



PRESTAR RESOURCES BERHAD

198401010527 (123066-A)



ANNUAL REPORT
LAPORAN TAHUNAN
2022



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth Annual General Meeting (“**38th AGM**” or “**Meeting**”) of Prestar Resources Berhad (“**Company**”) will be held on a virtual basis via Remote Participation and Voting Facilities at the broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 15 June 2023 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon.
2. To approve the final share dividend via a distribution of treasury shares on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2022. Any fractions arising from the distribution of treasury shares will be disregarded. *(Resolution 1)*
3. To approve the payment of Directors’ fees amounting to RM295,000.00 for the financial year ended 31 December 2022. *(Resolution 2)*
4. To approve an amount of up to RM30,000.00 as benefits payable to the Non-Executive Directors from 16 June 2023 to the next Annual General Meeting of the Company to be held in year 2024. *(Resolution 3)*
5. To re-elect the following Directors who retire pursuant to Clause 103 of the Company’s Constitution, and being eligible, have offered themselves for re-election:
 - (a) Dato’ Siew Mun Wai; *(Resolution 4)*
 - (b) Dato’ Quah Thain Khan; *(Resolution 5)*
 - (c) Mr. Wang Eng Lon; and *(Resolution 6)*
 - (d) Ms. Toh Hui Yi. *(Resolution 7)*
6. To re-elect Mr. Toh Yew Seng who retires by rotation pursuant to Clause 118 of the Company’s Constitution, and being eligible, has offered himself for re-election. *(Resolution 8)*
7. To re-appoint BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. *(Resolution 9)*
8. As Special Businesses:

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary resolutions:

- (a) **ORDINARY RESOLUTION NO. 1**
 - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS** *(Resolution 10)*

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and approvals of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities;

AND THAT pursuant to Section 85 of the Act to be read together with Clause 9 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

(b) ORDINARY RESOLUTION NO. 2

(Resolution 11)

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“**THAT** subject to the Companies Act 2016 (“**the Act**”), provisions of the Company’s Constitution, Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) Main Market Listing Requirements and any other relevant authorities, approval be and is hereby given for the Company, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interests of the Company (“**Share Buy-Back Mandate**”) provided that:

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company’s retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,
 whichever is the earlier;
- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities and/or cancelled and/or transfer for the purposes of or under an employees’ share scheme or as purchase consideration and/or be dealt with by the Directors of the Company in the manners allowed by the Act;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to implement, finalise and give full effect to the aforesaid with full powers to assent to any condition, modification, variation and/or amendment, if any, as may be imposed by the relevant authorities and to do all such acts and things as the Directors of the Company may deem fit and expedient in the interests of the Company.”

(c) ORDINARY RESOLUTION NO. 3

(Resolution 12)

- PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company’s subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature (“**Recurrent Related Party Transactions**”) with the related parties, as described in Part B, Section 2.3 of the circular to shareholders dated 27 April 2023 subject further to the following:

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

(c) ORDINARY RESOLUTION NO. 3

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (cont'd)

- (ii) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, commence immediately upon the passing of this ordinary resolution and continue to be in force until:
- (a) the conclusion of the first Annual General Meeting (“**AGM**”) of the Company following the general meeting at which such mandate was passed, at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

9. To transact any other ordinary business for which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final share dividend in respect of the financial year ended 31 December 2022 via distribution of treasury shares on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held in the Company (“**Share Dividend**”), if approved by members at the forthcoming 38th AGM of the Company on 15 June 2023, will be credited into the entitled Depositors' Securities Accounts on 18 July 2023. Any fractions of the treasury shares arising from the distribution of the treasury shares shall be disregarded.

The entitlement date shall be fixed on 26 June 2023 and a Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 26 June 2023 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) on a cum entitlement basis according to the Rules of Bursa Malaysia Securities.

Subject to the approval of Bursa Malaysia Depository Sdn. Bhd. (“**Bursa Depository**”) for the transfer of treasury shares under the Share Buy-back Account by bulk transfer method of debiting and crediting, the treasury shares to be distributed under the Share Dividend will be credited into the entitled Depositors' Securities Accounts maintained with Bursa Depository on 18 July 2023.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC No. 201908002648)
 CHIN MUN YEE (MAICSA 7019243) (SSM PC No. 201908002785)
 Secretaries

Kuala Lumpur
 Dated: 27 April 2023



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real-time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcasted and responded to by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshsb.net.my/>. The lodging of the proxy form will not preclude you from attending and voting at the Meeting should you subsequently wish to do so provided a notice of termination of authority to act as a proxy is given to the Company and deposited at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. All resolutions set out in this Notice of Meeting are to be voted by poll.

Should you wish to personally participate in the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting ("**Administrative Guide**") for further details.

The Administrative Guide is available for download at:
www.prestar.com.my/investorRelations/InvestorRelations_mainpage.asp.



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Explanatory Notes:

1. Resolutions 4 to 7– Re-election of Directors who retire pursuant to Clause 103 of the Constitution of the Company

Pursuant to Clause 103 of the Company's Constitution, Dato' Siew Mun Wai, Dato' Quah Thain Khan, Mr. Wang Eng Lon and Ms. Toh Hui Yi are due to retire at the forthcoming 38th AGM of the Company. Dato' Siew Mun Wai, Dato' Quah Thain Khan, Mr. Wang Eng Lon and Ms. Toh Hui Yi have indicated their willingness to seek re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 38th AGM of the Company, the Board of Directors through its Nomination Committee had reviewed and assessed each of the retiring Directors based on the fit and proper assessment, annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2022, where relevant. Based on the recommendation of the Nomination Committee, the Board of Directors is satisfied with the performance and contributions of the retiring Directors namely, Dato' Siew Mun Wai, Dato' Quah Thain Khan, Mr. Wang Eng Lon and Ms. Toh Hui Yi, and supports the re-election based on the following considerations:

- (i) able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company;
- (ii) exercised due care and carried out professional duties proficiently; and
- (iii) level of independence demonstrated by the Independent Non-Executive Directors.

2. Resolution 8 – Re-election of Director who retires by rotation pursuant to Clause 118 of the Constitution of the Company

Pursuant to Clause 118 of the Company's Constitution, Mr. Toh Yew Seng is due to retire by rotation at the forthcoming 38th AGM of the Company. Mr. Toh Yew Seng has indicated his willingness to seek re-election.

For the purpose of determining the eligibility of the Director to stand for re-election at the 38th AGM of the Company, the Board of Directors through its Nomination Committee had reviewed and assessed the retiring Director based on the fit and proper assessment, annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2022. Based on the recommendation of the Nomination Committee, the Board of Directors is satisfied with the performance and contributions of the retiring Director namely, Mr. Toh Yew Seng, and supports the re-election based on the following considerations:

- (i) able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company; and
- (ii) exercised due care and carried out professional duties proficiently.

Mr. Toh Yew Kar had indicated his intention not to seek re-election at the 38th AGM of the Company and hence, he will retain office until the close of the 38th AGM of the Company and retires in accordance with Clause 118 of the Company's Constitution.

3. Resolution 10 - Authority to issue shares pursuant to the Companies Act 2016 ("the Act") and waiver of pre-emptive rights

The proposed adoption of Ordinary Resolution no. 1 is for the purpose of granting a renewed general mandate on the authority to issue shares pursuant to the Act ("**Renewed Mandate**").

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Thirty-Seventh Annual General Meeting of the Company held on 15 June 2022 ("**Previous Mandate**").

The Renewed Mandate will provide flexibility to the Company for the allotment of shares for any possible fundraising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of the Notice of Meeting, no new shares in the Company were issued pursuant to the Previous Mandate which will lapse at the conclusion of the 38th AGM of the Company.

Pursuant to Section 85(1) of the Act be read together with Clause 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Explanatory Notes: (cont'd)

3. Resolution 10 - Authority to issue shares pursuant to the Companies Act 2016 (“the Act”) and waiver of pre-emptive rights (cont'd)

The following are excerpted from the Act and the Company’s Constitution:

<u>Section 85(1) of the Act</u>	<u>Clause 9 of the Company’s Constitution</u>
<p data-bbox="193 566 820 595">Pre-Emptive Rights to New Shares</p> <p data-bbox="193 624 820 797">Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.</p>	<p data-bbox="820 566 1457 595">Issue of shares</p> <p data-bbox="820 624 1457 976">The shares in the Company shall only be issued by the Directors with the prior approval of the Company in general meeting where necessary under the provisions of the Act and the Listing Requirements. Subject as aforesaid and always to the provisions of this Constitution, the Listing Requirements and the Act, the Directors may allot or otherwise dispose of the shares in the Company to such persons on such terms and conditions and at such times as the Directors think fit and with full power to give to any person the right to call for the allotment of any shares for such time and for such consideration as the Directors may see fit, provided always:</p> <p data-bbox="820 1005 1457 1792"> (a) except in the case of an issue of shares on a pro-rata basis to all Members, every issue of shares to employees, Directors, Major Shareholders or person connected with any Director or Major Shareholder of the Company shall be approved by the Members in general meeting and no Director or Major Shareholder shall participate in such issue of share unless: <ul style="list-style-type: none"> <li data-bbox="884 1267 1457 1413">(i) the Members in general meetings have approved the specific allotment to be made to such Director, Major Shareholder or person connected with such Director or Major Shareholder; and <li data-bbox="884 1413 1457 1648">(ii) in the case of a Director, such Director holds office in the Company in an executive capacity provided always that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities; (b) no Director shall participate in an Employee Share Scheme unless Members in general meeting have approved the specific allotment to be made to such Director. </p>

4. Resolution 11 - Proposed renewal of authority for share buy-back

The proposed adoption of Ordinary Resolution no. 2 is to renew the authority granted by the shareholders of the Company at the Thirty-Seventh Annual General Meeting of the Company held on 15 June 2022. The proposed renewal will allow the Board of Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Main Market Listing Requirements.



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Explanatory Notes: (cont'd)

5. Resolution 12 - Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions")

The proposed adoption of Ordinary Resolution no. 3 is to renew the shareholders' mandate for Recurrent Related Party Transactions granted by the shareholders of the Company at the Thirty-Seventh Annual General Meeting of the Company held on 15 June 2022 ("**Renewal of Shareholders' Mandate**"). The Renewal of Shareholders' Mandate will enable the Company and its subsidiaries ("**Group**") to enter into the Recurrent Related Party Transactions which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Renewal of Share Buy-Back Authority and Proposed Renewal of Shareholders' Mandate are set out in the Statement and Circular to Shareholders of the Company, respectively which are made available on the Company's corporate website at www.prestar.com.my/investorRelations/InvestorRelations_mainpage.asp.





CORPORATE INFORMATION

BOARD OF DIRECTORS

Shamsudin @ Samad Bin Kassim
Independent Non-Executive Chairman

Dato' Toh Yew Peng
Group Managing Director

Toh Yew Kar
Group Executive Director

Toh Yew Seng
Group Executive Director

Toh Yew Chin
Executive Director

Kenny Toh Jin Tat
Executive Director

Toh Hui Yi
Executive Director

Dato' Lim Cheang Nyok
Independent Non-Executive Director

Dato' Siew Mun Wai
Independent Non-Executive Director

Dato' Quah Thain Khan
Independent Non-Executive Director

Wang Eng Lon
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC No. 201908002648)
Chin Mun Yee
(MAICSA 7019243)
(SSM PC No. 201908002785)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : 03-2084 9000
Fax No. : 03-2094 9940/
03-2095 0292

REGISTRAR

Securities Services (Holdings)
Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : 03-2084 9000
Fax No. : 03-2094 9940/
03-2095 0292

AUDITORS

BDO PLT
201906000013
LLP0018825-LCA and AF 0206
Chartered Accountants
Level 8, BDO @ Menara CenTARa,
360 Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : 03-2616 2888
Fax No. : 03-2616 3190

PRINCIPAL BANKERS

Affin Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Lim & Yeoh
MahWengKwai & Associates
SKRINE

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 9873

WEBSITE & E-MAIL

Website : www.prestar.com.my
E-mail : info@prestar.com.my

AUDIT COMMITTEE

Dato' Siew Mun Wai
Chairman

Dato' Lim Cheang Nyok
Member

Dato' Quah Thain Khan
Member

Wang Eng Lon
Member

NOMINATION COMMITTEE

Dato' Lim Cheang Nyok
Chairman

Shamsudin @ Samad Bin Kassim
Member

Dato' Siew Mun Wai
Member

Dato' Quah Thain Khan
Member

Wang Eng Lon
Member

REMUNERATION COMMITTEE

Dato' Quah Thain Khan
Chairman

Shamsudin @ Samad Bin Kassim
Member

Dato' Siew Mun Wai
Member

Wang Eng Lon
Member

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Lim Cheang Nyok
Chairman

Dato' Toh Yew Peng
Member

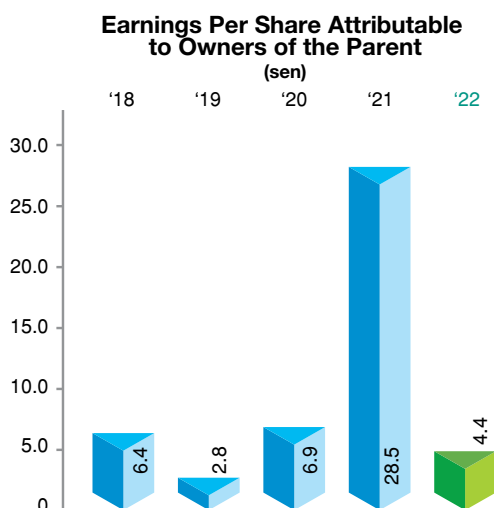
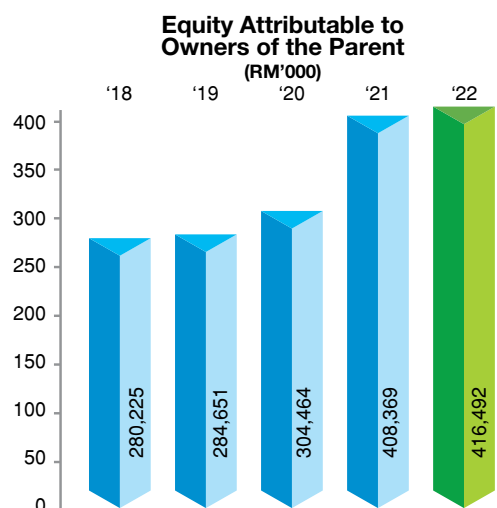
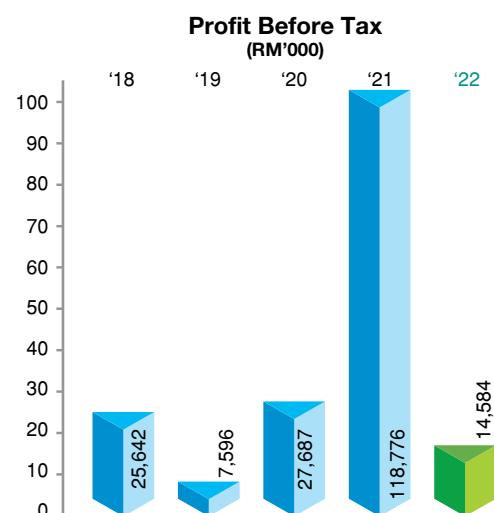
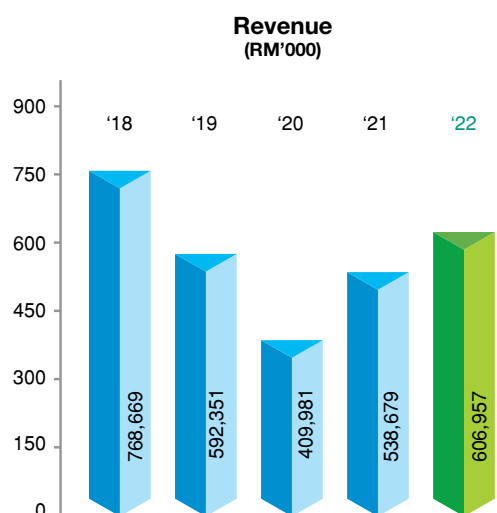
Toh Yew Seng
Member



GROUP FINANCIAL HIGHLIGHTS

(RM'000)	2018	2019	2020	2021	2022
Revenue					
Continuing Operations	508,124	454,168	409,981	538,679	606,957
Disposal Group Operations	260,545	138,183	-	-	-
Profit before tax					
Continuing Operations	10,669	1,523	27,687	118,776	14,584
Disposal Group Operations	14,973	6,073	-	-	-
Profit attributable to owners of the parent					
Continuing Operations	6,886	3,314	22,238	95,196	15,191
Disposal Group Operations	5,724	2,215	-	-	-
Total Assets	653,843	517,921	509,288	772,630	652,630
Equity attributable to owners of the parent	280,225	284,651	304,464	408,369	416,492
EBITDA#	50,806	29,761	43,396	134,304	32,028
#Earnings before interests, depreciation, tax and amortisation					
Net assets per share *(RM)	1.43	1.46	1.57	1.19	1.22
Earnings per share *(sen)	6.4	2.8	6.9 [^]	28.5	4.4
* attributable to owners of the parent					

[^] Earnings per share, adjusted to reflect completion of Bonus Issue and Private Placement for comparative purpose.





