



Form Version

General Announcement

Submitted by CS_SECURITIES SERVICES 2 on 24/02/2010 06:54:39 PM

Reference No CS-100224-BEC0D

Submitting Investment

Bank/Advisor
(if applicable)

Submitting Secretarial Firm (if applicable) Securities Services (Holdings) Sdn. Bhd.

Company name * Prestar Resources Berhad

Stock name * PRESTAR

Stock code * 9873

Contact person * Chua Siew Chuan
Chin Mun Yee

Designation * Company Secretaries

Type * Announcement Reply to query

Subject :* PRESTAR RESOURCES BERHAD (PRESTAR)
- FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2009

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents :-*

(This field is to be used for the summary of the announcement)

We act for and on behalf of PRESTAR.

We, on behalf of PRESTAR, wish to inform that the Board of Directors of PRESTAR had resolved to recommend a final dividend of 1.5 sen per ordinary share, tax exempt, amounting to RM2,610,915.00 in respect of the financial year ended 31 December 2009, subject to the approval of the shareholders at the forthcoming Annual General Meeting of PRESTAR.

The Entitlement Date and Date of Payment in respect of the aforesaid final dividend will be determined and announced by PRESTAR in due course.

Announcement Details :-

(This field is for the details of the announcement, if applicable)

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:

Attachment(s):- (please attach the attachments here)



Form Version

Financial Results

Submitted by CS_SECURITIES SERVICES 2 on 24/02/2010 06:54:40 PM

Reference No CS-100224-BEC0C

Submitting Investment

**Bank/Advisor
(if applicable)**

**Submitting Secretarial Firm
(if applicable)** Securities Services (Holdings) Sdn. Bhd.

Company name * Prestar Resources Berhad

Stock name * PRESTAR

Stock code * 9873

Contact person * Chua Siew Chuan
Chin Mun Yee

Designation * Company Secretaries

Part A1 : QUARTERLY REPORT

Financial Year End * 12/31/2009

Quarter * 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

**Quarterly report for the
financial period ended *** 12/31/2009

The figures * have been audited have not been audited

Please attach the full Quarterly Report here:



Prestar Results Q4 2009.pdf



Prestar Notes Q4 2009.pdf

Remarks:

Currency Malaysian Ringgit (MYR)

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

**Summary of Key Financial Information for the financial period ended
* 12/31/2009**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-----------------|--|--|--|---|
| | CURRENT YEAR QUARTER * | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE * | PRECEDING YEAR CORRESPONDING PERIOD |
| | 12/31/2009 [dd/mm/yyyy] \$\$'000 | 12/31/2008 [dd/mm/yyyy] \$\$'000 | 12/31/2009 [dd/mm/yyyy] \$\$'000 | 12/31/2008 [dd/mm/yyyy] \$\$'000 |
| 1 Revenue | 133,130 | 97,250 | 459,882 | 536,225 |
| 2 Profit/(loss) | 7,742 | -24,475 | 19,168 | 28,219 |

| | | | | | |
|---|---|-------|---------|--------|--------|
| | before tax | | | | |
| 3 | Profit/(loss) for the period | 5,619 | -19,319 | 11,820 | 22,379 |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent | 4,085 | -17,121 | 4,204 | 11,291 |
| 5 | Basic earnings/(loss) per share (Subunit) | 2.35 | -9.84 | 2.42 | 6.49 |
| 6 | Proposed/Declared dividend per share (Subunit) | 1.50 | 1.50 | 1.50 | 1.50 |

| | | | |
|---|---|-------------------------------|------------------------------------|
| | | AS AT END OF CURRENT QUARTER* | AS AT PRECEDING FINANCIAL YEAR END |
| 7 | Net assets per share attributable to ordinary equity holders of the parent (\$\$) | 0.9600 | 0.9600 |

Remarks :

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

| Country | Base Unit | Subunit |
|----------------|-----------|---------|
| Malaysia | Ringgit | Sen |
| United States | Dollar | Cent |
| United Kingdom | Pound | Pence |

