

**LYSAGHT GALVANIZED STEEL BHD (46426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-12-2011 RM'000	PRECEDING YEAR QUARTER 31-12-2010 RM'000	CURRENT YEAR TO DATE 31-12-2011 RM'000	PRECEDING YEAR TO DATE 31-12-2010 RM'000
<b>Continuing Operations</b>				
Revenue	13,964	15,426	57,268	59,076
Cost of sales	(9,461)	(10,259)	(40,031)	(40,313)
<b>Gross Profit</b>	<b>4,503</b>	<b>5,167</b>	<b>17,237</b>	<b>18,763</b>
Other income	1,674	1,956	3,078	3,404
Administrative expenses	(3,124)	(3,488)	(8,764)	(8,666)
Selling and marketing expenses	(489)	(559)	(1,843)	(1,776)
Other expenses	(19)	(33)	(71)	(117)
Finance cost	-	-	-	-
<b>Profit before tax</b>	<b>2,545</b>	<b>3,043</b>	<b>9,637</b>	<b>11,608</b>
Income tax expense	(578)	(905)	(2,156)	(2,813)
<b>Profit for the period</b>	<b>1,967</b>	<b>2,138</b>	<b>7,481</b>	<b>8,795</b>
Attributable to:				
Equity holders of the parent	1,967	2,138	7,481	8,795
<b>Earnings per share attributable to equity holders of the parent:</b>				
(i) Basic, for profit for the period	4.73 Sen	5.14 Sen	17.99 Sen	21.15 Sen
(ii) Diluted, for profit for the period	N/A	N/A	N/A	N/A

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

**LYSAGHT GALVANIZED STEEL BHD (46426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The figures have not been audited.

	As At End Of Current Quarter 31/12/2011 RM'000	As At Preceding Financial Year 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,192	18,737
Investments	131	131
Intangible assets	8	8
	<u>18,331</u>	<u>18,876</u>
<b>Current Assets</b>		
Inventories	18,156	17,935
Trade receivables	12,507	13,681
Other receivables	520	379
Cash & bank balances	52,774	47,261
	<u>83,957</u>	<u>79,256</u>
<b>TOTAL ASSETS</b>	<u>102,288</u>	<u>98,132</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holder of the parent</b>		
Share capital	41,580	41,580
Other reserves	1,343	1,001
Retained earnings	51,975	48,652
	<u>94,898</u>	<u>91,233</u>
<b>Non-Current Liabilities</b>		
Retirement benefits obligations	197	197
Deferred tax liabilities	539	592
	<u>736</u>	<u>789</u>
<b>Current Liabilities</b>		
Trade payables	2,262	1,933
Other Payables	3,777	3,679
Current tax payable	615	498
	<u>6,654</u>	<u>6,110</u>
<b>Total liabilities</b>	<u>7,390</u>	<u>6,899</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>102,288</u>	<u>98,132</u>
Net assets per share attributable to ordinary equity holder of the parent	2.28	2.19

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 Twelve Months Period Ended 31 December 2011**

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 2010	41,580	500	747	-	41,936	84,763
Currency translation differences representing net expenses recognised directly in equity	-	-	(246)	-	-	(246)
Net profit for the period	-	-	-	-	8,795	8,795
Dividend	-	-	-	-	(2,079)	(2,079)
<b>As at 31 December 2010</b>	<b>41,580</b>	<b>500</b>	<b>501</b>	<b>-</b>	<b>48,652</b>	<b>91,233</b>
As at 1 January 2011	41,580	500	501	-	48,652	91,233
Currency translation differences representing net expenses recognised directly in equity	-	-	342	-	-	342
Net profit for the period	-	-	-	-	7,481	7,481
Dividend	-	-	-	-	(4,158)	(4,158)
<b>As at 31 December 2011</b>	<b>41,580</b>	<b>500</b>	<b>843</b>	<b>-</b>	<b>51,975</b>	<b>94,898</b>

*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 2010*

**LYSAGHT GALVANIZED STEEL BHD (46426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

The figures have not been audited.

