

A-Rank Berhad
(Incorporated in Malaysia)

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

	As at 31-Jul-14 RM'000	(Audited) As at 31-Jul-13 RM'000
Assets		
Non-current assets		
Property, plant and equipment	69,650	70,960
Intangible asset	2,722	2,722
Investments in an associate	3	-
	<u>72,375</u>	<u>73,682</u>
Current assets		
Inventories	42,817	32,582
Trade and other receivables	40,599	36,521
Derivative financial assets	-	1,035
Current tax assets	-	223
Cash and bank balances	6,384	3,157
	<u>89,800</u>	<u>73,518</u>
Total Assets	<u>162,175</u>	<u>147,200</u>
Equity and Liabilities		
Share capital	60,000	60,000
Retained earnings	20,995	14,197
Equity attributable to owners of the parent	<u>80,995</u>	<u>74,197</u>
Non-controlling interest	2,120	1,827
Total equity	<u>83,115</u>	<u>76,024</u>
Non-current liabilities		
Borrowings	1,745	1,924
Deferred tax liabilities	8,138	7,534
	<u>9,883</u>	<u>9,458</u>
Current liabilities		
Trade and other payables	19,349	15,168
Derivative financial liabilities	844	11
Borrowings	48,797	46,513
Current tax liabilities	187	26
	<u>69,177</u>	<u>61,718</u>
Total liabilities	<u>79,060</u>	<u>71,176</u>
Total Equity and Liabilities	<u>162,175</u>	<u>147,200</u>
	RM	RM
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.67</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
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Condensed Consolidated Statement Of Comprehensive Income
For The Year Ended 31 July 2014
(The figures have not been audited)

	Current quarter ended		Cumulative period ended	
	31-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
	RM'000	RM'000	RM'000	RM'000
Revenue	123,347	127,754	487,299	431,498
Operating expenses	(119,888)	(124,945)	(474,840)	(421,943)
Other operating income	32	-	199	168
Profit from operations	<u>3,491</u>	<u>2,809</u>	<u>12,658</u>	<u>9,723</u>
Finance costs	(292)	(331)	(1,273)	(1,265)
Share of profit in an associate	-	-	-	-
Profit before taxation	<u>3,199</u>	<u>2,478</u>	<u>11,385</u>	<u>8,458</u>
Taxation	(179)	(478)	(1,594)	(1,064)
Profit for the financial year	<u>3,020</u>	<u>2,000</u>	<u>9,791</u>	<u>7,394</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	<u><u>3,020</u></u>	<u><u>2,000</u></u>	<u><u>9,791</u></u>	<u><u>7,394</u></u>
Profit attributable to:				
Owner of the Parent	2,992	1,917	9,498	7,390
Non-controlling interest	28	83	293	4
	<u><u>3,020</u></u>	<u><u>2,000</u></u>	<u><u>9,791</u></u>	<u><u>7,394</u></u>
Total comprehensive income attributable to:				
Owner of the Parent	2,992	1,917	9,498	7,390
Non-controlling interest	28	83	293	4
	<u><u>3,020</u></u>	<u><u>2,000</u></u>	<u><u>9,791</u></u>	<u><u>7,394</u></u>
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	<u>2.49</u>	<u>1.60</u>	<u>7.92</u>	<u>6.16</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 for the financial year ended 31 July 2013.

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

	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
Balance as at 1 Aug 2012	40,000	716	28,491	69,207	-	69,207
Profit for the financial period	-	-	7,390	7,390	4	7,394
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	7,390	7,390	4	7,394
Transactions with owners:						
Dividend paid	-	-	(2,400)	(2,400)	-	(2,400)
Ordinary shares issued pursuant to bonus issue	20,000	(716)	(19,284)	-	-	-
Non-controlling interest arising on a business combination	-	-	-	-	1,823	1,823
Total Transactions with owners	20,000	(716)	(21,684)	(2,400)	1,823	(577)
Balance as at 31 Jul 2013	<u>60,000</u>	<u>-</u>	<u>14,197</u>	<u>74,197</u>	<u>1,827</u>	<u>76,024</u>
Balance as at 1 Aug 2013	60,000	-	14,197	74,197	1,827	76,024
Profit for the financial period	-	-	9,498	9,498	293	9,791
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	9,498	9,498	293	9,791
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 Jul 2014	<u>60,000</u>	<u>-</u>	<u>20,995</u>	<u>80,995</u>	<u>2,120</u>	<u>83,115</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 Year Ended 31 July 2014
(The figures have not been audited)

