

## KINSTEEL BHD

### EXPLANATION ON THE VARIANCE BETWEEN AUDITED AND UNAUDITED CONSOLIDATED PROFIT AFTER TAX AND MINORITY INTEREST (PATMI) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

|  | Audited<br>RM'000 | Announcement<br>RM'000 | Variance |      |
|--|-------------------|------------------------|----------|------|
|  |                   |                        | RM'000   | %    |
| Consolidated Profit After Tax and<br>Minority Interest | 32,029            | 37,373                 | (5,344)  | (14) |

### SUMMARY

The above 14% variance in Kinsteel Bhd's audited PATMI for the year ended 31 December 2008 compared to its unaudited PATMI which was announced to Bursa Malaysia Securities Berhad in 26 February 2009 was due to the following audit adjustments:

|  |               |
|--|---------------|
|  | RM'000        |
| As per announcement  | 37,373        |
| 1. Additional provision for deferred tax liabilities                                 | (4,573)       |
| 2. Reduction in provision for stock write down to net realisable value in subsidiary | 996           |
| 3. Revision of elimination of gain on disposal of shares of Perwaja Steel Sdn Bhd    | (1,979)       |
| 4. Others  | 212           |
| As per audited accounts  | <u>32,029</u> |