

**A-Rank Berhad**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position****As at 30 April 2016****(The figures have not been audited)**

	<b>As at 30-Apr-16 RM'000</b>	<b>(Audited) As at 31-Jul-15 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,544	67,439
Intangible asset	2,722	2,722
Investment in an associate	3	3
	<u>68,269</u>	<u>70,164</u>
<b>Current assets</b>		
Inventories	21,746	31,008
Trade and other receivables	46,677	42,220
Derivative financial assets	-	125
Current tax assets	244	233
Deposits with licensed banks	18,925	15,000
Cash and bank balances	803	5,933
	<u>88,395</u>	<u>94,519</u>
<b>Total assets</b>	<u>156,664</u>	<u>164,683</u>
<b>Equity and Liabilities</b>		
Share capital	60,000	60,000
Retained earnings	36,380	28,610
Equity attributable to owners of the parent	96,380	88,610
Non-controlling interest	1,942	2,351
<b>Total equity</b>	98,322	90,961
<b>Non-current liabilities</b>		
Borrowings	1,472	1,569
Deferred tax liabilities	7,375	6,623
	<u>8,847</u>	<u>8,192</u>
<b>Current liabilities</b>		
Trade and other payables	26,353	17,715
Borrowings	21,998	47,454
Derivative financial liabilities	994	361
Current tax liabilities	150	-
	<u>49,495</u>	<u>65,530</u>
<b>Total liabilities</b>	58,342	73,722
<b>Total equity and liabilities</b>	<u>156,664</u>	<u>164,683</u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.80</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 30 April 2016****(The figures have not been audited)**

	Current quarter ended		Cumulative period ended	
	30-Apr-16 RM'000	30-Apr-15 RM'000	30-Apr-16 RM'000	30-Apr-15 RM'000
Revenue	114,689	117,915	369,987	370,475
Operating expenses	(111,034)	(115,827)	(359,360)	(362,174)
Other operating income/(expenses)	(53)	242	1,728	516
Profit from operations	3,602	2,330	12,355	8,817
Finance costs	(111)	(230)	(485)	(788)
Share of profit in an associate	-	-	-	-
Profit before taxation	3,491	2,100	11,870	8,029
Taxation	(488)	(347)	(1,809)	(1,242)
Profit for the financial period	3,003	1,753	10,061	6,787
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	3,003	1,753	10,061	6,787
Profit attributable to:				
Owners of the parent	3,321	1,537	10,470	6,349
Non-controlling interest	(318)	216	(409)	438
	3,003	1,753	10,061	6,787
Total comprehensive income attributable to:				
Owners of the parent	3,321	1,537	10,470	6,349
Non-controlling interest	(318)	216	(409)	438
	3,003	1,753	10,061	6,787
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	2.77	1.28	8.73	5.29
- 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.

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

**Condensed Consolidated Statement of Changes In Equity**  
**For The Period Ended 30 April 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	-	6,349	6,349	438	6,787
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	6,349	6,349	438	6,787
<b>Transactions with owners:</b>					
Dividend paid	-	(2,700)	(2,700)	-	(2,700)
As at 30-Apr-15	<u>60,000</u>	<u>24,643</u>	<u>84,643</u>	<u>2,559</u>	<u>87,202</u>
As at 1-Aug-15	60,000	28,610	88,610	2,351	90,961
Profit for the financial period	-	10,470	10,470	(409)	10,061
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	10,470	10,470	(409)	10,061
<b>Transactions with owners:</b>					
Dividend paid	-	(2,700)	(2,700)	-	(2,700)
As at 30-Apr-16	<u>60,000</u>	<u>36,380</u>	<u>96,380</u>	<u>1,942</u>	<u>98,322</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.

