

Condensed Consolidated Statement of Financial Position

As at 31 July 2020

(The figures have not been audited)

	As at 31-Jul-20 RM'000	(Audited) As at 31-Jul-19 RM'000
Assets		
Non-current assets		
Property, plant and equipment	50,107	52,493
Investment property	9,345	9,345
Investment in an associate	437	437
Right-of-use asset	1,770	-
	<u>61,659</u>	<u>62,275</u>
Current assets		
Inventories	36,974	31,097
Trade and other receivables	43,773	36,713
Property development expenditure	73,073	-
Deposits placed at licensed banks	3,660	6,997
Short term funds	12,283	50,503
Cash and bank balances	2,340	9,746
	<u>172,103</u>	<u>135,056</u>
Total assets	<u>233,762</u>	<u>197,331</u>
Equity and Liabilities		
Share capital	85,463	85,147
Employee share options reserve	1,352	1,424
Retained earnings	50,754	47,353
Equity attributable to owners of the parent	137,569	133,924
Non-controlling interest	624	-
Total equity	<u>138,193</u>	<u>133,924</u>
Liabilities		
Non-current liabilities		
Lease liabilities	495	-
Deferred tax liabilities	3,750	4,530
	<u>4,245</u>	<u>4,530</u>
Current liabilities		
Trade and other payables	63,619	19,243
Borrowings	25,679	38,092
Lease liabilities	1,357	-
Derivative financial liabilities	331	186
Current tax liabilities	338	1,356
	<u>91,324</u>	<u>58,877</u>
Total liabilities	95,569	63,407
Total equity and liabilities	<u>233,762</u>	<u>197,331</u>
	RM	RM
Net assets per ordinary share	<u>0.81</u>	<u>0.79</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 2019.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Financial Year Ended 31 July 2020
(The figures have not been audited)

	Current quarter ended		Cumulative period ended	
	31-Jul-20 RM'000	31-Jul-19 RM'000	31-Jul-20 RM'000	31-Jul-19 RM'000
Revenue	84,898	120,825	418,798	482,222
Operating expenses	(83,583)	(117,291)	(411,848)	(467,493)
Other income/(expenses), net	632	939	3,851	1,662
Profit from operations	1,947	4,473	10,801	16,391
Share of loss in an associate, net of tax	-	-	-	-
Profit before interest and tax	1,947	4,473	10,801	16,391
Interest expenses	(287)	(261)	(1,194)	(1,246)
Profit before tax	1,660	4,212	9,607	15,145
Tax expenses	(166)	(877)	(2,284)	(4,006)
Profit for the financial period	1,494	3,335	7,323	11,139
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	1,494	3,335	7,323	11,139
Profit attributable to:				
- Owners of the parent	1,854	3,335	7,684	11,139
- Non-controlling interest	(360)	-	(361)	-
	1,494	3,335	7,323	11,139
Total comprehensive income attributable to:				
- Owners of the parent	1,854	3,335	7,684	11,139
- Non-controlling interest	(360)	-	(361)	-
	1,494	3,335	7,323	11,139
Earnings per ordinary share attributable to equity holders of the parent (sen)				
- Basic earnings per ordinary share	1.09	1.97	4.52	6.58
- Diluted earnings per ordinary share	1.09	1.95	4.52	6.53

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2019.

**Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 31 July 2020
(The figures have not been audited)**

	Share capital RM'000	Share option reserve 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 2018	60,000	-	64,352	124,352	-	124,352
Total comprehensive income for the financial period	-	-	11,139	11,139	-	11,139
Transactions with owners:						
Dividend paid	-	-	(3,933)	(3,933)	-	(3,933)
Share options granted under ESOS	-	1,637	-	1,637	-	1,637
Ordinary shares issued pursuant to the exercised of ESOS	942	(213)	-	729	-	729
Bonus issue	24,205	-	(24,205)	-	-	-
	25,147	1,424	(28,138)	(1,567)	-	(1,567)
Balance as at 31 July 2019	<u>85,147</u>	<u>1,424</u>	<u>47,353</u>	<u>133,924</u>	<u>-</u>	<u>133,924</u>
Balance as at 1 August 2019						
- As previously reported	85,147	1,424	47,353	133,924	-	133,924
- Adjustments on initial application of MFRS 16	-	-	(32)	(32)	-	(32)
- Restated	85,147	1,424	47,321	133,892	-	133,892
Total comprehensive income for the financial period	-	-	7,684	7,684	(361)	7,323
Transactions with owners:						
Dividend paid	-	-	(4,251)	(4,251)	-	(4,251)
Acquisition of a subsidiary	-	-	-	-	985	985
Ordinary shares issued pursuant to the exercised of ESOS	316	(72)	-	244	-	244
	316	(72)	(4,251)	(4,007)	985	(3,022)
Balance as at 31 July 2020	<u>85,463</u>	<u>1,352</u>	<u>50,754</u>	<u>137,569</u>	<u>624</u>	<u>138,193</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 2019.