	Year ended 31-Jul-14 RM'000	Year ended 31-Jul-13 RM'000
Cash Flows from Operating Activities		
Profit before taxation	11,385	8,458
Adjustments for:		
Interest income	(61)	(41)
Interest expenses	1,273	1,265
Depreciation of property, plant and equipment	5,360	4,693
Gain on disposal of plant and equipment	(74)	(80)
Plant and equipment written off	380	132
Unrealised loss on foreign exchange translation	20	5
Fair value adjustments on derivative instruments	1,868	(1,452)
Operating profit before working capital changes	20,151	12,980
Changes in working capital		
Inventories	(10,235)	(3,426)
Trade and other receivables	(4,074)	(1,790)
Trade and other payables	4,156	(114)
Cash generated from operations	9,998	7,650
Interest paid	(6)	(5)
Income tax paid	(606)	(48)
Net cash generated from operating activities	9,386	7,597
Cash Flows from Investing Activities		
Interest received	61	41
Acquisition of business in a subsidiary	-	(9,343)
Acquisition of investment in an associate	(3)	-
Purchase of property, plant and equipment	(4,512)	(5,856)
Proceed from disposal of plant and equipment	157	80
Net cash used in investing activities	(4,297)	(15,078)
Cash Flows from Financing Activities		
Ordinary share capital contributed by non-controlling interest of a subsidiary	-	4,050
Net movements in bank borrowings	2,105	5,832
Dividend paid	(2,700)	(2,400)
Interest paid	(1,267)	(1,260)
Net cash (used in)/generated from financing activities	(1,862)	6,222
Net increase/(decrease) in cash and cash equivalents	3,227	(1,259)
Cash and cash equivalents at beginning of financial year	3,157	4,416
Cash and cash equivalents at end of financial year	<u>6,384</u>	<u>3,157</u>
Cash and cash equivalents at end of financial year comprise of:		
Cash and bank balances	<u>6,384</u>	<u>3,157</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 Year Ended 31 July 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 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 Year Ended 31 July 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 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 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 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 two (2) 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 and South East Asia. Other operating segments comprise countries in Africa, Europe, Middle East, and South Asia.

Cumulative 31-Jul-14	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	308,184	132,042	47,073	487,299
Profit from operations				12,658
Finance costs				(1,273)
Profit before taxation				11,385
Taxation				(1,594)
Profit after taxation				9,791

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 year to-date.

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Notes To The Financial Statements
For The Year Ended 31 July 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 financial year to-date save for the Company's announcement on 27 March 2014 that A-Rank Berhad has acquired an associate by acquisition of one existing ordinary share and subscription of 2,999 new ordinary shares of RM1.00 each at par in Ringgit Voyage Sdn Bhd.

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 31-Jul-14 RM'000	As at 31-Jul-13 RM'000
Corporate guarantees given to financial institutions for banking facilities utilised by subsidiaries	50,542	48,437
Corporate guarantee given to a third party for the supply of goods to a subsidiary	7	242
	<u>50,549</u>	<u>48,679</u>

The Company has provided corporate guarantees for banking facilities granted to its subsidiaries totalling RM108.8 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 31-Jul-14 RM'000	As at 31-Jul-13 RM'000
	Capital expenditures in respect of purchase of property, plant and equipment:	
- Authorised and contracted for	3,363	-
- Authorised but not contracted for	2,968	5,699
	<u>6,331</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 31-Jul-14 RM'000	As at 31-Jul-13 RM'000
	- Not later than one year	410
- Later than one year and not later than five years	87	496
	<u>497</u>	<u>1,357</u>

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Notes To The Financial Statements
For The Year Ended 31 July 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter Ended 31-Jul-14 RM'000	Quarter Ended 31-Jul-13 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue				
- South East Asia other than Malaysia	30,526	39,929	(9,403)	(23.5)
- Others	9,765	8,869	896	10.1
	<u>40,291</u>	<u>48,798</u>	<u>(8,507)</u>	<u>(17.4)</u>
- Malaysia	83,056	78,956	4,100	5.2
Total revenue	<u>123,347</u>	<u>127,754</u>	<u>(4,407)</u>	<u>(3.4)</u>
Profit before taxation	3,199	2,478	721	29.1
Profit after taxation	3,020	2,000	1,020	51.0

The Group's revenue dropped slightly by 3.4% to RM123.3 million for the quarter under review compared to RM127.8 million for the corresponding quarter last year. The decrease in revenue was contributed by a slight drop in business volume.

However, the Group registered an increase of 29.1% in profit before taxation to RM3.2 million for the current quarter compared to that of the corresponding quarter last year due mainly to better margins.

The Group also achieved an improvement in profit after taxation of 51.0% for the quarter under review in line with the higher profit before taxation.