Part A3 : ADDITIONAL INFORMATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|---|--|--|--|--|--------|
| | CURRENT YEAR QUARTER* | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE* | PRECEDING YEAR CORRESPONDING PERIOD | |
| | 12/31/2009 [dd/mm/yyyy] \$\$'000 | 12/31/2008 [dd/mm/yyyy] \$\$'000 | 12/31/2009 [dd/mm/yyyy] \$\$'000 | 12/31/2008 [dd/mm/yyyy] \$\$'000 | |
| 1 | Gross interest income | 28 | 29 | 103 | 118 |
| 2 | Gross interest expense | 3,226 | 3,586 | 10,417 | 12,996 |

Remarks :

Other Currency

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended

* 12/31/2009

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| | CURRENT YEAR QUARTER * | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE * | PRECEDING YEAR CORRESPONDING PERIOD |
| | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 |
| 1 Revenue | | | | |
| 2 Profit/(loss) before tax | | | | |
| 3 Profit/(loss) for the period | | | | |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | | | | |
| 5 Basic earnings/(loss) per share (Subunit) | | | | |
| 6 Proposed/Declared dividend per share (Subunit) | | | | |
| | AS AT END OF CURRENT QUARTER* | | AS AT PRECEDING FINANCIAL YEAR END | |
| 7 Net assets per share attributable to ordinary equity holders of the parent (\$\$) | | | | |

Remarks :

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

| Country | Base Unit | Subunit |
|----------------|-----------|---------|
| Malaysia | Ringgit | Sen |
| United States | Dollar | Cent |
| United Kingdom | Pound | Pence |

Part A3 : ADDITIONAL INFORMATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------|--------------------------|--------------------------------------|--------------------------|-------------------------------------|
| | CURRENT YEAR QUARTER* | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE* | PRECEDING YEAR CORRESPONDING PERIOD |
| | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 | [dd/mm/yyyy] \$\$'000 |
| 1 Gross interest income | | | | |

2 Gross interest expense

Remarks :

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Note: The above information is for the Exchange internal use only.

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PRESTAR RESOURCES BHD (123066-A)

Condensed Consolidated Income Statement
For the 4th financial quarter ended 31 December 2009
 (The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------|------------------------------------|--|------------------------------------|--------------------------------------|
| | Current Year Quarter 31/12/2009 | Preceding Year Corresponding Quarter 31/12/2008 | Current Year To Date 31/12/2009 | Preceding Year To Date 31/12/2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 133,130 | 97,250 | 459,882 | 536,225 |
| Cost of Sales | (113,038) | (111,828) | (403,745) | (466,806) |
| Gross Profit | 20,092 | (14,578) | 56,137 | 69,419 |
| Other Operating Income | 6,324 | 2,536 | 10,207 | 11,446 |
| Operating Expenses | (16,136) | (6,735) | (37,219) | (45,035) |
| Profit from operations | 10,280 | (18,777) | 29,125 | 35,830 |
| Finance costs | (3,226) | (3,586) | (10,417) | (12,996) |
| Interest Income | 28 | 29 | 103 | 118 |
| Share of results of associate | 660 | (2,141) | 357 | 5,267 |
| Profit before taxation | 7,742 | (24,475) | 19,168 | 28,219 |
| Tax expenses | (2,123) | 5,156 | (7,348) | (5,840) |
| Profit for the period | 5,619 | (19,319) | 11,820 | 22,379 |
| Attributable to: | | | | |
| Equity holders of the parent | 4,085 | (17,121) | 4,204 | 11,291 |
| Minority interest | 1,534 | (2,198) | 7,616 | 11,088 |
| | 5,619 | (19,319) | 11,820 | 22,379 |
| Earnings per share (sen) | | | | |
| - Basic | 2.35 | (9.84) | 2.42 | 6.49 |
| - Diluted | 2.35 | (9.84) | 2.42 | 6.49 |

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

RESTAR RESOURCES BHD (123066-A)

