

LYSAGHT GALVANIZED STEEL BHD (46426-P)
(Incorporated in Malaysia)

QUARTERLY REPORT

Condensed Consolidated Income Statements
For The Nine-Month Period Ended 30 September 2008

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30-09-2008	30-09-2007	30-09-2008	30-09-2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	23,755	20,466	75,648	61,238
Cost of sales	(18,035)	(15,566)	(56,630)	(46,405)
Gross Profit	5,720	4,900	19,018	14,833
Other income	915	535	2,434	1,686
Administrative expenses	(2,407)	(1,759)	(7,384)	(5,583)
Selling and marketing expenses	(604)	(485)	(1,788)	(1,659)
Other expenses	(33)	(41)	(127)	(108)
Finance cost	-	-	-	-
Profit before tax	3,591	3,150	12,153	9,169
Income tax expense	(792)	(784)	(3,199)	(2,328)
Profit for the period	2,799	2,366	8,954	6,841
Attributable to:				
Equity holders of the parent	2,799	2,366	8,954	6,841
Earnings per share attributable to equity holders of the parent:				
(i) Basic, for profit for the period	6.73 Sen	5.69 Sen	21.53 Sen	16.45 Sen
(ii) Diluted, for profit for the period	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

LYSAGHT GALVANIZED STEEL BHD (46426-P)

(Incorporated in Malaysia)

QUARTERLY REPORT**Condensed Consolidated Balance Sheets****As At 30 September 2008**

The figures have not been audited.

	AS AT 30/09/2008 RM'000	AS AT 31/12/2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,264	12,508
Prepaid lease payments	8,130	4,766
Investments	131	131
Intangible assets	8	8
	<u>20,533</u>	<u>17,413</u>
Current Assets		
Inventories	32,545	24,024
Trade receivables	27,428	25,388
Other receivables	3,060	3,975
Cash & bank balances	3,296	5,586
	<u>66,329</u>	<u>58,973</u>
TOTAL ASSETS	<u>86,862</u>	<u>76,386</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	41,580	41,580
Other reserves	893	665
Retained earnings	31,123	24,248
	<u>73,596</u>	<u>66,493</u>
Non-Current Liabilities		
Retirement benefits obligations	262	253
Deferred tax liabilities	(92)	111
	<u>170</u>	<u>364</u>
Current Liabilities		
Trade payables	6,182	3,055
Other Payables	4,871	5,708
Current tax payable	2,043	766
	<u>13,096</u>	<u>9,529</u>
Total liabilities	<u>13,266</u>	<u>9,893</u>
TOTAL EQUITY AND LIABILITIES	<u>86,862</u>	<u>76,386</u>
Net assets per share attributable to ordinary equity holder of the parent	1.77	1.60

The Condensed Consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

LYSAGHT GALVANIZED STEEL BHD (46426-P)
(Incorporated in Malaysia)

QUARTERLY REPORT
Condensed Consolidated Statement of Changes in Equity For The Nine-Month Period Ended 30 September 2008

The figures have not been audited.

	Share capital	Capital reserve	Exchange reserve	Reserve on consolidation	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2007	41,580	500	224	0	17,822	60,126
Currency translation differences representing net expenses recognised directly in equity	-	-	(59)	-	-	(59)
Net profit for the period	-	-	-	-	8,089	8,089
Dividend	-	-	-	-	(1,663)	(1,663)
As at 31 December 2007	41,580	500	165	-	24,248	66,493
As at 1 January 2008	41,580	500	165	-	24,248	66,493
Currency translation differences representing net expenses recognised directly in equity	-	-	228	-	-	228
Net profit for the period	-	-	-	-	8,954	8,954
Dividend	-	-	-	-	(2,079)	(2,079)
As at 30 September 2008	41,580	500	393	-	31,123	73,596

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

LYSAGHT GALVANIZED STEEL BHD (46426-P)

(Incorporated in Malaysia)

QUARTERLY REPORT**Condensed Consolidated Cash Flow Statements For Nine-Month Period Ended 30 September 2008**

The figures have not been audited.

	9 months ended	
	30-09-2008 RM'000	31-12-2007 RM'000
Net cash used in operating activities	(33)	657
Net cash used in investing activities	(406)	(1,461)
Net cash generated from financing activities	(2,079)	(1,663)
Net increase in cash and cash equivalents	(2,518)	(2,467)
Effect of changes in exchange rate on cash and cash equivalents	228	(59)
Cash and cash equivalents at beginning of financial period	5,586	8,112
Cash and cash equivalents at end of financial period	3,296	5,586
Cash and cash equivalents at the end of financial period comprise the following:		
	30-09-2008 RM'000	31-12-2007 RM'000
Cash and bank balances	3,296	5,586

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

LYSAGHT GALVANIZED STEEL BHD (46426-P)

Explanatory notes

1. Basis of Preparation

The interim financial report is unaudited and complies with FRS 134, Interim Financial Reporting and the Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

2. Changes in Accounting Policies

The significant accounting policies and presentation applied in the interim financial report are consistent with those adopted for the Group's Audited Financial Statements for the year ended 31 December 2007. The Group has adopted the following revised FRSs and amendment to FRS which are mandatory for the accounting periods beginning on or after 1 July 2007.

