

Condensed Consolidated Statement of Financial Position

As at 31 July 2019

(The figures have not been audited)

	As at 31-Jul-19 RM'000	(Audited) As at 31-Jul-18 RM'000
Assets		
Non-current assets		
Property, plant and equipment	52,493	55,404
Investment property	9,345	-
Investment in an associate	437	437
	<u>62,275</u>	<u>55,841</u>
Current assets		
Inventories	31,097	52,269
Trade and other receivables	36,713	37,553
Derivative financial assets	-	242
Deposit placed at licensed banks	6,997	9,151
Short term funds	50,503	16,817
Cash and bank balances	9,746	5,686
	<u>135,056</u>	<u>121,718</u>
Total assets	<u>197,331</u>	<u>177,559</u>
Equity and Liabilities		
Share capital	85,147	60,000
Employee share options reserve	1,424	-
Retained earnings	47,353	64,387
Total equity	<u>133,924</u>	<u>124,387</u>
Liabilities		
Non-current liability		
Deferred tax liabilities	4,530	4,968
	<u>4,530</u>	<u>4,968</u>
Current liabilities		
Trade and other payables	19,243	12,727
Borrowings	38,092	34,571
Derivative financial liabilities	186	212
Current tax liabilities	1,356	694
	<u>58,877</u>	<u>48,204</u>
Total liabilities	63,407	53,172
Total equity and liabilities	<u>197,331</u>	<u>177,559</u>
	RM	RM
Net assets per ordinary share	<u>0.79</u>	<u>0.74</u> *

* For comparative purpose, the net assets per ordinary share as at 31 July 2018 had been adjusted to reflect the Bonus Issue of two (2) bonus shares for every five (5) existing ordinary shares held which was completed on 18 January 2019.

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Financial Year Ended 31 July 2019
(The figures have not been audited)**

	Current quarter ended		Cumulative period ended	
	31-Jul-19 RM'000	31-Jul-18 RM'000	31-Jul-19 RM'000	31-Jul-18 RM'000
Revenue	120,825	120,563	482,222	498,432
Operating expenses	(117,291)	(116,529)	(467,493)	(483,749)
Other income/(expenses), net	939	805	1,662	3,572
Profit from operations	<u>4,473</u>	<u>4,839</u>	<u>16,391</u>	<u>18,255</u>
Share of loss in an associate, net of tax	-	(5)	-	(5)
Profit before interest and tax	<u>4,473</u>	<u>4,834</u>	<u>16,391</u>	<u>18,250</u>
Finance costs	(261)	(306)	(1,246)	(996)
Profit before tax	<u>4,212</u>	<u>4,528</u>	<u>15,145</u>	<u>17,254</u>
Tax expenses	(877)	(138)	(4,006)	(3,312)
Profit for the financial period	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Profit attributable to:				
- Owners of the parent	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Total comprehensive income attributable to:				
- Owners of the parent	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Earnings per ordinary share attributable to equity holders of the parent (sen)				
- Basic earnings per ordinary share	<u>1.97</u>	<u>2.61</u> *	<u>6.58</u>	<u>8.30</u> *
- Diluted earnings per ordinary share	<u>1.95</u>	<u>2.61</u> *	<u>6.53</u>	<u>8.30</u> *

* For comparative purpose, the earnings per ordinary share for the corresponding quarter and financial period to-date ended 31 January 2018 had been adjusted to reflect the Bonus Issue of two (2) bonus shares for every five (5) existing ordinary shares held which was completed on 18 January 2019.

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 31 July 2019
(The figures have not been audited)

	Share capital RM'000	Employee share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 August 2017	60,000	-	54,345	114,345
Total comprehensive income for the financial period	-	-	13,942	13,942
Transactions with owners:				
Dividend paid	-	-	(3,900)	(3,900)
Balance as at 31 July 2018	<u>60,000</u>	<u>-</u>	<u>64,387</u>	<u>124,387</u>
Balance as at 1 August 2018				
- As previously stated	60,000	-	64,387	124,387
- Adjustments arising from adoption of MFRS 9	-	-	(35)	(35)
- Restated	<u>60,000</u>	<u>-</u>	<u>64,352</u>	<u>124,352</u>
Total comprehensive income for the financial period	-	-	11,139	11,139
Transactions with owners:				
Share options granted under ESOS	-	1,637	-	1,637
Ordinary shares issued pursuant to the exercised of ESOS	942	(213)	-	729
Bonus issue	24,205	-	(24,205)	-
Dividend paid	-	-	(3,933)	(3,933)
	<u>25,147</u>	<u>1,424</u>	<u>(28,138)</u>	<u>(1,567)</u>
Balance as at 31 July 2019	<u>85,147</u>	<u>1,424</u>	<u>47,353</u>	<u>133,924</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 2018.

