

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Financial Position
As at 31 July 2013
(The figures have not been audited)

	As at 31-Jul-13 RM'000	(Restated) As at 31-Jul-12 RM'000	(Restated) As at 01-Aug-11 RM'000
ASSETS			
Non-current asset			
Property, plant and equipment	71,585	63,812	66,048
Goodwill on acquisition	4,949	-	-
	<u>76,534</u>	<u>63,812</u>	<u>66,048</u>
Current assets			
Inventories	32,582	27,113	28,232
Trade and other receivables	36,520	33,564	32,313
Tax recoverable	223	180	96
Derivative financial assets	1,024	-	-
Short term deposits with a licenced bank	-	-	1,346
Cash and cash equivalents	3,157	4,416	1,086
	<u>73,506</u>	<u>65,273</u>	<u>63,073</u>
TOTAL ASSETS	<u>150,040</u>	<u>129,085</u>	<u>129,121</u>
EQUITY AND LIABILITIES			
Share capital	60,000	40,000	40,000
Share premium	-	716	716
Retained earnings	14,821	29,116	23,685
Total equity attributable to equity holders of the Company	<u>74,821</u>	<u>69,832</u>	<u>64,401</u>
Non-controlling interests	4,054	-	-
Total equity	<u>78,875</u>	<u>69,832</u>	<u>64,401</u>
Non-current liability			
Bank borrowings	1,924	-	-
Deferred tax liabilities	7,538	6,501	5,794
	<u>9,462</u>	<u>6,501</u>	<u>5,794</u>
Current liabilities			
Trade and other payables	15,168	9,720	10,472
Derivative financial liabilities	-	428	72
Bank borrowings	46,512	42,604	48,382
Tax Liabilities	23	-	-
	<u>61,703</u>	<u>52,752</u>	<u>58,926</u>
Total liabilities	<u>71,165</u>	<u>59,253</u>	<u>64,720</u>
TOTAL EQUITY AND LIABILITIES	<u>150,040</u>	<u>129,085</u>	<u>129,121</u>
	RM	RM	RM
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.62</u>	<u>0.58</u> *	<u>0.54</u> *

* The comparative figures were restated as if the Bonus Issue had taken place as at the earliest date presented.

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2012.

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Comprehensive Income
For The Year Ended 31 July 2013
(The figures have not been audited)

	Current quarter ended 31-Jul-13 RM'000	Comparative quarter ended 31-Jul-12 RM'000	12 months cumulative 31-Jul-13 RM'000	12 months cumulative 31-Jul-12 RM'000
Revenue	127,730	103,728	431,474	400,433
Cost of sales	<u>(122,378)</u>	<u>(100,263)</u>	<u>(415,155)</u>	<u>(386,276)</u>
Gross profit	5,352	3,465	16,319	14,157
Other operating income	-	137	168	152
Selling and distribution expenses	(289)	(62)	(628)	(342)
Administrative expenses	<u>(2,254)</u>	<u>(1,194)</u>	<u>(6,136)</u>	<u>(4,475)</u>
Profit from operations	2,809	2,346	9,723	9,492
Finance costs	<u>(331)</u>	<u>(316)</u>	<u>(1,265)</u>	<u>(1,661)</u>
Profit before taxation	2,478	2,030	8,458	7,831
Taxation	<u>(479)</u>	<u>(102)</u>	<u>(1,065)</u>	<u>(625)</u>
Net profit for the period	1,999	1,928	7,393	7,206
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	<u>1,999</u>	<u>1,928</u>	<u>7,393</u>	<u>7,206</u>
Profit attributable to:				
Equity holders of the Parent	1,916	1,928	7,389	7,206
Non-controlling interest	83	-	4	-
	<u>1,999</u>	<u>1,928</u>	<u>7,393</u>	<u>7,206</u>
	Sen	Sen	Sen	Sen
Net earnings per share attributable to ordinary shareholders :				
- Basic	<u>1.60</u>	<u>1.61 *</u>	<u>6.16 *</u>	<u>6.01 *</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

* The comparative figures were restated as if the Bonus Issue had taken place as at the earliest date presented.

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2012.

