

**A-Rank Berhad**

(Incorporated in Malaysia)

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

	<b>As at 31-Oct-14 RM'000</b>	<b>(Audited) As at 31-Jul-14 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	70,357	69,650
Intangible asset	2,722	2,722
Investments in an associate	3	3
	<u>73,082</u>	<u>72,375</u>
<b>Current assets</b>		
Inventories	49,192	42,817
Trade and other receivables	45,831	40,599
Derivative financial assets	466	-
Short term deposits	3,700	-
Cash and bank balances	3,571	6,384
	<u>102,760</u>	<u>89,800</u>
<b>Total assets</b>	<u>175,842</u>	<u>162,175</u>
<b>Equity and Liabilities</b>		
Share capital	60,000	60,000
Retained earnings	23,643	20,994
Equity attributable to owners of the parent	<u>83,643</u>	<u>80,994</u>
Non-controlling interest	2,224	2,121
<b>Total equity</b>	<u>85,867</u>	<u>83,115</u>
<b>Non-current liabilities</b>		
Borrowings	1,711	1,745
Deferred tax liabilities	8,259	8,139
	<u>9,970</u>	<u>9,884</u>
<b>Current liabilities</b>		
Trade and other payables	24,194	19,348
Borrowings	55,653	48,797
Derivative financial liabilities	9	844
Current tax liabilities	149	187
	<u>80,005</u>	<u>69,176</u>
<b>Total liabilities</b>	<u>89,975</u>	<u>79,060</u>
<b>Total equity and liabilities</b>	<u>175,842</u>	<u>162,175</u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.70</u>	<u>0.67</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 2014.

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

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

	Current quarter ended		Cumulative period ended	
	31-Oct-14 RM'000	31-Oct-13 RM'000	31-Oct-14 RM'000	31-Oct-13 RM'000
Revenue	129,804	125,592	129,804	125,592
Operating expenses	(126,384)	(122,503)	(126,384)	(122,503)
Other operating income	75	29	75	29
Profit from operations	<u>3,495</u>	<u>3,118</u>	<u>3,495</u>	<u>3,118</u>
Finance costs	(291)	(285)	(291)	(285)
Share of profit in an associate	-	-	-	-
Profit before taxation	<u>3,204</u>	<u>2,833</u>	<u>3,204</u>	<u>2,833</u>
Taxation	(452)	(385)	(452)	(385)
Profit for the financial period	<u>2,752</u>	<u>2,448</u>	<u>2,752</u>	<u>2,448</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	<u><u>2,752</u></u>	<u><u>2,448</u></u>	<u><u>2,752</u></u>	<u><u>2,448</u></u>
Profit attributable to:				
Owner of the Parent	2,649	2,364	2,649	2,364
Non-controlling interest	103	84	103	84
	<u><u>2,752</u></u>	<u><u>2,448</u></u>	<u><u>2,752</u></u>	<u><u>2,448</u></u>
Total comprehensive income attributable to:				
Owner of the Parent	2,649	2,364	2,649	2,364
Non-controlling interest	103	84	103	84
	<u><u>2,752</u></u>	<u><u>2,448</u></u>	<u><u>2,752</u></u>	<u><u>2,448</u></u>
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	<u>2.21</u>	<u>1.97</u>	<u>2.21</u>	<u>1.97</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 2014.

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

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

	Share capital 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 2013	60,000	14,196	74,196	1,827	76,023
Profit for the financial period	-	2,364	2,364	84	2,448
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	2,364	2,364	84	2,448
Balance as at 31 Oct 2013	<u>60,000</u>	<u>16,560</u>	<u>76,560</u>	<u>1,911</u>	<u>78,471</u>
Balance as at 1 Aug 2014	60,000	20,994	80,994	2,121	83,115
Profit for the financial period	-	2,649	2,649	103	2,752
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	2,649	2,649	103	2,752
Balance as at 31 Oct 2014	<u>60,000</u>	<u>23,643</u>	<u>83,643</u>	<u>2,224</u>	<u>85,867</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 2014.

