

PART A: EXPLANATION NOTES AS PER FRS 134

A1 Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in compliance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

As at 31 March 2009, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs/Interpretations		Effective date
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

FRS 4 and IC Interpretation 9 are not applicable to the Group. Hence, no further disclosure is warranted. The Group plans to adopt the remaining FRSs/Interpretations from the annual period beginning 1 January 2010.

The new FRSs and IC Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures rising from the adoption of FRS 7 and FRS 8.

By virtue of the exemption granted under FRS 139 .103AB, the Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

A2 Seasonal or cyclicity factors

The Group faces minor seasonal fluctuations during the major festive seasons such as Hari Raya Aidilfitri and Chinese New Year celebrations.

A3 The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There was no unusual item in the quarterly financial statement under review.

A4 Changes in estimates

There are no significant changes in the estimates of amount, which give a material effect in the current interim period.

A5 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter ended 31 March 2009.

A6 Dividends paid (aggregate or per share) separately for ordinary share and other shares

There was no dividend paid for the quarter ended 31 March 2009.

A7 Segment Information for the current financial year to date

	<u>Trading</u> RM'000	<u>Manufacturing</u> RM'000	<u>Investment</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
Revenue					
External Sales	18,091	77,526	469	-	96,086
Inter-segment revenue	36	11,375	454	(11,865)	-
Total Revenue	18,127	88,901	923	(11,865)	96,086
Segment Result	(378)	(4,667)	(44)	(806)	(5,895)
Profit from operations					(5,895)
Finance costs					(2,705)
Interest Income					24
Share of results of associates					(1,410)
Profit before tax					(9,986)

No analysis by geographical area has been presented as its year to date contribution was less than 10% to the combined results of all segments revenue or results or assets.

A8 Valuations of property, plant and equipment

The valuation of land & buildings has been brought forward, without amendment from the previous annual financial statement.

A9 Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter under review.

A10 The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

There were no changes in the composition of the Company for the financial period under review.

A11 Changes in contingent liabilities or contingent assets since the last annual balance sheet date

The contingent liabilities of the Company as follows:	As at 31.3.2009 RM'000
Guarantees to financial institutions for credit facilities granted to subsidiaries – unsecured	299,980
	<hr/> 299,980 <hr/>

A12 Capital commitments

	As at 31/3/2009 RM'000
Property, plant and equipment	
Authorised and contracted for	<hr/> 4,458
Authorised and not contracted for	<hr/> 1,499 <hr/>

**Part B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES (PART A OF APPENDIX 9B)**

B1 Review of performance of the company and its principal subsidiaries for the current quarter and financial year to date (YTD)

Group revenue for the current quarter were RM 96.1 million, 28.3 % lower than RM 134.0 million of the same quarter last year. This was mainly due to weak market demand, low selling prices and contraction of the export activities as a result of global financial turmoil. As a result of this, the Group reported a pre-tax loss of RM 9.6 million, compared to a profit before taxation of RM 10.7 million for the corresponding period of last year.

B2 Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

Compared to the immediate preceding quarter, Group revenue for the quarter under review reduced marginally to RM 96.1 million. The Group also reported a lower pre-tax loss of RM 9.6 million for the quarter under review as compared to RM 24.5 million of the preceding quarter. The losses were due to reasons mentioned above as well as inclusion of small write-down in inventory value due to continued deterioration of the prices of certain range of the inventories.

B3 Prospects

The period under review witnessed substantial shrinkage in our country's export activities and economy, resulting in weak market demand and lacklustre business conditions. Although there are signs of improvement in the steel prices lately, uncertainties remain and challenges abound. Thus, the Board is of the opinion that the performance of the Group may improve in the later part of the year but will not be as robust as last year.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Tax expenses

RM'000	Current Quarter 31/3/09	Current Year To Date 31/3/09
Current taxation	485	485
Deferred taxation	(665)	(665)
In respect of prior years	-	-
	<u>(180)</u>	<u>(180)</u>

The current taxation of the Group for the financial period ended 31 March 2009 is due to taxable profits in certain subsidiaries and non-availability of group relief for losses in other subsidiaries.

B6 Profit / (Losses) on sale of unquoted investments and/or properties

There is no sale of unquoted investments or properties for the current quarter and financial year to date.

B7 Quoted securities

(a) Total purchases consideration and sale proceeds of quoted securities for the current quarter and financial year to date and profit/loss arising there from are as follows:

	Current Quarter 31/3/09 RM'000	Year To date 31/3/09 RM'000
Total Purchases	0	0
Total Sale Proceeds	0	0
Total Profit / (Loss)	0	0

(b) Investments in quoted securities as at 31 March 2009 are as follows:-

	RM'000
(i) At cost	561
(ii) At book value	362
(iii) At market value	393

B8 (a) The status of corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

(b) Where applicable, a brief explanation of the status of utilization of proceeds raised from any corporate proposal.

(a) and (b) not applicable.

B9 Group bank borrowings:

Total group borrowings as at 31 March 2009 are as follows:-

	Short Term Borrowing	Long Term Borrowing
	RM'000	RM'000
Denominated in Ringgit Malaysia:		
Secured	90,589	4,058
Unsecured	72,472	7,974
Denominated in US Dollar:		
Secured	1,965	13,491
Denominated in Vietnam VND:		
Secured	1,478	1,358
Total Bank Borrowings	166,504	26,881

B10 Financial instruments with off balance sheet risk at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report

Foreign currency contracts

As at 22 May 2009, the Group had the following outstanding foreign currency contracts to hedge its committed purchases and sales in foreign currencies.

Currency	Contract Amount ('000)	Equivalent amount in Ringgit Malaysia ('000)	Expiry Dates
Bank Sell:			
USD	198	728	02/09/09 to 30/10/09

Currency	Contract Amount ('000)	Equivalent amount in Ringgit Malaysia ('000)	Expiry Dates
Bank Buy:			
USD	886	2,985	28/05/09 to 31/07/09

The above contracts were executed with creditworthy financial institutions and hence the likelihood of non performance is remote. All gains and losses arising from forward foreign exchange contracts are dealt with through the Income Statement upon maturity.

B11 Material litigation since the last annual balance sheet date which shall be made up to a date not earlier than 7 days from the date of issue of the quarterly report

As at 22 May 2009, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2008.

Prestar Resources Berhad (123066-A)

Notes to the Interim Financial Report for the period ended 31 March 2009

B12 Dividend

The Directors do not recommend any interim dividend for the current quarter under review.

B13 Earnings per share

	Current Quarter Ended 31/3/2009
Basic	
Net loss attributable to ordinary shareholder (RM'000)	9,616
Number of ordinary shares as at 1 Jan 2009 after net off treasury shares	174,061
Effect of ESOS exercised	-
Effect of warrants exercised	-
Effect of shares repurchased	-
Weighted average number of ordinary shares in issue ('000)	174,061
Basic earnings per share (sen)	(5.52)

Diluted

The diluted earnings per ordinary share is not presented for the current quarter as there is an anti-dilutive effect on the conversion of Warrants to ordinary shares.

B14 Report of auditors

The audit report of the most recent annual financial statement for the year ended 31 December 2008 was not qualified.