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Changes In Equity
For The Year Ended 31 July 2013
(The figures have not been audited)

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Balance as at 1 Aug 2011						
As previously reported	40,000	716	20,112	60,828	-	60,828
Effect of transition to MFRS 1	-	-	3,573	3,573	-	3,573
As restated	40,000	716	23,685	64,401	-	64,401
Total comprehensive income	-	-	7,206	7,206	-	7,206
Dividend paid	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 31 Jul 2012	<u>40,000</u>	<u>716</u>	<u>28,491</u>	<u>69,207</u>	<u>-</u>	<u>69,207</u>
Balance as at 1 Aug 2012						
As previously reported	40,000	716	24,918	65,634	-	65,634
Effect of transition to MFRS 1	-	-	4,198	4,198	-	4,198
As restated	40,000	716	29,116	69,832	-	69,832
Acquisition of a subsidiary	-	-	-	-	4,050	4,050
Issuance of shares in respect of Bonus issue	20,000	(716)	(19,284)	-	-	-
Total comprehensive income	-	-	7,389	7,389	4	7,393
Dividend paid	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 31 Jul 2013	<u>60,000</u>	<u>-</u>	<u>14,821</u>	<u>74,821</u>	<u>4,054</u>	<u>78,875</u>

These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2012.

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Cash Flow
For The Year Ended 31 July 2013
(The figures have not been audited)

	12 months year ended 31-Jul-13 RM'000	12 months year ended 31-Jul-12 RM'000
Cash flows from operating activities		
Profit before tax	8,458	7,831
Adjustments for:		
Interest income	(41)	(20)
Interest expenses	1,265	1,661
Depreciation of property, plant and equipment	4,693	4,270
Gain on disposal of property, plant and equipment	(80)	-
Property, plant and equipment written off	133	-
Unrealised loss/(gain) on foreign exchange	5	(33)
Fair value adjustments on derivative liabilities	(1,452)	356
Operating profit before working capital changes	<u>12,981</u>	<u>14,065</u>
Changes in working capital		
Inventories	(3,426)	1,119
Trade and other receivables	(1,790)	(1,323)
Trade and other payables	(115)	(753)
Cash generated from operations	<u>7,650</u>	<u>13,108</u>
Interest paid	(5)	(26)
Income tax paid	(48)	(2)
Net cash generated from operating activities	<u>7,597</u>	<u>13,080</u>
Cash flows from investing activities		
Interest received	41	20
Acquisition of business in a subsidiary	(9,343)	-
Purchase of property, plant and equipment	(5,856)	(1,409)
Proceed from disposal of property, plant and equipment	80	-
Net cash used in investing activities	<u>(15,078)</u>	<u>(1,389)</u>
Cash flows from financing activities		
Issuance of share capital to non-controlling interests by a subsidiary company	4,050	-
Net movements in bank borrowings	5,832	(5,255)
Dividend paid	(2,400)	(2,400)
Interest paid	(1,260)	(1,635)
Net cash generated from/(used in) financing activities	<u>6,222</u>	<u>(9,290)</u>
Net (decrease)/increase in cash and cash equivalents	(1,259)	2,401
Cash and cash equivalents at beginning of financial year	<u>4,416</u>	<u>2,015</u>
Cash and cash equivalents at end of financial year	<u>3,157</u>	<u>4,416</u>
Cash and cash equivalents at end of financial year comprise of :		
Cash and cash equivalents	3,157	4,416
Short term deposits with a licenced bank	-	-
	<u>3,157</u>	<u>4,416</u>

These condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 July 2012.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

A Explanatory Notes: FRS 134

A 1 Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with MFRS 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 2012. 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 2012.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ended 31 July 2013. MFRS1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 August 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note A2 below. The note includes the reconciliation of equity for comparative periods and at the date of transition to MFRS. The transition from FRS to MFRS has not resulted in a material impact on the condensed consolidated statement of comprehensive income and condensed consolidated statement of cash flows other than the adjustment to measure the freehold land of the Group using the cost model under MFRS 116; Property, Plant and Equipment, as details in Note A2 below.