CORPORATE STRUCTURE



鴻達集團

PRESTAR RESOURCES BERHAD

198401010527 (123066-A)

STEEL PROCESSING

100%

Prestar Precision Tube Sdn. Bhd.
200401004690 (643193-X)

100%

Dai Dong Steel Sdn. Bhd.
199401002168 (287846-W)

34%

Tashin Holdings Berhad *
201701028709 (1242878-H)

30%

POSCO-MKPC Sdn. Bhd.
199601000479 (372824-A)**PRODUCT MANUFACTURING**

100%

Prestar Manufacturing Sdn. Bhd.
198801002984 (170341-A)

100%

Prestar Storage System Sdn. Bhd.
200101002764 (538520-A)

100%

Prestar Marketing Sdn. Bhd.
198101010711 (76838-X)

100%

Prestar Galvanising Sdn. Bhd.
199401029444 (315125-T)

100%

Prestar Engineering Sdn. Bhd.
199401021499 (307178-A)

100%

PT Prestar MHE, Indonesia #

Dormant, in the process of winding up

* Listed on the ACE market of Bursa Malaysia Securities Berhad

Stock Name : TASHIN

Stock Code : 0211



BOARD OF DIRECTORS' PROFILE

SHAMSUDIN @ SAMAD BIN KASSIM

Independent Non-Executive Chairman

Appointed to the Board of Directors

("Board") on 1 September 2020

Aged : 76
Gender : Male
Nationality : Malaysian
Member : Remuneration Committee
and Nomination
Committee

Encik Shamsudin @ Samad Bin Kassim ("Encik Samad") holds a Bachelor of Economics from the University of Malaya and a Master in Public and International Affairs (MPIA) from the University of Pittsburg, United States of America ("USA"). He attended three (3) out of four (4) Board meetings held in the financial year ended 31 December 2022.

Encik Samad started his career as an Assistant Secretary in the Ministry of Works in 1970 and later as an Economist in the Highway Planning Unit in 1973. In 1974, he was appointed as Assistant Director of the Services Division in the Public Services Department. He left the Public Services Department in 1979 and took up the position of Senior Assistant Secretary in the Ministry of International Trade and Industry ("MITI"). In 1989, he was posted to Vienna, Austria as the Trade Commissioner of MITI. In 1996, he was appointed as the Director of MITI (Industry Division) in Kuala Lumpur. In 2000, he was appointed as Chief Executive Officer ("CEO") of the Small and Medium Industries Development Corporation (SMIDEC) until his retirement in 2001.

Encik Samad does not have any family relationship with any Director and/or major shareholder of the Company. He sits on the Board of Ingress Corporation Berhad, a non-public listed company.

DATO' TOH YEW PENG

Group Managing Director

Appointed to the Board on

12 July 1984

Aged : 70
Gender : Male
Nationality : Malaysian
Member : Employees' Share Option
Scheme ("ESOS")
Committee

Dato' Toh Yew Peng ("Dato' Toh") is one of the founders of Prestar Resources Berhad ("Prestar" or "Company") Group ("the Group" or "Prestar Group"). He attended all four (4) Board meetings held in the financial year ended 31 December 2022.

Dato' Toh ventured into business after completing his secondary education. He has been the Group Managing Director of the Company since 1984 and is responsible for the strategic development and overall growth, profitability and management of the Group.

Dato' Toh travels extensively to keep abreast with the latest developments in the industry and constantly assesses new market prospects and opportunities for the Group.

Dato' Toh sits on the Board of Tashin Holdings Berhad, a public company listed on the ACE Market of Bursa Malaysia Securities Berhad. He is also the Director of Prestar's subsidiaries and several other private limited companies.

Dato' Toh is a major shareholder of the Company and is also the brother of Mr. Toh Yew Keat, a major shareholder of the Company, Mr. Toh Yew Kar ("Mr. YK Toh"), Group Executive Director of the Company, Mr. Toh Yew Seng ("Mr. YS Toh"), Group Executive Director of the Company and Mr. Toh Yew Chin ("Mr. YC Toh"), Executive Director of the Company.

TOH YEW KAR

Group Executive Director

Appointed to the Board on

12 July 1984

Aged : 64
Gender : Male
Nationality : Malaysian

Mr. Toh Yew Kar has been the Marketing Director of the Company since 1984. He attended all four (4) Board meetings held in the financial year ended 31 December 2022. He is not a member of any Board Committee of the Company.

Mr. YK Toh has ventured into business after completing his Pre-University studies at Taylor's College. Prior to his involvement in Prestar Group, he obtained substantial experience and exposure in sales and marketing with a trading company in Osaka, Japan. He is responsible for the marketing affairs of the Company and is actively involved in the implementation of marketing strategies and the development of new products and markets.

Mr. YK Toh does not sit on the Board of other public companies or public listed companies. He is currently the Director of Prestar's subsidiaries and several other private limited companies.

Mr. YK Toh is the brother of Mr. Toh Yew Keat, a major shareholder of the Company, Dato' Toh, the Group Managing Director and major shareholder of the Company, Mr. YS Toh, Group Executive Director of the Company and Mr. YC Toh, Executive Director of the Company.

BOARD OF DIRECTORS' PROFILE (cont'd)

TOH YEW SENG

Group Executive Director
Appointed to the Board on
31 January 1986

Aged : 61
Gender : Male
Nationality : Malaysian
Member : ESOS Committee

Mr. Toh Yew Seng was appointed as the Group Executive Director of the Company in 1986 and prior to that, he was the General Manager of the Company from 1984 to 1985. He attended all four (4) Board meetings held in the financial year ended 31 December 2022.

Mr. YS Toh obtained his Bachelor of Arts majoring in Business Administration from Tunghai University, Taiwan. He has more than thirty (30) years of experience in various operation areas which covers sales and marketing, operation and production, administration and project management.

Currently, Mr. YS Toh is mainly involved in overseeing and managing the manufacturing activities of the Group at Rawang's production complex, where he is responsible for the overall planning and formulating of operation and manufacturing strategies as well as supply chain management.

Mr. YS Toh sits on the Board of Tashin Holdings Berhad, a public company listed on the ACE Market of Bursa Malaysia Securities Berhad. He is also the Director of Prestar's subsidiaries and several other private limited companies.

Mr. YS Toh is the brother of Mr. Toh Yew Keat, a major shareholder of the Company, Dato' Toh, the Group Managing Director and major shareholder of the Company, Mr. YK Toh, Group Executive Director of the Company and Mr. YC Toh, Executive Director of the Company.

TOH YEW CHIN

Executive Director
Appointed to the Board on
18 September 2009

Aged : 59
Gender : Male
Nationality : Singaporean

Mr. Toh Yew Chin is the Director of Y. K. Toh Marketing (S) Pte. Ltd. ("YKTM") and Prestar Marketing Sdn. Bhd. He ventured into business after completing his secondary education. He attended all four (4) Board meetings held in the financial year ended 31 December 2022. He is not a member of any Board Committee of the Company.

Currently, Mr. YC Toh is responsible for the overall business planning and development of Prestar Marketing Sdn. Bhd. and YKTM.

Mr. YC Toh does not sit on the Board of other public companies or public listed companies. He is currently the Director of several private limited companies.

Mr. YC Toh is the brother of Mr. Toh Yew Keat, a major shareholder of the Company, Dato' Toh, the Group Managing Director and major shareholder of the Company, Mr. YK Toh, Group Executive Director of the Company and Mr. YS Toh, Group Executive Director of the Company.

KENNY TOH JIN TAT

Executive Director
Appointed to the Board on
1 October 2020

Aged : 47
Gender : Male
Nationality : Malaysian

Mr. Kenny Toh Jin Tat ("Mr. Kenny Toh") holds a Bachelor in Business Administration from the University of Texas A&M, USA. He attended all four (4) Board meetings held in the financial year ended 31 December 2022. He is not a member of any Board Committee of the Company.

Previously, Mr. Kenny Toh managed the export and operation functions of Prestar Manufacturing Sdn. Bhd. for eight (8) years since 1999 prior to his secondment to Prestar Industries (Vietnam) Co. Ltd. ("Prestar Vietnam"). He was the General Manager/Director of Prestar Vietnam from 2008 to 2011 to spearhead the manufacturing activities of Prestar Vietnam.

Mr. Kenny Toh was appointed as the Executive Director of Prestar Precision Tube Sdn. Bhd. ("PPTSB") on 3 January 2012. He is currently responsible for the overall management and profitability of PPTSB – Carbon Steel Pipes division.

Mr. Kenny Toh does not sit on the Board of other public companies or public listed companies.

Mr. Kenny Toh is the son of Mr. Toh Yew Keat, a major shareholder of the Company.



BOARD OF DIRECTORS' PROFILE (cont'd)

TOH HUI YI

Executive Director

Appointed to the Board on
10 April 2023

Aged : 33
Gender : Female
Nationality : Malaysian

Ms. Toh Hui Yi (“Ms. HY Toh”) holds a Bachelor of Food Science and Technology from Monash University, Australia.

Ms. HY Toh joined Prestar Engineering Sdn. Bhd. (“PESB”) in 2014. Prior to that, she worked in a multinational company and a local company involving the distribution of food ingredients. She started as Sales Executive at PESB and was subsequently promoted to Sales Manager in 2019. She has more than eight (8) years of experience in sales and marketing in the area of road furniture. In March 2023, she was promoted to Executive Director of PESB, responsible for sales and business operations.

Ms. HY Toh is the daughter of Mr. YK Toh, the Group Executive Director of the Company. She does not sit on the Board of any public companies or public listed companies.

DATO' LIM CHEANG NYOK

Independent Non-Executive Director

Appointed to the Board on
28 March 2002

Aged : 54
Gender : Male
Nationality : Malaysian
Chairman : ESOS Committee and
Nomination Committee
Member : Audit Committee

Dato' Lim Cheang Nyok (“Dato' Lim”) is an advocate and solicitor and senior partner of Messrs. Lim & Yeoh. He attended three (3) out of four (4) Board meetings held in the financial year ended 31 December 2022.

Dato' Lim graduated from Monash University in Melbourne, Australia with a Bachelor of Economics in 1988 and a Bachelor of Law in 1990. He was called to the Malaysian Bar in 1992.

Dato' Lim commenced his legal profession handling banking and commercial litigation matters. Besides legal practice, Dato' Lim has been involved in various areas of business including information technology, mining and real property.

Dato' Lim does not have any family relationship with any Director and/or major shareholder of the Company. He sits on the Boards of SBC Corporation Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad and several private limited companies.

DATO' SIEW MUN WAI

Independent Non-Executive Director

Appointed to the Board on
16 June 2022

Aged : 65
Gender : Male
Nationality : Malaysian
Chairman : Audit Committee
Member : Nomination Committee
and Remuneration
Committee

Dato' Siew Mun Wai (“Dato' Siew”) is a Fellow Member of the Institute of Chartered Accountants in England & Wales (“ICAEW”), a Business Finance Professional (ICAEW) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He attended two (2) Board meetings since his appointment to the Board during the financial year ended 31 December 2022.

After completing his ICAEW with over eight (8) years of public practice in London, Dato' Siew returned to Malaysia and worked briefly for a local bank until recruited to join HSBC in its Hong Kong headquarters. This was followed by over twenty-six (26) years of international expatriation in C-suite roles at the L'Oreal Group and the Ciba-Geigy (now known as Novartis) Group, managing their subsidiaries in Melbourne, Seoul, Paris, Bangkok, Singapore, Jakarta, Taipei and Hong Kong. He was on the Boards of these subsidiaries representing the public listed parent company's interests.

Following his repatriation to Malaysia on the Talent Corp program, Dato' Siew was the Acting Global CEO/Global Chief Financial Officer of Crabtree & Evelyn London until its divestment. From 2011 to 2014, he was an Independent Director and Audit Committee Chairman of an ASX-listed junior mining company. He was Vice-Chairman of the Taipei English School, a Board member of the Taipei European Schools, an Associate Faculty Member of the Othman Yeop Abdullah Graduate School of Business at Universiti Utara Malaysia, a current member of the Sunway University Business School Industry Advisory Board and a pro-bono guest speaker at various local Universities and the Malaysian Institute of Corporate Governance.

Dato' Siew does not have any family relationship with any Director and/or major shareholder of the Company. Presently, he also sits on the Boards of Malton Berhad and Karex Berhad as an Independent Non-Executive Director and an Executive Director of a private company operating a premium grocery brand.

BOARD OF DIRECTORS' PROFILE (cont'd)

DATO' QUAH THAIN KHAN

Independent Non-Executive Director
Appointed to the Board on
1 October 2022

Aged : 65
Gender : Male
Nationality : Malaysian
Chairman : Remuneration Committee
Member : Audit Committee and
Nomination Committee

Dato' Quah Thain Khan ("Dato' Quah") holds a Master in Business Administration ("MBA") from Cranfield School of Management, United Kingdom ("UK") and a Bachelor of Engineering (Honours) from Monash University, Australia. He attended one (1) Board meeting since his appointment to the Board during the financial year ended 31 December 2022.

In 2018, Dato' Quah was appointed by Malaysia's Minister of Human Resources as the Deputy Chairman of Pembangunan Sumber Manusia Berhad, the Government-Linked Company responsible for managing the Human Resources Development Fund and served till 2020.

Prior to that, Dato' Quah was with Hong Leong Group from 2004 till his retirement in 2018, where his last position was Group Managing Director of Hume Industries Berhad, following roles as a Board member of Hong Leong Industries Berhad and Managing Director of the subsidiary company.

Before that, Dato' Quah was with Lafarge Malaysia Berhad from 1993 to 2004, where he sat on the Board and was promoted to CEO in 2000. He then became the President and CEO from 2002 to 2004, following several earlier general management positions.