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

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

	<b>Period ended 31-Oct-14 RM'000</b>	<b>Period ended 31-Oct-13 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,204	2,833
Adjustments for:		
Interest income	(18)	(11)
Interest expenses	291	285
Depreciation of property, plant and equipment	1,343	1,298
Gain on disposal of property, plant and equipment	(3)	(2)
Fair value adjustments on derivative instruments	(1,301)	1,427
Operating profit before working capital changes	<u>3,516</u>	<u>5,830</u>
Changes in working capital		
Inventories	(6,375)	8,596
Trade and other receivables	(5,232)	(9,278)
Trade and other payables	4,846	(225)
Cash (used in)/generated from operations	<u>(3,245)</u>	<u>4,923</u>
Interest paid	-	(1)
Income tax paid	(370)	59
Net cash (used in)/generated from operating activities	<u>(3,615)</u>	<u>4,981</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	18	11
Purchase of property, plant and equipment	(2,050)	(210)
Proceed from disposal of property, plant and equipment	3	2
Net cash used in investing activities	<u>(2,029)</u>	<u>(197)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in bank borrowings	6,822	(982)
Interest paid	(291)	(284)
Net cash generated from/(used in) financing activities	<u>6,531</u>	<u>(1,266)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	887	3,518
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	6,384	3,157
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>7,271</u></u>	<u><u>6,675</u></u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS:</b>		
Short term deposits	3,700	4,175
Cash and bank balances	3,571	2,500
	<u><u>7,271</u></u>	<u><u>6,675</u></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 2014.

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2014**

**A Explanatory Notes: FRS 134**

---

**A 1 Basis of preparation**

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

The condensed financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2014. 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 2014.

**A 2 Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the financial statements for the year ended 31 July 2014 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**

	<b>Effective Date</b>
Amendments to MFRS 10: <i>Consolidated Financial Statements: Investment Entities</i>	1 Jan 2014
Amendments to MFRS 12: <i>Disclosure of Interest in Other Entities: Investment Entities</i>	1 Jan 2014
Amendments to MFRS 127: <i>Separate Financial Statements (2011): Investment Entities</i>	1 Jan 2014
Amendments to MFRS 132: <i>Offsetting Financial Assets and Financial Liabilities</i>	1 Jan 2014
Amendments to MFRS 136: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 Jan 2014
Amendments to MFRS 139: <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 Jan 2014
IC Interpretation 21: <i>Levies</i>	1 Jan 2014
Amendments to MFRS 119: <i>Defined Benefit Plans - Employee Contributions</i>	1 Jul 2014
Amendments to MFRSs: <i>Annual Improvements to MFRSs 2010 - 2012 Cycle</i>	1 Jul 2014
Amendments to MFRSs: <i>Annual Improvements to MFRSs 2011 - 2013 Cycle</i>	1 Jul 2014

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**

	<b>Effective Date</b>
MFRS 14: <i>Regulatory Deferral Accounts</i>	1 Jan 2016
Amendments to MFRS 116 and MFRS 138: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 Jan 2016
Amendments to MFRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 Jan 2016
Amendments to MFRS 116 and MFRS 141: <i>Agriculture: Bearer Plants</i>	1 Jan 2016
MFRS 15: <i>Revenue from Contracts with Customers</i>	1 Jan 2017
Mandatory Effective Date of MFRS 9 and Transition Disclosures	Deferred
MFRS 9 Financial Instruments (2009)	Deferred
MFRS 9 Financial Instruments (2010)	Deferred
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)	Deferred

The Group is in the process of assessing the impact of implementing these accounting standards, amendments and interpretations, since the effects would only be observable for future financial years.

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2014**

**A Explanatory Notes: FRS 134**

**A 3 Qualification of financial statements**

There was no qualification in the audited financial statements for the financial year ended 31 July 2014.