A 2 Changes in accounting policies

The audited financial statements of the Group for the year ended 31 July 2012 were prepared in accordance with FRS, except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 July 2012 except as discussed below:

(a) Business combinations

MFRS 1 provides the option to apply MFRS 3 Business Combinations prospectively from the date of transition, or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- (i) The classification of former business combination under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

A Explanatory Notes: FRS 134

A 2 Changes in accounting policies (Cont'd)

(b) Property, plant and equipment

The Group has previously recorded its property, plant and equipment as stated at cost less any accumulated depreciation and any accumulated impairment losses. Freehold land has unlimited useful life and is not depreciated.

Upon transition to MFRS, the Group has elected to measure its property, plant and equipment (freehold land) by using the cost model under MFRS 116 *Property, Plant and Equipment*. At the date of transition to MFRS, the Group elected to apply the "deemed cost" transition exemption and use the fair value at the date of transition as deemed cost for the freehold land of the Group.

The impact arising from the change in Consolidated Statement of Financial Position is summarised as follows:

	FRS RM'000	Effect of transition to MFRSs RM'000	MFRS RM'000
(i) <u>As at 1 August 2011</u>			
Property, plant and equipment	62,475	3,573	66,048
Retained earnings	20,112	3,573	23,685
(ii) <u>As at 31 July 2012</u>			
Property, plant and equipment	59,614	4,198	63,812
Retained earnings	24,918	4,198	29,116

(c) Estimates

The estimates as at 1 August 2011 and 31 July 2012 under MFRS were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions as at 1 August 2011, the date of transition to MFRS and as at 31 July 2012.

A 3 Qualification of financial statements

There was no qualification in the audited consolidated financial statements for the financial year ended 31 July 2012.

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 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-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

A Explanatory Notes: FRS 134

A 7 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

A-Rank Berhad is an investment holding company whilst its subsidiaries are principally engaged in manufacturing and marketing of aluminium billets (Formosa Shyen Horng Metal Sdn Bhd); and manufacturing and marketing of all types of aluminium and glass fittings and other related activities (Honglee Group (M) Sdn Bhd and Honglee Design and Marketing Sdn Bhd).

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 include countries such as Netherlands and Uruguay.

Cumulative 31-Jul-13	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	260,969	120,503	29,332	19,254	1,416	431,474
Profit from operations						9,723
Finance costs						(1,265)
Profit before taxation						8,458
Taxation						(1,065)
Profit after taxation						7,393

A 10 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 Year Ended 31 July 2013

A Explanatory Notes: FRS 134

A 11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year to-date save for the Company's announcement on 4 January 2013 that A-Rank Berhad has entered into a Share Subscription Agreement together with Apresi Sdn Bhd and Mr Tan Tiam Chai for the proposed subscription by the Company of 4,950,000 ordinary shares of RM1.00 each at par representing 55% equity interest in Honglee Group (M) Sdn. Bhd. ("HONGLEE") for a total cash consideration of RM4.950 million. Please refer to Note B 9(b) below for details of the shares subscription pursuant to the Share Subscription Agreement.

On 28 February 2013 (the "acquisition date"), pursuant to the Property SPA and Business SPA (both as defined in Note 9 (b) below), HONGLEE acquired certain property, assets and liabilities of Hong Lee Aluminium Sdn Bhd ("HLA"), a company incorporated in Malaysia which is engaged in business of manufacturing and installation of all types of aluminium and glass fittings and other related activities for a total cash consideration of RM9.343 million.

- a) The fair value of the identifiable property, assets and liabilities of HLA as at the acquisition date vide HONGLEE are as follows:

	RM'000
Property, plant and equipment	6,744
Inventories	2,043
Trade and other receivables	1,166
Total identifiable assets	<u>9,953</u>
Trade and other payables	(5,559)
Contingent liabilities	-
Total identifiable net liabilities	<u>(5,559)</u>
Total identifiable net assets	4,394
Goodwill arising from acquisition	4,949
Total consideration transferred/Cash paid	<u>9,343</u>

- b) The consideration transferred for the acquisition of the identifiable property, assets and liabilities of HLA vide HONGLEE are as follows:

	RM'000
Total consideration transferred/Cash paid by HONGLEE	<u>9,343</u>

Transaction costs relating to the acquisition of RM0.091 million have been recognised in HONGLEE'S Statement Of Comprehensive Income as administrative expenses.

