

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

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

	<b>As at 31-Oct-16 RM'000</b>	<b>(Audited) As at 31-Jul-16 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,549	63,172
Investment in an associate	290	290
	<u>62,839</u>	<u>63,462</u>
<b>Current assets</b>		
Inventories	31,632	26,862
Trade and other receivables	38,478	38,587
Derivative financial assets	61	99
Current tax assets	113	99
Deposits with licensed banks	25,271	17,407
Cash and bank balances	3,080	7,855
	<u>98,635</u>	<u>90,909</u>
<b>Total assets</b>	<u><u>161,474</u></u>	<u><u>154,371</u></u>
<b>Equity and Liabilities</b>		
Share capital	60,000	60,000
Retained earnings	46,403	41,748
Equity attributable to owners of the parent	<u>106,403</u>	<u>101,748</u>
Non-controlling interest	1,798	1,923
<b>Total equity</b>	<u>108,201</u>	<u>103,671</u>
<b>Non-current liabilities</b>		
Borrowings	1,323	1,373
Deferred tax liabilities	5,099	4,910
	<u>6,422</u>	<u>6,283</u>
<b>Current liabilities</b>		
Trade and other payables	25,247	23,315
Borrowings	21,431	20,939
Derivative financial liabilities	-	4
Current tax liabilities	173	159
	<u>46,851</u>	<u>44,417</u>
<b>Total liabilities</b>	53,273	50,700
<b>Total equity and liabilities</b>	<u><u>161,474</u></u>	<u><u>154,371</u></u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 120,000,000 ordinary shares of RM0.50 each	<u>0.89</u>	<u>0.85</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 2016.

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

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

	Current quarter ended		Cumulative period ended	
	31-Oct-16 RM'000	31-Oct-15 RM'000	31-Oct-16 RM'000	31-Oct-15 RM'000
Revenue	123,777	127,223	123,777	127,223
Operating expenses	(118,709)	(124,583)	(118,709)	(124,583)
Other operating income	246	1,860	246	1,860
Profit from operations	<u>5,314</u>	<u>4,500</u>	<u>5,314</u>	<u>4,500</u>
Finance costs	(149)	(185)	(149)	(185)
Share of profit in an associate	-	-	-	-
Profit before taxation	<u>5,165</u>	<u>4,315</u>	<u>5,165</u>	<u>4,315</u>
Taxation	(635)	(570)	(635)	(570)
Profit for the financial period	<u>4,530</u>	<u>3,745</u>	<u>4,530</u>	<u>3,745</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	<u>4,530</u>	<u>3,745</u>	<u>4,530</u>	<u>3,745</u>
Profit attributable to:				
Owners of the parent	4,655	3,726	4,655	3,726
Non-controlling interest	(125)	19	(125)	19
	<u>4,530</u>	<u>3,745</u>	<u>4,530</u>	<u>3,745</u>
Total comprehensive income attributable to:				
Owners of the parent	4,655	3,726	4,655	3,726
Non-controlling interest	(125)	19	(125)	19
	<u>4,530</u>	<u>3,745</u>	<u>4,530</u>	<u>3,745</u>
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	<u>3.88</u>	<u>3.11</u>	<u>3.88</u>	<u>3.11</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 2016.

**A-Rank Berhad**  
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**Condensed Consolidated Statement of Changes in Equity**  
**For The Period Ended 31 October 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
Balance as at 1 August 2016	60,000	28,610	88,610	2,351	90,961
Profit for the financial period	-	3,726	3,726	19	3,745
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	3,726	3,726	19	3,745
Balance as at 31 October 2015	<u>60,000</u>	<u>32,336</u>	<u>92,336</u>	<u>2,370</u>	<u>94,706</u>
Balance as at 1 August 2016	60,000	41,748	101,748	1,923	103,671
Profit for the financial period	-	4,655	4,655	(125)	4,530
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	4,655	4,655	(125)	4,530
Balance as at 31 October 2016	<u>60,000</u>	<u>46,403</u>	<u>106,403</u>	<u>1,798</u>	<u>108,201</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 2016.