From 1981 to 1988, early in his career, Dato' Quah had technical, commercial and managerial roles before becoming a management consultant from 1988 to 1993 where he was also based at different times in Singapore, Hong Kong and Australia.

Dato' Quah does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies or public listed companies.

WANG ENG LON

Independent Non-Executive Director
Appointed to the Board on
10 April 2023

Aged : 62
Gender : Male
Nationality : Malaysian
Member : Audit Committee,
Nomination Committee
and Remuneration
Committee

Mr. Wang Eng Lon ("Mr. Wang") holds a Bachelor of Science in Computer Science (Honours) from the Universiti Sains Malaysia, post graduate qualification in Certified Diploma in Accounting and Finance (CDipAF) from Association of Chartered Certified Accountants (ACCA) and an MBA from University of Strathclyde, UK.

Mr. Wang is an accomplished Information Technology ("IT") professional with extensive experience and strong management expertise in both end-user and IT vendor environments with over thirty-five (35) years of professional IT working experience in various diverse industries in banking, IT Service provider, distribution and trading industry. He was the Head of IT Infrastructure Management and Technology Platform Services at Affin Bank Berhad from May 2017 until his retirement in June 2021.

Prior to that, Mr. Wang has spent about ten (10) years in several service delivery leadership positions as Delivery Project Executive at the International Business Machines Global Delivery Center, the Vice President of Facility Management Services at Silverlake Group/QR Retail Automation (Asia) Sdn Bhd (QRRR) and Vice President of Delivery at Strateq Data Centre Sdn. Bhd. (formerly known as Kompakar). He has also held several leadership positions in the banking industry at two (2) other local banks and had started his early career as an application systems developer.

Mr. Wang does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies or public listed companies.

ADDITIONAL INFORMATION ON THE BOARD

Conflict of Interest

None of the Directors of the Company has any conflict of interest with the Company.

List of convictions for offences within the past five (5) years and public sanction or penalty imposed by the relevant regulatory bodies

None of the Directors of the Company has been convicted for offences within the past five (5) years, other than traffic offences, if any nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.



PROFILE OF KEY SENIOR MANAGEMENT

- **DATO' TOH YEW PENG**
Group Managing Director
- **TOH YEW KAR**
Group Executive Director
- **TOH YEW SENG**
Group Executive Director
- **TOH YEW CHIN**
Executive Director
- **KENNY TOH JIN TAT**
Executive Director
- **TOH HUI YI**
Executive Director

The above key senior management are also members of the Board. Their profiles are set out in the Board of Directors' Profile of this Annual Report.

TOH POH KHUAN

Executive Director,
Prestar Marketing Sdn. Bhd. ("PMktg")

Aged : 74
Gender : Female
Nationality : Malaysian

Ms. Toh Poh Khuan ("Ms. Toh") ventured into business after completing her secondary education. She has been the Finance Director of PMktg since 1981 and is responsible for the day-to-day operations of PMktg in the Northern region of Peninsular Malaysia. She was appointed as the Executive Director of PMktg on 20 September 1985.

Ms. Toh is the sister of Mr. Toh Yew Keat, a major shareholder of the Company, Dato' Toh Yew Peng, the Group Managing Director and major shareholder of the Company, Mr. Toh Yew Kar, Group Executive Director of the Company, Mr. Toh Yew Seng, Group Executive Director of the Company and Mr. Toh Yew Chin, Executive Director of the Company. She sits on the Board of several private limited companies. She does not sit on the Board of any public companies or public listed companies.

ALAN TOH JIN JOO

Executive Director,
Prestar Precision Tube Sdn. Bhd.
("PPTSB") and Dai Dong Steel Sdn.
Bhd. ("DDSSB")

Aged : 46
Gender : Male
Nationality : Malaysian

Mr. Alan Toh Jin Joo ("Mr. Alan Toh") holds a Bachelor Degree in Science from the University of Texas A&M, United States of America ("USA"). He started his work as an Information Technology Manager at Prestar Group in 2003. He was subsequently attached to the production and sales department of PPTSB – Automotive Tubes division. He was appointed as the Executive Director of PPTSB and DDSSB on 1 December 2014. He is currently responsible for the sales and marketing activities of PPTSB – Automotive Tubes division and DDSSB.

Mr. Alan Toh is the son of Dato' Toh Yew Peng, the Group Managing Director and major shareholder of the Company. He does not sit on the Board of any public companies or public listed companies.

ANDY TOH JIN HONG

Sales Director,
Prestar Storage System Sdn. Bhd.
("PSSSB")

Aged : 45
Gender : Male
Nationality : Malaysian

Mr. Andy Toh Jin Hong ("Mr. Andy Toh") holds a Bachelor in Business Administration from the University of Texas A&M, USA. He began his career with Chiho Hardware Sdn. Bhd. overseeing the business operation in Penang. He has more than twenty (20) years of business experience dealing in household hardware and storage system. He joined PSSSB in 2008 as Assistant Production Manager and was subsequently promoted to Sales Manager in 2012. He was appointed as the Sales Director of PSSSB on 1 June 2016. He is currently responsible for the sales, shipping, export, design and engineering department of PSSSB.

Mr. Andy Toh does not have an immediate family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of any public companies or public listed companies.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

JASON TOH JIN HIN

Sales Director,
PPTSB

Aged : 41
Gender : Male
Nationality : Malaysian

Mr. Jason Toh Jin Hin (“Mr. Jason Toh”) ventured into business after completing his secondary education. He joined Prestar Group in 2002 and was formerly attached to POSCO-MKPC Sdn. Bhd., a 30%-owned associate company of the Company. He has vast experience in the field of sales and marketing. He was appointed as the Executive Director of PPTSB on 1 December 2014 and is currently responsible for the sales and marketing activities of PPTSB – Carbon Steel Pipes division.

Mr. Jason Toh is the brother of Mr. Kenny Toh Jin Tat, the Executive Director of the Company and the son of Mr. Toh Yew Keat, the major shareholder of the Company. He does not sit on the Board of any public companies or public listed companies.

THEN KWEE HONG

Assistant General Manager,
Group Human Resources and
Administration, Prestar Resources
Berhad (“Prestar”)

Aged : 58
Gender : Female
Nationality : Malaysian

Ms. Then Kwee Hong (“Ms. Then”) holds a Diploma in Human Resource Management from the University of Malaya. She joined Prestar Group in 2001 and was appointed as the Assistant General Manager, Group Human Resources and Administration on 1 May 2016. She has more than twenty (20) years of experience in human resource management and is currently responsible for the human resource, administration, safety and security affairs of Prestar Group.

Ms. Then does not have any family relationship with any Director and/or major shareholder of the Company. She does not sit on the Board of any public companies or public listed companies.

SIOW KAM WAH

General Manager,
Prestar Engineering Sdn. Bhd. (“PESB”)

Aged : 44
Gender : Male
Nationality : Malaysian

Mr. Siow Kam Wah (“Mr. Siow”) holds a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) (“TARUMT”). He joined PESB in September 2018 as General Manager. He has more than fifteen (15) years of experience in Sales and Marketing and Managerial positions. He is currently responsible for the business operations and profitability of PESB and overseeing the sales team.

Mr. Siow does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of any public companies or public listed companies.

KONG HONG LIM

Assistant General Manager,
PPTSB

Aged : 53
Gender : Male
Nationality : Malaysian

Mr Kong Hong Lim (“Mr. Kong”) holds a Diploma in Technology (Material Engineering) from TARUMT. He joined Prestar Industries Sdn. Bhd. in May 1994 as Production Executive. He was subsequently transferred to Prestar Manufacturing Sdn. Bhd. and promoted to Plant Manager in 2001. He has more than twenty-five (25) years of experience in the manufacturing field. Currently, he is the Assistant General Manager for the Manufacturing division of PPTSB, overseeing the production, quality assurance and quality control, maintenance and warehousing operations and responsible for Prestar Group’s operation improvement.

Mr. Kong does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of any public companies or public listed companies.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

CHOY JING YI

Group Financial Controller,
Prestar

Aged : 52
Gender : Female
Nationality : Malaysian

Ms. Choy Jing Yi (“Ms. Choy”) graduated from TARUMT with Diploma in Commerce (Financial Accounting). She is a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA).

Ms. Choy joined Prestar Group in 2001 as an Accountant in Prestar Steel Pipes Sdn. Bhd. and subsequently promoted to Senior Finance Manager in PPTSB. She was promoted to Group Financial Controller of Prestar Group in September 2022 handling all finance, accounting, information technology and corporate matters of Prestar Group.

Before joining Prestar Group, Ms. Choy has more than seven (7) years of working experience in audit, tax and secretarial functions in audit firms.

Ms. Choy does not have any family relationship with any Director and/or major shareholder of the Company. She does not sit on the Board of any public companies or public listed companies.

Save as disclosed above, none of the key senior management has:

- any conflict of interest with the Company;
- any conviction for offences (other than traffic offences, if any) within the past five (5) years; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

The financial year ended 31 December 2022 (“FYE 2022”) was a challenging year for Prestar Resources Berhad (“the Company” or “Prestar”) and its subsidiaries (“the Group”). The year began strongly for the Group, as the global and regional economies recovered following the gradual lifting of movement restriction controls that were imposed in 2021. Steel prices remained relatively high until March 2022, but they experienced a sharp decline towards the end of the financial year due to rising concerns of the global recession. These concerns were fuelled by aggressive interest rate hikes in the United States and weaker growth in China as the country continued to enforce its zero-Covid policy. The aggressive decline in steel prices adversely impacted the Group’s overall performance during the second half of the year.

Despite the challenging and disruptive business environment, the Group managed to generate satisfactory profit for FYE 2022. During this period, the Group achieved higher revenue of RM607.0 million but saw a lower profit before tax (“PBT”) of RM14.6 million as compared to the RM538.7 million turnover and RM118.8 million PBT achieved in the financial year ended 31 December 2021 (“FYE 2021”).

The financial and operational reviews of the Group as well as the major risks encountered are further elaborated below.

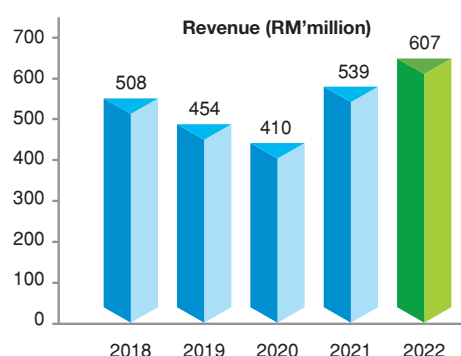
FINANCIAL REVIEW

The key financial highlights of the Group for FYE 2022 as compared to FYE 2021 are as follows:-

RM'000	FYE 2022	FYE 2021	Variance	Variance (%)
Revenue	606,957	538,679	68,278	12.7%
PBT	14,584	118,776	(104,192)	(87.7%)
Profit attributable to owners of the parent	15,191	95,196	(80,005)	(84.0%)
Total assets	652,630	772,630	(120,000)	(15.5%)
Equity attributable to owners of the parent	416,492	408,369	8,123	2.0%
Net assets per share (RM)	1.22	1.19	0.03	2.5%
Basic earnings per share (sen)	4.43	28.48	(24.05)	(84.4%)
Diluted earnings per share (sen)	4.43	28.47	(24.04)	(84.4%)

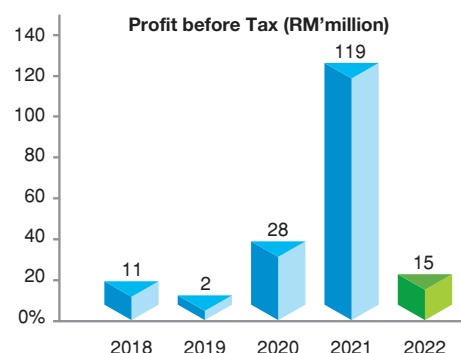
a) Revenue

For FYE 2022, the Group registered higher revenue of RM607.0 million, marking a 12.7% increase compared to the RM538.7 million reported in FYE 2021. The higher revenue was primarily due to increased sales volume driven by greater market demand.



b) Profit before Tax

Despite achieving higher revenue, the Group recorded a lower PBT of RM14.6 million for FYE 2022, representing an 87.7% decrease compared to the RM118.8 million PBT recorded in FYE 2021. The Group’s performance was adversely affected by the downward correction of steel prices in the second half of 2022 and the write-down of inventories to the net realisable value of RM14.0 million in FYE 2022 (compared to RM7.2 million in FYE 2021), which eroded the profit margin.





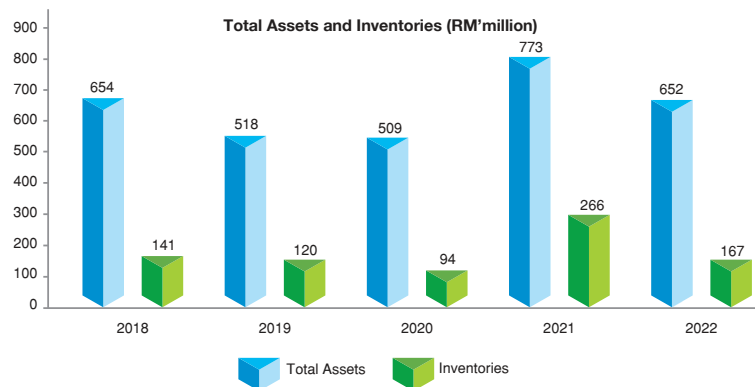
MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)



FINANCIAL REVIEW (cont'd)

c) Total assets

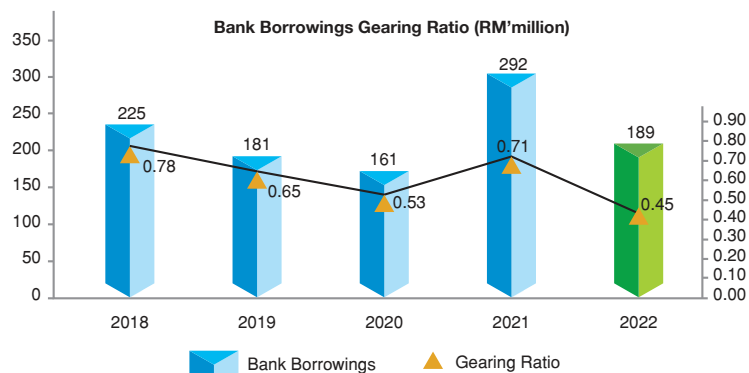
Total assets decreased by 15.5% from RM772.6 million in FYE 2021 to RM652.6 million in FYE 2022. The Group remained focused on efficient working capital management by adopting effective procurement strategies to maintain healthy stock levels and cash flow positions. For the financial year under review, the Group's inventories were reduced by 37.2% from RM266.2 million in FYE 2021 to RM167.2 million in FYE 2022. Trade and other receivables also reduced by 25.3% from RM172.4 million in FYE 2021 to RM128.7 million in FYE 2022.



d) Cashflow and Liquidity

The Group's cash and bank balances decreased from RM47.3 million in FYE 2021 to RM37.4 million for the financial year under review due to the repayment of bank borrowings to minimise the impact of an interest rate hike. The Group's total borrowings for the financial year under review were reduced by 35.4% from RM292.1 million in FYE 2021 to RM188.6 million.

The gearing ratio for FYE 2022 improved to a healthy level of 0.45 as compared to 0.71 for FYE 2021. The Group consistently maintained a prudent and manageable level of gearing ratio that complies with debt covenants and fulfilled operational requirements.