Condensed Consolidated Balance Sheet as at 31 December 2009

(The figures have not been audited)

| | As at End of Current Quarter 31/12/2009 RM'000 | As at Preceding Financial Year Ended 31/12/2008 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 156,263 | 154,474 |
| Investment Properties | 1,400 | 563 |
| Prepaid Lease Payment | 8,407 | 8,863 |
| Intangible assets | 2,028 | 2,087 |
| Investments in associates | 35,780 | 35,423 |
| Quoted Investments | 2 | 362 |
| Deferred tax assets | 2 | 330 |
| | 203,882 | 202,102 |
| Current assets | | |
| Inventories | 125,051 | 157,027 |
| Trade receivables | 114,558 | 90,778 |
| Other receivables, deposits and prepayments | 21,516 | 10,345 |
| Tax Recoverable | 2,824 | 1,984 |
| Cash and cash equivalent | 23,769 | 16,296 |
| | 287,718 | 276,430 |
| | 491,600 | 478,532 |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 90,491 | 90,491 |
| Reserves | 81,733 | 81,617 |
| Treasury shares | (5,854) | (5,854) |
| | 166,370 | 166,254 |
| Minority interests | 51,735 | 47,026 |
| Total equity | 218,105 | 213,280 |
| Non-current liabilities | | |
| Hire purchase liabilities | 6,701 | 8,090 |
| Bank borrowings | 17,294 | 25,410 |
| Deferred taxation | 5,136 | 2,534 |
| | 29,131 | 36,034 |
| Current liabilities | | |
| Trade payables | 18,519 | 9,340 |
| Other payables | 10,258 | 16,124 |
| Hire purchase liabilities | 3,441 | 3,030 |
| Bank borrowings | 210,684 | 199,951 |
| Taxation | 1,462 | 773 |
| | 244,364 | 229,218 |
| Total liabilities | 273,495 | 265,252 |
| TOTAL EQUITY AND LIABILITIES | 491,600 | 478,532 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.96 | 0.96 |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

PRESTAR RESOURCES BHD (123066-A)

**Condensed Consolidated Statement of Changes in Equity
For the 4th financial quarter ended 31 December 2009**

(The figures have not been audited)

| | Attributable to Equity Holders of the Parent | | | | | | | | | | Minority Interest RM'000 | Total Equity RM'000 |
|--|--|----------------------------|-----------------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|-----------------|--|---------------|-----------------------------|---------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Translation Reserves RM'000 | Revaluation Reserves RM'000 | Warrant Reserves RM'000 | Treasury Shares RM'000 | Retained profits RM'000 | Total RM'000 | | | | |
| At 1 January 2008 | 90,491 | 1,687 | (433) | 1,109 | 3,862 | (5,854) | 66,845 | 157,707 | | 38,823 | 196,530 | |
| Currency translation differences | | | (133) | | | | | (133) | | | (133) | |
| Effect on changes in deferred tax rates on revaluation reserves | | | | | | | | | | | 0 | |
| Net profit for the period | 0 | 0 | (133) | 0 | 0 | 0 | 11,291 | 11,291 | | 11,088 | 22,379 | |
| Total recognised income for the period | 0 | 0 | (133) | 0 | 0 | 0 | 11,291 | 11,158 | | 11,088 | 22,246 | |
| Shares Buy-back | | | | | | 0 | | 0 | | | 0 | |
| Disposal of subsidiary | | | | | | | | | | | 0 | |
| Realisation of revaluation reserves | | | | (28) | | | 28 | | | | 0 | |
| Dividend paid | | | | | | | (2,611) | (2,611) | | (2,885) | (5,496) | |
| At 31 December 2008 | 90,491 | 1,687 | (566) | 1,081 | 3,862 | (5,854) | 75,553 | 166,254 | | 47,026 | 213,280 | |
| At 1 January 2009 | 90,491 | 1,687 | (566) | 1,081 | 3,862 | (5,854) | 75,553 | 166,254 | | 47,026 | 213,280 | |
| Currency translation differences | | | (1,509) | | | | | (1,509) | | | (1,509) | |
| Effect on changes in deferred tax rates on revaluation reserves | | | | | | | | | | | 0 | |
| Net profit for the period | 0 | 0 | (1,509) | 0 | 0 | 0 | 4,204 | 4,204 | | 7,616 | 11,820 | |
| Total recognised income for the period | 0 | 0 | (1,509) | 0 | 0 | 0 | 4,204 | 2,695 | | 7,616 | 10,311 | |
| Shares Buy-back | | | | | | | | | | | 0 | |
| Issue of share (acquired by MI) | | | | | | | | | | 263 | 263 | |
| Acquisition of share from Minority Interest | | | | | | | | | | (75) | (75) | |
| Realisation of revaluation reserves | | | | (30) | | | 62 | | | | 32 | |
| Dividend paid | | | | | | | (2,611) | (2,611) | | (3,095) | (5,706) | |
| At 31 December 2009 | 90,491 | 1,687 | (2,075) | 1,051 | 3,862 | (5,854) | 77,208 | 166,370 | | 51,735 | 218,105 | |