**A-Rank Berhad**  
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**Condensed Consolidated Statement of Cash Flow**  
**For The Period Ended 31 October 2016**  
**(The figures have not been audited)**

	<b>Period ended 31-Oct-16 RM'000</b>	<b>Period ended 31-Oct-15 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,165	4,315
Adjustments for:		
Interest income	(227)	(39)
Interest expenses	149	185
Share of profit in an associate	-	-
Depreciation of property, plant and equipment	1,313	1,371
Property, plant and equipment written off	66	-
Deposits written off	36	-
Unrealised loss/(gain) on foreign exchange	440	(368)
Loss on disposal of property, plant and equipment	103	-
Fair value adjustments on derivative instruments	34	(63)
Operating profit before working capital changes	<u>7,079</u>	<u>5,401</u>
Changes in working capital		
Inventories	(4,770)	(2,864)
Trade and other receivables	264	(3,983)
Trade and other payables	1,993	7,215
Cash generated from operations	<u>4,566</u>	<u>5,769</u>
Tax paid	(446)	(391)
Net cash generated from operating activities	<u>4,120</u>	<u>5,378</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	227	39
Acquisition of property, plant and equipment	(1,160)	(89)
Proceed from disposal of property, plant and equipment	301	-
Net cash used in investing activities	<u>(632)</u>	<u>(50)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in bank borrowings	(250)	(15,413)
Interest paid	(149)	(185)
Net cash used in financing activities	<u>(399)</u>	<u>(15,598)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,089	(10,270)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>25,262</u>	<u>20,933</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u><u>28,351</u></u>	<u><u>10,663</u></u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS:</b>		
Deposits with licensed banks	25,271	4,180
Cash and bank balances	3,080	6,483
	<u><u>28,351</u></u>	<u><u>10,663</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 2016.

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**Notes to the Financial Statements**  
**For The Period Ended 31 October 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 2016. 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 2016.

**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 2016 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 2017**

	<b>Effective Date</b>
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 Jan 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 Jan 2017
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2018
Clarifications to MFRS 15	1 Jan 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 Jan 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 Jan 2018
MFRS 16 <i>Leases</i>	1 Jan 2019
Amendments to MFRS 10 and MFRS 128 <i>Sales of Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the 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 2016.

**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 periods 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**  
**For The Period Ended 31 October 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 three (3) 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.

	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	84,607	27,981	11,189	123,777
Profit from operations				5,314
Finance costs				(149)
Share of profit in an associate				-
Profit before taxation				5,165
Taxation				(635)
Profit after taxation				4,530

**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 31-Oct-16 RM'000	As at 31-Jul-16 RM'000
Corporate guarantees given to:		
- financial institutions for banking facilities utilised by subsidiaries	22,754	22,312
- third parties for the supply of goods to a subsidiary	89	11
	<u>22,843</u>	<u>22,323</u>

The Company has provided corporate guarantees for banking facilities granted to its subsidiaries totaling RM88.0 million and USD5.0 million (31 July 2016: RM88.0 million and USD5.0 million) and creditors of a subsidiary for supply of goods up to RM1.8 million (31 July 2016: RM1.8 million).

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**Notes to the Financial Statements**  
**For The Period Ended 31 October 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 31-Oct-16 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Authorised and contracted for	617	855
- Authorised but not contracted for	8,946	9,913
	<u>9,563</u>	<u>10,768</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 31-Oct-16 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Not later than one (1) year	412	445
Later than one (1) year and not later than five (5) years	503	590
	<u>915</u>	<u>1,035</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>As at 31-Oct-16 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	20,640
- Purchases of aluminium extrusions profile	232
- Sales of accessories	10
<u>LB Aluminium (Sarawak) Sdn Bhd</u>	
- Sales and tolling services of aluminium billets	1,690
b) In which two Directors of a subsidiary company have interest	
<u>Apresi Sdn Bhd</u>	
- Rental of premises	<u>36</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**  
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**B Additional information required by the Bursa Securities' Listing Requirements**

**B 1 Review of performance**

	<b>Quarter Ended 31-Oct-16 RM'000</b>	<b>Quarter Ended 31-Oct-15 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	27,981	29,481	(1,500)	(5.1)
- Others	11,189	16,720	(5,531)	(33.1)
	<u>39,170</u>	<u>46,201</u>	<u>(7,031)</u>	<u>(15.2)</u>
- Malaysia	84,607	81,022	3,585	4.4
Total revenue	<u>123,777</u>	<u>127,223</u>	<u>(3,446)</u>	<u>(2.7)</u>
Profit before taxation	5,165	4,315	850	19.7
Profit after taxation	4,530	3,745	785	21.0

The Group's revenue dropped slightly by 2.7% to RM123.8 million for the quarter under review compared to RM127.2 million for the corresponding quarter last year. The decrease in revenue was despite the increase in business volume due to the change in sales mix in which a lower proportion of the revenue is derived from sales of aluminium billets compared to the corresponding quarter.

The Group reported an increase of 19.7% in profit before taxation to RM5.2 million for the current quarter compared to that of the corresponding quarter last year due mainly to improved margins.

