

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month financial period ended 30 September 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

The figures have not been audited.

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		9 MONTHS ENDED	
	30-9-2024	30-9-2023	30-9-2024	30-9-2023
	RM'000	RM'000	RM'000	RM'000
Revenue	26,497	24,269	72,812	61,024
Cost of sales	(18,473)	(18,284)	(51,983)	(44,969)
<b>Gross Profit</b>	<b>8,024</b>	<b>5,985</b>	<b>20,829</b>	<b>16,055</b>
Other income	1,445	1,129	3,778	3,384
Administrative expenses	(2,824)	(2,682)	(8,624)	(8,067)
Selling and marketing expenses	(583)	(580)	(1,744)	(1,652)
Finance cost	(8)	(3)	(26)	(9)
<b>Profit before tax</b>	<b>6,054</b>	<b>3,849</b>	<b>14,213</b>	<b>9,711</b>
Income tax expense	(1,264)	(894)	(3,038)	(1,689)
<b>Profit for the period</b>	<b>4,790</b>	<b>2,955</b>	<b>11,175</b>	<b>8,022</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	4,790	2,955	11,175	8,022
<b>Earnings per share attributable to owners of the Company:</b>				
(i) Basic, for profit for the period	11.52 Sen	7.11 Sen	26.88 Sen	19.29 Sen
(ii) Diluted, for profit for the period	N/A	N/A	N/A	N/A

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month financial period ended 30 September 2024

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The figures have not been audited.

	Quarter ended	
	30/9/2024	31/12/2023
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,084	27,795
Right-of-use asset	11,867	12,077
Deferred tax asset	247	247
Intangible assets	8	8
	39,206	40,127
<b>Current Assets</b>		
Inventories	28,541	31,054
Trade receivables	26,385	19,978
Other receivables	428	735
Contract assets	23	88
Tax recoverable	-	822
Fixed deposits, cash & bank balances	97,226	94,525
	152,603	147,202
<b>TOTAL ASSETS</b>	191,809	187,329
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	41,580	41,580
Other reserves	5,934	9,938
Retained earnings	133,794	128,024
	181,308	179,542
<b>Non-Current Liabilities</b>		
Lease liability	694	390
Deferred tax liability	1,341	1,424
	2,035	1,814
<b>Current Liabilities</b>		
Trade payables	2,659	1,860
Other Payables	3,886	2,753
Tax payable	1,640	846
Contract liabilities	281	514
	8,466	5,973
<b>Total liabilities</b>	10,501	7,787
<b>TOTAL EQUITY AND LIABILITIES</b>	191,809	187,329
Net assets per share attributable to owners of the Company	4.36	4.32

*The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the nine-month financial period ended 30 September 2024**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

The figures have not been audited.

	Share capital	Capital reserve	Exchange reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2023</b>	41,580	500	6,690	119,271	168,041
<b>Currency translation differences representing net expenses recognised directly in equity</b>	-	-	2,246	-	2,246
<b>Net profit for the year</b>	-	-	-	8,022	8,022
<b>Dividend</b>	-	-	-	(2,495)	(2,495)
<b>As at 30 September 2023</b>	<u>41,580</u>	<u>500</u>	<u>8,936</u>	<u>124,798</u>	<u>175,814</u>
<b>As at 1 January 2024</b>	41,580	500	9,438	128,024	179,542
<b>Currency translation differences representing net expenses recognised directly in equity</b>	-	-	(4,004)	-	(4,004)
<b>Net profit for the year</b>	-	-	-	11,175	11,175
<b>Dividend</b>	-	-	-	(5,405)	(5,405)
<b>As at 30 September 2024</b>	<u>41,580</u>	<u>500</u>	<u>5,434</u>	<u>133,794</u>	<u>181,308</u>

*The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the nine-month financial period ended 30 September 2024**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

The figures have not been audited.