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

FINANCIAL REVIEW (cont'd)

e) Dividend

During the financial year under review, the Company paid an aggregate total of five (5) sen cash dividends in respect of FYE 2021 on the following dates:

- i. 30 July 2021: 1.0 sen per share first interim single-tier dividend with a total payment of RM2.145 million.
- ii. 21 January 2022: 2.0 sen per share second interim single-tier dividend with a total payment of RM6.860 million.
- iii. 25 August 2022: 2.0 sen per share final single-tier dividend with a total payment of RM6.860 million.

For FYE 2022, the Directors proposed a final dividend via the distribution of treasury shares as share dividends on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held in the Company (“Share Dividend”). The Share Dividend is subject to shareholders’ approval at the forthcoming Annual General Meeting of the Company.

Currently, the Company does not have any Dividend Policy in place. However, in recognition of the continuous support of shareholders, the Board strives to adopt a consistent approach by providing reasonable returns to shareholders while also building up reserves for expansion plans and meeting the liquidity needs of the Company.

OPERATIONS REVIEW

In order to further improve the Group’s business performance and ensure sustainability, the Group continues to explore business opportunities, participate in major infrastructure projects related to its businesses and carry out acquisitions and operational changes as part of the long-term strategic action plans. These efforts aim to enhance the Group’s competitiveness and market position.

i) Covid-19 - Transition to the Endemic Phase

The transition to the endemic phase and the reopening of Malaysia’s borders have had a positive impact on the national economy as compared to the two (2)-year pandemic phase disruption from 2020 and early 2022.

Supported by a high vaccination rate and adequate healthcare capacity, purchasing power has surged and businesses have experienced progressive recovery.

ii) Sarawak Pan Borneo Highway (“PBH”) Contract - continued successful supply of Highway Guardrail

During FYE 2022, Prestar Engineering Sdn. Bhd. (“PESB”), a wholly owned subsidiary of the Company, had successfully delivered up to 72.7% of the total contracted sum of RM95 million. The amount delivered in FYE 2022 was RM42.21 million (FYE2021 : RM20.59 million).

Pursuant to the Agreements and Contracts awarded on 1 July 2020, PESB will supply and deliver guardrails and accessories to four (4) work packages in respect of the PBH project. These work packages include the Pantu junction to Batang Skrang stretch, Sungai Kua bridge to Sungai Arip bridge, Semantan to Sungai Moyan bridge and Sungai Awik bridge to Bintagor junction.

The Agreements and Contracts are expected to contribute positively towards the future earnings of PESB for the financial year ending 31 December 2023, or until the expiry of the respective Agreements and Contracts. Prestar will continue to participate in bidding for the supplies of guardrails for future packages of the PBH project in Sabah in the near future.





MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

OPERATIONS REVIEW (cont'd)

iii) Solar energy initiatives

The installation of Solar Photovoltaic Systems* (“SPS”) for three (3) production facilities, which began in the last quarter of the financial year ended 31 December 2020, was fully completed in FYE 2022.

This strategic decision positively contributed to the Group’s energy consumption behaviour. The energy savings recorded were significant, amounting to 38% savings or RM1.070 million of the energy cost for FYE 2022. In addition, the Group is expected to enjoy substantial tax benefits from the Green Investment Tax Allowance (GITA) upon final approval from the Malaysian Investment Development Authority.

The solar project provides an excellent opportunity for the Group to contribute to the nation’s renewable energy solutions, aligning with the government’s efforts to create a more affordable, sustainable, cleaner and green future.

() A photovoltaic (PV) system is composed of one (1) or more solar panels, combined with an inverter and other electrical and mechanical hardware. This system uses energy from the sun to generate electricity.*



iv) Optimising organisation structure - strike-off of dormant subsidiary

Prestar Steel Pipes Sdn. Bhd., a wholly-owned subsidiary that had been dormant since 2014, applied for a strike-off on 15 August 2022. The Notice of Strike-off was gazetted on 30 December 2022.

v) Capital and information and communication technology (“ICT”) expenditure

During FYE 2022, the Group incurred a total capital expenditure (“CAPEX”) of RM16.3 million for replacing, upgrading and expanding its machinery and facilities. These investments were made to boost efficiency and productivity as well as to enhance the production output of the Group.

The breakdown of the total CAPEX amounting to RM16.3 million for FYE 2022 is as follows:

- (a) RM8.5 million was incurred for the acquisition of new machinery and execution of additional facilities, which include a rerolling machine, high-frequency welder, C beam machine, roll forming machine, dipping cranes, etc.;
- (b) RM1.5 million was incurred to design, supply and install SPS at the Group’s plants in Rawang, Selangor Darul Ehsan;
- (c) RM5.4 million was incurred for the replacement and renewal of existing obsolete machinery and related facilities, kettle makeup costs, upkeep of the fire protection system, upgrade of the Tenaga Nasional Berhad substation as well as some furniture, fittings and office equipment;
- (d) RM0.9 million was spent on purchasing Company vans, forklifts and trucks for the rental business; and

RM0.861 million was incurred for maintenance and upgrading of ICT hardware and software as well as the costs associated with information technology (“IT”) human capital.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

OPERATIONS REVIEW (cont'd)

vi) Shares buy-back

During FYE 2022, the Company repurchased 500,000 of its ordinary shares from the open market at an average price of RM0.429 per share. The total consideration paid for the shares brought back was RM214,447. These shares are being retained as treasury shares in accordance with Section 127 of the Companies Act 2016.

MANAGING KEY RISKS



As with any other business organisation, the Group faces several key risks that are relevant and related to its business operations. Although the Group had put in place mitigation measures to tackle these business risks, it should be acknowledged that there are some inherent business and operational risks that are beyond the Group's control. Among the key risks identified by the Group Risk Management Committee, the following are pertinent to note:

Credit risk

Credit risk arises primarily from trade receivables and other receivables. To mitigate this risk, each subsidiary has established its own credit control system to determine the creditworthiness of its respective customer portfolio. Written credit control policies have been set up to assess, review and monitor the credit operation of

transactions. The computerised information system also enables the subsidiaries to access up-to-date ageing reports to ensure appropriate and timely actions are taken to mitigate the possible credit risk exposure.

Corruption risk

In compliance with the latest Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Group has developed a Corruption Risk Registers at the subsidiary level to capture potential corruption schemes, possible root causes, existing key controls and impacts. These Registers are maintained by the Group. Risk evaluations were carried out to provide a basis for Management's strategic decision-making process.

Cyber risk

Cyber risk commonly refers to any risk of financial loss, disruption or damage to the reputation of an organisation resulting from malware attacks and the failure of its IT systems or a breach of private data resulting from cyber security attacks.

Email communication is one of the major entry points for various types of computer viruses, hackers and scammers. For example, if a company is not well protected from spyware or ransomware, important data can be held ransom or erased when a user opens an email from a known/unknown sender with ransomware encrypted attachment (i.e., doc, pdf, excel and picture). This can result in substantial financial losses, interruption in business operations and loss of important and confidential data.

To mitigate these risks, the IT department has implemented a set of policies on email and internet access levels based on job and responsibility requirements as well as job seniority. Security processes such as Firewalls, Anti-Spam and Antivirus applications have also been installed into the IT systems to prevent and protect users from various types of potential cyber-attacks.

Furthermore, the IT department also organises cyber security awareness training on the latest cyber risks and shares information with all employees when there are updates on the latest cyber risk. Through these preventive and protective measures, no major cyber-attacks occurred in the Group for FYE 2022.



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

MANAGING KEY RISKS (cont'd)

Fire Risk

Another major risk at the Group level is fire perils as most of the subsidiaries may be potentially exposed to this risk. To mitigate the potential loss from fire perils, the Group had put in place adequate insurance coverage. Over the years, the Group had also developed and implemented various action plans and protection measures to monitor and protect the facilities against fire perils. Regular audit and surveillance checks on the fire-fighting equipment were also carried out during FYE 2022.

A detailed report on the risk management and internal control of the Group is presented in another section of this Annual Report.

OUTLOOK

The business outlook for the upcoming year is forecasted to be more challenging as interest rates are expected to continue to rise due to central banks worldwide tightening monetary policy to combat inflation.

However, despite operating under such a difficult economic environment, the Group remained vigilant and focused on implementing effective procurement and distribution strategies, optimising costs, and improving operational efficiencies and internal processes.

The Group also strives to maintain a healthy cash-flow position to ensure sustainability. Against this backdrop, the Board will continue to adopt a cautious approach to ensure the Group generates satisfactory performance for the new financial year.



SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

With a sense of pride and purpose, the Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”), reflecting the significant Economic, Environmental, and Social impacts of Prestar Resources Berhad (“Prestar” or “the Company”) and its subsidiaries (“Group”) operations. This Statement aims to guide stakeholders’ decision-making and contribute to developing a sustainable industry. Our sustainable framework focuses on enhancing business strategies and operations, ensuring long-term growth aligned with the best interests of our stakeholders – business partners, communities, customers, employees, shareholders and suppliers. More than ever before, we recognise that sustainable development is paramount and particularly so as we make every possible effort to adapt to the prevailing conditions and consequentially impacts of a global pandemic.

Reporting Standards, Scope and Boundary

This Statement was prepared in accordance with the following regulations and guidance:

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”);
- Sustainability Reporting Guide, 2nd Edition issued by Bursa Malaysia Securities;
- Malaysian Code on Corporate Governance, updated on 28 April 2021; and
- Global Reporting Initiative 2021.

Unless otherwise stated, this Statement covers the sustainability performance of the operations of Prestar and the Group. The Company and the following active subsidiaries are located in Malaysia and cover a reporting period from 1 January 2022 to 31 December 2022.

The overseas entity was excluded from this reporting scope due to its minimal revenue contribution to the Group.

Feedback

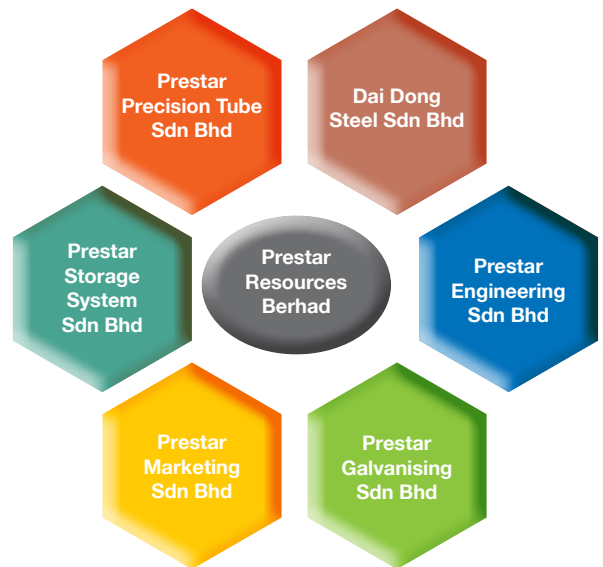
We welcome stakeholders’ feedback on the Statement and any of the issues discussed herein. Comments, queries and suggestions regarding the content of this Statement may be emailed to info@prestar.com.my.

Sustainability Governance

The Group has established a robust governance structure to manage sustainability and ensure long-term competitiveness. The governance structure allows us to efficiently manage our businesses, make informed decisions and consider the impact on stakeholders, including the environment, society and the economy.

The Board acknowledges its stewardship responsibility to understand and provide guidance on material sustainability matters, reflecting our Group’s commitment to integrating sustainability into decision-making processes and effectively managing potential risks and opportunities.

The followings are the functions and responsibilities for each level of the structure:





SUSTAINABILITY STATEMENT (cont'd)

Policies and Procedures for Excellent Governance



Several policies and procedures were developed to support our sustainability approach to business management and integrated into our day-to-day operational practices. The following policies and procedures set rules and standards that supplement legislation that upholds the highest standard of ethics, support governance and demonstrate our business's trustworthiness.

 Anti-Bribery and Anti-Corruption Policy and Guidelines	 Health and Safety Procedure	 Employee's Discipline and Code of Conduct	 Employees' Handbook
 Code of Conduct and Ethics for Directors	 Roles and Responsibilities	 Whistleblowing Policy and Guidelines	 Risk Management
 Procurement Procedures	 Gender Diversity Policy	 Remuneration Policy	 Directors' Fit and Proper Policy

Stakeholders Engagement – You Matter to Us

We keep our stakeholders informed about our activities, results and direction while also gathering input on their needs, focus areas and expectations through existing engagement platforms. We actively engage with stakeholders using various communication methods, including in hard copy or electronic form, as well as web-based media platforms, to identify and address their sustainability concerns.

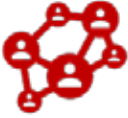



The table below outlines key stakeholders, areas of interest, engagement methodology and frequency of engagement to address each stakeholder group's unique issues:

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency of Engagement
 Shareholders and Investors	<ul style="list-style-type: none"> Financial Performance Return on Investment Social responsibility 	<ul style="list-style-type: none"> Annual general meetings Extraordinary general meetings Corporate announcements – e.g., Quarterly Results Media releases 	<ul style="list-style-type: none"> Periodically
 Customers	<ul style="list-style-type: none"> Good Product Quality Timely Delivery 	<ul style="list-style-type: none"> Daily engagements Site visits Briefings Advertisement and media releases Surveys 	<ul style="list-style-type: none"> Regularly

SUSTAINABILITY STATEMENT (cont'd)

Stakeholders Engagement – You Matter to Us (cont'd)

The table below outlines key stakeholders, areas of interest, engagement methodology and frequency of engagement to address each stakeholder group's unique issues: (cont'd)

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency of Engagement
 Suppliers	<ul style="list-style-type: none"> • Procurement practices • Sustainable and fair practices 	<ul style="list-style-type: none"> • Regular briefings • Visits • Supplier evaluation and registration • Whistleblower platform 	<ul style="list-style-type: none"> • Regularly
 Financiers/ banks/ analysts	<ul style="list-style-type: none"> • Financial Performance • Return on Investment 	<ul style="list-style-type: none"> • Corporate announcements • Media releases • Quarterly Results announcements 	<ul style="list-style-type: none"> • Periodically
 Local authorities, Municipalities, Regulators and Government Ministries	<ul style="list-style-type: none"> • Regulatory compliance • Corporate governance • Standards and certifications 	<ul style="list-style-type: none"> • Compliance efforts • Regular visits • Events • Media releases 	<ul style="list-style-type: none"> • Periodically
 Employees	<ul style="list-style-type: none"> • Competitive pay and benefits • Career growth and fair opportunities • Gender Diversity 	<ul style="list-style-type: none"> • Performance evaluations • Trainings and developments • Meetings and briefings • Compensation and benefits benchmarking • Corporate and Community Activities • Whistleblower platform 	<ul style="list-style-type: none"> • Regularly

