

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2008

	Audited 31 December 2008 RM'000	Audited 31 December 2007 RM'000
ASSETS		
Property, plant and equipment	273,569	265,557
Prepaid lease payments	3,660	3,740
Quoted investments	23	23
Deferred tax assets	9	276
Goodwill	1,438	1,438
Total non-current assets	<u>278,699</u>	<u>271,034</u>
Inventories	91,103	116,005
Property held for sale	488	2,758
Trade and other receivables	63,147	94,014
Current tax assets	2,264	1,185
Cash and bank balances	25,713	22,807
Total current assets	<u>182,715</u>	<u>236,769</u>
Total assets	<u><u>461,414</u></u>	<u><u>507,803</u></u>
EQUITY		
Share capital	90,924	65,178
Reserves	55,006	58,574
Total equity attributable to the equity holders of the Company	<u>145,930</u>	<u>123,752</u>
Minority interests	<u>10,841</u>	<u>9,688</u>
Total equity	<u><u>156,771</u></u>	<u><u>133,440</u></u>
LIABILITIES		
Loans and borrowings	102,957	112,011
Deferred tax liabilities	10,414	9,594
Employee benefits	2,285	2,169
Total non-current liabilities	<u>115,656</u>	<u>123,774</u>
Trade and other payables	10,798	26,345
Loans and borrowings	178,056	223,940
Current tax liabilities	133	304
Total current liabilities	<u>188,987</u>	<u>250,589</u>
Total liabilities	<u><u>304,643</u></u>	<u><u>374,363</u></u>
Total equity and liabilities	<u><u>461,414</u></u>	<u><u>507,803</u></u>
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the Company (sen)	75	95

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 31 December 2008

	3 months ended 31 Dec		Year to date ended 31 Dec	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Revenue	82,738	129,846	479,278	461,882
Cost of sales	(87,284)	(110,775)	(424,879)	(405,032)
Gross profit/(loss)	(4,546)	19,071	54,399	56,850
Other income	(88)	(339)	1,880	3,000
Selling and distribution expenses	(1,035)	(1,817)	(6,158)	(5,649)
Administrative expenses	(11,287)	(6,135)	(30,484)	(19,018)
Interest expense	(2,624)	(4,410)	(14,837)	(14,627)
Profit/(Loss) before taxation	(19,580)	6,370	4,800	20,556
Tax expense	4,031	(1,002)	(2,117)	(4,639)
Profit/(Loss) for the period	(15,549)	5,368	2,683	15,917
Attributable to:				
Equity holders of the Company	(14,750)	4,959	1,230	14,836
Minority interests	(799)	409	1,453	1,081
	(15,549)	5,368	2,683	15,917
Basic earnings/(loss) per ordinary share of RM0.50 each (sen)	(8.54)	3.31	0.71	9.62
Diluted earnings/(loss) per ordinary share of RM0.50 each (sen)	(6.20)	3.31	0.52	9.62