	<b>Cumulative Quarter ended</b>	
	<b>30-9-2024</b>	<b>30-9-2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	14,213	9,711
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use asset	1,755	1,707
Finance cost	26	9
Interest income	(2,218)	(1,774)
Loss/(Gain) on disposal of property, plant and equipment	3	(14)
Unrealised loss/(gain) on foreign exchange	13	(2)
Operating profit before working capital changes	<u>13,792</u>	<u>9,637</u>
Changes in working capital:		
Decrease in inventories	2,578	9,223
Increase in receivables	(9,930)	(8,702)
Increase in payables	1,699	2,265
Cash from operations	<u>8,139</u>	<u>12,423</u>
Tax paid	(1,503)	(220)
Net cash generated from operating activities	<u>6,636</u>	<u>12,203</u>
<b>Cash flows from Investing Activities:</b>		
Purchase of property, plant and equipment	(285)	(172)
Proceeds from disposal of property, plant and equipment	2	14
Interest Income	2,218	1,774
Short-term deposits with maturity period more than 3 months	(17,852)	(10,000)
Net cash used in investing activities	<u>(15,917)</u>	<u>(8,384)</u>
<b>Cash flows from Financing Activities</b>		
Payment of lease liability	(446)	(441)
Dividend paid	(5,405)	(2,495)
Net cash used in financing activities	<u>(5,851)</u>	<u>(2,936)</u>
Net change in cash and cash equivalents	<u>(15,132)</u>	<u>883</u>
Cash and cash equivalents at beginning of financial period	94,525	74,356
Effect of changes in exchange rate on cash and cash equivalents	(19)	2,246
Cash and cash equivalents at end of financial period	<u>79,374</u>	<u>77,485</u>

Cash and cash equivalents at the end of financial period comprise the following:

	<b>30-9-2024</b>	<b>30-9-2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>97,226</u>	<u>87,485</u>
Less: Short-term deposits with maturity period more than 3 months	(17,852)	(10,000)
Cash and cash equivalents	<u>79,374</u>	<u>77,485</u>

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements.*

**LYSAGHT GALVANIZED STEEL BHD**  
**Registration No. 197901002195 (46426-P)**

**Explanatory notes to the interim financial statements**

For the Nine-month financial period ended 30 September 2024.

1. Corporate information

Lysaght Galvanized Steel Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 November 2024.

2. **Changes in Accounting Policies**

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the MFRS 134 issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Listing Requirements of Bursa Securities Malaysia Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2023.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2023.

**2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies.**

**Adoption of Standards, Amendments and IC Interpretations**

The Group adopted the following Standards, Amendments and IC interpretations:-

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16: Leases)
- Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

**2.2 Standards issued but not yet effective**

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)
- MFRS 18: Presentation and Disclosure in Financial Statements
- MFRS 19: Subsidiaries without Public Accountability -Disclosures
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments - Disclosures)

- Amendments that are part of Annual Improvements -Volume 11
  - a) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
  - b) Amendments to MFRS 7: Financial Instruments -Disclosures
  - c) Amendments to MFRS 9: Financial Instruments
  - d) Amendments to MFRS 10: Consolidated Financial Statements
  - e) Amendments to MFRS 107: Statement of Cash Flows

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

### 3. Changes in estimates

There were no changes in estimates that have had a material effect in the current interim results.

### 4. Auditors' Report on Preceding Annual Financial Statements

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

### 5. Comments about Seasonal or Cyclical Factors

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

### 6. Unusual Items due to their Nature, Size or Incidence

There were 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 2024.

### 7. Debt and Equity Securities

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

### 8. Dividend Paid

A final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM2,079,000 was paid on 24 July 2024.

An interim single tier dividend of 8 sen per ordinary share in respect of the financial year ending 31 December 2024 amounting to RM3,326,400 was paid on 27 September 2024.

9. Operating Revenue

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
Sales of galvanized steel products	26,405	24,155	72,593	60,801
Installation income	92	114	219	223
<b>Total operating revenue</b>	<b>26,497</b>	<b>24,269</b>	<b>72,812</b>	<b>61,024</b>

10. Other Income

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
Sundry income	9	2	23	395
Sales of scrap materials, zinc ash & dross	543	398	1,359	1,120
Bank interest earned	718	615	2,218	1,774
(Loss)/Gain on forex	175	107	181	74
Bad debts recovered	-	7	-	7
(Loss)/Gain on disposal of property, plant and equipment	-	-	(3)	14
	<b>1,445</b>	<b>1,129</b>	<b>3,778</b>	<b>3,384</b>

11. Segmental Information

The Group operates within a single business segment.

