

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Unaudited 30 June 2011 RM'000	Audited 31 December 2010 RM'000
ASSETS		
Property, plant and equipment	299,139	284,227
Quoted investments	23	23
Deferred tax assets	17	107
Goodwill	1,438	1,438
Total non-current assets	300,617	285,795
Inventories	158,587	137,930
Property held for sale	323	323
Trade and other receivables	100,045	87,591
Current tax assets	841	441
Cash and cash equivalents	28,904	26,298
Total current assets	288,700	252,583
Total assets	589,317	538,378
EQUITY		
Share capital	101,787	101,787
Reserves	64,853	70,121
Total equity attributable to owners of the Company	166,640	171,908
Non-controlling interests	16,869	15,615
Total equity	183,509	187,523
LIABILITIES		
Loans and borrowings	99,002	85,732
Deferred tax liabilities	17,007	17,511
Employee benefits	2,920	2,920
Total non-current liabilities	118,929	106,163
Trade and other payables	28,639	25,155
Loans and borrowings	257,898	219,117
Current tax liabilities	342	420
Total current liabilities	286,879	244,692
Total liabilities	405,808	350,855
Total equity and liabilities	589,317	538,378
Net Assets per ordinary share of RM0.50 each attributable to owners of the Company (sen)	85	88

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2011 - unaudited

	3 months ended 30 June		Year to date ended 30 June	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	115,961	124,855	227,716	242,313
Cost of sales	(102,826)	(106,053)	(205,574)	(206,131)
Gross profit	13,135	18,802	22,142	36,182
Other income	274	421	952	924
Selling and distribution expenses	(1,629)	(1,427)	(3,093)	(2,890)
Administrative expenses	(6,393)	(6,080)	(13,196)	(11,600)
Finance costs	(3,727)	(3,963)	(8,090)	(6,903)
(Loss)/Profit before taxation	1,660	7,753	(1,285)	15,713
Income tax expense	(346)	(1,882)	14	(3,935)
(Loss)/Profit and total comprehensive (loss)/income for the period	1,314	5,871	(1,271)	11,778
Attributable to:				
Owners of the Company	876	4,943	(2,388)	10,104
Non-controlling interests	438	928	1,117	1,674
(Loss)/Profit and total comprehensive (loss)/income for the period	1,314	5,871	(1,271)	11,778
Basic (loss)/earnings per ordinary share of RM0.50 each (sen)	0.45	2.53	(1.22)	5.17
Diluted (loss)/earnings per ordinary share of RM0.50 each (sen)	0.44	2.48	(1.16)	5.13

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2011

	Attributable to owners of the Company									Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable						Distributable		Total RM'000		
	Ordinary Share Capital RM'000	RCPS* RM'000	Warrant Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000				
<i>Unaudited</i>											
At 1 January 2011	90,924	10,863	6,843	1,969	6,058	1,793	53,458	171,908	15,615	187,523	
Total comprehensive loss for the year	-	-	-	-	-	-	(2,388)	(2,388)	1,117	(1,271)	
Dividend paid to owners of the Company	-	-	-	-	-	-	(2,743)	(2,743)	-	(2,743)	
Acquisition of non-controlling interests by a subsidiary	-	-	-	-	(261)	1,092	(968)	(137)	137	-	
At 30 June 2011	<u>90,924</u>	<u>10,863</u>	<u>6,843</u>	<u>1,969</u>	<u>5,797</u>	<u>2,885</u>	<u>47,359</u>	<u>166,640</u>	<u>16,869</u>	<u>183,509</u>	
<i>Audited</i>											
At 1 January 2010	90,924	-	6,843	-	6,058	1,793	48,784	154,402	12,660	167,062	
RCPS issued	-	10,863	-	1,969	-	-	-	12,832	-	12,832	
Total comprehensive income for the year	-	-	-	-	-	-	9,562	9,562	2,955	12,517	
Dividend paid to owners of the Company	-	-	-	-	-	-	(4,888)	(4,888)	-	(4,888)	
At 31 December 2010	<u>90,924</u>	<u>10,863</u>	<u>6,843</u>	<u>1,969</u>	<u>6,058</u>	<u>1,793</u>	<u>53,458</u>	<u>171,908</u>	<u>15,615</u>	<u>187,523</u>	

*Redeemable Convertible Preference Shares of RM0.50 each

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with
the Annual Financial Report for the year ended 31 December 2010)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2011 - unaudited

	Period ended 30 June	
	2011	2010
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(1,285)	15,713
Adjustments for:		
Depreciation of property, plant and equipment	9,901	9,188
Change in fair value of derivatives	-	173
Gain on disposal of property, plant & equipment	(2)	(9)
Finance costs	8,130	6,903
Finance income	(391)	(232)
Operating profit before changes in working capital	16,353	31,736
Changes in working capital:		
Inventories	(20,657)	(71,761)
Trade and other receivables	(12,456)	(24,517)
Trade and other payables	3,484	21,421
Cash used in operations	(13,276)	(43,121)
Income tax paid	(877)	(421)
Interest paid	(4,970)	(4,149)
Interest received	211	132
Net cash used in operating activities	(18,912)	(47,559)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(24,955)	(14,298)
Proceeds from disposal of property, plant & equipment	147	163
Interest received	179	101
Increase in deposits pledged with banks	(386)	(101)
Net cash used in investing activities	(25,015)	(14,135)

YUNG KONG GALVANISING INDUSTRIES BHD

(Company No. 032939-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2011 - unaudited

	Period ended 30 June	
	2011	2010
	RM'000	RM'000
Cash flows from financing activities		
Net proceeds from loans	9,896	7,981
Net proceeds from bankers' acceptances and revolving credits	54,360	63,867
Repayment of finance leases	(4,250)	(3,467)
Interest paid	(3,159)	(2,755)
Dividend paid to shareholders of the company	(2,743)	(4,888)
Net cash from financing activities	<u>54,104</u>	<u>60,738</u>
Net increase in cash and cash equivalents	10,177	(956)
Cash and cash equivalents at beginning of year	<u>(2,781)</u>	<u>702</u>
Cash and cash equivalents at end of year	<u>7,396</u>	<u>(254)</u>
Cash and cash equivalents comprise:		
Fixed deposits (excluding deposits pledged)	1,264	1,238
Cash and bank balances	14,449	10,700
Bank overdrafts	(8,317)	(12,192)
	<u>7,396</u>	<u>(254)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)