

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Financial Position
As at 31 January 2014
(The figures have not been audited)

	As at 31-Jan-14 RM'000	(Audited) As at 31-Jul-13 RM'000
Assets		
Non-current asset		
Property, plant and equipment	69,251	70,960
Intangible asset	2,722	2,722
	<u>71,973</u>	<u>73,682</u>
Current assets		
Inventories	32,515	32,581
Derivative financial assets	-	1,035
Trade and other receivables	31,959	36,521
Current tax assets	-	223
Short term deposits	8,100	-
Cash and bank balances	3,051	3,157
	<u>75,625</u>	<u>73,517</u>
Total Assets	<u>147,598</u>	<u>147,199</u>
Equity and Liabilities		
Share capital	60,000	60,000
Retained earnings	16,081	14,196
Equity attributable to owners of the parent	<u>76,081</u>	<u>74,196</u>
Non-controlling interest	2,036	1,827
Total equity	<u>78,117</u>	<u>76,023</u>
Non-current liability		
Borrowings	1,836	1,924
Deferred tax liabilities	8,139	7,534
	<u>9,975</u>	<u>9,458</u>
Current liabilities		
Trade and other payables	18,047	15,168
Current tax liabilities	106	26
Derivative financial liabilities	116	11
Borrowings	41,237	46,513
	<u>59,506</u>	<u>61,718</u>
Total liabilities	<u>69,481</u>	<u>71,176</u>
Total Equity and Liabilities	<u>147,598</u>	<u>147,199</u>
	RM	RM
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.63</u>	<u>0.62</u>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013.

A-Rank Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statement Of Comprehensive Income
For The Period Ended 31 January 2014
(The figures have not been audited)

	Current quarter ended		Cumulative period ended	
	31-Jan-14 RM'000	31-Jan-13 RM'000	31-Jan-14 RM'000	31-Jan-13 RM'000
Revenue	123,814	105,991	249,406	195,322
Cost of sales	(118,136)	(102,586)	(238,260)	(188,608)
Gross profit	5,678	3,405	11,146	6,714
Other operating income	48	22	77	330
Distribution expenses	(329)	(97)	(656)	(174)
Administrative expenses	(2,136)	(964)	(4,188)	(2,379)
Profit from operations	3,261	2,366	6,379	4,491
Finance costs	(339)	(360)	(624)	(628)
Profit before taxation	2,922	2,006	5,755	3,863
Taxation	(576)	(150)	(961)	(434)
Profit for the financial period	2,346	1,856	4,794	3,429
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	2,346	1,856	4,794	3,429
Profit attributable to:				
Owner of the Parent	2,221	1,860	4,585	3,433
Non-controlling interest	125	(4)	209	(4)
	2,346	1,856	4,794	3,429
Total comprehensive income attributable to:				
Owner of the Parent	2,221	1,860	4,585	3,433
Non-controlling interest	125	(4)	209	(4)
	2,346	1,856	4,794	3,429
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	1.85	1.55	3.82	2.86
- Diluted	N/A	N/A	N/A	N/A

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2013.

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Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 31 January 2014
(The figures have not been audited)

	Non-distributable		Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000		
Balance as at 1 Aug 2012	40,000	716	28,491	69,207	-	69,207
Profit for the financial period	-	-	3,433	3,433	(4)	3,429
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,433	3,433	(4)	3,429
Transactions with owners:						
Dividend paid	-	-	(2,400)	(2,400)	-	(2,400)
Issuance of shares in respect of Bonus issue	20,000	(716)	(19,284)	-	-	-
Acquisition of a subsidiary	-	-	-	-	450	450
Total Transactions with owners	20,000	(716)	(21,684)	(2,400)	450	(1,950)
Balance as at 31 Jan 2013	<u>60,000</u>	<u>-</u>	<u>10,240</u>	<u>70,240</u>	<u>446</u>	<u>70,686</u>
Balance as at 1 Aug 2013	60,000	-	14,196	74,196	1,827	76,023
Profit for the financial period	-	-	4,585	4,585	209	4,794
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	4,585	4,585	209	4,794
Transactions with owners:						
Dividend paid	-	-	(2,700)	(2,700)	-	(2,700)
Total Transactions with owners	-	-	(2,700)	(2,700)	-	(2,700)
Balance as at 31 Jan 2014	<u>60,000</u>	<u>-</u>	<u>16,081</u>	<u>76,081</u>	<u>2,036</u>	<u>78,117</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 2013.

