	26,658	11,677
Bank overdraft	-	417
	<u>61,813</u>	<u>48,382</u>

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

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**Notes To The Financial Statements**  
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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) Derivative financial instruments**

	<b>Contract/ Notional Amount RM'000</b>	<b>Assets RM'000</b>
Commodity future contracts	1,431	10
Forward currency contracts	9,069	74
	<u>10,500</u>	<u>84</u>

**i) Commodity future contracts**

As at 31 October 2011, the Group has 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:

<b>Type of Transaction</b>	<b>Notional value RM'000</b>	<b>Fair value RM'000</b>	<b>Gain on fair value RM'000</b>	<b>Maturity analysis</b>
Sales Contracts	<u>1,431</u>	<u>1,421</u>	<u>10</u>	<u>Within 3 months</u>

**ii) Foreign currency forward contracts**

As at 31 October 2011, the Group has entered into forward foreign exchange purchase contracts to hedge the receipts and payments of foreign currency and settlement of foreign currency loan. The foreign currency forward contracts entered into by the Group are as follow:

<b>Type of Transaction</b>	<b>Notional value RM'000</b>	<b>Fair value RM'000</b>	<b>Gain on fair value RM'000</b>	<b>Maturity analysis</b>
Purchase contracts	<u>9,069</u>	<u>9,143</u>	<u>74</u>	<u>Within 3 months</u>

**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.

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**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

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

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

**b) Credit risk (Cont'd)**

The Group has no significant concentration of credit risk as at 31 October 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 retained earnings as at the end of the reporting period may be analysed in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

	<b>As at 31-Oct-11 RM'000</b>	<b>As at 31-Jul-11 RM'000</b>
Total retained earnings of the Group		
- Realised profit	48,712	46,885
- Unrealised loss	(6,012)	(5,794)
	<u>42,700</u>	<u>41,091</u>
Less: Consolidation adjustments	<u>(20,979)</u>	<u>(20,979)</u>
	<u><u>21,721</u></u>	<u><u>20,112</u></u>

**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 October 2011. At the Annual General Meeting held on 7 December 2011, the shareholders of the Company have approved the payment of a first and final single tier tax exempt dividend of 3.0 sen per ordinary share, amounting to RM2.4 million in respect of the financial year ended 31 July 2011.

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**Notes To The Financial Statements**  
**For The Period Ended 31 October 2011**

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

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**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 period to-date are computed as follows:

	<b>Current quarter ended 31-Oct-11</b>	<b>Cumulative to-date ended 31-Oct-11</b>
Profit after taxation (RM'000)	1,609	1,609
Total share capital in issue during the current quarter/cumulative period to-date (No. of ordinary shares of RM 0.50 each) ('000)	80,000	80,000
Basic earnings per share (sen)	2.01	2.01

**(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 period to-date.

By Order of the Board

Ng Bee Lian  
Company Secretary

Date: 7 December 2011