

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 30 September 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 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 30 September 2009.

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

A First and Final Dividend of 3.0% tax exempt amounting to 1.5 sen per share in respect of the financial year ended 31 December 2008 was paid on 8 September 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	62,564	262,806	1,382	-	326,752
Inter-segment revenue	93	41,246	7,098	(48,437)	-
Total Revenue	62,657	304,052	8,480	(48,437)	326,752
Segment Result	4,662	13,010	5,541	(4,368)	18,845
Profit from operations					18,845
Finance costs					(7,191)
Interest Income					75
Share of results of associates					(303)
Profit before tax					11,426

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

Changes in the composition of the Company after the quarter ended 30 September 2009 but before 13 November 2009:

Prestar Galvanising Sdn Bhd (PGSB)

PGSB, a wholly-owned subsidiary of the Company had on 12 October 2009 allotted 263,000 ordinary shares of RM1 each which representing 5% of the equity interest of PGSB to Mr Lim Fong Kan, the former director and shareholder of Prestar Tooling Sdn Bhd (PTSB) at a total cash consideration of RM263,000. (ref. Announcement to BURSA dated 12th Oct 2009)

Disposal of Prestar Tooling Sdn Bhd (PTSB) and Excelpath Sdn Bhd (Excel)

On 23 October 2009, the Group disposed two of its wholly-owned subsidiary companies namely PTSB and Excel to third parties while undergoing an internal restructuring exercise. These two companies, PTSB and Excel ceased to be the wholly-owned subsidiaries of the Company with immediate effect upon conclusion of the Share Sale Agreement. (ref. Announcement to BURSA dated 23rd Oct 2009)

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 30/9/2009
	RM'000
Guarantees to financial institutions for credit facilities granted to subsidiaries – unsecured	298,084
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	298,084
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A12 Capital commitments

	As at 30/9/2009
	RM'000
Property, plant and equipment	
Authorised and contracted for	2,584
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Authorised and not contracted for	76
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**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 and year-to-date were RM 127.1 million and RM 326.8 million respectively, about 0.9 % and 25.6 % lower than the same period last year. Profit before tax for the current quarter improved by 26.2 % to RM 16.9 million whilst YTD Profit before tax were a record of RM 11.4 million. The improvement was mainly due to some recovery in steel prices, local demands as well as the continuous improvement in internal operational processes. Nevertheless, YTD results for the current year were still significantly below last year's performance due to unprecedented high steel prices recorded in the same period last year.

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

The Group achieved a profit before taxation of RM 16.9 million for the quarter under review, this was 276.1 % higher than RM 4.5 million of the immediate preceding quarter. The tremendous improvement was in line with the recovery in steel prices and market demands during the quarter as well as the continuous improvement in internal operational processes amidst the backdrop of gradual economic recovery worldwide.

B3 Prospects

The steel industry experienced some recovery during the quarter under review, however uncertainties such as softening of the prices and inconsistent demand remained. In view of positive factors arising, viz, full effects of the Government's spending under its stimulus package as well as gradual recovery of global economies, the Board is of the opinion that the performance of the Group will remain satisfactory in the last quarter of the financial year.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Tax expenses

RM'000	Current Quarter 30/9/2009	Current Year To Date 30/9/2009
Current taxation	2,365	3,393
Deferred taxation	1,117	1,622
In respect of prior years	168	210
	<u>3,650</u>	<u>5,225</u>

The current taxation of the Group for the financial period ended 30 September 2009 is due to taxable profits in certain subsidiaries and non-availability of group relief for losses in other subsidiaries. The average effective tax rate of the Group for the current quarter and financial year to date is lower than the statutory tax rate due to availability of tax losses and reinvestment allowance of some 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 30/9/09 RM'000	Year To date 30/9/09 RM'000
Total Purchases	0	0
Total Sale Proceeds	<u>311</u>	<u>311</u>
Total Profit / (Loss)	<u>43</u>	<u>43</u>

(b) Investments in quoted securities as at 30 September 2009 are as follows:-

	RM'000
(i) At cost	<u>233</u>
(ii) At book value	<u>94</u>
(iii) At market value	<u>96</u>

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 30 September 2009 are as follows:-

	Short Term Borrowing	Long Term Borrowing
	RM'000	RM'000
Denominated in Ringgit Malaysia:		
Secured	88,843	3,358
Unsecured	74,207	6,319
Denominated in US Dollar:		
Secured	6,003	11,020
Denominated in Vietnam VND:		
Secured	12,768	802
Total Bank Borrowings	181,821	21,499

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 9 November 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	2,855	9,912	24/12/09 to 19/04/10

Currency	Contract Amount ('000)	Equivalent amount in Ringgit Malaysia ('000)	Expiry Dates
Bank Buy:			
USD	439	1,524	14/12/09 to 25/02/10

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 9 November 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.

B12 Dividend

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

B13 Earnings per share

	Current Quarter Ended 30/9/2009
Basic	
Net profit attributable to ordinary shareholder (RM'000)	<u>9,296</u>
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	<u>-</u>
Weighted average number of ordinary shares in issue ('000)	<u>174,061</u>
Basic earnings per share (sen)	<u>5.34</u>

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.