- c) The effects of the acquisition of the identifiable property, assets and liabilities of HLA on HONGLEE's cash flows are as follows:

	RM'000
Total consideration settled in cash	9,343
Less: Cash and cash equivalents acquired	-
Net cash outflow on acquisition	<u>9,343</u>

HONGLEE has as from the acquisition date contributed RM3.721 million in revenue and reported a profit before taxation of RM0.092 million to the Group's Consolidated Statement Of Comprehensive Income for the financial year ended 31 July 2013.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

A Explanatory Notes: FRS 134

A 12 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-Jul-13 RM'000	As at 31-Jul-12 RM'000
Corporate guarantees given to financial institutions for banking facilities utilised to the subsidiaries	<u>48,436</u>	<u>42,604</u>

The Company has provided corporate guarantee for banking facilities granted to its subsidiaries totalling RM120.1 million (31 July 2012: RM119.2 million).

The Company has also provided corporate guarantee to a creditor of a subsidiary for supply of goods of up to RM0.5 million (31 July 2012: Nil).

A 13 Commitments

a) Capital commitment

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

	As at 31-Jul-13 RM'000	As at 31-Jul-12 RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	-	3,963
- Authorised but not contracted for	<u>5,699</u>	<u>1,090</u>
	<u>5,699</u>	<u>5,053</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-Jul-13 RM'000	As at 31-Jul-12 RM'000
Future minimum lease payments		
- Not later than one year	830	830
- Later than one year and not later than five years	<u>799</u>	<u>1,214</u>
	<u>1,629</u>	<u>2,044</u>

A 14 Acquisition of property, plant and equipment

There were no material acquisition or disposal of items of property, plant and equipment save as disclosed in Note 9 (b) below during the current quarter under review and financial year to-date.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 31-Jul-13 RM'000	Quarter ended 31-Jul-12 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- South East Asia other than Malaysia	39,929	24,102	15,827	65.7
- South Asia	5,571	6,544	(973)	(14.9)
- Africa	3,111	6,651	(3,540)	(53.2)
- Others	187	196	(9)	(4.6)
	<u>48,798</u>	<u>37,493</u>	<u>11,305</u>	<u>30.2</u>
- Malaysia	78,932	66,235	12,697	19.2
Total revenue	<u>127,730</u>	<u>103,728</u>	<u>24,002</u>	<u>23.1</u>
Profit before taxation	2,478	2,030	448	22.1
Profit after taxation	1,999	1,928	71	3.7

The Group's revenue increased by 23.1% to RM127.7 million for the quarter under review compared to RM103.7 million for the corresponding quarter last year. The increase in revenue was contributed by higher business volume although average selling prices were lower as a result of the drop in underlying raw material costs.

The Group registered an increase of 22.1% in profit before taxation to RM2.5 million for the current quarter compared to that of the corresponding quarter last year due mainly to higher business volume.

The Group also achieved an increase in profit after taxation of 3.7% for the quarter under review in line with the higher profit before taxation.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

B Additional information required by the Bursa Securities' Listing Requirements

B 2 Variance of results against preceding quarter

	Quarter ended 31-Jul-13 RM'000	Quarter ended 30-Apr-13 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- South East Asia other than Malaysia	39,929	32,081	7,848	24.5
- South Asia	5,571	10,146	(4,575)	(45.1)
- Africa	3,111	7,449	(4,338)	(58.2)
- Others	187	886	(699)	-
	<u>48,798</u>	<u>50,562</u>	<u>(1,764)</u>	<u>(3.5)</u>
- Malaysia	78,932	57,860	21,072	36.4
Total revenue	<u>127,730</u>	<u>108,422</u>	<u>19,308</u>	<u>17.8</u>
Profit before taxation	2,478	2,117	361	17.1
Profit after taxation	1,999	1,965	34	1.7

The Group's revenue increased by 17.8% registered for the quarter under review compared to RM108.4 million registered for the preceding quarter. The increase in revenue was contributed by higher business volume although average selling prices were lower as a result of the drop in underlying raw material costs.

The Group registered an increase in profit before taxation of 17.1% for the current quarter under review compared to RM2.1 million achieved for the preceding quarter due mainly to higher business volume.