Condensed Consolidated Statement of Cash Flow
For The Financial Year Ended 31 July 2019
(The figures have not been audited)

	Year ended 31-Jul-19 RM'000	Year ended 31-Jul-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,145	17,254
Adjustments for:		
Interest income	(1,151)	(749)
Interest expenses	1,246	996
Capital gain on short term fund	(113)	-
Depreciation of property, plant and equipment	5,140	5,276
Impairment on amount owing by an associate	225	-
Property, plant and equipment written off	2	-
Reversal of impairment on trade receivables	(2)	-
Share options granted under ESOS	1,637	-
Share of loss in an associate	-	5
Unrealised loss/(gain) on derivative instruments	216	(62)
Unrealised (gain)/loss on foreign exchange	(202)	511
Operating profit before changes in working capital	<u>22,143</u>	<u>23,231</u>
Changes in working capital		
Inventories	21,172	10,320
Trade and other receivables	639	488
Trade and other payables	6,604	(9,544)
Cash generated from operations	<u>50,558</u>	<u>24,495</u>
Tax refunded	-	66
Tax paid	(3,771)	(3,494)
Net cash generated from operating activities	<u>46,787</u>	<u>21,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,151	749
Purchase of property, plant and equipment	(2,231)	(5,811)
Purchase of investment property	(9,345)	-
Repayment from an associate	-	150
Net cash used in investing activities	<u>(10,425)</u>	<u>(4,912)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in bank borrowings	3,680	12,644
Dividend paid	(3,933)	(3,900)
Proceeds from ordinary shares issued pursuant to ESOS exercised	729	-
Interest paid	(1,246)	(996)
Net cash (used in)/generated from financing activities	<u>(770)</u>	<u>7,748</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,592	23,903
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>31,654</u>	<u>7,751</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>67,246</u>	<u>31,654</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS:		
Deposit placed at licensed banks	6,997	9,151
Short term funds	50,503	16,817
Cash and bank balances	9,746	5,686
	<u>67,246</u>	<u>31,654</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 2018.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

A Explanatory Notes

A1 Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements 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 2018. 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 2018.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2018 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

	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 Jan 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 Jan 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 Jan 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 Jan 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 Jan 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2018
Clarification to MFRS 15	1 Jan 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 Jan 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

Adoption of the above standard does not have any significant effect on the financial performance and position of the Group, except as discussed below:

MFRS 9 : Financial Instruments

MFRS 9 replaces the guidance in MFRS 139: *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting.

	As at 1 August 2018		
	As previously stated RM'000	Adoption of MFRS 9 RM'000	As restated RM'000
<u>Condensed Consolidated Statement of Financial Position</u>			
Current assets			
Trade and other receivables	37,553	(46)	37,507
Equity and Liabilities			
Retained earnings	64,387	(35)	64,352
Non-current liability			
Deferred tax liabilities	<u>4,968</u>	<u>(11)</u>	<u>4,957</u>

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

A Explanatory Notes

A2 Significant Accounting Policies (Cont'd)

b) MFRSs and Amendments to MFRSs issued but not yet effective

	Effective Date
MFRS 16 <i>Leases</i>	1 Jan 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 Jan 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 Jan 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 Jan 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 Jan 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 Jan 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 Jan 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 Jan 2020
MFRS 17 <i>Insurance Contracts</i>	1 Jan 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 31 July 2018.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 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.

A6 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.

A7 Debt and equity securities

a) Employees Share Option Scheme ("ESOS")

During the current quarter and financial period ended 31 July 2019, the Company had allotted and issued 59,000 and 1,161,000 new ordinary shares respectively pursuant to the ESOS.

Subsequent to the financial period ended 31 July 2019 and up to the date of this report, there were no issuance of new ordinary shares pursuant to the ESOS.