**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**

No dividend has been paid by the Company during the current quarter.

**A 9 Segmental information**

A-Rank Berhad and its subsidiaries are principally engaged in investment holding, manufacturing and marketing of aluminium billets and manufacturing and marketing of all types of aluminium and glass fittings and other related activities.

The Group has arrived at 3 reportable segments in the current financial period to-date 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 than Malaysia. Other operating segments comprise countries in Africa, Europe, Middle East, and South Asia.

Cumulative 31-Oct-14	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	78,700	36,471	14,633	129,804
Profit from operations				3,495
Finance costs				(291)
Share of profit in an associate				-
Profit before taxation				3,204
Taxation				(452)
Profit after taxation				<u>2,752</u>

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2014**

**A Explanatory Notes: FRS 134**

**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.

**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:

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>31-Oct-14</b>	<b>31-Jul-14</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given to financial institutions for banking facilities utilised by subsidiaries	57,364	50,542
Corporate guarantee given to a third party for the supply of goods to a subsidiary	30	7
	<u>57,394</u>	<u>50,549</u>

The Company has provided corporate guarantees for banking facilities granted to its subsidiaries totaling RM108.8 million (31 July 2014: RM108.8 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 2014: RM0.5 million).

**A 13 Commitments**

**a) Capital commitments**

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

	<b>As at</b>	<b>As at</b>
	<b>31-Oct-14</b>	<b>31-Jul-14</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	940	3,363
- Authorised but not contracted for	3,027	2,968
	<u>3,967</u>	<u>6,331</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:

	<b>As at</b>	<b>As at</b>
	<b>31-Oct-14</b>	<b>31-Jul-14</b>
	<b>RM'000</b>	<b>RM'000</b>
- Not later than one year	275	410
- Later than one year and not later than five years	53	87
	<u>328</u>	<u>497</u>

**A 11 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period to-date.

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2014**

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

**B 1 Review of performance**

	<b>Quarter Ended 31-Oct-14 RM'000</b>	<b>Quarter Ended 31-Oct-13 RM'000</b>	<b>Increase/(Decrease) RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	36,471	33,689	2,782	8.3
- Others	14,633	14,067	566	4.0
	<u>51,104</u>	<u>47,756</u>	<u>3,348</u>	<u>7.0</u>
- Malaysia	78,700	77,836	864	1.1
Total revenue	<u>129,804</u>	<u>125,592</u>	<u>4,212</u>	<u>3.4</u>
Profit before taxation	3,204	2,833	371	13.1
Profit after taxation	2,752	2,448	304	12.4

The Group's revenue increased by 3.4% to RM129.8 million for the quarter under review compared to RM125.6 million for the corresponding quarter last year. The increase in revenue was contributed by higher average selling prices as a result of the increase in raw material costs.

The Group registered an increase of 13.1% 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 gross margins.

The Group also achieved an improvement in profit after taxation of 12.4% 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 Period Ended 31 October 2014**

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

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

	Quarter Ended 31-Oct-14 RM'000	Quarter Ended 31-Jul-14 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- South East Asia other than Malaysia	36,471	30,526	5,945	19.5
- Others	14,633	9,765	4,868	49.9
	<u>51,104</u>	<u>40,291</u>	<u>10,813</u>	<u>26.8</u>
- Malaysia	78,700	83,056	(4,356)	(5.2)
Total revenue	<u>129,804</u>	<u>123,347</u>	<u>6,457</u>	<u>5.2</u>
Profit before taxation	3,204	3,199	5	0.2
Profit after taxation	2,752	3,020	(268)	(8.9)

The Group achieved an increase in revenue by 5.2% for the quarter under review compared to RM123.3 million registered for the preceding quarter. The increase in revenue was also contributed by higher average selling prices as a result of the increase in raw material costs.