The Group reported an increase in profit after taxation to RM2.00 million for the quarter under review from a profit after tax of RM1.97 million for the preceding quarter following the increase in profit before taxation mitigated by higher provision for deferred tax liability for the quarter under review.

B 3 Prospects

Global financial markets experienced increased volatility following uncertainties over monetary policy adjustments in the advanced economies. Going forward, the global economy continues to face downside risks, emanating from developments in several key economies. Policy uncertainty surrounding the US' QE programme and the European sovereign debt concerns are expected to weigh on market sentiment and growth prospects. While overall growth performance in most emerging economies, including in Asia, will be affected by these developments, domestic demand will continue to support the overall growth performance. The growth prospects are also being augmented by targeted policy measures.

While domestic demand in Malaysia has remained strong, the prolonged weakness in the external sector has affected the overall growth performance. Despite the weak external environment, the Malaysian economy is expected to continue to remain on a growth path in 2013 as a result of the continued resilience of domestic demand supported by private and public sectors' investments under the Tenth Malaysia Plan and Economic Transformation Program. This augurs well for the Group as the building and construction sector is expected to be the prime beneficiary of these investments in which the Group is part of the supply chain.

Barring unforeseen circumstances, the Board is 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.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Notes to the Condensed Consolidated Statement Of Comprehensive Income

	Current quarter ended 31-Jul-13 RM'000	Comparative quarter ended 31-Jul-12 RM'000	12 months cumulative 31-Jul-13 RM'000	12 months cumulative 31-Jul-12 RM'000
Profit before tax is arrived at after charging/(crediting):				
Interest income	(18)	(11)	(41)	(20)
Interest expenses	331	316	1,265	1,661
Depreciation of property, plant and equipment	1,232	1,113	4,693	4,270
Gain on disposal of property, plant and equipment	-	-	(80)	-
Property, plant and equipment written off	133	-	133	-
Loss/(gain) on foreign exchange, net				
- realised	203	(195)	(34)	(77)
- unrealised	5	(33)	5	(33)
Fair value adjustments on derivative liabilities	(1,140)	357	(1,452)	356

Other than the above, there were no allowance for impairment or write off of assets, inventories and receivables for the current quarter and financial year to-date as well as in the comparative corresponding periods last year.

B 6 Taxation

	Current quarter ended 31-Jul-13 RM'000	Comparative quarter ended 31-Jul-12 RM'000	12 months cumulative 31-Jul-13 RM'000	12 months cumulative 31-Jul-12 RM'000
Current income tax	22	(85)	28	(82)
Deferred tax	457	187	1,037	707
	<u>479</u>	<u>102</u>	<u>1,065</u>	<u>625</u>

The effective tax rate of the Group of 19.3% and 12.6% for the current quarter and financial year ended 31 July 2013 are 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 7 Unquoted investments and/or properties

Save as disclosed in Note B 9 below, there were no purchase or disposal of unquoted investment and/or properties during the quarter under review and financial year to-date.

B 8 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.

Notes To The Financial Statements
For The Year Ended 31 July 2013

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Status of corporate proposals

a) Bonus Issue

The Company has on 25 October 2012 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that it proposes to undertake a bonus issue of 40,000,000 new ordinary shares of RM0.50 each ("Bonus Shares") in the Company, to be credited as fully paid-up at par on the basis of one (1) new ordinary share of RM0.50 each for every two (2) existing ordinary shares held by the entitled shareholders of the Company ("Bonus Issue"). On 14 November 2012, the Company announced that Bursa Securities has vide its letter dated on the same date approved the Additional Listing Application in respect of the Bonus Issue subject to the conditions therein. The Bonus Issue was approved by the shareholders at the Extraordinary General Meeting held on 20 December 2012.

On 14 January 2013, the Company announced to Bursa Securities that the Bonus Issue has been completed following the listing and quotation of 40,000,000 Bonus Shares on the Main Market of Bursa Securities.

b) Subscription of shares in Honglee Group (M) Sdn. Bhd. ("HONGLEE")

On 4 January 2013, the Company announced that the Company has entered into a Share Subscription Agreement ("Subscription Agreement") together with Apresi Sdn Bhd and Mr Tan Tiam Chai for the proposed subscription by A-Rank Berhad of 4,950,000 ordinary shares of RM1.00 each at par representing 55% equity interest in HONGLEE for a total cash consideration of RM4,950,000 ("Proposed Subscription").