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Condensed Consolidated Statement Of Cash Flow
For The Period Ended 31 January 2014
(The figures have not been audited)

	Period ended 31-Jan-14 RM'000	Period ended 31-Jan-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,755	3,863
Adjustments for:		
Interest income	(34)	(11)
Interest expenses	624	628
Depreciation of property, plant and equipment	2,645	2,206
Gain on disposal of property, plant and equipment	(2)	(80)
Fair value adjustments on derivative liabilities	1,140	(402)
Operating profit before working capital changes	10,128	6,204
Changes in working capital		
Inventories	66	3,262
Trade and other receivables	4,562	(3,522)
Trade and other payables	2,879	(1,547)
Cash generated from operations	17,635	4,397
Interest paid	(1)	(3)
Income tax paid	(53)	(4)
Net cash generated from operating activities	17,581	4,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	34	11
Purchase of property, plant and equipment	(936)	(4,071)
Proceed from disposal of property, plant and equipment	2	80
Net cash used in investing activities	(900)	(3,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Ordinary share capital contributed by non-controlling interest of a subsidiary	-	450
Net movements in bank borrowings	(5,364)	1,496
Dividend paid	(2,700)	(2,400)
Interest paid	(623)	(625)
Net cash used in financing activities	(8,687)	(1,079)
Net increase/(decrease) in cash and cash equivalents	7,994	(669)
Cash and cash equivalents at beginning of financial period	3,157	4,416
Cash and cash equivalents at end of financial period	<u>11,151</u>	<u>3,747</u>
Cash and cash equivalents at end of financial period comprise of :		
Short term deposits	8,100	-
Cash and bank balances	3,051	3,747
	<u>11,151</u>	<u>3,747</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 2013.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

A Explanatory Notes: FRS 134

A 1 Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with requirement of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities")'s Listing Requirements. This Interim Financial Statements also complies with ISA 34: Interim Financial Reporting issued by the International Accounting Standard Board ("IASB").

The condensed financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2013. 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 2013.

A 2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the financial statements for the year ended 31 July 2013 except for the adoption of the following new/revised MFRSs, Amendments to MFRSs and Issues Committee Interpretations (IC Interpretations"):

a) Adoption of MFRSs and Amendments to MFRSs

i) Effective for the financial periods beginning on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs	Annual Improvements 2009 – 2012 Cycle
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and amendments/annual improvements do not have any significant financial impact on the financial statements of the Group.

b) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretation issued by the MASB are relevant to the Group. However, they have not been early adopted in this set of financial statements.

i) Effective for the financial periods beginning on or after 1 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

ii) Effective for the financial periods beginning on or after 1 January 2015

Mandatory Effective Date of MFRS 9 and Transition Disclosures	
MFRS 9	Financial Instruments

A 3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 31 July 2013.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

A Explanatory Notes: FRS 134

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 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 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

A first and final tax exempt dividend of 2.25 sen per ordinary share, amounting to RM2.7 million in respect of the previous financial year ended 31 July 2013 was paid on 31 December 2013.

A 9 Segmental information

A-Rank Berhad is an investment holding company whilst its subsidiaries are engaged in the manufacturing and marketing of aluminium billets as well as the manufacturing and marketing of all types of aluminium and glass fittings and other related activities.

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 comprise countries such as Kuwait and the Netherlands.

Cumulative 31-Jan-14	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	154,994	67,482	12,417	11,807	2,706	249,406
Profit from operations						6,379
Finance costs						(624)
Profit before taxation						5,755
Taxation						(961)
Profit after taxation						4,794

A 10 Material events subsequent to the end of the current quarter

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.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

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 quarter under review and financial period to-date.

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:

	Company	
	As at	As at
	31-Jan-14	31-Jul-13
	RM'000	RM'000
Corporate guarantees given to financial institutions for banking facilities utilised by subsidiaries	43,073	48,437
Corporate guarantee given to a third party for the supply of goods to a subsidiary	49	242
	<u>43,122</u>	<u>48,679</u>

The Company has provided corporate guarantees for banking facilities granted to its subsidiaries totalling RM109.6 million (31 July 2013: RM120.1 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 2013: RM0.5 million).

A 13 Commitments

a) Capital commitments

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

	As at	As at
	31-Jan-14	31-Jul-13
	RM'000	RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	4,100	-
- Authorised but not contracted for	1,197	5,699
	<u>5,297</u>	<u>5,699</u>

b) Operating lease commitments

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. At the end of the current quarter, operating lease commitments of the Group are as follows:

	As at	As at
	31-Jan-14	31-Jul-13
	RM'000	RM'000
- Not later than one year	774	861
- Later than one year and not later than five years	153	496
	<u>927</u>	<u>1,357</u>

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Notes To The Financial Statements
For The Period Ended 31 January 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter Ended 31-Jan-14 RM'000	Quarter Ended 31-Jan-13 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue				
- South East Asia other than Malaysia	33,793	28,182	5,611	19.9
- South Asia	4,377	7,389	(3,012)	(40.8)
- Africa	6,621	5,723	898	15.7
- Others	1,865	-	1,865	-
	46,656	41,294	5,362	13.0
- Malaysia	77,158	64,697	12,461	19.3
Total revenue	123,814	105,991	17,823	16.8
Profit before taxation	2,922	2,006	916	45.7
Profit after taxation	2,346	1,856	490	26.4

The Group achieved a significant increase in revenue by 16.8% to RM123.8 million for the quarter under review compared to RM106.0 million for the corresponding quarter last year. The increase in revenue was contributed by a higher business volume.

