

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

**Condensed Consolidated Statement of Financial Position**  
**As at 30 April 2017**  
(The figures have not been audited)

	<b>As at 30-Apr-17 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	54,156	63,172
Investment in an associate	290	290
	<u>54,446</u>	<u>63,462</u>
<b>Current assets</b>		
Inventories	26,715	26,862
Trade and other receivables	50,883	38,587
Derivative financial assets	28	99
Current tax assets	-	99
Deposits with licensed banks	5,659	17,407
Cash and bank balances	21,183	7,855
	<u>104,468</u>	<u>90,909</u>
<b>Total assets</b>	<u>158,914</u>	<u>154,371</u>
<b>Equity and Liabilities</b>		
Share capital	60,000	60,000
Retained earnings	50,517	41,748
Equity attributable to owners of the parent	110,517	101,748
Non-controlling interest	-	1,923
<b>Total equity</b>	<u>110,517</u>	<u>103,671</u>
<b>Non-current liabilities</b>		
Borrowings	-	1,373
Deferred tax liabilities	5,509	4,910
	<u>5,509</u>	<u>6,283</u>
<b>Current liabilities</b>		
Trade and other payables	19,462	23,315
Borrowings	21,630	20,939
Derivative financial liabilities	353	4
Current tax liabilities	1,443	159
	<u>42,888</u>	<u>44,417</u>
<b>Total liabilities</b>	48,397	50,700
<b>Total equity and liabilities</b>	<u>158,914</u>	<u>154,371</u>
	<b>RM</b>	<b>RM</b>
Net assets per share based on 120,000,000 ordinary shares	<u>0.92</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 30 April 2017**  
**(The figures have not been audited)**

	Current quarter ended		Cumulative period ended	
	30-Apr-17 RM'000	30-Apr-16 RM'000	30-Apr-17 RM'000	30-Apr-16 RM'000
Revenue	119,501	114,689	357,863	369,987
Operating expenses	(115,361)	(111,034)	(343,960)	(359,360)
Other operating income/(expenses)	1,068	(53)	1,649	1,728
Profit from operations	5,208	3,602	15,552	12,355
Finance costs	(89)	(111)	(389)	(485)
Share of profit in an associate	-	-	-	-
Profit before taxation	5,119	3,491	15,163	11,870
Taxation	(1,185)	(488)	(3,091)	(1,809)
Profit for the financial period	3,934	3,003	12,072	10,061
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	3,934	3,003	12,072	10,061
Profit attributable to:				
Owners of the parent	3,934	3,321	12,369	10,470
Non-controlling interest	-	(318)	(297)	(409)
	3,934	3,003	12,072	10,061
Total comprehensive income attributable to:				
Owners of the parent	3,934	3,321	12,369	10,470
Non-controlling interest	-	(318)	(297)	(409)
	3,934	3,003	12,072	10,061
Net earnings per share attributable to ordinary shareholders (sen):				
- Basic	3.28	2.77	10.31	8.73
- 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 2016.

**A-Rank Berhad**  
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**Condensed Consolidated Statement of Changes in Equity**  
**For The Period Ended 30 April 2017**  
**(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 2015	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)
Balance as at 30 April 2016	<u>60,000</u>	<u>36,380</u>	<u>96,380</u>	<u>1,942</u>	<u>98,322</u>
Balance as at 1 August 2016	60,000	41,748	101,748	1,923	103,671
Profit for the financial period	-	12,369	12,369	(297)	12,072
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	12,369	12,369	(297)	12,072
<b>Transactions with owners:</b>					
Dividend paid	-	(3,600)	(3,600)	-	(3,600)
Disposal of a subsidiary	-	-	-	(1,626)	(1,626)
Balance as at 30 April 2017	<u>60,000</u>	<u>50,517</u>	<u>110,517</u>	<u>-</u>	<u>110,517</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 30 April 2017**  
**(The figures have not been audited)**