	Cumulative Quarter	
	Current Year To Date 31-12-2011 RM'000	Preceding Year Corresponding Period 31-12-2010 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,637	11,608
Adjustments for:		
Impairment loss on trade receivables	-	253
Depreciation of property, plant and equipment	1,202	1,217
Interest income	(1,178)	(919)
Loss/(Gain) on disposal of fixed assets	(39)	(13)
Reversal of impairment loss on trade receivables	-	(878)
Unrealised loss/(gain) on foreign exchange	-	3
Write back of inventories written down in value	-	(18)
Write back of other creditors	-	(70)
Operating profit before working capital changes	9,622	11,183
Changes in working capital:		
(Increase)/decrease in inventories	(221)	(1,201)
Decrease/(increase) in receivables	1,022	2,175
Decrease/(increase) in amount due to related companies	11	-
(Decrease)/increase in payables	427	(791)
Tax paid	(2,093)	(2,675)
Net cash used in operating activities	8,768	8,691
Cash flows from Investing activities:		
Purchase of Property, plant and equipment	(656)	(970)
Proceeds from disposal of property plant and equipment	39	16
Interest Income	1,178	919
Net cash used in investing activities	561	(35)
Cash flows from Financing Activities		
Dividend paid	(4,158)	(2,079)
Net cash generated from financing activities	(4,158)	(2,079)
Net change in cash and cash equivalents	5,171	6,577
Cash and cash equivalents at beginning of financial period	47,261	41,011
Effect of changes in exchange rate on cash and cash equivalents	342	(327)
Cash and cash equivalents at end of financial year	52,774	47,261
Cash and cash equivalents at the end of financial period comprise the following:		
	<b>31-12-2011</b>	<b>31-12-2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	52,774	47,261

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

# 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 Main Market Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

### 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 2010 except for the adoption of the new standards and interpretations which are mandatory for financial periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011 noted below:

- Amendments to FRS 132 : Classification of Rights Issues
- FRS 1 : First-time Adoption of Financial Reporting Standards
- FRS 3 : Business Combinations (revised)
- Amendments to FRS 2 : Share-based Payment
- Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127 : Consolidated and Separate Financial Statements
- Amendments to FRS 138 : Intangible Assets
- Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives
- IC Interpretation 12 : Service Concession Arrangements
- IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 : Distributions of Non-cash Assets to Owners
- IC Interpretation 4 : Determining whether an Arrangement contains a Lease
- IC Interpretation 18 : Transfers of Assets from Customers
- Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 7 : Improving Disclosures about Financial Instruments
- Amendments to FRSS contained in the document entitled "Improvements to FRSS (2010)"
- Additional Exemptions for First-time Adopters (Amendments to FRS 1)
- Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)

The adoption of the above FRSS, Amendments to FRS and Interpretations (where relevant to the Group) does not have any significant impact on the interim financial report of the Group.

### Convergence of the FRSS with the International Financial Reporting Standards

On 19 November 2011, the MASB issued the new Malaysian Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This MFRS framework is effective for annual periods beginning on or after 1 January 2012. As at 31 December 2011, all the FRSS issued under the existing FRS framework are the same as the MFRSS issued under the MFRS framework, except for differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSS.

At the date of this financial statement, the Group has not completed the quantification of the

financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS framework. The Group expects to be in a position to fully comply with the requirements of the MFRS framework for the financial year ending 31 December 2012.

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 cyclicality.

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 year ended 31 December 2011.

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

No dividend was paid during the current quarter.

9. Operating Revenue

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Sales of galvanized steel products	13,964	15,426	57,268	59,076
Total operating revenue	13,964	15,426	57,268	59,076

10. Other Income

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Sundry income			147	10
Sales of scrap materials	313	262	974	960
Rental income	42	42	170	170
Bank interest earned	332	299	1,178	920
Gain on foreign exchange	678	466	306	446
Gain on disposal of fixed Assets	44	2	38	13
Doubtful debts recovery	265	885	265	885
	1,674	1,956	3,078	3,404

11. Segmental Information

The Group operates within a single business segment.

