

A-Rank Berhad

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position**As at 31 January 2016****(The figures have not been audited)**

	As at 31-Jan-16 RM'000	(Audited) As at 31-Jul-15 RM'000
Assets		
Non-current assets		
Property, plant and equipment	65,491	67,439
Intangible asset	2,722	2,722
Investment in an associate	3	3
	<u>68,216</u>	<u>70,164</u>
Current assets		
Inventories	25,289	31,008
Trade and other receivables	43,193	42,220
Derivative financial assets	-	125
Current tax assets	244	233
Deposits with licensed banks	10,000	15,000
Cash and bank balances	5,376	5,933
	<u>84,102</u>	<u>94,519</u>
Total assets	<u>152,318</u>	<u>164,683</u>
Equity and Liabilities		
Share capital	60,000	60,000
Retained earnings	33,059	28,610
Equity attributable to owners of the parent	<u>93,059</u>	<u>88,610</u>
Non-controlling interest	2,260	2,351
Total equity	<u>95,319</u>	<u>90,961</u>
Non-current liabilities		
Borrowings	1,472	1,569
Deferred tax liabilities	7,022	6,623
	<u>8,494</u>	<u>8,192</u>
Current liabilities		
Trade and other payables	23,317	17,715
Borrowings	24,303	47,454
Derivative financial liabilities	636	361
Current tax liabilities	249	-
	<u>48,505</u>	<u>65,530</u>
Total liabilities	56,999	73,722
Total equity and liabilities	<u>152,318</u>	<u>164,683</u>
	RM	RM
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.78</u>	<u>0.74</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 2015.

A-Rank Berhad

(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income**For The Period Ended 31 January 2016****(The figures have not been audited)**

	Current quarter ended		Cumulative period ended	
	31-Jan-16 RM'000	31-Jan-15 RM'000	31-Jan-16 RM'000	31-Jan-15 RM'000
Revenue	128,075	122,756	255,298	252,560
Operating expenses	(123,743)	(119,963)	(248,326)	(246,347)
Other operating income/(expenses)	(79)	199	1,781	274
Profit from operations	4,253	2,992	8,753	6,487
Finance costs	(189)	(267)	(374)	(558)
Share of profit in an associate	-	-	-	-
Profit before taxation	4,064	2,725	8,379	5,929
Taxation	(751)	(443)	(1,321)	(895)
Profit for the financial period	3,313	2,282	7,058	5,034
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	3,313	2,282	7,058	5,034
Profit attributable to:				
Owners of the parent	3,423	2,163	7,149	4,812
Non-controlling interest	(110)	119	(91)	222
	3,313	2,282	7,058	5,034
Total comprehensive income attributable to:				
Owners of the parent	3,423	2,163	7,149	4,812
Non-controlling interest	(110)	119	(91)	222
	3,313	2,282	7,058	5,034
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	2.85	1.80	5.96	4.01
- 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 2015.

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Condensed Consolidated Statement of Changes In Equity
For The Period Ended 31 January 2016
(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
As at 1-Aug-14	60,000	20,994	80,994	2,121	83,115
Profit for the financial period	-	4,812	4,812	222	5,034
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	4,812	4,812	222	5,034
Transactions with owners:					
Dividend paid	-	(2,700)	(2,700)	-	(2,700)
As at 31-Jan-15	<u>60,000</u>	<u>23,106</u>	<u>83,106</u>	<u>2,343</u>	<u>85,449</u>
As at 1-Aug-15	60,000	28,610	88,610	2,351	90,961
Profit for the financial period	-	7,149	7,149	(91)	7,058
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	7,149	7,149	(91)	7,058
Transactions with owners:					
Dividend paid	-	(2,700)	(2,700)	-	(2,700)
As at 31-Jan-16	<u>60,000</u>	<u>33,059</u>	<u>93,059</u>	<u>2,260</u>	<u>95,319</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 2015.

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Condensed Consolidated Statement of Cash Flow
For The Period Ended 31 January 2016
(The figures have not been audited)