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2008

	Attributable to Equity Holders of the Company							Minority Interests RM'000	Total Equity RM'000
	Non-distributable				Distributable		Total RM'000		
	Share Capital RM'000	Warrant Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000			
At 1 January 2008	65,178	-	500	11,475	1,793	44,806	123,752	9,688	133,440
Two-call rights issue	25,746	6,843	(500)	(5,400)	-	(4,438)	22,251	-	22,251
Rights issue by subsidiaries	-	-	-	-	-	-	-	798	798
Realisation of revaluation reserve	-	-	-	(17)	-	17	-	-	-
Profit for the year	-	-	-	-	-	1,230	1,230	1,453	2,683
Total recognised income and expense for the year	-	-	-	(17)	-	1,247	1,230	1,453	2,683
Dividends paid to:									
- shareholders of the Company	-	-	-	-	-	(1,303)	(1,303)	-	(1,303)
- minority shareholders	-	-	-	-	-	-	-	(1,098)	(1,098)
At 31 December 2008	<u>90,924</u>	<u>6,843</u>	<u>-</u>	<u>6,058</u>	<u>1,793</u>	<u>40,312</u>	<u>145,930</u>	<u>10,841</u>	<u>156,771</u>
At 1 January 2007	65,178	-	500	691	1,793	32,952	101,114	5,826	106,940
Shares issued by a subsidiary	-	-	-	-	-	-	-	2,930	2,930
Revaluation of land	-	-	-	10,818	-	-	10,818	870	11,688
Realisation of revaluation reserve	-	-	-	(34)	-	34	-	-	-
Net profit for the year	-	-	-	-	-	14,427	14,427	1,490	15,917
Total recognised income and expense for the year	-	-	-	10,784	-	14,461	25,245	2,360	27,605
Acquisition of additional interest in existing subsidiaries	-	-	-	-	-	-	-	(173)	(173)
Dividends paid to:									
- shareholders of the Company	-	-	-	-	-	(2,607)	(2,607)	-	(2,607)
- minority shareholders	-	-	-	-	-	-	-	(1,255)	(1,255)
At 31 December 2007	<u>65,178</u>	<u>-</u>	<u>500</u>	<u>11,475</u>	<u>1,793</u>	<u>44,806</u>	<u>123,752</u>	<u>9,688</u>	<u>133,440</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 December 2008

	2008	2007
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	4,800	20,556
Adjustments for:		
Depreciation of property, plant and equipment	17,527	14,421
Amortisation of prepaid lease payments	80	80
Gain on disposal of property, plant & equipment	(296)	(99)
Write down of property held for sale	33	-
Dividend income	-	(1)
Interest expense	14,837	14,627
Interest income	(1,058)	(703)
Negative goodwill recognised	-	(173)
Provision for retirement benefits	137	103
Unrealised foreign exchange loss/(gain)	1,525	(519)
Operating profit before changes in working capital	37,585	48,292
Changes in working capital:		
Property held for sale	2,237	-
Inventories	24,902	(23,210)
Trade and other receivables	30,691	(21,876)
Trade and other payables	(13,591)	3,586
Cash generated from operations	81,824	6,792
Income tax paid	(2,280)	(533)
Interest paid	(7,954)	(10,845)
Interest received	805	401
Retirement benefits paid	(21)	-
Net cash from/(used in) operating activities	<u>72,374</u>	<u>(4,185)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(19,631)	(13,932)
Proceeds from disposal of property, plant & equipment	421	114
Interest received	429	278
Dividends received	-	1
Increase in deposits pledged with banks	(2,754)	(553)
Net cash used in investing activities	<u>(21,535)</u>	<u>(14,092)</u>

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 December 2008

	2008	2007
	RM'000	RM'000
Cash flows from financing activities		
(Repayment of)/net proceed from loans	(6,986)	(9,473)
Net proceed from bankers' acceptances and revolving credit	(45,467)	34,421
Repayment of finance leases	(5,705)	(2,267)
Interest paid	(6,883)	(3,782)
Dividend paid to:		
- shareholders of the Company	(3,259)	(2,607)
- minority shareholders	(1,098)	(1,255)
Proceeds from issuance of shares under rights issue	22,251	-
Proceeds from issuance of shares to minority shareholders	798	2,930
Net cash generated from/(used in) financing activities	<u>(46,349)</u>	<u>17,967</u>
Net increase/(decrease) in cash and cash equivalents	4,490	(310)
Cash and cash equivalents at beginning of year	<u>2,506</u>	<u>2,816</u>
Cash and cash equivalents at end of year	<u><u>6,996</u></u>	<u><u>2,506</u></u>
Cash and cash equivalents comprise:		
Fixed deposits (excluding deposits pledged)	1,204	1,155
Cash and bank balances	15,104	15,000
Bank overdrafts	(9,312)	(13,649)
	<u>6,996</u>	<u>2,506</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)