As at the date of this report, the unexercised options pursuant to A-Rank's ESOS granted and accepted by eligible Directors and employees are 10,492,400 options after taking into consideration the adjustments to the ESOS following the Bonus Issue of two (2) bonus shares for every five (5) existing ordinary shares held in the Company.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

A Explanatory Notes

A7 Debt and equity securities (Cont'd)

b) Bonus Issue

The Company had, pursuant to the Bonus Issue allotted and issued 48,410,397 new ordinary shares on the basis of two (2) bonus shares for every five (5) existing ordinary shares held in the Company. The Bonus Issue was completed on 18 January 2019 with the listing and quotation of 48,410,397 bonus shares on the Main Market of Bursa Securities.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial period to-date and up to the date of this report.

A8 Dividend paid

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

A9 Segmental information

The Group is principally engaged in investment holding and manufacturing and marketing of aluminium billets.

The Group has arrived at two reportable segments that are organised and managed separately according to geographical areas, which require 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	282,212	125,566	74,444	482,222
Profit from operations				16,391
Finance costs				(1,246)
Share of loss in an associate, net of tax				-
Profit before tax				15,145
Tax expenses				(4,006)
Profit after tax				11,139
Assets				
Segment assets	187,020	9,011	863	196,894
Investment in an associate	437	-	-	437
	187,457	9,011	863	197,331
Liabilities				
Segment liabilities	19,243	-	-	19,243
Borrowings				38,092
Current tax liabilities				1,356
Derivative financial liabilities				186
Deferred tax liabilities				4,530
				63,407

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

A Explanatory Notes

A10 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-Jul-19 RM'000	As at 31-Jul-18 RM'000
Corporate guarantees given to financial institutions for banking facilities utilised by a subsidiary	<u>38,092</u>	<u>34,571</u>

The Company provided corporate guarantee for banking facilities granted to a subsidiary with limits of RM88.0 million and USD5.0 million (31 July 2018: RM88.0 million and USD5.0 million).

A11 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.

A12 Commitments

(a) Capital commitments

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

	As at 31-Jul-19 RM'000	As at 31-Jul-18 RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved and contracted for	437	509
- Approved but not contracted for	<u>4,053</u>	<u>2,853</u>
	<u>4,490</u>	<u>3,362</u>

(b) Operating lease commitments

The Group had entered into non-cancellable lease agreements for machinery and staff hostel, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rate. The Group has aggregate future minimum lease commitments as at the end of each reporting period as follows:

	As at 31-Jul-19 RM'000	As at 31-Jul-18 RM'000
Not later than one (1) year	297	294
Later than one (1) year and not later than five (5) years	<u>807</u>	<u>1,091</u>
	<u>1,104</u>	<u>1,385</u>

A13 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.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

A Explanatory Notes

A14 Related party transactions

During the current quarter under review and cumulative period, the material business transactions entered by the Group with related parties in which a Director has substantial financial interests were as follows:

	Current quarter ended		Cumulative period ended	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	RM'000	RM'000	RM'000	RM'000
<u>Formosa Shyen Horng Metal Sdn Bhd</u>				
- Sales to LB Aluminium Berhad	17,971	29,003	87,617	110,500
- Sales to LB Aluminium (Sarawak) Sdn Bhd	1,731	1,125	12,247	10,963
- Purchase from LB Aluminium Berhad	<u>1,660</u>	<u>-</u>	<u>1,660</u>	<u>-</u>

The related parties transactions described above were carried out in the normal course of business and have been established under negotiated and mutually agreed terms.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

	Current quarter ended				Cumulative period ended			
	31-Jul-19 RM'000	31-Jul-18 RM'000	Changes		31-Jul-19 RM'000	31-Jul-18 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	120,825	120,563	262	0.2	482,222	498,432	(16,210)	(3.3)
Profit from operations	4,473	4,839	(366)	(7.6)	16,391	18,255	(1,864)	(10.2)
Profit before interest and tax	4,473	4,834	(361)	(7.5)	16,391	18,250	(1,859)	(10.2)
Profit before tax	4,212	4,528	(316)	(7.0)	15,145	17,254	(2,109)	(12.2)
Profit after tax	3,335	4,390	(1,055)	(24.0)	11,139	13,942	(2,803)	(20.1)
Profit attributable to owners of the parent	3,335	4,390	(1,055)	(24.0)	11,139	13,942	(2,803)	(20.1)

For the current quarter

The Group's revenue increased slightly by 0.2% to RM120.8 million for the quarter under review compared to RM120.6 million for the corresponding quarter last year. The increase in revenue was contributed by higher business volume although average selling prices were lower as a result of the decrease in raw material costs.