Condensed Consolidated Statement of Cash Flow
For The Financial Year Ended 31 July 2020
 (The figures have not been audited)

	Period ended 31-Jul-20 RM'000	Period ended 31-Jul-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,607	15,145
Adjustments for:		
Interest income	(1,080)	(1,151)
Interest expenses	1,194	1,246
Capital gain on short term funds	(64)	(113)
Depreciation of property, plant and equipment	5,015	5,140
Depreciation of right-of-use asset	1,321	-
Goodwill on acquisition written off	13	-
Impairment loss on amount owing by an associate	-	225
Impairment loss/(reversal of impairment loss) on trade receivables	99	(2)
Property, plant and equipment written off	6	2
Share options granted under ESOS	-	1,637
Unrealised loss on derivative instruments	145	216
Unrealised gain on foreign exchange	(295)	(202)
Operating profit before changes in working capital	<u>15,961</u>	<u>22,143</u>
Changes in working capital		
Inventories	(5,877)	21,172
Property development expenditure	(73,056)	-
Trade and other receivables	(5,306)	639
Trade and other payables	44,358	6,604
Cash (used in)/generated from operations	<u>(23,920)</u>	<u>50,558</u>
Tax paid	<u>(4,082)</u>	<u>(3,771)</u>
Net cash (used in)/from operating activities	<u>(28,002)</u>	<u>46,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,080	1,151
Purchase of property, plant and equipment	(2,639)	(2,231)
Proceed from disposal of plant and equipment	4	(9,345)
Acquisition of subsidiaries, net of cash acquired	(1,000)	-
Repayment from an associate	87	-
Net cash used in investing activities	<u>(2,468)</u>	<u>(10,425)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in bank borrowings	(12,022)	3,680
Repayment of lease liabilities	(1,439)	-
Proceeds from ordinary shares issued pursuant to ESOS exercised	244	729
Dividend paid	(4,251)	(3,933)
Interest paid	(1,025)	(1,246)
Net cash used in financing activities	<u>(18,493)</u>	<u>(770)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(48,963)	35,592
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>67,246</u>	<u>31,654</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>18,283</u>	<u>67,246</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS:		
Deposits placed at licensed banks	3,660	6,997
Short term funds	12,283	50,503
Cash and bank balances	2,340	9,746
	<u>18,283</u>	<u>67,246</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 2019.

**Notes to the Financial Statements
For The Financial Year Ended 31 July 2020**

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 2019. 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 2019.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2019 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
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
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 Jun 2020

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 16 : Leases

MFRS 16 introduces a new model for lessee accounting which eliminates the distinction between finance and operating leases for lessees. MFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months. Off-balance sheet lease commitment disclosed previously is required to be accounted based on rights and obligations approach under MFRS 16. For lessors, MFRS 16 requires enhanced disclosure on the information about lessors' risk exposure, particularly to residual value risk.

The Group and the Company adopted MFRS 16 in accordance with the transition provisions where comparative information will not be restated and the cumulative effect of initially applying MFRS 16 will be adjusted to the opening balance of retained profits.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2020

A Explanatory Notes

A2 Significant Accounting Policies (Continued)

a) Adoption of MFRSs and Amendments to MFRSs (Continued)

MFRS 16 : Leases (Continued)

The financial effects arising from initial adoption of MFRS 16 are as follows:

	As at 31-Jul-19 RM'000	Effects of MFRS 16 RM'000	As at 1-Aug-19 RM'000
Non-current assets			
Right-of-use asset	-	917	917
Equity			
Retained earnings	47,353	(32)	47,321
Current liability			
Lease liabilities	-	219	219
Non-current liability			
Lease liabilities	-	730	730

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

	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 Jan 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 Jan 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 Jan 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 Jan 2020
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 Jan 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use</i>	1 Jan 2022
<i>Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract</i>	1 Jan 2022
<i>Annual Improvements to MFRS Standards 2018-2020</i>	1 Jan 2022
<i>MFRS 17 Insurance Contracts</i>	1 Jan 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 Jan 2023
<i>Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9</i>	1 Jan 2023
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 Jan 2023
<i>Amendments to MFRS 10 and MFRS 128 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 2019.