	Period ended 31-Jan-16 RM'000	Period ended 31-Jan-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,379	5,929
Adjustments for:		
Interest income	(105)	(39)
Interest expenses	374	558
Depreciation of property, plant and equipment	2,716	2,700
Gain on disposal of property, plant and equipment	-	(3)
Property, plant and equipment written off	4	4
Unrealised gain on foreign exchange	(340)	-
Fair value adjustments on derivative instruments	400	(1,865)
Operating profit before working capital changes	<u>11,428</u>	<u>7,284</u>
Changes in working capital		
Inventories	5,719	(9,651)
Trade and other receivables	(1,334)	(2,706)
Trade and other payables	<u>5,602</u>	<u>4,634</u>
Cash generated from/(used in) operations	21,415	(439)
Tax paid	<u>(684)</u>	<u>(596)</u>
Net cash generated from/(used in) operating activities	<u>20,731</u>	<u>(1,035)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	105	39
Purchase of property, plant and equipment	(772)	(4,006)
Proceed from disposal of property, plant and equipment	-	3
Net cash used in investing activities	<u>(667)</u>	<u>(3,964)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in bank borrowings	(22,547)	8,145
Dividend paid	(2,700)	(2,700)
Interest paid	<u>(374)</u>	<u>(558)</u>
Net cash (used in)/generated from financing activities	<u>(25,621)</u>	<u>4,887</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,557)	(112)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>20,933</u>	<u>6,384</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>15,376</u>	<u>6,272</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS:		
Deposits with licensed banks	10,000	1,001
Cash and bank balances	<u>5,376</u>	<u>5,271</u>
	<u>15,376</u>	<u>6,272</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 2015.

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Notes to the Financial Statements
For The Period Ended 31 January 2016

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 ("MFRSs") 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 2015. 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 2015.

A 2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2015 except for the adoption of the following new/revised MFRSs, Amendments to MFRSs and Issues Committee Interpretations (IC Interpretations"):

New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 Jan 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	1 Jan 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 Jan 2016
Amendments to MFRS 101 <i>Disclosure Initiative</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
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 Jan 2016
Amendments to MFRSs <i>Annual Improvements to 2012 - 2014 Cycle</i>	1 Jan 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 Jan 2018

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

A 3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 31 July 2015.

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.

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Notes to the Financial Statements
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A Explanatory Notes: FRS 134

A 8 Dividend paid

A first and final single tier dividend of 2.25 sen per ordinary share, amounting to RM2.7 million in respect of the previous financial year ended 31 July 2015 was paid on 22 December 2015.

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 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 than Malaysia. Other operating segments comprise countries in Africa, Europe and South Asia.

Cumulative 31-Jan-16	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	166,600	53,919	34,779	255,298
Profit from operations				8,753
Finance costs				(374)
Share of profit in an associate				-
Profit before taxation				8,379
Taxation				(1,321)
Profit after taxation				7,058

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 2016

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:

	Company	
	As at	As at
	31-Jan-16	31-Jul-15
	RM'000	RM'000
Corporate guarantees given to:		
- financial institutions for banking facilities utilised by subsidiaries	25,775	49,023
- a third party for the supply of goods to a subsidiary	4	-
	<u>25,779</u>	<u>49,023</u>

The Company has provided corporate guarantees for banking facilities granted to its subsidiaries totaling RM88.0 million and USD5.0 million (31 July 2015: RM88.0 million and USD5.0 million) and a creditor of a subsidiary for supply of goods up to RM0.5 million (31 July 2015: 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-16	31-Jul-15
	RM'000	RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	762	1,857
- Authorised but not contracted for	997	1,789
	<u>1,759</u>	<u>3,646</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-16	31-Jul-15
	RM'000	RM'000
Not later than one (1) year	230	229
Later than one (1) year and not later than five (5) years	646	755
	<u>876</u>	<u>984</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.

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Notes to the Financial Statements
For The Period Ended 31 January 2016

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter Ended 31-Jan-16 RM'000	Quarter Ended 31-Jan-15 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue				
- South East Asia other than Malaysia	24,438	26,995	(2,557)	(9.5)
- Others	18,059	9,994	8,065	80.7
	<u>42,497</u>	<u>36,989</u>	<u>5,508</u>	<u>14.9</u>
- Malaysia	85,578	85,767	(189)	(0.2)
Total revenue	<u>128,075</u>	<u>122,756</u>	<u>5,319</u>	<u>4.3</u>
Profit before taxation	4,064	2,725	1,339	49.1
Profit after taxation	3,313	2,282	1,031	45.2

The Group's revenue increased by 4.3% to RM128.1 million for the quarter under review compared to RM122.8 million for the corresponding quarter last year. The increased in revenue was contributed by higher business volume.

The Group reported an increase of 49.1% in profit before taxation to RM4.1 million for the current quarter compared to that of the corresponding quarter last year due mainly to better margins.

The Group also achieved an increase in profit after taxation of 45.2% for the quarter under review in line with the higher profit before taxation.