The Group registered only a slight improvement in profit before taxation of 0.2% for the current quarter under review compared to RM3.2 million achieved for the preceding quarter despite the increase in revenue due to lower gross margins.

The Group, however, reported a decrease in profit after taxation to RM2.8 million for the quarter under review from a profit after tax of RM3.0 million for the preceding quarter due to higher provision for income tax for the quarter under review.

**B 3 Prospects**

Global economic activity is expected to moderately recover in 2015 although there remains some downside risks such as slower growth in emerging economies and uncertainties over the direction of fiscal and monetary policies in the advanced economies.

The Malaysian economic growth decelerated from a 6.5% in Q2 to a 5.6% rise in Q3 reflecting a more restrictive economic environment. The Budget 2015 shows the government's strong commitment to fiscal consolidation, including the implementation of Goods and Services Tax effective 1 April 2015 and additional subsidy cuts. The increase in electricity tariff and natural gas pricing which took effect from 1 January and 1 May 2014 respectively has had adverse impacts on the Group's margins. In addition, the recent volatility of aluminium prices and weak Malaysian Ringgit have added uncertainties to our decision making process particularly on pricing. We expected the forthcoming financial year to be challenging and fraught with uncertainties. Nonetheless, the Group will remain vigilant and be well prepared for the volatilities and uncertainties ahead. As usual, we will continuously focus on improving cost efficiencies and recovery to mitigate any adverse impacts on our business.

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 Period Ended 31 October 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-Oct-14	31-Oct-13	31-Oct-14	31-Oct-13
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(18)	(11)	(18)	(11)
Interest expenses	291	285	291	285
Depreciation of property, plant and equipment	1,343	1,298	1,343	1,298
Gain on disposal of property, plant and equipment	(3)	(2)	(3)	(2)
Realised loss on foreign exchange	171	105	171	105
Fair value adjustments on derivative instruments	(1,301)	1,427	(1,301)	1,427
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**B 6 Taxation**

	Current quarter ended		Cumulative period ended	
	31-Oct-14	31-Oct-13	31-Oct-14	31-Oct-13
	RM'000	RM'000	RM'000	RM'000
Current income tax	332	65	332	65
Deferred tax	120	320	120	320
	<u>      452</u>	<u>      385</u>	<u>      452</u>	<u>      385</u>

The effective tax rate of the Group of 14.1% for the current quarter and financial period ended 31 October 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.

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

**Notes To The Financial Statements**  
**For The Period Ended 31 October 2014**

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

**B 8 Borrowings**

	<b>As at 31-Oct-14 RM'000</b>	<b>As at 31-Jul-14 RM'000</b>
<b>Short term borrowings</b>		
Bankers' acceptances - unsecured	7,200	6,860
Foreign currency loans (Currency denominated in US Dollar) - unsecured (Approximately USD14.7 million. (31 July 2014: USD13.1 million))	48,276	41,757
Term loans - secured	177	180
	<u>55,653</u>	<u>48,797</u>
<b>Long term borrowing</b>		
Term loans - secured	1,711	1,745
	<u>57,364</u>	<u>50,542</u>

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

The term loans are 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 not proposed any dividend for this quarter ended 31 October 2014. At the Annual General Meeting held on 10 December 2014, the shareholders of the Company have approved the payment of 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 which will be payable on 31 December 2014.

**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.

	<b>As at 31-Oct-14 RM'000</b>	<b>As at 31-Jul-14 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	49,307	46,497
- unrealised	(4,685)	(4,524)
	<u>44,622</u>	<u>41,973</u>
Less: Consolidation adjustments	(20,979)	(20,979)
Total retained earnings	<u>23,643</u>	<u>20,994</u>

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

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

	<b>Current quarter</b>	<b>Cumulative to-date</b>
Profit attributable to equity holders of the Company (RM'000)	2,649	2,649
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)	2.21	2.21

**(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

10 December 2014