

A-RANK BERHAD
Company No. 633621-X
(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT UJONG PANDANG ROOM, STAFFIELD COUNTRY RESORT, BATU 13, JALAN SEREMBAN-KUALA LUMPUR (COUNTRY ROAD), 71700 MANTIN, NEGERI SEMBILAN DARUL KHUSUS, ON WEDNESDAY, 7 DECEMBER 2016 AT 10.00 A.M.

The Chairman invited questions from the floor for each of the resolutions tabled at the AGM.

The questions raised by the shareholders of the Company were as follows:-

- i. Steps to be taken by the Board to improve the Group's revenue as the Group had experienced a slight decline in revenue since the financial year ended 31 July 2014 despite the improvement in the profit margin;
- ii. The production capacity of the Group;
- iii. Clarification on whether the recent hike in aluminium prices had any negative impact on the Group and if yes, whether the impact would be passed on to the customers;
- iv. The details of an impairment loss on goodwill on acquisition amounting to RM2.72 million recorded in the Audited Financial Statements for the financial year ended 31 July 2016.

The Executive Director, Mr Gan Choon Sun, responded to the above questions on behalf of the Board as follow:

- i. The slight drop in the Group's revenue was due to the change in sales mix in which a lower proportion of the revenue was derived from sales of aluminium billets compared to the previous year as well as lower average selling prices during the financial year under review as a result of the decrease in raw material costs. The Management would continue to work hard to increase the sales volume.
- ii. Currently, the maximum production capacity of the Group is 120,000 MT per annum.
- iii. The negative impact of the recent hike in aluminium prices to the Group was marginal as it is in the ordinary course of business to pass on any increase in aluminium prices to customers.
- iv. The impairment loss on goodwill was made in respect HongLee Group (M) Sdn. Bhd. ("HongLee"), a 55% owned subsidiary of the Company. This is in view of the significant losses reported in HongLee during the financial year under review and Management was of the opinion, after consultation with the External Auditors, that it was prudent to provide for the impairment on goodwill on acquisition.