The Group registered an increase of 45.7% in profit before taxation to RM2.9 million for the current quarter compared to that of the corresponding quarter last year due mainly to higher revenue as well as improved margins.

The Group also achieved an increase in profit after taxation of 26.4% for the quarter under review in line with the higher profit before taxation mitigated by the increase in both provision for income tax and deferred tax compared to the corresponding quarter last year.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 2 Variance of results against preceding quarter

	Quarter Ended 31-Jan-14 RM'000	Quarter Ended 31-Oct-13 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- South East Asia other than Malaysia	33,793	33,689	104	0.3
- South Asia	4,377	8,040	(3,663)	(45.6)
- Africa	6,621	5,186	1,435	27.7
- Others	1,865	841	1,024	-
	<u>46,656</u>	<u>47,756</u>	<u>(1,100)</u>	<u>(2.3)</u>
- Malaysia	77,158	77,836	(678)	(0.9)
Total revenue	<u>123,814</u>	<u>125,592</u>	<u>(1,778)</u>	<u>(1.4)</u>
Profit before taxation	2,922	2,833	89	3.1
Profit after taxation	2,346	2,448	(102)	(4.2)

The Group's revenue decreased slightly by 1.4% for the quarter under review compared to RM125.6 million registered for the preceding quarter. The decrease in revenue was contributed by a slight drop in business volume

The Group registered an increase in profit before taxation of 3.1% for the current quarter under review compared to RM2.9 million achieved for the preceding quarter due mainly to better gross margins.

However, the Group reported a decrease in profit after taxation to RM2.3 million for the quarter under review from a profit after tax of RM2.4 million for the preceding quarter due to higher provision for income tax for the quarter under review.

B 3 Prospects

The global economy is expected to continue to experience a moderate recovery whilst sustained improvements in the advanced economies will benefit international trade. However, uncertainties surrounding monetary and fiscal policy adjustments in the advanced economies are likely to persist. Growth of Asian economies is expected to continue supported by improving external conditions amid moderating domestic demand.

The Malaysian economy expanded by 5.1% in the fourth quarter of 2013. Domestic demand will remain supportive of growth and is expected to moderate following the ongoing fiscal consolidation whilst the external sector is expected to benefit from improving global conditions. Accordingly, Malaysian growth momentum is expected to remain on a steady trajectory. However, the increase in electricity tariff which has taken effect from 1 January 2014 has had adverse impacts on the Group's margins. The Group will continue to focus on improving its cost efficiencies to mitigate the effect of expected inflationary pressures following the rise in the electricity tariff.

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.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 5 Notes to the Condensed Consolidated Statement Of Comprehensive Income

	Current quarter ended		Cumulative period ended	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(23)	(6)	(34)	(11)
Interest expenses	339	360	624	628
Depreciation of property, plant and equipment	1,347	1,116	2,645	2,206
Gain on disposal of property, plant and equipment	-	-	(2)	(80)
Loss/(gain) on foreign exchange, net				
- realised	92	(4)	197	(224)
- unrealised	-	-	-	-
Fair value adjustments on derivative liabilities	(287)	(250)	1,140	(402)

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

B 6 Taxation

	Current quarter ended		Cumulative period ended	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
	RM'000	RM'000	RM'000	RM'000
Current income tax	291	-	356	4
Deferred tax	285	150	605	430
	<u>576</u>	<u>150</u>	<u>961</u>	<u>434</u>

The effective tax rate of the Group of 19.7% and 16.7% for the current quarter and financial period ended 31 January 2014 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 brought forward.

B 7 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 8 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.

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Notes To The Financial Statements
For The Period Ended 31 January 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 9 Status of corporate proposals

There were no corporate proposals announced pending completion.

B 10 Borrowings

	As at 31-Jan-14 RM'000	As at 31-Jul-13 RM'000
Short term borrowing		
Bankers' acceptances - unsecured	18,038	6,550
Foreign currency loan (Currency denominated in US Dollar) - unsecured (Approximately USD6.9 million. (31 July 2013: USD12.2 million))	23,024	39,792
Term loan - secured	175	171
	<u>41,237</u>	<u>46,513</u>
Long term borrowing		
Term loan - secured	1,836	1,924
	<u>43,073</u>	<u>48,437</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 not proposed any dividend for this quarter ended 31 January 2014.

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-Jan-14 RM'000	As at 31-Jul-13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	41,584	39,095
- unrealised	(4,524)	(3,920)
	<u>37,060</u>	<u>35,175</u>
Less: Consolidation adjustments	<u>(20,979)</u>	<u>(20,979)</u>
Total retained earnings	<u>16,081</u>	<u>14,196</u>

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Notes To The Financial Statements
For The Period Ended 31 January 2014

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-Jan-14	Cumulative to-date ended 31-Jan-14
Profit attributable to equity holders of the Company (RM'000)	2,221	4,585
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 ordinary share (sen)	1.85	3.82

(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

26 March 2014