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Notes to the Financial Statements
For The Period Ended 31 January 2016

B Additional information required by the Bursa Securities' Listing Requirements

B 2 Variance of results against preceding quarter

	Quarter Ended 31-Jan-16 RM'000	Quarter Ended 31-Oct-15 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue				
- South East Asia other than Malaysia	24,438	29,481	(5,043)	(17.1)
- Others	18,059	16,720	1,339	8.0
	<u>42,497</u>	<u>46,201</u>	<u>(3,704)</u>	<u>(8.0)</u>
- Malaysia	85,578	81,022	4,556	5.6
Total revenue	<u>128,075</u>	<u>127,223</u>	<u>852</u>	<u>0.7</u>
Profit before taxation	4,064	4,315	(251)	(5.8)
Profit after taxation	3,313	3,745	(432)	(11.5)

The Group achieved a slight increase in revenue by 0.7% for the quarter under review compared to RM127.2 million registered for the preceding quarter. The increase in revenue was contributed by better business volume .

The Group, however, registered a decrease of 5.8% in profit before taxation to RM4.1 million for the current quarter compared to that of the preceding quarter despite improvement in gross margins due mainly to an insurance claim of RM0.7 million received in the preceding quarter.

The Group also reported a decrease in profit after taxation to RM3.3 million for the quarter under review from a profit after tax of RM3.7 million for the preceding quarter in line with the above.

B 3 Prospects

Global economic activity continued to expand at a moderate pace in the fourth quarter of 2015. The advanced economies registered modest improvements but with the pace of growth remaining constrained. In Asia, economic activity continued to be supported by domestic demand amid weak export performance.

The Malaysian economy registered a growth of 4.5% in the fourth quarter of 2015 (3Q 2015: 4.7%), supported mainly by the private sector demand. The Malaysian economy is expected to face a challenging operating environment in the immediate future. Growth will continue to be driven by domestic demand, with some support from net exports. The downside risks to growth remained given the continued uncertainty in the external environment and the on-going reforms in the domestic economy. The volatility of both aluminium prices and currencies continue to add uncertainties to our decision-making process particularly on pricing whilst the overall increase in costs of doing business in Malaysia will have adverse impacts on the Group's margins. The Group will remain vigilant and be well prepared for the volatilities and challenges 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.

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Notes to the Financial Statements
For The Period Ended 31 January 2016

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-16	31-Jan-15	31-Jan-16	31-Jan-15
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(66)	(21)	(105)	(39)
Interest expenses	189	267	374	558
Depreciation of property, plant and equipment	1,345	1,357	2,716	2,700
Gain on disposal of property, plant and equipment	-	-	-	(3)
Property, plant and equipment written off	4	4	4	4
Loss/(Gain) on foreign exchange				
- realised	131	19	(615)	190
- unrealised	28	-	(340)	-
Fair value adjustments on derivative instruments	463	(564)	400	(1,865)

B 6 Taxation

	Current quarter ended		Cumulative period ended	
	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	RM'000	RM'000	RM'000	RM'000
Current income tax	572	230	922	562
Deferred tax	179	213	399	333
	<u>751</u>	<u>443</u>	<u>1,321</u>	<u>895</u>

The effective tax rate of the Group for the current quarter and financial period ended 31 January 2016 are higher than the statutory tax rate due principally to the availability of 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 Period Ended 31 January 2016

B Additional information required by the Bursa Securities' Listing Requirements

B 8 Borrowings

	As at 31-Jan-16 RM'000	As at 31-Jul-15 RM'000
Short term borrowings		
Bankers' acceptances - unsecured	1,803	7,100
Foreign currency loans (Currency denominated in US Dollar) - unsecured (Approximately USD5.4 million. (31 July 2015: USD10.5 million))	22,309	40,168
Term loans - secured	191	186
	<u>24,303</u>	<u>47,454</u>
Long term borrowing		
Term loans - secured	1,472	1,569
	<u>25,775</u>	<u>49,023</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 January 2016.

B 11 Realised and Unrealised Profit or Losses

The retained earnings as at the end of the reporting year 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-16 RM'000	As at 31-Jul-15 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	57,487	52,639
- unrealised	(3,449)	(3,050)
	<u>54,038</u>	<u>49,589</u>
Less: Consolidation adjustments	<u>(20,979)</u>	<u>(20,979)</u>
Total retained earnings	<u>33,059</u>	<u>28,610</u>

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Notes to the Financial Statements
For The Period Ended 31 January 2016

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 ended 31-Jan-16	Cumulative to-date ended 31-Jan-16
Profit attributable to equity holders of the Company (RM'000)	3,423	7,149
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)	2.85	5.96

(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

22 March 2016