However, the Group reported a decrease in profit before tax of 7.0% for the current quarter compared to the corresponding quarter last year due mainly to lower margins.

The Group reported a decrease in profit after tax of 24.0% for the quarter under review in line with the lower profit before taxation as compared to the corresponding quarter last year. The decrease is also as a result of higher provision for income tax due to the effect of certain expenses not deductible for tax purpose.

For the cumulative period

The Group recorded revenue of RM482.2 million, decreased by 3.3% compared to the preceding year. The decline in revenue was due mainly to lower average selling prices although business volume has increased.

The Group reported a decrease in profit before tax of 12.2% for the cumulative period compared to the corresponding period last year due mainly to the one-off expense of RM1.6 million relating to share options granted under ESOS was provided.

The Group reported a decrease in profit after tax of 20.1% for the cumulative period under review in line with the lower profit before taxation as compared to the last year. The decrease is also as a result of higher provision for income tax due to the effect of certain expenses not deductible for tax purpose.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

B Additional information required by the Bursa Securities' Listing Requirements

B2 Variance of results against preceding quarter

	Current Quarter ended 31-Jul-19 RM'000	Preceding Quarter ended 30-Apr-19 RM'000	Changes	
			RM'000	%
Revenue	120,825	112,696	8,129	7.2
Profit from operations	4,473	3,904	569	14.6
Profit before interest and tax	4,473	3,904	569	14.6
Profit before tax	4,212	3,581	631	17.6
Profit after tax	3,335	2,483	852	34.3
Profit attributable to owners of the parent	3,335	2,483	852	34.3

The Group's revenue increased by 7.2% for the quarter under review compared to RM112.7 million registered for the preceding quarter. The increase in revenue was due mainly to higher business volume.

The Group registered an increase in profit before tax of 17.6% for the current quarter under review compared to RM3.6 million achieved for the preceding quarter due mainly to higher business volume and better margins.

The Group reported an increase in profit after tax of 34.3% for the current quarter in line with higher profit before tax reported in the quarter under review.

B3 Prospects

The global economy grew at a more moderate pace in the second quarter of 2019. Notwithstanding, exports in all Asian economies contracted in the second quarter, indicating weaknesses in external demand and effects from the ongoing trade tensions between the US and China.

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand contributed by higher household spending during the quarter and private investment. Growth in the manufacturing sector registered a marginal improvement in domestic-oriented industries. Against the backdrop of a challenging global environment, growth in the Malaysian economy is expected to remain broadly sustained for the year supported by continued expansion in domestic demand amid a moderate support from the external sector.

Barring unforeseen circumstances, the Board is optimistic that the Group will remain profitable for the forthcoming quarter.

B4 Variance of actual and profit estimate

Not applicable as no profit forecast was published.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

B Additional information required by the Bursa Securities' Listing Requirements

B5 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current quarter ended		Cumulative period ended	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	RM'000	RM'000	RM'000	RM'000
Profit before tax for the financial period is arrived at after (crediting)/charging:				
Interest income	(347)	(292)	(1,151)	(749)
Interest expenses	261	306	1,246	996
Depreciation of property, plant and equipment	1,281	1,352	5,140	5,276
Property, plant and equipment written off	1	-	2	-
Share options granted under ESOS	-	-	1,637	-
Reversal of impairment on trade receivables	(14)	-	(2)	-
Impairment on amount owing by an associate	225	-	225	-
(Gain)/Loss on foreign exchange:				
- realised	(553)	(861)	(1,936)	(2,258)
- unrealised	(250)	203	(202)	511
(Gain)/Loss on derivative instruments:				
- realised	(194)	(299)	(306)	(986)
- unrealised	257	443	216	(62)

B6 Tax expenses

	Current quarter ended		Cumulative period ended	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
	RM'000	RM'000	RM'000	RM'000
Current income tax	1,084	1,054	4,433	3,531
Deferred tax	(207)	(916)	(427)	(219)
	<u>877</u>	<u>138</u>	<u>4,006</u>	<u>3,312</u>

B7 Status of corporate proposals

Saved for the proposals below, the Group did not have any other corporate proposal to report during the financial period and up to the date of this report.