**A-Rank Berhad**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flow**  
**For The Period Ended 30 April 2016**  
**(The figures have not been audited)**

	<b>Period ended 30-Apr-16 RM'000</b>	<b>Period ended 30-Apr-15 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,870	8,029
Adjustments for:		
Interest income	(196)	(61)
Interest expenses	485	788
Depreciation of property, plant and equipment	4,149	4,068
Gain on disposal of property, plant and equipment	(1)	(3)
Property, plant and equipment written off	140	832
Unrealised gain on foreign exchange	(1,166)	-
Fair value adjustments on derivative instruments	758	(8)
Operating profit before working capital changes	<u>16,039</u>	<u>13,645</u>
Changes in working capital		
Inventories	9,262	7,203
Trade and other receivables	(4,540)	(5,230)
Trade and other payables	8,638	4,033
Cash generated from operations	<u>29,399</u>	<u>19,651</u>
Interest paid	-	(1)
Tax paid	(918)	(883)
Net cash generated from operating activities	<u>28,481</u>	<u>18,767</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	196	61
Acquisition of property, plant and equipment	(2,399)	(4,126)
Proceed from disposal of property, plant and equipment	6	3
Net cash used in investing activities	<u>(2,197)</u>	<u>(4,062)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in bank borrowings	(24,304)	(9,538)
Dividend paid	(2,700)	(2,700)
Interest paid	(485)	(787)
Net cash used in financing activities	<u>(27,489)</u>	<u>(13,025)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,205)</b>	<b>1,680</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>20,933</b>	<b>6,384</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u>19,728</u></b>	<b><u>8,064</u></b>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS:</b>		
Deposits with licensed banks	18,925	4,385
Cash and bank balances	803	3,679
	<u>19,728</u>	<u>8,064</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.

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

**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

**A Explanatory Notes**

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**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**

	<b>Effective Date</b>
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.

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

**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

**A Explanatory Notes**

**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 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 30-Apr-16	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	250,307	73,547	46,133	369,987
Profit from operations				12,355
Finance costs				(485)
Share of profit in an associate				-
Profit before taxation				11,870
Taxation				(1,809)
Profit after taxation				10,061

**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 11 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 30-Apr-16 RM'000	As at 31-Jul-15 RM'000
Corporate guarantees given to:		
- financial institutions for banking facilities utilised by subsidiaries	23,470	49,023
- a third party for the supply of goods to a subsidiary	4	-
	<u>23,474</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-Rank Berhad**  
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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

**A Explanatory Notes**

**A 12 Commitments**

**a) Capital commitments**

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

	<b>As at 30-Apr-16 RM'000</b>	<b>As at 31-Jul-15 RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	1,013	1,857
- Authorised but not contracted for	367	1,789
	<u>1,380</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:

	<b>As at 30-Apr-16 RM'000</b>	<b>As at 31-Jul-15 RM'000</b>
Not later than one (1) year	230	229
Later than one (1) year and not later than five (5) years	589	755
	<u>819</u>	<u>984</u>

**A 13 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 14 Related party transactions**

During the financial period under review, the material business transactions entered by the Group with related parties were as follows:

	<b>Cumulative period ended</b>	
	<b>30-Apr-16 RM'000</b>	<b>30-Apr-15 RM'000</b>
a) In which a Director and Major shareholder have interest		
<u>LB Aluminium Berhad</u>		
- Sales and tolling services of aluminium billets	11,629	-
- Purchases of aluminium extrusions profile	496	-
- Sales of accessories	34	-
<u>LB Aluminium (Sarawak) Sdn Bhd</u>		
- Sales and tolling services of aluminium billets	1,719	-
b) In which two Directors of a subsidiary company have interest		
<u>Apresi Sdn Bhd</u>		
- Rental of premises	48	-
	<u>48</u>	<u>-</u>

The related party transactions had been entered into in the ordinary course of business on normal commercial terms.

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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

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

**B 1 Review of performance**

	<b>Quarter Ended 30-Apr-16 RM'000</b>	<b>Quarter Ended 30-Apr-15 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	19,628	17,923	1,705	9.5
- Others	11,354	13,980	(2,626)	(18.8)
	<u>30,982</u>	<u>31,903</u>	<u>(921)</u>	<u>(2.9)</u>
- Malaysia	83,707	86,012	(2,305)	(2.7)
Total revenue	<u>114,689</u>	<u>117,915</u>	<u>(3,226)</u>	<u>(2.7)</u>
Profit before taxation	3,491	2,100	1,391	66.2
Profit after taxation	3,003	1,753	1,250	71.3

The Group's revenue dropped slightly by 2.7% to RM114.7 million for the quarter under review compared to RM117.9 million for the corresponding quarter last year. The decrease in revenue was contributed by lower average selling prices following of the drop in raw material costs.