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

PRESTAR RESOURCES BHD (123066-A)

Condensed Consolidated Cash Flow Statement
For the 4th financial quarter ended 31 December 2009
 (The figures have not been audited)

| | 31/12/2009 RM'000 | 31/12/2008 RM'000 |
|---|-----------------------------|-----------------------------|
| Profit before taxation | 19,168 | 28,219 |
| Adjustments for :- | | |
| Non-cash items | (322) | 12,977 |
| Non-operating items | 10,267 | 12,877 |
| Operating profit before working capital changes | 29,113 | 54,073 |
| Net change in current assets | 8,003 | 6,808 |
| Net change in current liabilities | 3,328 | (18,219) |
| Tax paid | (4,536) | (9,285) |
| Net cash generated from / (used in) operating activities | 35,908 | 33,377 |
| Net cash (outflow) / inflow from investing activities | (14,102) | (41,931) |
| Net cash inflow from financing activities | (13,385) | 7,538 |
| Net increase/(decrease) in cash and cash equivalent | 8,421 | (1,016) |
| Cash and cash equivalents at 1 January | 12,671 | 13,585 |
| Foreign exchange differences on opening balances | (110) | 102 |
| Cash and cash equivalents at 31 December | 20,982 | 12,671 |
| Cash and cash equivalents comprise: | | |
| Fixed deposits with licensed banks | 2,877 | 1,054 |
| Cash and bank balances | 20,892 | 15,242 |
| Bank overdrafts | (1,710) | (2,571) |
| | <u>22,059</u> | <u>13,725</u> |
| Less : Fixed deposits pledged to licensed banks | (1,077) | (1,054) |
| | <u>20,982</u> | <u>12,671</u> |

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

Prestar Resources Berhad (123066-A)

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

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 Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market 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 and methods of computation adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

A2 Seasonal or cyclical 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 December 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.

Prestar Resources Berhad (123066-A)

Notes to the Interim Financial Report for the period ended 31 December 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 | 87,893 | 368,014 | 1,836 | 2,139 | 459,882 |
| Inter-segment revenue | 126 | 60,485 | 13,000 | (73,611) | - |
| Total Revenue | 88,019 | 428,499 | 14,836 | (71,472) | 459,882 |
| Segment Result | 3,528 | 22,206 | 11,584 | (8,193) | 29,125 |
| Profit from operations | | | | | 29,125 |
| Finance costs | | | | | (10,417) |
| Interest Income | | | | | 103 |
| Share of results of associates | | | | | 357 |
| Profit before tax | | | | | 19,168 |

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 during the quarter under review:

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)

Prestar Resources Berhad (123066-A)

Notes to the Interim Financial Report for the period ended 31 December 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

| | As at 31/12/2009 RM'000 |
|--|--|
| The contingent liabilities of the Company as follows: | |
| Guarantees to financial institutions for credit facilities granted to subsidiaries – unsecured | 280,684 |
| | <hr/> 280,684 <hr/> |