Identifying and Addressing Materiality Matters

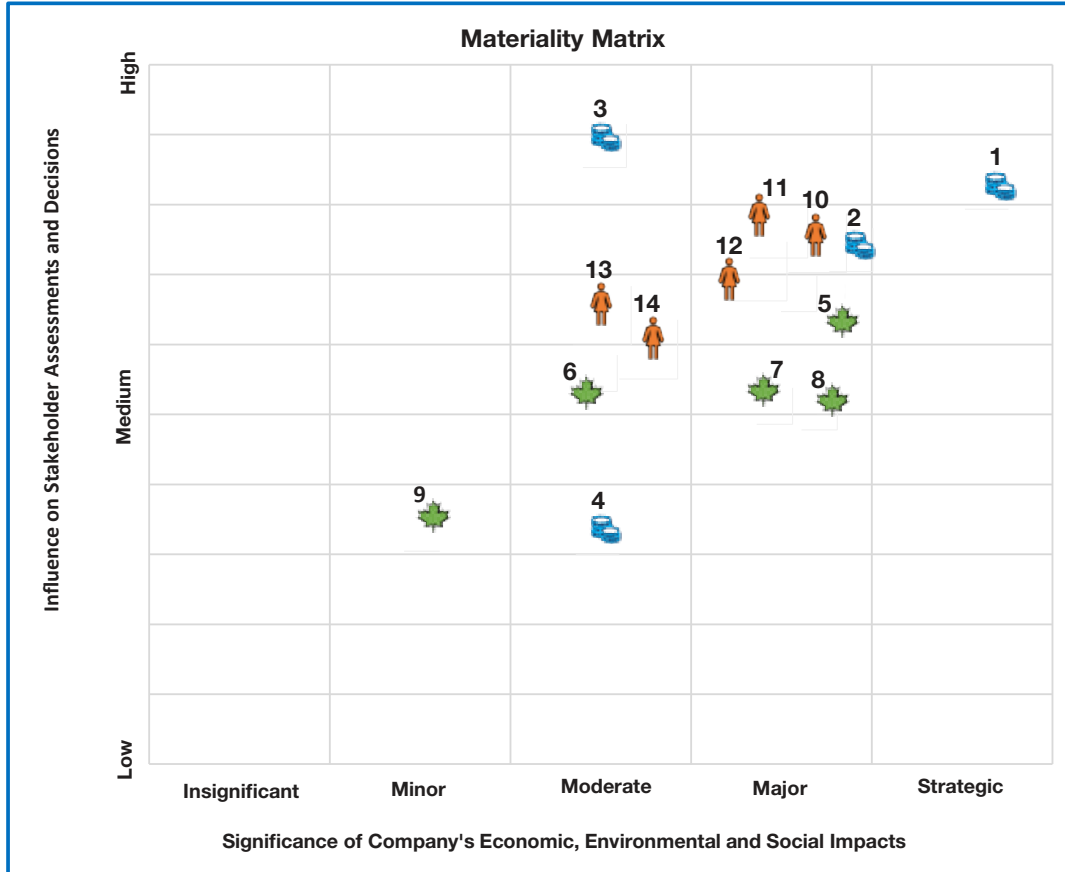
Our Group adopts a holistic approach to identifying key materiality matters concerning sustainability. By considering both internal and external risks and stakeholder perspectives, our Group comprehends the most significant sustainability issues and prioritises its efforts accordingly.



SUSTAINABILITY STATEMENT (cont'd)

Identifying and Addressing Materiality Matters (cont'd)

Our senior management continually scans the external environment, studying the latest events, government regulations and market and industry trends. Materiality matters are identified through stakeholder engagement via various channels in addition to internal and external risk factors. In the financial year ended 31 December 2022 (“FY2022”), fourteen (14) sustainability matters identified were identified as follows:



Economic		Environment		Social	
1.	Profitability and Market Share	5.	Environmental Compliance	10.	Safety and Health
2.	Supply Chain Management	6.	Energy Management	11.	Labour Practices and Standards
3.	Anti-Bribery and Corruption	7.	Waste Management	12.	Data Privacy and Security
4.	Whistleblowing	8.	Emission	13.	Diversity and Equal Opportunities
		9.	Water Management	14.	Community / Society

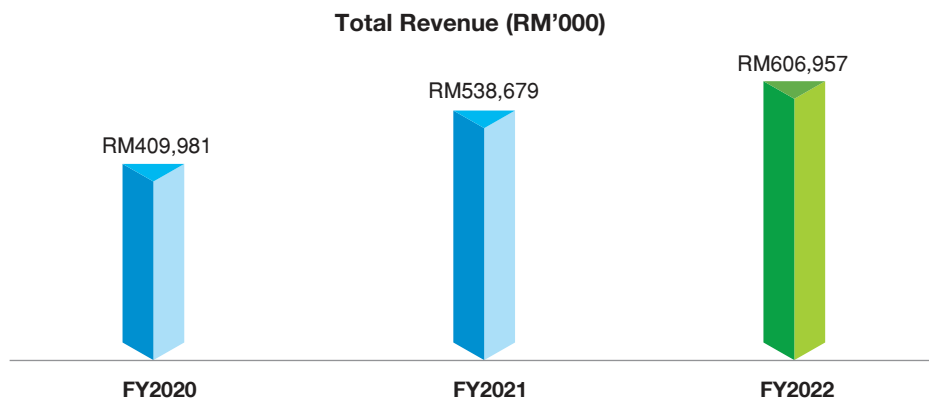
SUSTAINABILITY STATEMENT (cont'd)

1.1 ECONOMIC

Profitability and Market Share

FY2022 was a settling down period for the Group, with operations returning to pre-COVID-19 levels. The improvement of the overall economy post COVID-19 had contributed to better business opportunities and increased sales. Leveraging on our long experience and a strong marketing network led to satisfactory financial performance for FY2022, despite a very competitive and sluggish market environment.

The following chart shows the total revenue for the Group:



Total revenue has been increasing steadily year-on-year basis from the financial year ended 31 December 2020 (“FY2020”) to FY2022. The revenue growth for the financial year ended 31 December 2021 (“FY2021”) compared to FY2020 was 31.39% while growth for FY2022 in comparison to FY2021 was 12.68%. The revenue increased steadily for FY2022 due to increased demand from customers and an increase in steel price. We continuously work on value creation for our stakeholders by maximising profit to increase shareholder value and caring for our employees and surrounding communities.

To obtain more information regarding the financial performance of the Group, please refer to the Management Discussion and Analysis and the Audited Financial Statements in this Annual Report.

Supply Chain Management

• Logistics and Transportation

We demonstrate our commitment to sustainability by managing our logistics effectively to reduce vehicle emissions and resource wastes, including fuel and time. The following criteria are considered when planning product delivery fleets to customers:

- Destination
- Product length, size and weight (space occupied by the products)
- Quantity of products

The Group’s vehicles are fitted with Global Positioning System tracking systems to monitor drivers’ fleet activities and ensure compliance with fleet plans.

• Procurement and Supplier Management

The Group’s vendor and supplier assessment evaluates competency, capacity, performance consistency, quality, cost, communication, internal processes and corporate social responsibility. We are committed to promoting sustainability across our supply chain by protecting the rights and confidentiality of suppliers while safeguarding our interests in the course of business dealings.

Our existing suppliers and subcontractors in the vendors approved list undergo annual performance assessments with a set of assessment criteria to evaluate product quality, provision of technical support, payment terms and timeliness of delivery. We take pride in establishing collaboration with local suppliers whenever possible, contributing to the sustainability of the local economy and products.



SUSTAINABILITY STATEMENT (cont'd)

1.1 ECONOMIC (cont'd)

Supply Chain Management (cont'd)

- Procurement and Supplier Management (cont'd)**

The total number of suppliers and amount of purchases for FY2021 and FY2022 were as follows:

	FY2021		FY2022	
	No. of Suppliers	Amount of Purchases (RM'000)	No. of Suppliers	Amount of Purchases (RM'000)
Local	244	234,330	286	170,793
Overseas	84	323,701	78	284,469
Total	328	558,031	364	455,262

The total amount of purchases for FY2021 was RM558.0 million and this decreased to RM455.3 million for FY2022 due to the Group's usage of existing inventory that was purchased earlier.

- Product and Service Quality and Customer Relations**

Product and Service Quality

Product and service quality is crucial to the Group as it directly relates to customer satisfaction and profitability. The Group has worked tirelessly to improve quality over the past decade and all operating subsidiaries have made significant progress in this area.

Four (4) subsidiaries of the Group have been accredited by ISO 9001:2015 Quality Management System. This accreditation ensures that our products are produced with great care for quality and compliance with quality standards as prescribed in the statutory and regulatory requirements and most important of all, the quality desired by customers as promised in our sales and marketing efforts.

Name Accreditation	Name of Subsidiary	Scope of Approval
ISO 9001:2015 Quality Management System	Prestar Precision Tube Sdn. Bhd.	<ul style="list-style-type: none"> Manufacturing of carbon steel and other alloy pipes and tubes Trading of stainless steel, carbon steel and other alloy products Manufacture of ERW carbon steel tubes
	Dai Dong Steel Sdn. Bhd.	<ul style="list-style-type: none"> Trading of stainless steel, carbon steel and alloy-related products
	Prestar Galvanising Sdn. Bhd.	<ul style="list-style-type: none"> Provision of hot-dip galvanising services
	Prestar Engineering Sdn. Bhd.	<ul style="list-style-type: none"> Manufacture of highway guardrails and accessories



SUSTAINABILITY STATEMENT (cont'd)

1.1 ECONOMIC (cont'd)

Supply Chain Management (cont'd)

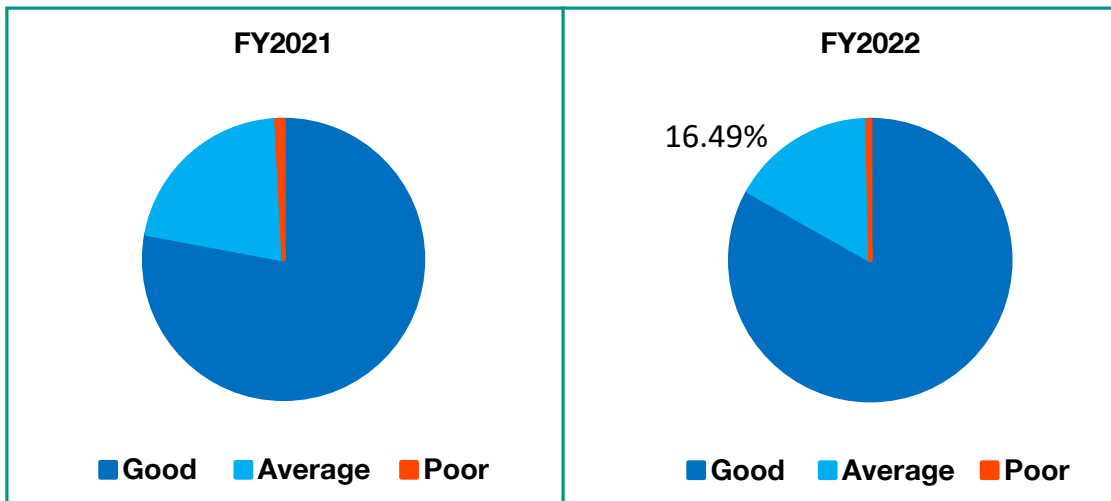
- **Product and Service Quality and Customer Relations (cont'd)**

Product and Service Quality (cont'd)

As a continuous effort to improve the quality of products and services, the Group adopts the Kaizen approach. Which means “continuous improvement”. This approach ensures an inclusive effort from all divisions and layers of management, including senior management to contribute to the overall quality management of the Group. The Heads of Department meet periodically to discuss goals, achievements, challenges, focus areas and solutions to matters affecting quality and performance.

Customer Relation

The following charts illustrate the customers' rating of the overall quality of products and services provided by the four (4) entities under the Group that have been accredited by ISO 9001:2015 Quality Management System:



Overall customer satisfaction for FY2022 was higher in comparison to FY2021, covering areas such as product quality, service quality, delivery time and service and pricing.

Our consistent success in achieving high scores in our clients' experience and satisfaction performance matrix has resulted in establishing trust and loyalty with our clients. We measure the degree of our clients' satisfaction using the service standards required by the respective clients.

The results of the assessment also enable us to identify enhancement opportunities for our existing services. Our tenure of relationship with our clients ranges from one (1) to twenty-six (26) years, allowing long-term relationships to contribute to the success of both our clients' businesses and our own on long term sustainable basis.

Anti-Bribery and Corruption

The Group adopts a zero-tolerance approach against all forms of bribery and corruption and is committed to conducting business in line with all applicable laws, rules and regulations. The Group has implemented and enforced the Anti-Bribery and Anti-Corruption (“ABAC”) Policy and Guideline since June 2020.



SUSTAINABILITY STATEMENT (cont'd)

1.1 ECONOMIC (cont'd)

Anti-Bribery and Corruption (cont'd)

Our employees are responsible for preventing, countering, and reporting bribery, corruption and other suspicious activities or wrongdoings that may lead to bribery through its whistleblowing channels. Training is provided to employees regarding the ABAC Policy and Guideline to always reinforce the highest ethical standard. The Group also requires the Declaration of Conflict of Interest by new Directors and employees and renewed declaration every two (2) years thereafter, with the last declaration made in 2021.

New employees are given briefings and training on ABAC during the induction orientation program. Employees are further reminded of the subject via emails periodically.

Following is the summary of the number of employees given training and reminders on ABAC for FY2022 at the Group:

Details	Number of Employees
Orientation during induction	49*
Reminder via Email	209*
TOTAL	258

* *New non-production employees*

We will continue to carry out ABAC training for the existing employees who have yet to attend such training.

The ABAC Policy and Guideline is available on our corporate website at www.prestar.com.my.

Our commitment to upholding good ethics and discipline among Directors and employees also led to the establishment of the Code of Conduct and Ethics for Directors. The same Code of Conduct has also been infused into the Employee's Handbook and has proven successful in inculcating work ethics and discipline in our workforce. No cases were reported regarding bribery and corruption in FY2022 (FY 2021: Nil). We target to maintain our clean track record in regards to ABAC for the financial year ending 31 December 2023 ("FY2023").

Whistleblowing Policy and Guidelines

The values of transparency, integrity, impartiality and accountability permeate our business affairs. Stakeholders are encouraged to report any alleged wrongdoings such as corruption, bribery, fraud, corruption, financial misappropriation, gross mismanagement and other possible improprieties in good faith and confidence.

The Group has developed a comprehensive Whistleblowing Policy and Guidelines. Any person can report any suspected or actual wrongdoing that has or may occur. We pledge with confidence that all whistle-blowers are protected by the Whistle-blower Protection Act 2010. To the extent that it is legally permissible and reasonably practicable, the Group and the reporting person will hold this information in the strictest confidence to protect the confidentiality and identity of those who make a report in good faith. Concerned parties can disclose through the following channels:

- By Email: whistleblow@prestar.com.my
- By Post: Audit Committee Chairman of Prestar Resources Berhad
c/o: Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Malaysia

The Whistleblowing Policy and Guidelines is available on our corporate website at www.prestar.com.my.

There were no cases reported for FY2022 (FY2021: Nil). We target to maintain a record of zero complaints for FY2023.

SUSTAINABILITY STATEMENT (cont'd)

1.2 ENVIRONMENTAL

Environmental issues such as compliance with environmental laws, energy, emission and waste management are among the most pressing matters for the Group. We seek to prevent or, at the very least, manage to reduce negative impacts on the environment by adopting best practices in environmental standards and implementing environmentally friendly business strategies and processes that will be discussed in this section of the Statement.

Environmental Compliance

In recent years, environmental concerns have led to a significant increase in the number and scope of compliance across global environmental regulations. As such, the Group is subject to environmental regulations and compliance activities. We take the initiative to inculcate the importance of compliance with these environmental regulations by involving our employees in internal and external audit exercises, the practice of standard operating procedures, inspection by local authorities and awareness training.

Having employees with certified qualifications such as Certified Environmental Professional in Scrubber Operation (CePSO) and Certified Environmental Professional in Bag Filter Operation (CePBFO) is a positive step towards ensuring our Group has the necessary expertise and knowledge to manage its environmental compliance activities effectively. These certifications not only bring valuable expertise and knowledge to us but also help us drive continuous improvement in environmental performance and sustainability.