Concurrent with the signing of the Subscription Agreement, HONGLEE has entered into a Sale and Purchase Agreement ("Business SPA") with Hong Lee Aluminium Sdn Bhd (the "Vendor") for the acquisition from the Vendor of the existing assets and liabilities representing the business of the Vendor including goodwill and trademarks for a total cash consideration of RM4,941,328.42.

HONGLEE has also concurrently entered into a separate Sale and Purchase Agreement ("Property SPA") with the Vendor for the acquisition from the Vendor for the two (2) pieces of freehold land together with a single storey semi-detached workshop with mezzanine floor erected thereon under Geran 242247, Lot No. 51532 and Geran 242246, Lot No. 51531, Mukim Plentong, Daerah Johor Bahru respectively bearing postal address No. 3, Jalan Seroja 38, Taman Johor Jaya, 81100 Johor Bahru, Johor with total area of 2,766 square metres for a total cash consideration of RM4,000,000.

On 7 January 2013, pursuant to the Subscription Agreement, HONGLEE increased its issued and paid up share capital from RM2 to RM1,000,000 by way of issuance of 999,998 new ordinary shares of RM1.00 each at par which was taken up by the Company and Apresi for a total cash consideration of RM549,998 and RM450,000 respectively. The Company has also, pursuant to the Subscription Agreement, simultaneously acquired the two (2) ordinary shares of RM1.00 each from the existing shareholders of HONGLEE for a total consideration of RM2.00. Consequently, HONGLEE becomes a 55% equity interest owned subsidiary of the Company.

On 4 April 2013, pursuant to the Share Subscription Agreement, the issued and paid-up share capital of HONGLEE has been increased from RM1,000,000 to RM9,000,000 through the allotment and issuance of 8,000,000 new HONGLEE ordinary shares of RM1.00 each at par for a total cash consideration of RM8,000,000 which were subscribed by the Company and Apresi Sdn Bhd in accordance with the Subscription Agreement.

Concurrent with the completion of the Subscription Agreement, HONGLEE has also completed the Business SPA and Property SPA.

Save as above, there are no other corporate proposal announced which is pending completion.

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

B Additional information required by the Bursa Securities' Listing Requirements

B 10 Borrowings

	As at 31-Jul-13 RM'000	As at 31-Jul-12 RM'000
Short term borrowing		
Bankers' acceptances - unsecured	6,550	11,442
Foreign currency loan (Currency denominated in US Dollar) - unsecured (Approximately USD12.2 million. (31 July 2012: USD9.8 million))	39,791	31,162
Term loan - secured	171	-
	<u>46,512</u>	<u>42,604</u>
Long term borrowing		
Term loan - secured	1,924	-
	<u>48,436</u>	<u>42,604</u>

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

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 proposed a first and final Single Tier Tax Exempt dividend of 2.25 sen per ordinary share amounting to RM2.7 million in respect of the financial year ended 31 July 2013 (2012: A first and final Single Tier Tax Exempt dividend of 3.0 sen per ordinary share) subject to the approval of shareholders at the forthcoming Annual General Meeting.

B 13 Realised and Unrealised Profit or Losses

The retained earnings as at the end of the reporting period may be analysed in accordance with the 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.

	As at 31-Jul-13 RM'000	As at 31-Jul-12 RM'000
Total retained earnings of the Group		
- Realised profit	39,140	52,398
- Unrealised loss	(3,340)	(2,303)
	<u>35,800</u>	<u>50,095</u>
Less: Consolidation adjustments	(20,979)	(20,979)
	<u>14,821</u>	<u>29,116</u>

Company No: 633621-X

A-Rank Berhad
(Incorporated in Malaysia)

Notes To The Financial Statements
For The Year Ended 31 July 2013

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 period are computed as follows:

	Current quarter ended 31-Jul-13	Cumulative to-date ended 31-Jul-13
Profit attributable to equity holders of the parent (RM'000)	1,916	7,389
Total share capital in issue during the current quarter/cumulative period (No. of ordinary shares of RM 0.50 each) ('000)	120,000	120,000
Basic earnings per share (sen)	1.60	6.16

(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
30 September 2013