(Company No : 210470-M)

#### KINSTEEL BHD.

(Incorporated in Malaysia)

Quarterly report on consolidated results for the third quarter and nine months ended 30 September 2009. The figures have not been audited.

#### CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009

	2009 Current Quarter	2008 Comparative Quarter	2009 9 months Cumulative	2008 9 months Cumulative
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Revenue	457,684	844,914	1,537,147	2,080,447
Operating expenses	(419,063)	(751,647)	(1,595,227)	(1,658,601)
Other operating income	5,005	20,136	7,018	28,648
Finance costs	(26,688)	(10,659)	(99,326)	(64,854)
Profit/(Loss) before taxation	16,938	102,744	(150,388)	385,640
Taxation	14,100	7,417	44,069	8,641
Profit/(Loss) for the period	31,038	110,161	(106,319)	394,281
Attributable to:				
Equity holders of the parent	19,785	57,986	(22,854)	234,853
Minority Interests	11,253	52,175	(83,465)	159,428
=	31,038	110,161	(106,319)	394,281
Earnings/(Loss) per share attributable to equity holders of the parent:		6.26	(2.47)	2624
<ul><li>Basic (sen)</li><li>Diluted (sen)</li></ul>	2.12 1.94	6.26 5.49	(2.47)	25.34
- Diffuled (Self)	1.94	5.49	N.A.	22.25

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

(Company No : 210470-M)

#### KINSTEEL BHD.

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

AS AT 30 SEFTEMBER 2009		
	30.09.2009	31.12.2008
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,308,128	2,307,941
Prepaid lease payments	39,448	40,107
Intangible assets	1,293	-
Other investment	4,000	4,000
Deferred tax assets	179,100	138,000
	2,531,969	2,490,048
Current assets		
Inventories	835,807	1,075,989
Receivables	270,074	227,651
Tax recoverable	687	434
Deposits with licensed banks	54,254	190,739
Cash and bank balances	13,120	8,451
	1,173,942	1,503,264
TOTAL ASSETS	3,705,911	3,993,312
EQUITY AND LIABILITIES		
Share capital	188,247	185,400
Treasury shares	(4,153)	(4,153)
Reserves	576,523	615,246
Equity attributable to equity holders of the parent	760,617	796,493
Minority interest	873,036	956,501
Total equity	1,633,653	1,752,994
Non-current liabilities		
Borrowings	494,740	613,364
Deferred taxation	3,636	6,747
	498,376	620,111
Current liabilities		
Trade and other payables	458,227	617,458
Overdrafts and short term borrowings	1,115,544	1,002,748
Provision for taxation	111	1
	1,573,882	1,620,207
Total liabilities	2,072,258	2,240,318
TOTAL EQUITY AND LIABILITIES	3,705,911	3,993,312
,		
Net assets per share attributable to ordinary	n o1	A 9.6
equity holders of the parent (RM)	0.81	0.86

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Note: The comparative figures are extracted from the audited financial statements for the year ended 31 December 2008.

(Company No: 210470-M)

#### KINSTEEL BHD.

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	← Attributable to Equity Holders of the Company →						
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1.1.2009	185,400	(4,153)	30,493	584,753	796,493	956,501	1,752,994
Movements during the period							
Exercise of warrants	2,847	-	-	-	2,847	-	2,847
Loss for the period	-	-	-	(22,854)	(22,854)	(83,465)	(106,319)
Dividends paid	-	-	-	(15,869)	(15,869)	-	(15,869)
Balance at 30.09.2009	188,247	(4,153)	30,493	546,030	760,617	873,036	1,633,653
Balance at 1.1.2008	180,320	-	30,493	568,459	779,272	699,494	1,478,766
Movements during the period							
Exercise of warrants	5,077	-	-	-	5,077	-	5,077
Retained profit for the period	-	-	-	234,853	234,853	159,428	394,281
Dividends paid	-	-	-	(15,734)	(15,734)	-	(15,734)
Disposal of subsidiary	-	-	-	-	-	236,335	236,335
Treasury shares	-	(1,330)	-	-	(1,330)	-	(1,330)
Balance at 30.09.2008	185,397	(1,330)	30,493	787,578	1,002,138	1,095,257	2,097,395

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

#### KINSTEEL BHD.

(Incorporated in Malaysia)