A12 Capital commitments

| | As at 31/12/2009 RM'000 |
|--|--|
| Property, plant and equipment Authorised and contracted for | <hr/> 1,217 <hr/> |

Prestar Resources Berhad (123066-A)

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

**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 was RM133.1 million, increased 36.9 % over the same quarter last year while year to date revenue decreased 14.2 % over the same period last year to RM 459.9 million. Net profit for the financial year-to-date was RM 4.2 million with the current quarter posted a net gain of RM 4.1 million. Improvements in the steel prices and market demand during the last two quarters of the year were the key to the overall year to date result. Unlike the last quarter of the previous year where the Group reported RM 17.1 million losses due to substantial drop in steel prices, the quarter under review was experiencing higher steel prices and market demand.

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

Group revenue for the current quarter was RM 133.1 million, 4.7% higher than the immediate preceding quarter's RM 127.1 million. However, profit before tax was only RM 7.7 million, 54.2 % lower than immediate preceding quarter's RM 16.9 million. The reduction in the profit before tax for the quarter reported was mainly due to the fluctuating steel prices where prices increased since June last year and soften slightly during the last quarter of the year.

B3 Prospects

In line with the improvement in steel prices and market demand experienced lately, the Board is of the opinion that if this positive trend is sustainable, the performance of the Group will be much better in the new financial year.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Tax expenses

| | Current Quarter 31/12/2009 | Current Year To Date 31/12/2009 |
|---------------------------|---|--|
| RM'000 | | |
| Current taxation | 851 | 4,244 |
| Deferred taxation | 1,340 | 2,962 |
| In respect of prior years | (68) | 142 |
| | <u>2,123</u> | <u>7,348</u> |

Prestar Resources Berhad (123066-A)

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

The current taxation of the Group for the financial period ended 31 December 2009 is due to taxable profits in certain 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, reinvestment allowance, and group relief for losses of a subsidiary.

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 31/12/09 RM'000 | Year To date 31/12/09 RM'000 |
|-----------------------|---------------------------------------|------------------------------------|
| Total Purchases | 0 | 0 |
| Total Sale Proceeds | 97 | 408 |
| Total Profit / (Loss) | 5 | 48 |

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

| | RM'000 |
|-----------------------|--------|
| (i) At cost | 4 |
| (ii) At book value | 2 |
| (iii) At market value | 7 |

- 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.

Prestar Resources Berhad (123066-A)

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

B9 Group bank borrowings:

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

| | Short Term Borrowing | Long Term Borrowing |
|---|----------------------|---------------------|
| | RM'000 | RM'000 |
| Denominated in Ringgit Malaysia: | | |
| Secured | 88,501 | 3,008 |
| Unsecured | 101,085 | 6,668 |
| | | |
| Denominated in US Dollar: | | |
| Secured | 6,944 | 7,026 |
| | | |
| Denominated in Vietnam VND: | | |
| Secured | 14,154 | 592 |
| Total Bank Borrowings | 210,684 | 17,294 |

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 18 February 2010, 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 | 2,993 | 10,197 | 19/02/10 to 08/08/10 |
| | | | |

| Currency | Contract Amount ('000) | Equivalent amount in Ringgit Malaysia ('000) | Expiry Dates |
|-----------|------------------------|--|----------------------|
| Bank Buy: | | | |
| USD | 1,014 | 3,475 | 25/02/10 to 26/04/10 |
| | | | |

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 18 February 2010, 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 December 2009

B12 Dividend

The Directors recommend a final dividend of 3% (1.5 sen per ordinary share), tax exempt, amounting to RM2,610,915 in respect of the financial year ended 31 December 2009, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

B13 Earnings per share

| | Current Quarter Ended 31/12/2009 |
|--|---|
| Basic | |
| Net profit attributable to ordinary shareholder (RM'000) | <u>4,085</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>2.35</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.