The Group reported an increase of 66.2% in profit before taxation to RM3.5 million for the current quarter compared to that of the corresponding quarter last year due mainly to better margins and that in corresponding quarter last year, there was property, plant and equipment written off of RM0.8 million.

The Group also achieved an increase in profit after taxation of 71.3% for the quarter under review in line with the higher profit before taxation.

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

	<b>Quarter Ended 30-Apr-16 RM'000</b>	<b>Quarter Ended 31-Jan-16 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	19,628	24,438	(4,810)	(19.7)
- Others	11,354	18,059	(6,705)	(37.1)
	<u>30,982</u>	<u>42,497</u>	<u>(11,515)</u>	<u>(27.1)</u>
- Malaysia	83,707	85,578	(1,871)	(2.2)
Total revenue	<u>114,689</u>	<u>128,075</u>	<u>(13,386)</u>	<u>(10.5)</u>
Profit before taxation	3,491	4,064	(573)	(14.1)
Profit after taxation	3,003	3,313	(310)	(9.4)

The Group's revenue declined by 10.5% for the quarter under review compared to RM114.7 million registered for the preceding quarter due mainly to lower business volume.

The Group registered a drop in profit before taxation of 14.1% for the current quarter under review compared to RM4.1 million achieved for the preceding quarter due mainly to lower business volume.

The Group also recorded a decrease in profit after taxation of 9.4% for the current quarter in line with the lower profit before taxation.



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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

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

**B 3 Prospects**

Global economy expanded moderately against a backdrop of high financial market volatility in the first quarter of 2016. The advanced economies continued to register modest improvements, as the pace of growth remained constrained by crisis-related legacies, including high indebtedness and labour market slack. In Asia, economic activity expanded at a more moderate pace due in part to weaknesses in exports. Looking ahead, although the global economy is projected to improve, the pace of expansion is expected to be moderate and uneven.

The Malaysian economy expanded by 4.2% in the first quarter of 2016 (4Q 2015: 4.5%). Going forward, the Malaysian economy is expected to remain on a sustained growth path, despite the challenging economic environment globally and domestically. Domestic demand will continue to be the principal driver of growth, sustained primarily by private sector spending. 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.

**B 5 Notes to the Condensed Consolidated Statement Of Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(91)	(22)	(196)	(61)
Interest expenses	111	230	485	788
Depreciation of property, plant and equipment	1,433	1,368	4,149	4,068
Gain on disposal of property, plant and equipment	(1)	-	(1)	(3)
Property, plant and equipment written off	136	828	140	832
Loss/(Gain) on foreign exchange				
- realised	1,001	(106)	386	84
- unrealised	(826)	-	(1,166)	-
Fair value adjustments on derivative instruments	358	1,857	758	(8)

**A-Rank Berhad**  
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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

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

**B 6 Taxation**

	Current quarter ended		Cumulative period ended	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	RM'000	RM'000	RM'000	RM'000
Current income tax	135	143	1,057	705
Deferred tax	353	204	752	537
	<u>488</u>	<u>347</u>	<u>1,809</u>	<u>1,242</u>

The effective tax rate of the Group for the current quarter and financial period ended 30 April 2016 are lower 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.

**B 8 Borrowings**

	As at	As at
	30-Apr-16	31-Jul-15
	RM'000	RM'000
<b>Short term borrowings</b>		
Bankers' acceptances - unsecured	139	7,100
Foreign currency loans (Currency denominated in US Dollar) - unsecured	21,715	40,168
Term loans - secured	144	186
	<u>21,998</u>	<u>47,454</u>
<b>Long term borrowing</b>		
Term loans - secured	1,472	1,569
	<u>23,470</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 30 April 2016.

**A-Rank Berhad**  
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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2016**

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

**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.

	<b>As at 30-Apr-16 RM'000</b>	<b>As at 31-Jul-15 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	61,161	52,639
- unrealised	(3,802)	(3,050)
	<u>57,359</u>	<u>49,589</u>
Less: Consolidation adjustments	(20,979)	(20,979)
Total retained earnings	<u><u>36,380</u></u>	<u><u>28,610</u></u>

**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 ended 30-Apr-16</b>	<b>Cumulative to-date ended 30-Apr-16</b>
Profit attributable to equity holders of the Company (RM'000)	3,321	10,470
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)	2.77	8.73

**(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

27 June 2016