The geographical segment revenue for the financial year ended 31 December 2011 were as follows:

By geographical area :	Individual Quarter 3 Months ended		Cumulative Quarter 12 Months ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
- Malaysia	9,079	10,532	35,380	41,047
- ASEAN	3,907	3,703	17,351	13,397
- South Asia	41	483	1,534	931
- East Asia	747	253	1,024	895
- Middle East	-	-	71	293
- Australasia	190	455	1,908	2,513
- East Europe	-	-	-	-
- Africa	-	-	-	-
	<b>13,964</b>	<b>15,426</b>	<b>57,268</b>	<b>59,076</b>

## 12. Related Party Disclosures

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Rental paid to Holding Co -Lysaght (Malaysia) Sdn Bhd	102	102	408	408
Fabricating services to Associate Co-Lysaght Corrugated Pipe S/B	-	15	29	-
Galvanizing services to Associate Co-Lysaght Corrugated Pipe S/B	-	11	-	758

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## 13. Capital Commitments

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

## 14. Subsequent Event

There were no material events subsequent to the end of the financial year ended 31 December 2011 that have not been reflected in the financial statements for the financial year ended 31 December 2011.

## 15. 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.

## 16. Derivatives

- There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the financial year ended 31 December 2011: and
- The Group has not entered into any type of derivatives not disclosed in the previous financial year or any of the previous quarters under the current financial year.

## 17. Changes in Contingent Liabilities and Contingent Assets

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

## 18. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2011.

## 19. Operating Segment Review

### (a) Current Year-to-date vs. Previous Year-to-date

The Group's pre-tax profit for the financial year ended 31 December 2011 of RM9.64 million was RM1.97 million or 16.98% lower than the previous corresponding period of RM11.61 million. Net profit attributable to equity holders decreased by RM1.31 million to RM7.48 million. The decrease in earnings was mainly due to lower revenue, which was affected by weak demand. The Group was operating at marginally lower capacity.

### (b) Current Quarter vs. Previous Year Corresponding Quarter

For the 4<sup>th</sup> quarter ended 31 December 2011, the Group registered a pre-tax profit of RM2.55 million, a decrease of RM0.50 million or 16.37% as compared to the previous year corresponding quarter. The decrease in earnings was mainly due to lower revenue. Earnings attributable to equity holders decreased by RM0.17 million or 8.00% over the same period.

### (c) Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM2.55 million for the 4<sup>th</sup> quarter ended 31 December 2011 shows a decrease of RM0.51 million or 16.67% as compared to the pre-tax profit of RM3.06 million for the preceding quarter ended 30 September 2011. Net profit attributable to equity holders decreased by RM0.43 million or 18.01% over the same period. The decrease in profit was mainly due to lower revenue.

## 20. Commentary on Prospects

The market for the Group's products remains very competitive. Rising manufacturing costs have eroded our operating margins. Current demand is sluggish. The Group will take the necessary action to face the challenges ahead as best as possible.

## 21. Profit forecast/profit guarantee

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

## 22. Income Tax Expense

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months ended</b>		<b>12 Months ended</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Group tax figures consist of :-				
- Current provision	585	896	2,209	2,795
- Under/(Over) provision in prior years	-	-	-	-
- Deferred Tax	(7)	9	(53)	18
	<u>578</u>	<u>905</u>	<u>2,156</u>	<u>2,813</u>



23. Sale of Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties for the financial year ended 31 December 2011.

24. 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 31 December 2011.

25. Corporate Proposals

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

26. Borrowing

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

27. Off Balance Sheet Financial Instruments

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

28. Material Litigation

There was no material litigation for the quarter under review.

29. Dividend Payable

A tax exempt final dividend of 10% amounting to RM4.158 million has been recommended for the quarter under review to be approved by the shareholders at the coming 33rd Annual General Meeting.

30. 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 3 Months ended		Cumulative Quarter 12 Months ended	
	30 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Profit attributable to ordinary equity holders of the parent	1,967	2,138	7,481	8,795
Number of ordinary shares in issue	41,580	41,580	41,580	41,580
Basic Earnings per share	4.73 Sen	5.14 Sen	17.99 Sen	21.15 Sen

31. Disclosure on Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, as disclosed pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010, is as follows:

	Group As at 31 December 2011 RM'000
Retained earnings of the Company and its subsidiaries	
- Realised	52,526
- Unrealised	(551)
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Retained earnings as per financial statements	<u>51,975</u>

32. 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 27 February 2012.