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

Carrent period ended   30.09.2009   RM'000   R		_	Preceding year
Closs)/Profit before tax		Current	corresponding
RM'000   RM'000		-	•
Adjustments for non -cash flow:   Depreciation			
Adjustments for non -cash flow:   Depreciation		KWI'000	KM'000
Depreciation         83,447         80,686           Non-cash items         69,366         175,945           Operating profit before working capital changes         2,425         642,271           Changes in working capital         145,285         (686,695)           Interest paid         (74,895)         (63,703)           Interest received         5,334         18,305           Tax paid         (283)         (1,690)           Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         9urchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         7,866         (91,981)         (59,478)           Financing activities         96,356         (59,478)           Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         96,356           Repayments of Murabahah Medium Term Notes<	(Loss)/Profit before tax	(150,388)	385,640
Non-cash items         69,366         175,945           Operating profit before working capital changes         2,425         642,271           Changes in working capital         145,285         (686,695)           Interest paid         (74,895)         (63,703)           Interest received         5,334         18,305           Tax paid         (283)         (1,690)           Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         90,688)         (59,478)           Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         96,356           Proceeds from Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -         -           Repayments of Murabahah Medium Term Notes         (60,000)			
Operating profit before working capital changes         2,425         642,271           Changes in working capital         145,285         (686,695)           Interest paid         (74,895)         (63,703)           Interest received         5,334         18,305           Tax paid         (283)         (1,690)           Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         (90,688)         (59,478)           Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         (91,981)         (59,478)           Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayment of government loan         (700)	<del>-</del>	83,447	<del>-</del>
Changes in working capital         145,285         (686,695)           Interest paid         (74,895)         (63,703)           Interest received         5,334         18,305           Tax paid         (283)         (1,690)           Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         90,688)         (59,478)           Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         91,981)         (59,478)           Financing activities         2,847         5,077           Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of solvernment loan         (700)         (50,793)		69,366	
147,710	Operating profit before working capital changes	2,425	642,271
147,710	Changes in working capital	145,285	(686,695)
Interest received		147,710	(44,424)
Tax paid         (283)         (1,690)           Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         90,688)         (59,478)           Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         2,847         5,077           Proceeds from exercise of warrants         2,847         5,077           Proceeds from listing of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of government loan         (700)         (50,793)           Hire purchase/lease liabilities repayment         (4,481)         (4,170)           Dividends paid         (15,869)         (15,735)           Net cash flows (for)/from financing activities         (100,70	Interest paid	(74,895)	(63,703)
Net cash flows from/(for) operating activities         77,866         (91,512)           Investing activities         90,688)         (59,478)           Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         2,847         5,077           Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of government loan         (700)         (50,793)           Hire purchase/lease liabilities repayment         (4,481)         (4,170)           Dividends paid         (15,869)         (15,735)           Net cash flows (for)/from financing activities         (100,706)         302,967           Net change in cash and cash	Interest received	5,334	18,305
Investing activities   Purchase of property, plant and equipment   (90,688)   (59,478)   Purchase of intangible assets   (1,293)   - (1,293)   (59,478)	Tax paid	(283)	(1,690)
Purchase of property, plant and equipment         (90,688)         (59,478)           Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         2,847         5,077           Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of loans         (89,757)         (5,898)           Repayment of government loan         (700)         (50,793)           Hire purchase/lease liabilities repayment         (4,481)         (4,170)           Dividends paid         (15,869)         (15,735)           Net cash flows (for)/from financing activities         (100,706)         302,967           Net change in cash and cash equivalents         (114,821)         151,977           Cash and cash equivalents at beginn	Net cash flows from/(for) operating activities	77,866	(91,512)
Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of loans         (89,757)         (5,898)           Repayment of government loan         (700)         (50,793)           Hire purchase/lease liabilities repayment         (4,481)         (4,170)           Dividends paid         (15,869)         (15,735)           Net cash flows (for)/from financing activities         (100,706)         302,967           Net change in cash and cash equivalents         (114,821)         151,977           Cash and cash equivalents at beginning of the period         169,689         159,873	Investing activities		