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 year 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 year to-date.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2020

A Explanatory Notes

A7 Debt and equity securities

During the financial year ended 31 July 2020, the Company had allotted and issued 529,000 new ordinary shares pursuant to the ESOS.

Subsequent to the financial year ended 31 July 2020 and up to the date of this report, the Company had not allotted 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 9,963,400 options.

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 year to-date and up to the date of this report.

A8 Dividend paid

A first and final single tier dividend of 2.50 sen per ordinary share, amounting to RM4.3 million in respect of the previous financial year ended 31 July 2019 was paid on 18 December 2019.

A9 Segmental information

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

Its operating segments are presented based on products and services. In addition to business segments, the management also assess the Group's performance based on geographical segments. The performance of each segment is measured based on the internal management report reviewed by Chief operating decision maker.

	Aluminium RM'000	Property holding and development RM'000	Total RM'000
Revenue from external customers	418,798	-	418,798
Profit/(Loss) from operations	11,324	(523)	10,801
Interest expense	(1,194)	-	(1,194)
Share of profit of associate	-	-	-
Profit/(Loss) before tax	10,130	(523)	9,607
Tax expenses	(2,284)	-	(2,284)
Profit/(Loss) after tax	7,846	(523)	7,323
Assets			
Segment assets	150,868	82,457	233,325
Investment in an associate	437	-	437
	151,305	82,457	233,762
Liabilities			
Segment liabilities	12,195	51,424	63,619
Borrowings	25,679	-	25,679
Lease liabilities	1,852	-	1,852
Current tax liabilities	338	-	338
Derivative financial liabilities	331	-	331
Deferred tax liabilities	3,750	-	3,750
	44,145	51,424	95,569

Notes to the Financial Statements
For The Financial Year Ended 31 July 2020

A Explanatory Notes

A9 Segmental information (Cont'd)

(a) The Group operates only in Malaysia. In presenting information on the basis of geographical areas, segment revenue which pertain to aluminium business only is based on the geographical location of customers. The reportable segments are Malaysia, South East Asia other than Malaysia and South Asia. Other operating segments comprise countries in Africa, Europe and Middle East.

Segment assets are based on the geographical location of the assets.

	As at 31-Jul-20 RM'000	As at 31-Jul-19 RM'000
<u>Revenue from external customers</u>		
Malaysia	240,793	282,212
South East Asia other than Malaysia	130,471	125,566
South Asia	44,019	57,669
Others	<u>3,515</u>	<u>16,775</u>
	<u>418,798</u>	<u>482,222</u>
<u>Segment assets</u>		
Malaysia	227,647	187,457
South East Asia other than Malaysia	5,376	9,011
South Asia	739	863
Others	<u>-</u>	<u>-</u>
	<u>233,762</u>	<u>197,331</u>

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-20 RM'000	As at 31-Jul-19 RM'000
Corporate guarantees given to financial institutions for banking facilities utilised by a subsidiary	<u>25,679</u>	<u>38,092</u>

The Company provided corporate guarantees for banking facilities granted to a subsidiary with limits of RM88.0 million and USD5.0 million (31 July 2019: 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 Capital commitments

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

	As at 31-Jul-20 RM'000	As at 31-Jul-19 RM'000
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved and contracted for	61	437
- Approved but not contracted for	<u>3,457</u>	<u>4,053</u>
	<u>3,518</u>	<u>4,490</u>

**Notes to the Financial Statements
For The Financial Year Ended 31 July 2020****A Explanatory Notes****A13 Changes in the composition of the Group**

- (a) The Company had on 29 January 2020 acquired 1 existing ordinary share and subscribed for another 570 new ordinary shares, representing 57.1% equity interest in Tambun Kekal Sdn Bhd ("TKSB") for a total cash consideration of RM571. Following the completion of the acquisition and subscription on 29 January 2020, TKS B became a 57.1%-owned subsidiary of the Company.
- (b) TKS B had on 6 February 2020 entered into a Shares Sale and Purchase Agreement to acquire 1,002,000 existing ordinary shares representing 50.1% equity interest in Konsep Juara Sdn Bhd ("KJSB") from Idaman Sejiwa Development Sdn Bhd for a cash consideration of RM1,002,000. Following the completion of the subscription on 13 February 2020, KJSB became a 50.1%-owned subsidiary of TKS B and an indirect subsidiary of the Company.

Other than as disclosed above, there were no changes in the composition of the Group during the current quarter and financial year to-date.