	<b>Period ended 30-Apr-17 RM'000</b>	<b>Period ended 30-Apr-16 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,163	11,870
Adjustments for:		
Interest income	(576)	(196)
Interest expenses	389	485
Gain on disposal of a subsidiary	(118)	-
Depreciation of property, plant and equipment	3,807	4,149
Property, plant and equipment written off	70	140
Reversal of impairment loss on trade receivables	(32)	-
Unrealised gain on foreign exchange	(324)	(1,166)
Loss/(gain) on disposal of property, plant and equipment	77	(1)
Fair value adjustments on derivative instruments	420	758
Operating profit before working capital changes	<u>18,876</u>	<u>16,039</u>
Changes in working capital		
Inventories	(3,512)	9,262
Trade and other receivables	(13,359)	(4,540)
Trade and other payables	4,675	8,638
Cash generated from operations	<u>6,680</u>	<u>29,399</u>
Tax paid	(1,078)	(918)
Net cash generated from operating activities	<u>5,602</u>	<u>28,481</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	576	196
Purchase of property, plant and equipment	(2,671)	(2,399)
Proceed from disposal of property, plant and equipment	372	6
Net proceed from disposal of a subsidiary	400	-
Net cash used in investing activities	<u>(1,323)</u>	<u>(2,197)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in bank borrowings	1,290	(24,304)
Dividend paid	(3,600)	(2,700)
Interest paid	(389)	(485)
Net cash used in financing activities	<u>(2,699)</u>	<u>(27,489)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,580	(1,205)
<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>26,842</u></u>	<u><u>19,728</u></u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS:</b>		
Deposits with licensed banks	5,659	18,925
Cash and bank balances	21,183	803
	<u>26,842</u>	<u>19,728</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.

**A-Rank Berhad**  
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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2017**

**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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**For The Period Ended 30 April 2017**

**A Explanatory Notes**

**A 8 Dividend paid**

A first and final single tier dividend of 3.00 sen per ordinary share, amounting to RM3.6 million in respect of the previous financial year ended 31 July 2016 was paid on 21 December 2016.

**A 9 Segmental information**

A-Rank Berhad and its subsidiaries are principally engaged in investment holding, manufacturing and marketing of aluminium billets.

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	244,951	75,183	37,729	357,863
Profit from operations				15,552
Finance costs				(389)
Share of profit in an associate				-
Profit before taxation				15,163
Taxation				(3,091)
Profit after taxation				<u>12,072</u>

**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-17 RM'000	As at 31-Jul-16 RM'000
Corporate guarantees given to:		
- financial institutions for banking facilities utilised by subsidiary <sup>#</sup>	21,630	20,483
- financial institution for banking facilities utilised by a subsidiary which was disposed on 25 January 2017 *	1,526	1,829
- third parties for the supply of goods to a subsidiary which was disposed on 25 January 2017	-	11
	<u>23,156</u>	<u>22,323</u>

<sup>#</sup> The Company has provided corporate guarantees for banking facilities granted to its subsidiary totaling RM88.0 million and USD5.0 million (31 July 2016: RM88.0 million and USD5.0 million).

\* The Company has provided corporate guarantee for banking facilities granted to HongLee Group (M) Sdn Bhd, a 55% owned subsidiary totalling RM4.9 million which was disposed on 25 January 2017. The corporate guarantee is in the midst of being discharged.

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

**Notes to the Financial Statements**  
**For The Period Ended 30 April 2017**

**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-17 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	7,098	855
- Authorised but not contracted for	1,982	9,913
	<u>9,080</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 30-Apr-17 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Not later than one (1) year	233	445
Later than one (1) year and not later than five (5) years	368	590
	<u>601</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 financial period to-date save for the Company's announcement on 25 January 2017 that A-Rank Berhad had disposed of its entire 55% equity interest in a subsidiary, HongLee Group (M) Sdn Bhd for a total cash consideration of RM2,105,400.

**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 30-Apr-17 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	64,985
- Purchases of aluminium extrusions profile	544
- Sales of accessories	27
<u>LB Aluminium (Sarawak) Sdn Bhd</u>	
- Sales and tolling services of aluminium billets	8,287
b) In which two Directors of a subsidiary have interest, which was disposed on 25 January 2017	
<u>Apresi Sdn Bhd</u>	
- Rental of premises	<u>72</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 2017**

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

**B 1 Review of performance**

	<b>Quarter Ended 30-Apr-17 RM'000</b>	<b>Quarter Ended 30-Apr-16 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	18,977	19,628	(651)	(3.3)
- Others	16,271	11,354	4,917	43.3
	<u>35,248</u>	<u>30,982</u>	<u>4,266</u>	<u>13.8</u>
- Malaysia	84,253	83,707	546	0.7
Total revenue	<u>119,501</u>	<u>114,689</u>	<u>4,812</u>	<u>4.2</u>
Profit before taxation	5,119	3,491	1,628	46.6
Profit after taxation	3,934	3,003	931	31.0

The Group's revenue increased by 4.2% to RM119.5 million for the quarter under review compared to RM114.7 million for the corresponding quarter last year. The increase in revenue was due to higher average selling prices as a result of the increase in raw material costs although business volume was lower.