The geographical segment revenue for the financial period ended 30 September 2024 were as follows:

By geographical area :	Current Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
- Malaysia	13,896	11,314	34,398	27,746
- ASEAN	9,986	11,113	32,328	23,898
- South Asia	153	53	213	181
- East Asia	41	731	348	855
- Middle East	977	359	1,097	928
- Australasia	1,444	699	4,428	7,416
	<b>26,497</b>	<b>24,269</b>	<b>72,812</b>	<b>61,024</b>

12. Related Party Disclosures

	Current Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
Rental of factory paid	149	147	446	441
Fabricating services	111	12	222	19
Powder coating services	10	49	63	150
Transportation services	2	-	3	-
Purchase of goods	655	1,783	4,198	4,686
	927	1,991	4,932	5,296

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

Property, plant and equipment:  
Contracted but not provided for

RM'000

-

14. Subsequent Event

There were no material events subsequent to the end of the financial period ended 30 September 2024 that have not been reflected in the financial statements for the financial period ended 30 September 2024.

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 audited financial statements.

16. Derivatives

- a) There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the financial period ended 30 September 2024; and
- b) The Group has not entered into any type of derivatives not disclosed in the previous financial year.

17. Changes in Contingent Liabilities and Contingent Assets

Other than the material litigation in Note 27, there were no changes in contingent liabilities or contingent assets from those disclosed in 2023 audited financial statements.

18. Changes in Composition of the Group

There are no changes in the composition of the Group.



## 19. Operating Segment Review

Table 1: Financial review for current quarter and financial year to date

	Individual Period (3rd quarter)		Changes (Amount/%)		Cumulative Period		Changes (Amount/%)	
	Current Year Quarter	Preceding Year Correspon- ding Quarter			Current Year To- date	Preceding Year Correspon- ding Period		
	30/9/2024	30/9/2023	30/9/2024	30/9/2023				
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	26,497	24,269	2,228	9	72,812	61,024	11,788	19
Operating Profit	6,054	3,849	2,205	57	14,213	9,711	4,502	46
Profit Before Interest & Tax	6,054	3,849	2,205	57	14,213	9,711	4,502	46
Profit Before Tax	6,054	3,849	2,205	57	14,213	9,711	4,502	46
Profit After Tax	4,790	2,955	1,835	62	11,175	8,022	3,153	39
Profit Attributable to Ordinary Equity Holders of the Company	4,790	2,955	1,835	62	11,175	8,022	3,153	39

### a) Current Year-to-date vs. Previous Year-to-date (refer Table 1)

The Group's pre-tax profit for the financial period ended 30 September 2024 of RM14.21 million was RM4.50 million higher than the previous corresponding period of RM9.71 million. Net profit attributable to equity holders increased by RM3.15 million from RM8.02 million to RM11.17 million for the financial period ended 30 September 2024. The sales of poles and masts comprise RM54.78 million and RM12.60 million respectively for financial period ended 30 September 2024 as compared to RM48.91 million and RM9.09 million respectively for previous corresponding period. The increase in profit was mainly due to increase in revenue for financial period ended 30 September 2024.

### b) Current Quarter vs. Previous Year Corresponding Quarter (refer Table 1)

For the 3rd quarter ended 30 September 2024, the Group registered a pre-tax profit of RM6.05 million, an increase of RM2.20 million or 57% as compared to the previous year corresponding quarter pre-tax profit of RM3.85 million. Earnings attributable to equity holders increased by RM1.83 million or 62% over the same period. The increase in pre-tax profit was mainly due to increase in revenue by RM2.23 million for 3rd quarter ended 30 September 2024 as compared to previous corresponding quarter.

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (Amount/%)	
	30/9/2024	30/6/2024	RM'000	%
Revenue	26,497	23,833	2,664	11
Operating Profit	6,054	3,468	2,586	75
Profit Before Interest and Tax	6,054	3,468	2,586	75
Profit Before Tax	6,054	3,468	2,586	75
Profit After Tax	4,790	2,792	1,998	72
Profit Attributable to Ordinary Equity Holders of the Company	4,790	2,792	1,998	72

c) Variation of Results Against Preceding Quarter (refer Table 2)

The Group's pre-tax profit of RM6.05 million for the current quarter shows an increase of RM2.58 million as compared to the pre-tax profit of RM3.47 million for the preceding quarter ended 30 June 2024. The increase in profit was mainly due to increase in revenue by RM2.66 million.