The number of employees who hold a certificate of competency as at FY2022 was as follows:

Certificate	Number of Competent Employees
Competent Person Certified Environmental Professional in Scrubber Operation (CePSO)	2
Competent Person Certified Environmental Professional in Bag Filter Operation (CePBFO)	1
Competent Person Certified Environmental Professional in Scheduled Waste Management (CePSWaM)	1

To effectively control pollution, a licensed external party is appointed to conduct an independent review of the Air Quality Test to ensure that particulate matters, metals and gaseous substances emitted from our factories do not exceed the safety level and comply with the Environmental Quality (Clean Air) Regulations 2014.

A minor incident of water retention had been spotted at one (1) of the Group's premises. However, no significant reports of non-compliance with environmental laws were raised for FY2022. There were no cases of non-compliance for FY2021 and FY2020 as well. We target to achieve a record of zero reports and penalties for FY2023.

Our commitment to environmental sustainability through data gathering to establish a benchmark and goal setting in compliance with environmental laws and regulations enhances our sincere interest in protecting the environment rather than merely fulfilling the criteria for business operation.

Energy Management

Electricity is our key energy source to run our business operations and commercial hubs. As such, we recognise that electricity consumption is one (1) of the key contributors to our energy emissions. We continue to undertake various energy-saving initiatives across the Group. A solar panel system had been installed in three (3) of our plants, which has been one (1) of our outstanding efforts in saving energy consumption.

Other initiatives that we have considered and executed to reduce the overall consumption of electricity are as follows:

- ✓ Usage of photocopiers and computers that come with power-saving setting features.
- ✓ Switching off lights, air-conditioners and other electrical devices when not in use. Notices have been posted as reminders for staff regarding this matter.
- ✓ Working within stipulated working hours to minimise the usage of electricity.

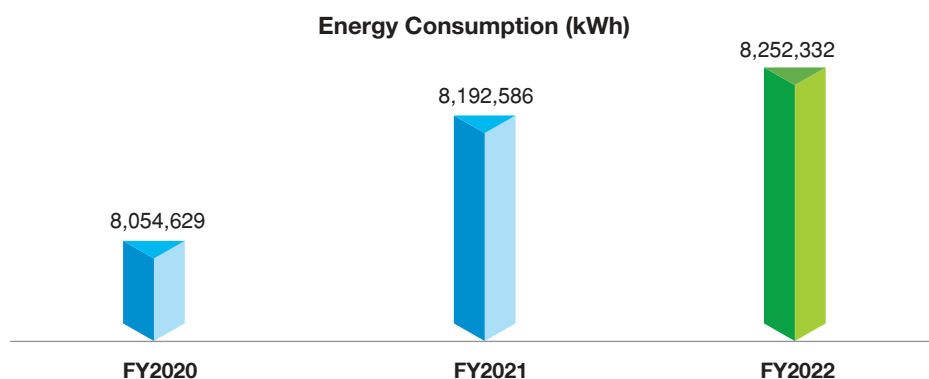


SUSTAINABILITY STATEMENT (cont'd)

1.2 ENVIRONMENTAL (cont'd)

Energy Management (cont'd)

The following chart shows the year-on-year energy consumption for the Group:



The energy consumption in FY2020 was 8,054,629kWh which saw an increase of 1.71% in FY2021 with energy consumption of 8,192,589kWh due to an increase in production activities post relaxation of Movement Control Order. Our energy consumption for FY2022 was 8,252,332 kWh which is an increase of 0.73% compared to consumption in FY2021 due to an increase in production activities.

The installation of a solar panel system at the three (3) premises of the Group was completed towards the end of 2021, where the energy savings record for FY2021 was insignificant. Thus, we are pleased to present the energy savings for FY2022. The following table illustrates the savings in energy and costs related to energy for FY2022:

Energy Generated from Solar System	2,788,644 kWh
Energy Export to Tenaga Nasional Berhad ("TNB")	757,042 kWh
Solar Energy Consumed by Factory	2,031,602 kWh
Saving from Own Consumption of Solar Generated Energy	RM805,343
Saving from Export Energy to TNB	RM264,759
Total Saving	RM1,070,102

The solar panels in the factories have enabled a saving of 38% (RM1,070,102) of the total cost of energy for FY2022. We continue to evaluate our energy consumption level regularly and move towards establishing a benchmark to measure our performance.

Waste Management

The Group mitigates the impact of waste by addressing the volume generated and recycling or reusing it whenever possible.

As part of our effort to comply with the regulations concerning waste management, we have engaged licensed waste collectors approved by the Department of Environment (DOE) to dispose of the wastes generated in the course of production activities at designated facilities. We also employ certified personnel for Certified Environmental Professional in Scheduled Waste Management (CePSWaM) to advise, manage and ensure compliance with criteria and standards in relation to environmental laws and regulations.

SUSTAINABILITY STATEMENT (cont'd)

1.2 ENVIRONMENTAL (cont'd)

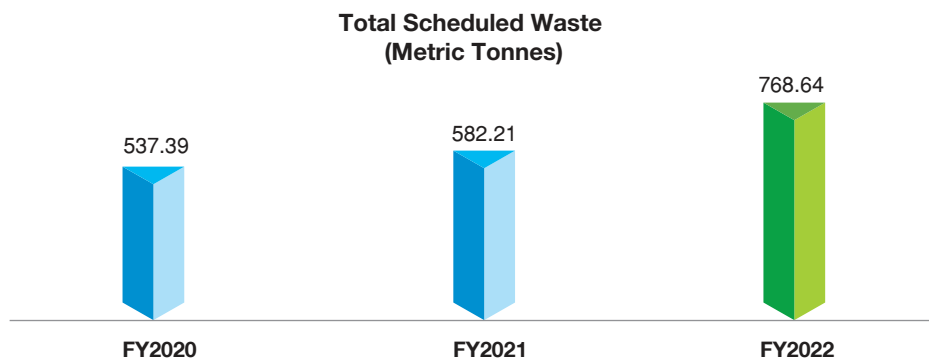
Waste Management (cont'd)

We classify our wastes into two (2) types as follows:

- **Scheduled Waste**

Tatters, plastics that contain scheduled wastes, suspension of used mineral oil-waste and non-halogenated organic solvents are the four (4) types of scheduled waste generated from our business units.

The total amount of scheduled waste in FY2020 was 537.39 Metric Tonnes and the amount increased by 8.34% in FY2021 to 582.21 Metric Tonnes. In FY2022, total scheduled waste amounts to 768.64 Metric Tonnes which was an increase of 32% in comparison to FY2021, due to increased production activities in the Group.



- **Unscheduled waste**

The Group had adopted the 3R efforts – recycle, reduce, and reuse in the operations procedure in order to cultivate the adoption of a green and healthy practice in the industry.

Following are some of our ongoing initiatives to contribute to environmental health:

- Reusing by-products from production, such as the guard rail-balance plates and cold roll slit coil ends, as washer making, end wing products and packing material.
- Utilise used wooden pallets for business units and packing finished goods.
- Use a ratchet strap belt to pack work-in-progress goods.
- Custom-made steel cases are reused to store work-in-progress goods.
- Modifying wooden crates into hybrid crates with steel bodies and wooden bases to increase its shelf life.
- Employees are encouraged to recycle papers by printing on both sides.
- Reusing single-sided papers without private or confidential information by printing on the other side.
- Providing recycle bins that separate wastes into paper, plastic and glass categories in our premises to encourage employees to practice waste segregation, which is then sold to generate income.

Emission

One (1) of our most important sustainability targets is to reduce our carbon footprint and minimise air pollution. The emissions released by the business activities carried out at the Group are subdivided into two (2) categories, namely, particulate matter and metals; and gaseous substances.



SUSTAINABILITY STATEMENT (cont'd)

1.2 ENVIRONMENTAL (cont'd)

Emission (cont'd)

The following table shows the average result of emissions in the Group:

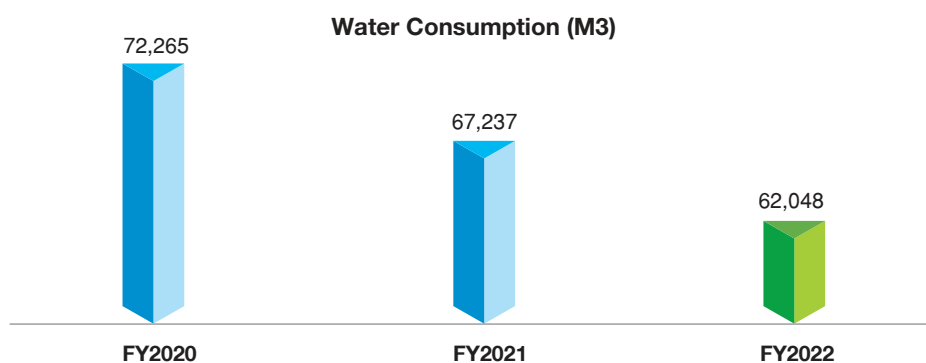
Emission	FY2021	FY2022	Environmental Quality (Clean Air) Regulations 2014 Emission Standard	Status of Compliance
Total Particulate Matter (Liquid) (mg/m ³)	1.43	1.19	50	Complied
Total Particulate Matter (Solid) (mg/m ³)	11.49	3.22	150	Complied
SO ₂ (mg/m ³)	5.16	2.00	100	Complied
Chlorine (mg/m ³)	0.24	0.03	32	Complied
HCl (mg/m ³)	0.04	0.04	200	Complied
NO ₂ (mg/m ³)	43.88	30.88	700	Complied
Nitrogen Oxide (mg/m ³)	35.84	12.89	500	Complied
Carbon Monoxide (mg/m ³)	59.84	60.59	-	Complied

The compliance testing is carried out by a third party, with reports on results provided at the end of testing. The tests were conducted on a quarterly basis for FY2022. The results show that the emission levels were not significantly different for FY2022 compared to FY2021 and the emissions were within the compliance limits of the emission standard prescribed in Environmental Quality (Clean Air) Regulations 2014.

As we strive to keep the emissions within the limits of standards prescribed in the Environmental regulations, we continuously monitor our emissions and pledge to abide by the law to conserve the environment.

Water Management

Clean water is an essential natural resource for the Group as contaminated water can affect the production, especially the paint line, which in turn will affect product quality. While water is important to us, we are committed to using available water resources responsibly. Our water consumption year-on-year was as follows:



The consumption of water had been reduced year-on-year where there was a 6.96% reduction in FY2021 compared to FY2020 and a 7.72% reduction in FY2022 compared to FY2021. The water consumption for FY2022 was lower compared to FY2021 because a detected water leakage was repaired, leading to water savings.

SUSTAINABILITY STATEMENT (cont'd)

1.2 ENVIRONMENTAL (cont'd)

Addressing Task Force on Climate Related Financial Disclosures (“TCFD”)

With the rising need to address climate change due to its effects on businesses, the Management of the Group has started to consider the subject to assess our own risks concerning climate change. As preparatory measures are being considered to work towards the effort to include climate-related financial disclosures (a standard set by the TCFD and a requirement made mandatory by the Bursa Malaysia Securities), the Management has targeted to comply with the requirement that comes into effect by 2025.

1.3 SOCIAL

The Group's greatest asset is its workforce and consumer support. Therefore, cultivating a conducive, high-performance, workplace culture that enables employees to thrive is one (1) of the key objectives of our business to provide the best for our consumers to gain their trust.

Safety and Health (“SH”)

Instilling awareness regarding SH has been our priority to prevent work-related accidents and ensure a safe working environment for the employees. Each Prestar subsidiary has its own SH Committee that meets on a quarterly basis to regulate SH-related programmes and discuss occurrences of accidents and prevention measures. A total of twenty-five (25) SH meetings were conducted by the Group for FY2022. The topics of discussion revolved around addressing incidents of accidents, work procedures, audiometric test schedules for workers, reports on unsafe work conditions and practices and usage of personal safety equipment.

The following are actions and initiatives in place to reduce SH risks:

	Occupational Safety and Health Policy and Procedures
	Provision of Personal Protective Equipment (“PPE”) for staff
	Regular supervision by line leaders and supervisors
	Employment of competent people to handle certain machinery and equipment such as the boiler
	Provision of internal and external SH trainings for employees identified by Heads of Department. Following are the subjects of training: <ul style="list-style-type: none"> • Emergency Response Team (ERT) • Usage of fire extinguisher • Health, Safety and Environment (HSE) awareness • Training on handling of chemical and PPE



SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Safety and Health ("SH") (cont'd)

The following table illustrates the statistics of accidents and lost time injury ("LTI"):

	FY2020			Total
	Major Accidents	Minor Accidents	Near Miss Cases	
Number of Accidents	11	12	2	25
LTI (Days)	154	17	Nil	171

	FY2021			Total
	Major Accidents	Minor Accidents	Near Miss Cases	
Number of Accidents	7	7	2	16
LTI (Days)	86	12	Nil	98

	FY2022			Total
	Major Accidents	Minor Accidents	Near Miss Cases	
Number of Accidents	6	27	3	36
LTI (Days)	134	25	Nil	159

Note:

- *Major Accidents* – accidents that cause employees to be on medical leave for more than four (4) days.
- *Minor Accidents* – accidents that cause employees to be on medical leave for less than four (4) days or without injuries.
- *Near Miss Accidents* – Averted accidents that could potentially result in injury to employees, damage to the environment or equipment, or disruption to normal business operations.

The occurrences of accidents are classified into major, minor and near miss accidents in order for us to provide a quick emergency response, appropriate support for the affected staff and operation line and analyse the cause of the accident to prevent it in the future. Reports of the accidents are prepared for discussion and analysis, with corrective actions taken to avoid similar accidents in the future.

The total number of accidents for FY2022 increased to thirty-six (36) and the LTI days were one hundred and fifty-nine (159), which is higher compared to FY2021, where accident cases were sixteen (16) and LTI days were ninety-eight (98). Most of these incidents were unforeseen occurrences and corrective actions were taken to address the incidents as follows:

- Additional work instructions and safety briefings
- Reassignment of duty to replace with experienced staff for certain jobs
- Provision of additional tools and equipment
- Mentoring through a "Buddy System" for new foreign employees to provide guidance

SUSTAINABILITY STATEMENT (cont'd)

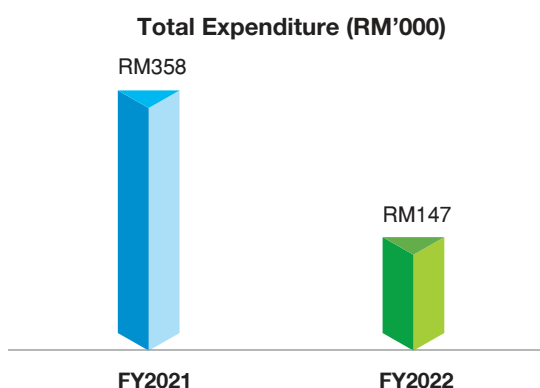
1.3 SOCIAL (cont'd)

Safety and Health (“SH”) (cont'd)

We constantly monitor and keep the accident rates under check and look for ways to reduce the risk factors. We compile data and information on the accident rates and the root causes in order to establish benchmarks and goals to achieve in the coming years as follows:

FY 2020 Performance	FY2021 Performance	FY2022 Targets	FY2022 Performance	FY2023 Targets
ZERO incidents of non-compliance with local COVID-19 laws and regulations	ZERO incidents of non-compliance with local COVID-19 laws and regulations	ZERO incidents of non-compliance with local COVID-19 laws and regulations	ZERO incidents of non-compliance with local COVID-19 laws and regulations	ZERO incidents of non-compliance
25 number of accident cases	16 number of accident cases	No targets were set as the ultimate target was 0 accident cases	36 number of accident cases	Zero workplace fatalities and Zero non-compliance on Jabatan Keselamatan dan Kesihatan Pekerja (“JKKP”) requirements
171 LTI days	98 LTI days	No targets were set as the ultimate target was 0 LTI days	159 LTI days	Target to have improvement from prior years with the ultimate target of Zero
ZERO workplace fatalities or permanent disabilities	ZERO workplace fatalities or permanent disabilities	ZERO workplace fatalities or permanent disabilities	ZERO incidents of fatalities or permanent disabilities.	To maintain Zero workplace fatalities.
ZERO significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act	ZERO significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act	ZERO significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act	Zero non-compliance with JKPP requirements	To maintain Zero significant incidents of non-compliance

The Group had also taken steps to keep COVID-19 infections under control by carrying out disinfection activities and supplying of PPE. The following chart shows our investment in PPE, employee vaccination and sanitisation activities at the premises to protect employees from COVID-19:



The expenditure related to COVID-19 for FY2022 was lower compared to FY2021 because the purchased quantity of equipment such as test kits and fogging machines was lower and additional expenses related to quarantine and vaccines were considerably lower as well.



SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Labour Practices and Standards

- **Training and Development**

We aim to provide career development to our employees regardless of the management layers by offering training to increase their skillsets and knowledge. The training sessions also keep our employees well-informed and included in the business operations and motivate them as the Group shows personal interest in developing their talents. Budgets are set aside annually for each division for both internal and external training opportunities.

The following are internal and external training hours recorded in FY2022 in comparison to FY2020 and FY2021:

FY 2020			
Type of Training	Number of Pax	Hours of Training	Total Cost (RM)
In-House – Internal Trainer	77	132	NIL
In-House – External Trainer	204	1,532	20,000
In-House – Webinar	68	280	4,810
Public Program	3	88	8,215
TOTAL	352	2,032	33,025

FY 2021			
Type of Training	Number of Pax	Hours of Training	Total Cost (RM)
In-House – Internal Trainer	100	288	NIL
In-House – External Trainer	68	364	13,632
In-House – Webinar	110	643	6,664
Public Programme	NIL	NIL	NIL
TOTAL	278	1,295	20,296

FY 2022			
Type of Training	Number of Pax	Hours of Training	Total Cost (RM)
In-House – Internal Trainer	151	589	3,345
In-House – External Trainer	296	2,362	118,154
In-House – Webinar	76	332	14,709
Public Programme	12	185	17,154
E-Learning	2	240	440
TOTAL	537	3,707	153,801

The total training hours was reduced in FY2021 compared to FY2020 due to our efforts to minimise physical contact among employees due to the COVID-19 pandemic. However, in 2022, the training hours increased to 3,707, which describes our effort and care for employees concerning their growth and career progression which in turn creates a sense of loyalty in employees to grow with the organisation in knowledge and experience as we move forward as a team.

SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Labour Practices and Standards (cont'd)

- **Opportunities for Internship**

We offer practical and hands-on experience for undergraduate students via our in-house internship programme. Students with excellent performance are offered permanent employment with us.

Following is the total number of interns recruited for FY2022 in comparison to FY2020 and FY2021:

Year	Number of Interns
FY2020	4
FY2021	2
FY2022	1

The number of intakes for interns reduced in FY2022 compared to previous years because the response rate from students to accept the offer of internship had reduced due to the job scope that ties in with the nature of business.

- **Turnover and Recruitment of Employees**

The following table illustrates the summary of the total number of turnovers from FY2020 to FY2022:

Year	FY2020	FY2021	FY2022
Total Turnover	47	89	112

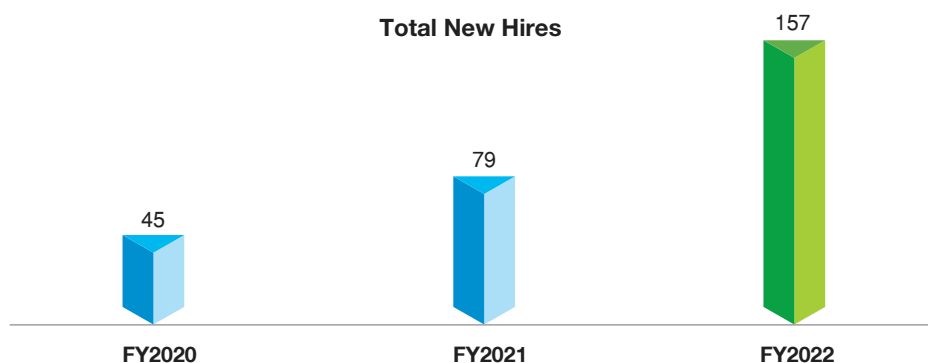
There was an increase of 26% in turnover for FY2022 compared to FY2021. The total number of turnovers illustrated above includes the number of employees who have ended their contract with the Group and resigned employees.

The following table depicts the total number of contract employees and the total number of employees who ended their contract in the Group from FY2020 to FY2022:

Details	FY2020	FY2021	FY2022
Total Number of Contract Employees	22	30	47
Total Number of Employees Who Ended Their Contract	18	23	30

There was a total of one hundred and fifty-seven (157) employees who were hired for FY2022, which is an increase of 99% compared to the number of new hires for FY2021. The total number of new hires includes employees who have re-joined the Group after the end of their contract.

The following chart illustrates the summary of the total number of new hires from FY2020 to FY2022:



Though the number of turnovers for FY2022 was higher compared to FY2021, we have also effectively replaced the vacancies with new hires.

SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Labour Practices and Standards (cont'd)

• Employee Activities

The Group takes the initiative to promote healthy relationships amongst employees through the organisation of Company activities and events that promote team building. These events also serve as a channel for employee engagement and communication between different layers of employees.



Staff hostel cleaning activity

Festive celebrations

Factory cleaning activity

There were no complaints concerning human rights violations for FY2022 (FY2020 and FY2021: Nil).

Data Privacy and Security

Data privacy and security is a pressing matter to us as technological systems are used to store information related to products, suppliers, customers and employees. We take accountability in protecting data related to our stakeholders and business information. Thus, appropriate measures have been taken to combat intrusion by outsiders as follows:

- Policy on internet access level based on the job, the requirement of duty and seniority of the position.
- Installation of Firewall, Anti-Spam and Antivirus applications, with monthly checks for any hacking activity and ensuring systems are updated with the latest patch in order to function well.
- Monitoring Antivirus status for all users' computers/notebooks to ensure the devices are secured and free of risk from any cyber-attack. Notifications are also monitored daily for any highlighted indicator of cyber-attack risk.
- Cyber Security training on types and methods of attack for employees. An awareness talk on email security was organised in 2020 to create awareness of phishing and scams via email.

There were no cases of data privacy and security breach for FY2022 and we target to maintain the record of zero data privacy and security breach for FY2023.

Diversity and Equal Opportunities

In terms of employment, the Group is guided by basic human rights principles and all other relevant labour laws of Malaysia. We are also committed to fostering workplace diversity by providing equal opportunity in employment for people regardless of race, religion, gender, sexual orientation, national identity and physical abilities. Besides that, we practice fair treatment for all employees in the provision of compensation and benefits, and career succession and development.

Diversity allows the Group to benefit from various perspectives and ideas of people from all walks of life. Our ability to tap the unique experiences of the workforce is an asset to the Group.

SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Diversity and Equal Opportunities (cont'd)

• Gender Diversity

We practice neutrality in our employment practices and support gender diversity where possible. However, due to the manufacturing company profile, the workforce in our Group predominantly consists of male employees as opposed to female employees. The Group strives to balance gender diversity by encouraging the recruitment of female employees for office operations while male employees for the production and warehousing operations.

The Group employed a total of five hundred and sixty-five (565) people in FY2021 and five hundred and seventy-one (571) people in FY2020. The male and female gender ratio for both years was consistent at 75%:25%. The comparison of gender diversity for FY2021 and FY2022 was as follows:

FY2021						
Gender	Female			Male		
Category	Management	Executive	Non-Executive	Management	Executive	Non-Executive
No. of Employees	21	61	58	52	58	315
Total	140 (25%)			425 (75%)		

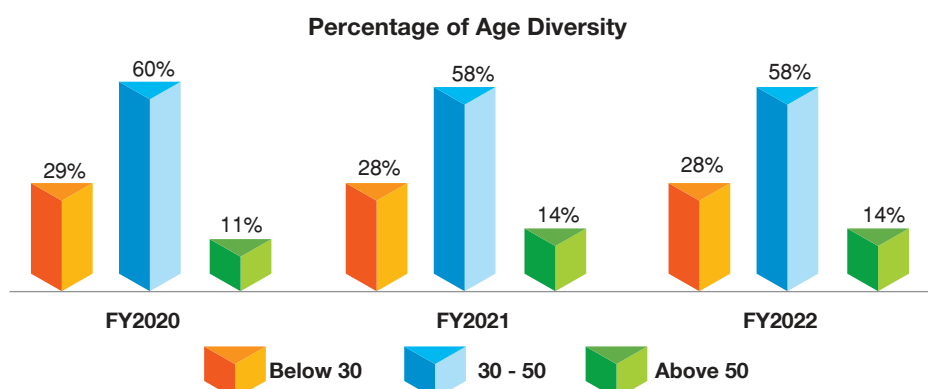
FY2022						
Gender	Female			Male		
Category	Management	Executive	Non-Executive	Management	Executive	Non-Executive
No. of Employees	25	64	51	56	57	361
Total	140 (23%)			474 (77%)		

A total of six hundred and fourteen (614) people were employed as of FY2022 and the gender ratio of male to female employees was 77%:23% which was a slight change to the previous years due to workforce movement in and out of the Group.

• Age Diversity

We believe in developing a workforce that consists of diverse age groups as it enables us to tap into a variety of talents and experiences. The matured employees serve as mentors for the younger ones, which enables the organisational practices and traditions to be passed on over the years.

The number of employees by age group for the past three (3) years was as follows:



There were no significant fluctuations in relation to age diversity for FY2022 compared to previous years.



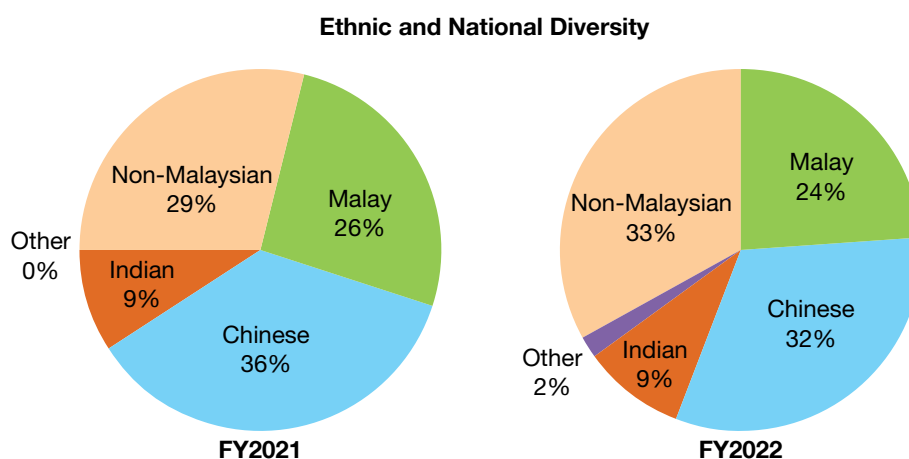
SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Diversity and Equal Opportunities (cont'd)

- **Ethnic and National Diversity**

The population ratio of Malaysian and foreign employees for FY2022 was 67%:33%, with a minor difference compared to the ratio of 71%:29% for FY2021. This demonstrates a balanced population of national diversity where foreign workers are employed as needed and Malaysians are given priority for employment. The following chart shows the ethnic diversity in the Group:



Community / Society

The Group is dedicated to caring for the common good of society through its Corporate Social Responsibility (“CSR”) programme. These activities aim to support and nurture the local communities around us by providing financial and material assistance. These activities reflect our appreciation for society and our unwavering support for their overall well-being.

Below are the lists of CSR activities that have been carried out by the Group for FY2021 and FY2022:

No.	List of CSR Activities FY2021
1	Charity visit to Pertubuhan Kebajikan Chestar Selangor for the provision of a cash donation and grocery items
2	Charity visit to Bethesda Country Home for the provision of a cash donation and grocery items
3	Cash donation to employee diagnosed with ischemic stroke
4	Donation of wheelbarrows and trolleys to Dignity Farm School
5	Donation for Rawang Badminton Club
6	Charity visit to Pertubuhan Kebajikan Rumah Impian OKU Kuala Lumpur
7	Charity visit to Persatuan Kebajikan OKU Hati Berganda

No.	List of CSR Activities FY2022
1	Cash donation for the Group’s former employee for the funeral of a family member
2	Charity visit to Pertubuhan Kebajikan Chestar Selangor for the provision of a cash donation and grocery items
3	Cash donation for the employee involved in a road accident
4	Blood Donation Campaign was held at the Group’s premises
5	Sponsorship for Rawang Badminton Club for the 12th Rawang Open Badminton Tournament 2022
6	Charity visit to Pertubuhan Kebajikan Rumah Impian OKU Kuala Lumpur
7	Cash donation for the employee on diagnosis of brain cancer
8	Cash donation for employee’s son on diagnosis of blood cancer
9	Charity visit to Pertubuhan Kebajikan Ephratha Rawang for provision of a cash donation and grocery items
10	Christmas shopping and lunch at Aeon with children of Bethesda Country Home

SUSTAINABILITY STATEMENT (cont'd)

1.3 SOCIAL (cont'd)

Community / Society (cont'd)

We are pleased to announce that our efforts to engage with the community around us have doubled in FY2022 compared to FY2021. The CSR activity expenditure for FY2021 was RM20,306 while the expenditure for FY2022 was RM42,345. We look forward to organising and participating in even more fruitful community engagement activities for FY2023.



Going Forward

The Group is committed to building upon our sustainability measures as part of our corporate responsibility to stakeholders. We strive to enhance stakeholder value through continuous improvements of initiatives aimed at growing our business sustainably, strengthening our operations, as well as playing an integral role in stewardship of the environment and communities around us.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Prestar Resources Berhad (“the Company”) recognises and acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”). The Board is fully committed to maintaining high standards of corporate governance practices throughout the Company and its subsidiaries (“the Group”) to sustain the performance and protect and enhance long-term shareholders’ value and stakeholders’ interest.

In line with this, the Board is committed to the Company’s policy of managing the affairs of the Group with transparency, integrity and accountability by ensuring that a sound framework of the best corporate practices is in place at all levels of the Group’s businesses and thus, discharging its principal responsibility towards protecting and enhancing long-term shareholders’ value and stakeholders’ interest.

The Board is pleased to present this Corporate Governance Overview Statement (“CG Overview Statement”) for the financial year ended 31 December 2022 (“FYE 2022”) which is prepared pursuant to Paragraph 15.25(1) of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”) Main Market Listing Requirements (“MMLR”) with guidance from Practice Note 9 of Bursa Malaysia Securities MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Securities. This CG Overview Statement is to be read together with the comprehensive Corporate Governance Report (“CG Report”) as published on the Company’s website at www.prestar.com.my. The CG Report is based on a prescribed format as outlined under Paragraph 15.25(2) of Bursa Malaysia Securities MMLR.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I : Board responsibilities

1) Clear functions, roles and responsibilities of the Board and Management

- i) The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies and executing the key strategic action plans. The Board regularly reviews the Group’s business operations and maintains full and effective control over the management of the Group.