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes In Foreign Exchange Rates – Net Investment in a Foreign Operation

The adoption of the above FRSs and amendment to FRS does not have any significant impact on the interim financial report of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not subject to any qualification.

4. Comments about Seasonal or Cyclical Factors

The Group's operations were not affected by seasonality or cyclicity.

5. Unusual Items due to their Nature, Size or Incidence

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the financial period ended 30 September 2008.

6. Changes in Estimates

There are no changes in estimate that have material effect in the current quarter.

7. Debt and Equity Securities

There are no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

8. Dividend Paid

A tax exempt dividend of 5% amounting to RM2,079,000.00 was paid during the current quarter.

9. Capital Commitments

There were no capital commitments at the date of issue of this quarterly report.

10. Subsequent Event

There were no material events subsequent to the end of the financial period ended 30 September 2008 that have not been reflected in the financial statements for the financial period ended 30 September 2008

11. Segmental Information

The Group operates within a single business segment.

The geographical segment revenue for the financial period ended 30 September 2008 were as follows:

	Individual Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
By geographical area :	RM'000	RM'000	RM'000	RM'000
- Malaysia	14,557	16,130	50,919	41,014
- ASEAN	6,342	3,521	17,879	12,256
- South Asia	219	121	1,658	180
- East Asia	1,913	178	3,072	4,041
- Middle East	2	157	232	2,701
- Australasia	721	279	1,718	887
- East Europe	-	80	22	159
- Africa	1	-	148	-
	<u>23,755</u>	<u>20,466</u>	<u>75,648</u>	<u>61,238</u>

12. Carrying Amount of Revalued Assets

There were no valuations of property, plant and equipment during the period. Valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

14. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2008.

15. Performance Review

The performance of the Group for the financial period ended 30 September 2008 was significantly better as compared to the preceding year corresponding period. There was a significant increase in the Group's revenue for the financial period ended 30 September 2008 of RM 75.648 million as compared to RM 61.238 million for the period ended 30 September 2007 due mainly to higher local sales. The higher revenue resulted in the Group posting a higher profit before taxation of RM 12.153 million as compared to RM 9.169 million in the preceding year corresponding period.

16. Comment on Material Change in Profit Before Taxation

The Group recorded a profit before taxation of RM 3.591 million for the quarter ended 30 September 2008 compared to a profit before taxation of RM 3.150 million for the immediate preceding quarter. The higher profit for the quarter was due to the higher revenue.

17. Commentary on Prospects

The market for the Group's products remains very competitive. Some products continue to face stiff price competition from low quality products. The current financial crisis sweeping through the world financial system is crippling the world's economy and poses a major challenge to the Group. However, the Group will continue to manage the situation as best as possible.

18. Profit forecast/profit guarantee

No explanatory notes will be provided as the Group has not provided any profit forecast or profit guarantee.

19. Income Tax Expense

	Individual Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sept 2008 RM'000	30 Sept 2007 RM'000	30 Sept 2008 RM'000	30 Sept 2007 RM'000
Group tax figures consist of :-				
- Current provision	770	811	3,402	2,386
- Under/(Over) provision in prior years	-	-	-	-
- Deferred Tax	22	(27)	(203)	(58)
	<u>792</u>	<u>784</u>	<u>3,199</u>	<u>2,328</u>

20. Sale of Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties for the financial period ended 30 September 2008.

21. Quoted securities

- (i) There were no purchases or sales of quoted securities for the financial period under review.
- (ii) There were no investments in quoted securities as at 30 September 2008.

22. Corporate Proposals

There were no outstanding corporate proposals at the date of issue of this quarterly report.

23. Borrowing

There were no group borrowings and debt securities as at the end of the reporting period.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of issue of this quarterly report.

25. Material Litigation

On 6 April 2005, Lysaght Marketing Sdn Bhd, a subsidiary of the Company was served with a writ of summons and claim for damages by Acumen Marketing Sdn Bhd as second defendant. On the advice of its lawyers, the Company is of the view that the suit is without merit and the Company does not expect any material adverse financial impact or material losses to the Group arising from the suit. This matter has been announced in the 1st quarter of year 2006 and since then, there has been no further development.

26. Dividend Payable

No dividend has been proposed for the quarter under review.

27. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	3 Months ended		9 Months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	2,799	2,366	8,954	6,841
Number of ordinary shares in issue	41,580	41,580	41,580	41,580
Basic Earnings per share	6.73 Sen	5.69 Sen	21.53 Sen	16.45 Sen

28. Authorisation for Issue

The Interim financial statements were authorised for issue by the board of Directors in accordance with a resolution of the directors on 21 November 2008