20. Commentary on Prospects

The coming quarters will remain challenging for the Group, given the foreign exchange volatility, slowing global economy with geopolitical tensions, inflationary cost pressures and increase in competition with lower quality products. Global factors such as volatility in commodities and crude oil prices will affect our suppliers pricing for raw materials sourced from overseas. The Group will remain vigilant on the movement of steel prices and focus on prudent procurement strategies and inventory management to optimise cost and enhance profitability.

21. Profit forecast/profit guarantee

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

22. Income Tax Expense

	Current Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Group tax figures consist of :-				
- Current provision	1,284	511	3,131	1,404
- Under/(Over) provision in prior years	(20)	(13)	(10)	(13)
- Deferred Tax	-	396	(83)	298
	<u>1,264</u>	<u>894</u>	<u>3,038</u>	<u>1,689</u>
Effective tax rate (%)	21.2%	23.6%	21.4%	17.5%

Income tax is recognised based on management's estimate.

23. 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 2024.

24. Corporate Proposals

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

25. Borrowing

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

26. Off Balance Sheet Financial Instruments

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

27. Material Litigation

The Company had filed a civil suit before the High Court of Malaya on 14 January 2021 against Popeye Resources Sdn Bhd and Macsteel International Far East Limited for, amongst others, that the three alleged contracts for the sale of steel coils in January 2020 and February 2020 amounting to USD1,555,656.12 were forgeries and/or fraudulently prepared.

On 20 October 2021, the Company's application for an interlocutory injunction was allowed while Macsteel's application for a stay of proceedings was dismissed. Following the decision of the High Court, Macsteel is prevented from proceeding with the arbitration initiated in Hong Kong pending disposal of the suit before the High Court. However, Macsteel had then appealed against the decisions of the High Court to the Court of Appeal (the "**Appeal**"). On 15 August 2022, the Appeal was heard and the Court of Appeal dismissed the Appeal.

On 13 September 2022, Macsteel filed 3 notices of motion to the Federal Court for leave to appeal against the decision of the Court of Appeal for dismissing the Appeal. Macsteel's motion before the Federal Court was fixed for hearing on 16 February 2023 and the Federal Court had dismissed Macsteel's motion for leave to appeal to the Federal Court.

As Macsteel had exhausted all rights to appeal, Macsteel applied to the High Court to amend their Defence to include a Counterclaim against the Company for breach of contract of USD1,555,656.12. Macsteel's amendment application was allowed and the Company had filed its Defence to counterclaim. Macsteel has previously applied for a discovery of document before the High Court. Macsteel subsequently withdrew the application with agreement between parties, which was recorded before the High Court on 18 July 2024. The trial for the case is rescheduled to take place on 3<sup>rd</sup> to 5<sup>th</sup> June 2025 and 10<sup>th</sup> to 11<sup>th</sup> June 2025.

28. Dividend Payable

The Board of Directors approved and declared a special single tier dividend of 35 sen per ordinary share for the financial year ending 31 December 2024 to be paid on 9 December 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 29 November 2024.

29. 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 9 Months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Profit net of tax attributable to owners of the Company used in the computation of earnings per share	4,790	2,955	11,175	8,022
Number of ordinary shares in issue	41,580	41,580	41,580	41,580
Basic Earnings per share	11.52 Sen	7.11 Sen	26.88 Sen	19.29 Sen

30. Profit Before Tax

Profit before tax is derived after taking into account of the following income/ (expenses) items:

	Individual current quarter from 1 July 2024 to 30 Sep 2024 RM'000	Cumulative current year from 1 Jan 2024 to 30 Sep 2024 RM'000
Interest income from fixed deposits	718	2,218
Realised gain on foreign exchange	178	194
Unrealised loss on foreign exchange	(3)	(13)
Loss on disposal of property, plant & equipment	-	(3)
Depreciation of property, plant and equipment and right-of-use asset	(586)	(1,755)
Finance cost	(8)	(26)