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-20	31-Jul-19	31-Jul-20	31-Jul-19
	RM'000	RM'000	RM'000	RM'000
<u>Formosa Shyen Horng Metal Sdn Bhd</u>				
- Sales to LB Aluminium Berhad	15,615	17,971	71,451	87,617
- Sales to LB Aluminium (Sarawak) Sdn Bhd	1,562	1,731	8,518	12,247
- Purchase from LB Aluminium Berhad	-	1,660	-	1,660

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 2020

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

	Current quarter ended				Cumulative period ended			
	31-Jul-20 RM'000	31-Jul-19 RM'000	Changes RM'000	%	31-Jul-20 RM'000	31-Jul-19 RM'000	Changes RM'000	%
Revenue	84,898	120,825	(35,927)	(29.7)	418,798	482,222	(63,424)	(13.2)
Profit from operations	1,947	4,473	(2,526)	(56.5)	10,801	16,391	(5,590)	(34.1)
Profit before interest and tax	1,947	4,473	(2,526)	(56.5)	10,801	16,391	(5,590)	(34.1)
Profit before tax	1,660	4,212	(2,552)	(60.6)	9,607	15,145	(5,538)	(36.6)
Profit after tax	1,494	3,335	(1,841)	(55.2)	7,323	11,139	(3,816)	(34.3)
Profit attributable to owners of the parent	1,854	3,335	(1,481)	(44.4)	7,684	11,139	(3,455)	(31.0)

For the current quarter

The Group's reported a lower revenue of RM84.9 million for the quarter under review compared to RM120.8 million for the corresponding quarter last year. Despite resumption of operations in early of May 2020, our operations continued to be affected by reduced production levels and lower demand from customers amidst the Covid-19 pandemic.

The Group reported a decrease in profit before tax of 60.6% for the current quarter compared to the corresponding quarter last year as result of lower business volume.

The Group reported a decrease in profit after tax of 55.2% for the quarter in line with the lower profit before tax.

For the cumulative period

The Group recorded revenue of RM418.8 million, decreased by 13.2% compared to last year. The decline in performance was mainly due to a significant drop in business volume following the imposition of Movement Control Order ("MCO") by the Malaysian Government on 18 March 2020. Despite resumption of operations in early of May 2020, a stoppage of approximately one and a half months, our operations continued to be affected by reduced production levels and lower demand from customers amidst the Covid-19 pandemic.

The Group reported a decrease in profit before tax of 36.6% for the current year compared to last year as result of the stoppage and lower business volume.

The Group reported a decrease in profit after tax of 34.3% for the current year under review in line with the lower profit before taxation as compared to the previous year.

**Notes to the Financial Statements
For The Financial Year Ended 31 July 2020**

B Additional information required by the Bursa Securities' Listing Requirements

B2 Variance of results against preceding quarter

	Current Quarter ended	Preceding Quarter ended	Changes	
	31-Jul-20 RM'000	30-Apr-20 RM'000	RM'000	%
Revenue	84,898	81,974	2,924	3.6
Profit from operations	1,947	775	1,172	151.2
Profit before interest and tax	1,947	775	1,172	151.2
Profit before tax	1,660	492	1,168	237.4
Profit after tax	1,494	404	1,090	269.8
Profit attributable to owners of the parent	1,854	405	1,449	357.8

The Group's revenue increased by 3.6% for the quarter under review compared to RM81.9 million registered for the preceding quarter. The increase in revenue was due mainly to the MCO which adversely impacted the operations for the preceding quarter.

Profit before and after tax increased to RM1.7 million and RM1.5 million respectively for the quarter under review as a result of the increase in business volume.

B3 Prospects

The global economy contracted in 2Q 2020. As the number of Covid-19 cases continued to rise, nationwide lockdowns and travel restrictions were implemented across major advanced and emerging economies. This significantly disrupted business activity, which resulted in a marked deterioration in labour market conditions and private sector expenditure. Given the uncertainties and the challenging global economic outlook, Malaysia's Gross Domestic Product growth for 2020 is expected to be recessionary.

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%).

The Group will continue to monitor the development of the Covid-19 pandemic including adopting cost-cutting measures to mitigate against any potential impact on the financial position and operating results of the Group.

Moving forward, while initial concerns are beginning to dissipate, the outlook would still depend on evolving Covid-19 developments and the pace of economic recovery. At this juncture, there are limited risks of a broad-based and persistent decline in prices, with price pressures showing signs of normalisation since the gradual reopening of the economy.