However, the Group registered an increase of 46.6% in profit before taxation to RM5.1 million for the current quarter compared to that of the corresponding quarter last year due mainly to better margins.

The Group registered an increase of 31.0% in profit after taxation to RM3.9 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 30-Apr-17 RM'000</b>	<b>Quarter Ended 31-Jan-17 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue				
- South East Asia other than Malaysia	18,977	28,225	(9,248)	(32.8)
- Others	16,271	10,269	6,002	58.4
	<u>35,248</u>	<u>38,494</u>	<u>(3,246)</u>	<u>(8.4)</u>
- Malaysia	84,253	76,091	8,162	10.7
Total revenue	<u>119,501</u>	<u>114,585</u>	<u>4,916</u>	<u>4.3</u>
Profit before taxation	5,119	4,879	240	4.9
Profit after taxation	3,934	3,608	326	9.0

The Group's revenue increased by 4.3% for the quarter under review compared to RM114.6 million registered for the preceding quarter. 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 in profit before taxation of 4.9% for the current quarter under review compared to RM4.9 million achieved for the preceding quarter as a result of the higher revenue.

The Group registered an increase of 9.0% in profit after taxation to RM3.9 million for the current quarter compared to that of the preceding quarter in line with the higher profit before taxation.



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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2017**

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

**B 3 Prospects**

Global growth enters the year 2017 on a stronger footing with positive economic data releases across regions. Growth in the emerging market economies is benefiting from the recovery in commodity prices as external demand improves. This outlook is reinforced by sustained domestic demand against a supportive policy environment. Against this backdrop, global growth is expected to expand in 2017.

While the external environment may continue to remain challenging, the Malaysian economy continued to expand in the first quarter of 2017, driven mainly by domestic demand activity. The depreciation of Ringgit Malaysia has resulted 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. In addition, the recent volatility in aluminium prices has added further uncertainties to our decision-making process. Nonetheless, the Group will remain vigilant and be well prepared for the 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-17	30-Apr-16	30-Apr-17	30-Apr-16
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(275)	(91)	(576)	(196)
Interest expenses	89	111	389	485
Depreciation of property, plant and equipment	1,169	1,433	3,807	4,149
(Gain)/Loss on disposal of property, plant and equipment	-	(1)	77	(1)
Property, plant and equipment written off	4	136	70	140
Reversal of impairment loss on trade receivables	-	-	(32)	-
Gain on disposal of a subsidiary	-	-	(118)	-
Loss/(Gain) on foreign exchange				
- realised	793	1,001	(469)	386
- unrealised	(1,189)	(826)	(324)	(1,166)
Fair value adjustments on derivative instruments	1	358	420	758

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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	
	30-Apr-17	30-Apr-16	30-Apr-17	30-Apr-16
	RM'000	RM'000	RM'000	RM'000
Current income tax	975	135	2,492	1,057
Deferred tax	210	353	599	752
	<u>1,185</u>	<u>488</u>	<u>3,091</u>	<u>1,809</u>

The effective tax rate of the Group for the current quarter is in line with the statutory tax rate. However, for the financial period ended 31 January 2017, the effective tax rate is 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-17	31-Jul-16
	RM'000	RM'000
<b>Short term borrowings</b>		
Bankers' acceptances - unsecured	-	260
Foreign currency loans (Currency denominated in US Dollar) - unsecured	21,630	20,483
Term loans - secured	-	196
	<u>21,630</u>	<u>20,939</u>
<b>Long term borrowing</b>		
Term loans - secured	-	1,373
	<u>21,630</u>	<u>22,312</u>

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

As at 31 July 2016, the term loans are secured by a corporate guarantee from the Company and a charge over a subsidiary's freehold land and buildings. The subsidiary has been disposed on 25 January 2017.

**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 2017.

**A-Rank Berhad**  
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**Notes to the Financial Statements**  
**For The Period Ended 30 April 2017**

**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-17 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- realised	73,144	63,777
- unrealised	<u>(1,935)</u>	<u>(1,337)</u>
	71,209	62,440
- realised	<u>287</u>	<u>287</u>
	71,496	62,727
Less: Consolidation adjustments	<u>(20,979)</u>	<u>(20,979)</u>
Total retained earnings	<u><u>50,517</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 30-Apr-17</b>	<b>Cumulative to-date ended 30-Apr-17</b>
Profit attributable to equity holders of the Company (RM'000)	3,934	12,369
Total share capital in issue during the current quarter/ cumulative period (No. of ordinary shares) ('000)	120,000	120,000
Basic earnings per ordinary share (sen)	3.28	10.31

**(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

15 June 2017