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Notes To The Financial Statements
For The Year Ended 31 July 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 2 Variance of results against preceding quarter

	Quarter Ended 31-Jul-14 RM'000	Quarter Ended 30-Apr-14 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- South East Asia other than Malaysia	30,526	34,034	(3,508)	(10.3)
- Others	9,765	10,378	(613)	(5.9)
	40,291	44,412	(4,121)	(9.3)
- Malaysia	83,056	70,134	12,922	18.4
Total revenue	123,347	114,546	8,801	7.7
Profit before taxation	3,199	2,431	768	31.6
Profit after taxation	3,020	1,977	1,043	52.8

The Group achieved an increase in revenue by 7.7% for the quarter under review compared to RM114.5 million registered for the preceding quarter. The increase in revenue was contributed by higher business volume.

The Group also registered an increase in profit before taxation of 31.6% for the current quarter under review compared to RM2.4 million achieved for the preceding quarter due mainly to higher business volume and better margins.

In line with the above, the Group also reported an increase in profit after taxation to RM3.0 million for the quarter under review from a profit after tax of RM2.0 million for the preceding quarter.

B 3 Prospects

Global economic activity continued to expand at a moderate pace in the second quarter. In Asia, economic activity continued to expand, albeit at a more moderate pace in most economies. Growth in Japan was, however, affected by the implementation of the increase in the consumption tax in April. The Malaysian economy registered a strong growth of 6.4% in the second quarter of 2014 underpinned by higher exports and continued strength in private domestic demand.

Going forward, the global economy is expected to continue on a moderate growth path. Recent improvements in economic activity suggest that a cyclical recovery remains underway in some advanced economies. In Asia, domestic demand is expected to remain supportive of growth. However, for Malaysia, the increase in electricity tariff and natural gas pricing and which took effect from 1 January and 1 May 2014 respectively 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 and natural gas pricing.

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 Year Ended 31 July 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-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(15)	(18)	(61)	(41)
Interest expenses	292	331	1,273	1,265
Depreciation of property, plant and equipment	1,359	1,232	5,360	4,693
Loss/(gain) on disposal of plant and equipment	1	-	(74)	(80)
Plant and equipment written off	357	132	380	132
Loss/(gain) on foreign exchange, net				
- realised	(81)	203	(180)	(34)
- unrealised	20	5	20	5
Fair value adjustments on derivative instruments	835	(1,140)	1,868	(1,452)

B 6 Taxation

	Current quarter ended		Cumulative period ended	
	31-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
	RM'000	RM'000	RM'000	RM'000
Current income tax	480	25	990	31
Deferred tax	(301)	453	604	1,033
	<u>179</u>	<u>478</u>	<u>1,594</u>	<u>1,064</u>

The effective tax rate of the Group of 5.6% and 14.0% for the current quarter and financial period ended 31 July 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 Status of corporate proposals

There were no corporate proposals announced pending completion.

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Notes To The Financial Statements
For The Year Ended 31 July 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 8 Borrowings

	As at 31-Jul-14 RM'000	As at 31-Jul-13 RM'000
Short term borrowings		
Bankers' acceptances - unsecured	6,860	6,550
Foreign currency loans (Currency denominated in US Dollar) - unsecured (Approximately USD13.1 million. (31 July 2013: USD12.2 million))	41,757	39,792
Term loans - secured	180	171
	<u>48,797</u>	<u>46,513</u>
Long term borrowing		
Term loans - secured	1,745	1,924
	<u>50,542</u>	<u>48,437</u>

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

Term loan is secured by a corporate guarantee from the Company and a charge over a subsidiary's freehold land and buildings.

B 9 Changes in material litigation

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

B 10 Dividend

The Board of Directors has proposed a first and final single tier dividend of 2.25 sen per ordinary share amounting to RM2.7 million in respect of the financial year ended 31 July 2014 (2013: A first and final single tier dividend of 2.25 sen per ordinary share) subject to the approval of shareholders at the forthcoming Annual General Meeting.

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 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-14 RM'000	As at 31-Jul-13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	46,498	39,096
- unrealised	(4,524)	(3,920)
	<u>41,974</u>	<u>35,176</u>
Less: Consolidation adjustments	<u>(20,979)</u>	<u>(20,979)</u>
Total retained earnings	<u>20,995</u>	<u>14,197</u>

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Notes To The Financial Statements
For The Year Ended 31 July 2014

B Additional information required by the Bursa Securities' Listing Requirements

B 12 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	Cumulative to-date
Profit attributable to equity holders of the Company (RM'000)	2,992	9,498
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)	2.49	7.92

(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

22 September 2014