(a) Proposed Bonus Issue

On 26 September 2018, AmInvestment Bank Berhad had, on behalf of the Company, announced that the Company proposed to undertake a Bonus Issue of up to 51,452,800 new ordinary shares in the Company ("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing ordinary shares in A-Rank Berhad on an entitlement date to be determined later ("Proposed Bonus Issue").

AmInvestment Bank Berhad had, on behalf of the Board, announced that Bursa Securities, vide its letter dated 19 October 2018, approved the listing and quotation of up to 51,452,800 new ordinary shares to be issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue was approved by the shareholders at the Annual General Meeting held on 12 December 2018.

On 18 January 2019, AmInvestment Bank Berhad had, on behalf of the Company, announced to Bursa Securities that the Proposed Bonus Issue has been completed following the listing and quotation of 48,410,397 Bonus Shares on the Main Market of Bursa Securities.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

B Additional information required by the Bursa Securities' Listing Requirements

B7 Status of corporate proposals (Cont'd)

(b) Proposed Diversification

On 26 September 2018, the Board of Directors of A-Rank Berhad had announced that the Company and its subsidiaries are proposing to diversify its principal activities to include property development ("Proposed Diversification").

The Proposed Diversification was approved by the shareholders at the Annual General Meeting held on 12 December 2018.

(c) Proposed Acquisition of Land

On 27 February 2019, the Board of Directors of A-Rank Berhad had announced that Emerald Innovations Sdn Bhd, a wholly-owned subsidiary of A-Rank, had on 27 February 2019, entered into a Sale and Purchase Agreement ("SPA") with Koperasi NLFCS Berhad, for the acquisition of a parcel of freehold land measuring approximately 2.280 acres (99,300 square feet) held under Plot 2 of master title Geran 334971 for Lot 27105 in Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor by Emerald from Koperasi NLFCS Berhad for a total cash purchase consideration of RM8,937,000. ("Proposed Acquisition")

The Proposed Acquisition was completed on 10 May 2019 with the fulfillment of all conditions precedent as stated in the the SPA.

B8 Changes in material litigation

The Group does not have any material litigation as at the date of this announcement.

B9 Borrowings

	31-Jul-19		31-Jul-18	
	Foreign currency USD'000	Amount equivalent RM'000	Foreign currency USD'000	Amount equivalent RM'000
<u>Short term borrowings</u>				
Foreign currency loans (Unsecured)	9,218	38,092	8,500	34,571

B10 Dividend

The Board of Directors has proposed a first and final single tier dividend of 2.50 sen per ordinary share (2018: 3.25 sen per ordinary share) based on the total number of issued and paid up share capital of 169,571,397 ordinary shares (2018: 121,016,000 ordinary shares) in respect of the Company's financial year ended 31 July 2019 amounting to RM4.2 million (2018: RM3.9 million).

The proposed dividend is subject to the approval of shareholders at the annual general meeting to be held on a date which shall be announced later. The date of payment of the dividend and the date for the determination of dividend entitlement would also be announced later.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2019

B Additional information required by the Bursa Securities' Listing Requirements

B11 Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period.

	Current quarter ended		Cumulative period ended	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
Profit attributable to equity holders of the parent (RM'000)	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Weighted average number of ordinary in issue ('000)	<u>169,162</u>	<u>168,000</u> *	<u>169,162</u>	<u>168,000</u> *
Basic earnings per ordinary share (sen)	<u>1.97</u>	<u>2.61</u>	<u>6.58</u>	<u>8.30</u>

* For comparative purpose, the earnings per ordinary share for the corresponding quarter and period to-date ended 31 July 2018 had been adjusted to reflect the Bonus Issue on the basis of two (2) bonus shares for every five (5) existing ordinary shares held in the Company which was completed on 18 January 2019.

(b) Diluted

Diluted earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	Current quarter ended		Cumulative period ended	
	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18
Profit attributable to equity holders of the parent (RM'000)	<u>3,335</u>	<u>4,390</u>	<u>11,139</u>	<u>13,942</u>
Weighted average number of ordinary in issue ('000)	169,162	168,000 *	169,162	168,000 *
Effects of dilution from share options Directors and employees ('000)	1,448	-	1,448	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	<u>170,610</u>	<u>168,000</u>	<u>170,610</u>	<u>168,000</u>
Diluted earnings per ordinary share (sen)	<u>1.95</u>	<u>2.61</u>	<u>6.53</u>	<u>8.30</u>

By Order of the Board

Yap Sit Lee
Company Secretary