Purchase of intangible assets         (1,293)         -           Net cash flows for investing activities         (91,981)         (59,478)           Financing activities         Proceeds from exercise of warrants         2,847         5,077           Proceeds from disposal of subsidiary         -         96,356           Proceeds from listing of subsidiary         -         161,317           Short term borrowings         72,254         116,813           Repayments of Murabahah Commercial Papers/ Medium         (5,000)         -           Terms Notes         (60,000)         -           Repayments of Murabahah Medium Term Notes         (60,000)         -           Repayments of loans         (89,757)         (5,898)           Repayment of government loan         (700)         (50,793)           Hire purchase/lease liabilities repayment         (4,481)         (4,170)           Dividends paid         (15,869)         (15,735)           Net cash flows (for)/from financing activities         (100,706)         302,967           Net change in cash and cash equivalents         (114,821)         151,977           Cash and cash equivalents at beginning of the period         169,689         159,873	Purchase of property, plant and equipment	(90,688)	(59,478)
Financing activities Proceeds from exercise of warrants Proceeds from disposal of subsidiary Proceeds from disposal of subsidiary Proceeds from listing of subsidiary Proceeds	Purchase of intangible assets	•	-
Proceeds from exercise of warrants Proceeds from disposal of subsidiary Proceeds from disposal of subsidiary Proceeds from listing of subsidiary  In 161,317  Short term borrowings Proceeds from listing of subsidiary Proceeds from disposal of subsidiary Proceeds from listing follows Proceeds from listing of subsidiary Proceeds from listing follows Proceeds from listing of subsidiary Proceeds from listing follows Proceeds from listing of subsidiary Proceeds from listing of subsidiary Proceeds from listing o	Net cash flows for investing activities	(91,981)	(59,478)
Proceeds from disposal of subsidiary Proceeds from listing of subsidiary Proceeds from listing of subsidiary Short term borrowings Terms borrowings Repayments of Murabahah Commercial Papers/ Medium Terms Notes Repayments of Murabahah Medium Term Notes Repayments of loans Repayment of government loan Repayment of government loan Tire purchase/lease liabilities repayment Tire purchase/lease liabilities Tire purchase/lease liabilities repayment Tire	Financing activities		
Proceeds from disposal of subsidiary Proceeds from listing of subsidiary Proceeds from listing of subsidiary Short term borrowings Terms borrowings Repayments of Murabahah Commercial Papers/ Medium Terms Notes Repayments of Murabahah Medium Term Notes Repayments of loans Repayment of government loan Repayment of government loan (700) Hire purchase/lease liabilities repayment Dividends paid (15,869) Net cash flows (for)/from financing activities (100,706)  Net change in cash and cash equivalents (114,821)  151,977  Cash and cash equivalents at beginning of the period  169,689 159,873	Proceeds from exercise of warrants	2,847	5,077
Proceeds from listing of subsidiary Short term borrowings Terms Notes Repayments of Murabahah Commercial Papers/ Medium Terms Notes Repayments of Murabahah Medium Term Notes Repayments of loans Repayment of government loan Repayment of government loan Hire purchase/lease liabilities repayment Dividends paid (15,869) Net cash flows (for)/from financing activities  Net change in cash and cash equivalents  Cash and cash equivalents at beginning of the period  161,317 161,317 162,317 163,317 164,813 165,000 - (60,000) - (89,757) (5,898) (700) (50,793) (4,481) (4,170) (15,869) (15,735) (15,735) (114,821) 151,977	Proceeds from disposal of subsidiary	-	·
Short term borrowings  Repayments of Murabahah Commercial Papers/ Medium Terms Notes  Repayments of Murabahah Medium Term Notes  Repayments of loans  Repayments of government loan  Hire purchase/lease liabilities repayment  Dividends paid  Net cash flows (for)/from financing activities  Cash and cash equivalents at beginning of the period  116,813  116,813  116,813  116,813  16,000  -  (60,000)  -  (89,757)  (5,898)  (700)  (50,793)  Hire purchase/lease liabilities repayment  (4,481)  (4,170)  (15,735)  (100,706)  151,977  Cash and cash equivalents at beginning of the period  169,689  159,873	Proceeds from listing of subsidiary	-	
Terms Notes  Repayments of Murabahah Medium Term Notes  Repayments of loans  Repayments of loans  Repayment of government loan  (700)  Hire purchase/lease liabilities repayment  (4,481)  Dividends paid  (15,869)  Net cash flows (for)/from financing activities  (100,706)  Net change in cash and cash equivalents  (114,821)  Cash and cash equivalents at beginning of the period  169,689  159,873	Short term borrowings	72,254	· · · · · · · · · · · · · · · · · · ·
Repayments of Murabahah Medium Term Notes       (60,000)       -         Repayments of loans       (89,757)       (5,898)         Repayment of government loan       (700)       (50,793)         Hire purchase/lease liabilities repayment       (4,481)       (4,170)         Dividends paid       (15,869)       (15,735)         Net cash flows (for)/from financing activities       (100,706)       302,967         Net change in cash and cash equivalents       (114,821)       151,977         Cash and cash equivalents at beginning of the period       169,689       159,873		(5,000)	-
Repayments of loans Repayment of government loan (700) (50,793) Hire purchase/lease liabilities repayment (4,481) (4,170) Dividends paid (15,869) (15,735) Net cash flows (for)/from financing activities (100,706)  Net change in cash and cash equivalents (114,821)  Cash and cash equivalents at beginning of the period  169,689  159,873		(60,000)	-
Repayment of government loan (700) (50,793)  Hire purchase/lease liabilities repayment (4,481) (4,170)  Dividends paid (15,869) (15,735)  Net cash flows (for)/from financing activities (100,706) 302,967  Net change in cash and cash equivalents (114,821) 151,977  Cash and cash equivalents at beginning of the period 169,689 159,873	- •	,	(5.898)
Hire purchase/lease liabilities repayment  Dividends paid  Net cash flows (for)/from financing activities  (15,869)  (15,735)  (100,706)  Net change in cash and cash equivalents  (114,821)  Cash and cash equivalents at beginning of the period  169,689  159,873			•
Dividends paid  Net cash flows (for)/from financing activities  (15,869) (15,735)  Net cash flows (for)/from financing activities  (100,706)  Net change in cash and cash equivalents  (114,821)  151,977  Cash and cash equivalents at beginning of the period  169,689  159,873	- · ·	` ,	, , ,
Net cash flows (for)/from financing activities(100,706)302,967Net change in cash and cash equivalents(114,821)151,977Cash and cash equivalents at beginning of the period169,689159,873			
Cash and cash equivalents at beginning of the period 169,689 159,873	Net cash flows (for)/from financing activities		
	Net change in cash and cash equivalents	(114,821)	151,977
Cash and cash equivalents at end of the period 54,868 311,850	Cash and cash equivalents at beginning of the period	169,689	159,873
	Cash and cash equivalents at end of the period	54,868	311,850

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.