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 2020

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-20 RM'000	31-Jul-19 RM'000	31-Jul-20 RM'000	31-Jul-19 RM'000
Profit before tax for the financial year is arrived at after (crediting)/charging:				
Interest income	(93)	(347)	(1,080)	(1,151)
Interest expenses	287	261	1,194	1,246
Capital gain on short term funds	13	(35)	(64)	(113)
Depreciation of property, plant and equipment	1,228	1,281	5,015	5,140
Depreciation of right-of-use asset	1,145	-	1,321	-
Goodwill on acquisition written off	(13)	-	(13)	-
Impairment loss on amount owing by an associate	-	225	-	225
Impairment loss/(Reversal of impairment loss) on trade receivables	47	(14)	99	(2)
Property, plant and equipment written off	6	1	6	2
Share options granted under ESOS	-	-	-	1,637
(Gain)/Loss on foreign exchange:				
- realised	(330)	(553)	(3,122)	(1,936)
- unrealised	(709)	(250)	(295)	(202)
Loss/(Gain) on derivative instruments:				
- realised	485	(194)	651	(306)
- unrealised	129	257	145	216

B6 Tax expenses

	Current quarter ended		Cumulative period ended	
	31-Jul-20 RM'000	31-Jul-19 RM'000	31-Jul-20 RM'000	31-Jul-19 RM'000
Current income tax	646	1,084	3,064	4,433
Deferred tax	(480)	(207)	(780)	(427)
	<u>166</u>	<u>877</u>	<u>2,284</u>	<u>4,006</u>

B7 Status of corporate proposals

On 6 February 2020, the Board of Directors of A-Rank Berhad announced that Tambun Kekal Sdn Bhd, a 57.1%-owned subsidiary of A-Rank, entered into a Shares Sale and Purchase Agreement ("Agreement") to acquire 1,002,000 existing ordinary shares representing 50.1% equity interest in Konsep Juara Sdn Bhd ("KJSB") from Idaman Sejiwa Development Sdn Bhd for a cash consideration of RM1,002,000 ("Share Acquisition"). The Share Acquisition was completed on 13 February 2020. The premium and other charges on the Land amounting to RM70,675,445 was paid to Land Office on 19 February 2020. The land title pursuant to the Land was issued on 7 July 2020 and has been received by KJSB thereafter.

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

Notes to the Financial Statements
For The Financial Year Ended 31 July 2020

B Additional information required by the Bursa Securities' Listing Requirements

B8 Changes in material litigation

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

B9 Borrowings

	31-Jul-20		31-Jul-19	
	Foreign currency USD'000	Amount equivalent RM'000	Foreign currency USD'000	Amount equivalent RM'000
Short term borrowings				
Foreign currency loans (Unsecured)	6,048	25,679	9,218	38,092

B10 Dividend

The Board of Directors has proposed a first and final single tier dividend of 2.00 sen per ordinary share (2019: 2.50 sen per ordinary share) based on the total number of issued and paid up share capital of 170,100,397 ordinary shares (2019: 169,571,397 ordinary shares) in respect of the Company's financial year ended 31 July 2020 amounting to RM3.4 million (2019: RM4.2 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.

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-20	31-Jul-19	31-Jul-20	31-Jul-19
Profit attributable to equity holders of the parent (RM'000)	1,854	3,335	7,684	11,139
Weighted average number of ordinary in issue ('000)	169,939	169,162	169,939	169,162
Basic earnings per ordinary share (sen)	1.09	1.97	4.52	6.58

(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 year 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.

Notes to the Financial Statements
For The Financial Year Ended 31 July 2020

B Additional information required by the Bursa Securities' Listing Requirements

B11 Earnings per ordinary share (Cont'd)

(b) Diluted (Cont'd)

	Current quarter ended		Cumulative period ended	
	31-Jul-20	31-Jul-19	31-Jul-20	31-Jul-19
Profit attributable to equity holders of the parent (RM'000)	<u>1,854</u>	<u>3,335</u>	<u>7,684</u>	<u>11,139</u>
Weighted average number of ordinary in issue ('000)	169,939	169,162	169,939	169,162
Effects of dilution from share options Directors and employees ('000)	(89)	1,448	(89)	1,448
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	<u>169,850</u>	<u>170,610</u>	<u>169,850</u>	<u>170,610</u>
Diluted earnings per ordinary share	<u>1.09</u>	<u>1.95</u>	<u>4.52</u>	<u>6.53</u>

By Order of the Board

Wong Wai Foong
Yap Sit Lee
Company Secretary

24 September 2020