The Group registered an increase of 21.0% in profit after taxation to RM4.5 million for the current quarter compared to that of the corresponding quarter last year in line with the higher profit before taxation.

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

	<b>Quarter Ended 31-Oct-16 RM'000</b>	<b>Quarter Ended 31-Jul-16 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	27,981	16,993	10,988	64.7
- Others	11,189	9,374	1,815	19.4
	<u>39,170</u>	<u>26,367</u>	<u>12,803</u>	<u>48.6</u>
- Malaysia	84,607	87,490	(2,883)	(3.3)
Total revenue	<u>123,777</u>	<u>113,857</u>	<u>9,920</u>	<u>8.7</u>
Profit before taxation	5,165	3,544	1,621	45.7
Profit after taxation	4,530	5,349	(819)	(15.3)

The Group achieved an increase in revenue by 8.7% to RM123.8 million for the quarter under review compared to RM113.9 million for the preceding quarter. The increase in revenue was contributed by a higher business volume and a higher average selling price as a result of the increase in raw material costs.

The Group achieved an improvement in profit before taxation of 45.7% for the current quarter under review compared to RM3.5 million achieved for the preceding quarter. The profit before taxation has improved due mainly to an impairment loss on goodwill on acquisition that was provided in the preceding quarter.

However, the Group recorded a drop in profit after taxation of 15.3% for the current quarter due to an overprovision of deferred tax that was recognised in the preceding quarter.



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**Notes to the Financial Statements**  
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**B Additional information required by the Bursa Securities' Listing Requirements**

**B 3 Prospects**

In the third quarter of 2016, the global economy continued to experience moderate growth and the outlook for 2017 remains challenging, as the market and the operating environment are driven by various domestic as well as global uncertainties. In particular, the slowdown in China's economy has impacted growth in ASEAN and other regions.

The Malaysian economy is expected to expand by 4-4.5% in 2016. Domestic demand, particularly private sector activity will continue to be the key driver of growth. The depreciation of Ringgit Malaysia which has been weakening since the beginning of 2015 should result in our products being more competitive in the export markets. On the other hand, the weakened Ringgit Malaysia will escalate the costs of doing business domestically arising from costlier imports. 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	
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(227)	(39)	(227)	(39)
Interest expenses	149	185	149	185
Depreciation of property, plant and equipment	1,313	1,371	1,313	1,371
Loss on disposal of property, plant and equipment	103	-	103	-
Property, plant and equipment written off	66	-	66	-
Deposits written off	36	-	36	-
(Gain)/Loss on foreign exchange				
- realised	(371)	(746)	(371)	(746)
- unrealised	440	(368)	440	(368)
Fair value adjustments on derivative instruments	34	(63)	34	(63)

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**Notes to the Financial Statements**  
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**B Additional information required by the Bursa Securities' Listing Requirements**

**B 6 Taxation**

	Current quarter ended		Cumulative period ended	
	31-Oct-16 RM'000	31-Oct-15 RM'000	31-Oct-16 RM'000	31-Oct-15 RM'000
Current income tax	446	350	446	350
Deferred tax	189	220	189	220
	<u>635</u>	<u>570</u>	<u>635</u>	<u>570</u>

The effective tax rate of the Group for the current quarter and financial period ended 31 October 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 31-Oct-16 RM'000	As at 31-Jul-16 RM'000
<b>Short term borrowings</b>		
Bankers' acceptances - unsecured	133	260
Foreign currency loans (Currency denominated in US Dollar) - unsecured	21,100	20,483
Term loans - secured	<u>198</u>	<u>196</u>
	21,431	20,939
<b>Long term borrowing</b>		
Term loans - secured	<u>1,323</u>	<u>1,373</u>
	<u>22,754</u>	<u>22,312</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 2016. At the Annual General Meeting held on 7 December 2016, the shareholders of the Company have approved the payment of a first and final single tier dividend of 3.00 sen per ordinary share, amounting to RM3.6 million in respect of the financial year ended 31 July 2016 which will be payable on 21 December 2016.

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**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 31-Oct-16 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	68,621	63,777
- unrealised	(1,526)	(1,337)
	<u>67,095</u>	<u>62,440</u>
Total share of retained earnings from an associated company:		
- realised	287	287
	<u>67,382</u>	<u>62,727</u>
Less: Consolidation adjustments	(20,979)	(20,979)
Total retained earnings	<u><u>46,403</u></u>	<u><u>41,748</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</b>	<b>Cumulative to-date ended</b>
Profit attributable to equity holders of the Company (RM'000)	4,655	4,655
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)	3.88	3.88

**(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

Yap Sit Lee  
Company Secretary

7 December 2016