The duties and responsibilities of the Board include determining the Group’s overall strategic plans, performing periodic reviews of business and financial performance, as well as adopting and implementing practical risk management and internal control systems within the Group.

The roles and duties of the Independent Non-Executive Chairman, Group Managing Director, Group Executive Directors, Executive Directors and Independent Non-Executive Directors of the Company are clearly identified and separated to ensure effective operations of the Group.

The Board has also delegated certain responsibilities to other Board Committees which operate within clearly defined terms of reference (“TOR”). The standing Board Committees include the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Employees’ Share Option Scheme (“ESOS”) Committee. It is the general policy of the Group that all major decisions shall be considered by the Board.

The Chairman of the Board is also a member of RC and NC.

- ii) The Board reviews the sustainability, effectiveness and implementation of the strategic plans and provides guidance and input to Management. In order to ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include, among others, the following:
- Review and adopt a strategic business continuity plan for the Company and the Group;
 - Oversee and monitor the conduct of the Group’s businesses and financial performance;
 - Review and adopt the budgets and financial results of the Company and the Group as well as monitor the compliance with applicable accounting standards and the integrity and adequacy of the financial information disclosures;
 - Identify principal risks and ensure the implementation of appropriate systems to manage these risks;
 - Review the adequacy and integrity of the Company’s and the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines; and
 - Establish authority control parameters for the top Management and Executive Directors of the Group for control and planning so as to safeguard the interests of the Group, and to facilitate the functioning of the Group’s operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part I : Board responsibilities (cont'd)

1) Clear functions, roles and responsibilities of the Board and Management (cont'd)

iii) Role of Company Secretaries

The Board is assisted by two (2) Chartered Secretaries (outsourced) who carry out the responsibilities of the company secretarial functions for the Group. The main duties of the Company Secretaries, among others, are as follows:

- Ensure compliance with Bursa Malaysia Securities MMLR and related statutory obligations and requirements as well as updating the Board regularly on all relevant changes to Bursa Malaysia Securities MMLR and statutory requirements;
- Attend Board meetings, Board Committees meetings and general meetings, and ensure proper recording of proceedings as well as follow-up on matters arising from the aforesaid meetings;
- Ensure proper upkeep of statutory registers and records and maintain a secured retrieval system which stores meeting papers and minutes of meetings; and
- Assist the Chairmen in the preparation for and conduct of various meetings of the Board, Board Committees and general meetings.

Both Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. They are also members of the Malaysian Institute of Chartered Secretaries and Administrators, as recognised by the Companies Commission of Malaysia.

iv) Access to information and advice

All Directors of the Company are provided with the agenda and information necessary for them to deal with prior to each Board and Board Committees meeting. Senior management team was invited to attend the Board and Board Committees meetings to provide guidance or deliver in-depth explanations and clarifications on certain matters that were tabled to the Board and Board Committees. The meeting papers include, amongst others, a Quarterly Financial Report, an Internal Audit Report, significant financial data and corporate issues, a Risk Management Committee Progress Report, minutes of all Board Committees meetings, a list of all announcements made, a summary of Directors' dealings, list of all Board Circular Resolutions passed and any other matters requiring the Board's approval, confirmation, ratification and notation.

All Directors of the Company have full access to the advice and services of the Company Secretaries as well as access to the information within the Group, whether as a full Board or in their individual capacity for discharging their duties.

The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities.

2) Demarcation of responsibilities

Board Charter

The Board Charter sets out the roles, duties and responsibilities of the Board and the application of principles and practices of good corporate governance. The Board Charter was adopted by the Board on 25 April 2013 and the last review of the Board Charter by the Board was on 10 April 2018.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendments to the Board Charter can only be approved by the Board.

The Board Charter is available on the Company's corporate website at www.prestar.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part I : Board responsibilities (cont'd)

3) Good business conduct and corporate culture

i) Code of Conduct and Ethics (“the Code”)

The Board has established the Code which provides ethical guidelines on the standards of behaviour expected from all Directors of the Group, during the conduct of the business for the Group. For all intents and purposes, all Directors of the Group shall always observe and ensure compliance with all applicable laws and regulations to which they are bound to observe in discharging their duties and responsibilities. The Code was initially adopted on 24 November 2016 and was subsequently reviewed by the Board on 14 May 2020. It is available on the Company’s corporate website at www.prestar.com.my.

ii) Whistleblowing Policy (“WBP”)

The Board has established a WBP to uphold the Group’s effort and commitment to doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process for handling the whistleblowing reports. The WBP will serve as an avenue for all employees and members of the public to disclose any improper conduct or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the stakeholders.

The WBP was originally adopted by the Board on 24 November 2016 and subsequently reviewed by the Board on 14 May 2020. The WBP is available on the Company’s corporate website at www.prestar.com.my.

iii) Anti-Bribery and Anti-Corruption (“ABAC”) Policy and Guidelines

The Group is committed to fostering an anti-corruption culture and ensuring that its business activities and transactions are open, transparent and conducted in accordance with its policies and the legislations which govern its operations. In order to be consistent with this commitment and in ensuring the Group’s readiness for the enforcement of the corporate liability provision under the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has formalised its Group ABAC Policy and Guidelines on 1 June 2020 to ensure that the Group practices ethical business dealings and strengthen measures to minimise the risks of corruption and bribery in the Group’s business activities.

The Group ABAC Policy and Guidelines which is guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, applies to all Directors and employees of the Group. The Group ABAC Policy and Guidelines is available on the Company’s corporate website at www.prestar.com.my.

4) Sustainability risks and opportunities

The Board is responsible for managing the sustainability matters of the Group. The Group has established a Sustainability Committee (“SSC”) comprising Executive Directors of the Company and certain key Management staff. The SSC reports to the Group Managing Director who in turn reports the progress and updates to the Board annually and seeks their advice on related issues.

Sustainability agenda has also been entrenched into the Group’s business model aligned with the corporate strategy, culture and values and way of doing business for the Group.

Moreover, the Board endorses the annual Group Sustainability Report prior to publication. The Sustainability Report comprises the Group’s sustainability strategies, priorities, targets and performance and communications to various parties i.e., internal and external stakeholders.

In line with the integration of sustainability considerations into corporate strategy, governance and decision-making, as well as the impact of the environmental, social and governance (“ESG”) issues, the Company had organised an ESG training for the Board and key Management. Issues relevant to climate-related risks and opportunities were included in the training programme.

The Board will continue engaging with sustainability issues relevant to the Group and its businesses, including climate-related risks and opportunities in the near future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part II: Board composition

5) Board's objectivity

i) Composition of the Board

The Board has ten (10) Board members as of FYE 2022, comprising five (5) Executive Directors and five (5) Independent Non-Executive Directors of the Company, which complies with the prescribed requirement of one-third (1/3) of the Board to be independent as stated in Paragraph 15.02 of Bursa Malaysia Securities MMLR. In addition, the Company also complies with the requirement of Practice 5.2 of the MCCG which requires that at least half of the Board comprises Independent Non-Executive Directors.

Note: The Board composition will change from 10 April 2023 to 15 June 2023 as follows:

Tuan Haji Fadzlullah Shuhaimi Bin Salleh	To retire on 10 April 2023 in compliance with Bursa Malaysia Securities MMLR on the limitation of Independent Non-Executive Director to twelve (12) years
Mr. Wang Eng Lon	To be appointed on 10 April 2023
Dato' Lim Cheang Nyok	To retire on 1 June 2023 in compliance with Bursa Malaysia Securities MMLR on the limitation of Independent Non-Executive Director to twelve (12) years
Ms. Toh Hui Yi	To be appointed on 10 April 2023 to comply with the requirement to have at least one (1) female Director
Mr. Toh Yew Kar	To retire on 15 June 2023 as he is not seeking re-election at the forthcoming AGM of the Company

The Board members bring together a rich variety of expertise stemming from their diverse backgrounds in fields such as legal, finance, commercial and technical experiences. This invaluable combination of skills and perspectives contributes significantly to the overall strength and success of the Company.

The presence of Independent Non-Executive Directors of the Company fulfils the pivotal role in corporate accountability. The role of Independent Non-Executive Directors of the Company is particularly important as they provide unbiased and independent views, advice and judgements taking into account the interests, not only of the Group but also the stakeholders.

The profile of each Director is presented in another section of this Annual Report.

ii) Independent Non-Executive Directors, Board diversity and key Management

a) Tenure of Independent Non-Executive Director

At the time of writing this CG Overview Statement, Dato' Lim Cheang Nyok had served on the Board as an Independent Non-Executive Director of the Company for more than twelve (12) years. He will retire on 1 June 2023 in compliance with Bursa Malaysia Securities MMLR.

Apart from the Independent Non-Executive Chairman, who has served the Company for three (3) years, all other Independent Non-Executive Directors were appointed in less than a year.

b) Policy of Independent Non-Executive Director's tenure

The Company does not have a policy which limits the tenure of its Independent Non-Executive Directors to nine (9) years. The shareholders' approval is sought at every AGM of the Company to retain the Independent Non-Executive Directors of the Company who have served on the Board for more than nine (9) years but less than twelve (12) years. The retention of the Independent Non-Executive Directors of the Company who have served for more than nine (9) years but less than twelve (12) years shall be tabled to the shareholders for approval at every AGM of the Company through a two-tier voting process according to Practice 5.3 of the MCCG.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part II: Board composition (cont'd)

5) Board's objectivity (cont'd)

ii) Independent Non-Executive Directors, Board diversity and key Management (cont'd)

b) Policy of Independent Non-Executive Director's tenure (cont'd)

The NC will assess and determine whether the Independent Non-Executive Director who has served on the Board for more than nine (9) years but less than twelve (12) years remains objective and independent. Based on the aforesaid assessment, the NC will then recommend to the Board whether to retain the aforesaid Independent Non-Executive Director as an Independent Non-Executive Director of the Company and that the same will be tabled to the shareholders for approval through a two-tier voting process at the AGM of the Company upon the Board's concurrence of the recommendation of the NC.

c) Diverse Board and senior management team

Appointments of the Board and senior management are based on objective criteria, merit and due regard for diversity in skills, experience, age, cultural background and gender. Please refer to the Profile of Directors and the Management team in other sections of this Annual Report for further information.

d) Gender Diversity Policy

The Board acknowledges the importance of boardroom diversity, including gender diversity, to the effective functioning of the Board. As such, female representation on the Board will be considered when vacancies arise or suitable candidates are identified in line with the Group's strategic objectives. For this purpose, a female Director, Ms Toh Hui Yi will be appointed on 10 April 2023 after undergoing assessment process and the Board's approval.

The Board has established a Gender Diversity Policy and would ensure that there is no discrimination based on, but not limited to ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education, physical ability or geographic region, during the recruitment of new Directors of the Company. The Gender Diversity Policy is available on the Company's corporate website at www.prestar.com.my. However, the Company has not established a policy on gender diversity for the senior management.

e) New candidates for Board's appointment

While the Board is responsible for the appointment of new Directors of the Company, the NC is delegated with the role of screening and conducting an initial selection, which includes external and independent searches, before making a recommendation to the Board for approval. The NC evaluates the candidate(s) for appointment as Director based on the mix of skills, expertise, working experience, professionalism, integrity, time commitment and the ability to discharge his/her expected duties and responsibilities including the criteria stated in the Fit and Proper Policy.

New members appointed to the Board during FYE 2022 were:

Dato' Siew Mun Wai	Appointed on 16 June 2022
Dato' Quah Thain Khan	Appointed on 1 October 2022

iii) Nomination Committee

For FYE 2022, the NC consists of three (3) members, all of which are Independent Non-Executive Directors of the Company and the composition of the NC is as follows:

Members	Designation	Number of NC meetings attended/held in the financial year under review
Dato' Lim Cheang Nyok	Chairman	1/1
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	Member	1/1
Shamsudin @ Samad Bin Kassim	Member	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part II: Board composition (cont'd)

5) Board's objectivity (cont'd)

iii) Nomination Committee (cont'd)

The primary duties and functions of the NC are summarised as follows:

- a) To identify new candidates for the Board after assessing the suitability of candidates based on the criteria adopted;
- b) To consider and recommend to the Board, candidates for directorship, proposed by the Group Managing Director, any senior management, any Director or any shareholder;
- c) To recommend the nominees to fill the seat on the Board Committees;
- d) To assess the effectiveness of the Board as a whole, each individual Director and AC member and Committees of the Board; and
- e) To consider and examine such other matters as the NC considers appropriate.

The main activities of the NC during FYE 2022 include the following:

- a) Reviewed the required mix of skills, experience and other qualities of the Board;
- b) Assessed the effectiveness of the Board as a whole and the Board Committees including the AC;
- c) Assessed the contribution and performance of each individual Director of the Company and AC member;
- d) Assessed the independency of the Independent Non-Executive Directors of the Company;
- e) Reviewed and recommended to the Board, the re-election of the Directors of the Company who shall retire at the AGM of the Company; and
- f) Reviewed and recommended to the Board, the retention of the Independent Non-Executive Directors of the Company in accordance with the MCGG.

The full TOR of the NC, outlining the NC's objectives, composition, retirement and resignation, proceeding of meetings, authority and duties and responsibilities, is available on the Company's corporate website at www.prestar.com.my.

Reinforce independence: Annual assessment of the independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Non-Executive Director as prescribed under Paragraph 1.01 of Bursa Malaysia Securities MMLR. The Board also carries out an annual assessment of the independence of its Independent Non-Executive Directors through the assistance of the NC.

The Board considers that its Independent Non-Executive Directors provide objective and independent views on various issues dealt with at the Board and Board Committees levels. All the Independent Non-Executive Directors of the Company are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

Re-election of Directors

In accordance with Clause 118 of the Company's Constitution, at least one-third (1/3) of the Directors of the Company, or the number nearest to one-third (1/3) shall retire from office provided always that all Directors including a Managing Director or Deputy Managing Director shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next following AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM of the Company.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part II: Board composition (cont'd)

5) Board's objectivity (cont'd)

iv) Employees' Share Option Scheme Committee

In line with the implementation of the ESOS, an ESOS Committee was established by the Board on 21 April 2014 to oversee the administration as well as to ensure proper implementation of the ESOS in accordance with the By-Laws of the ESOS.

The members of the ESOS Committee are as follows:

Dato' Lim Cheang Nyok	Chairman (<i>Independent Non-Executive Director</i>)
Dato' Toh Yew Peng	Member (<i>Group Managing Director</i>)
Mr. Toh Yew Seng	Member (<i>Group Executive Director</i>)

6) Overall Board effectiveness

i) Annual evaluation of the Board

The Board had through the NC undertakes the following assessments annually:

- Effectiveness of the Board as a whole and the Committees of the Board;
- Contribution and performance of the AC and each individual AC member;
- Contribution and performance of each individual Director of the Company; and
- Independence of the Independent Non-Executive Directors of the Company.

The Board Effectiveness Evaluation for FYE 2022 included the assessment of the Board's understanding of sustainability issues that are critical to the Company's performance.

The outcome of the abovementioned annual assessments is disclosed in the CG Report which is available on the Company's corporate website at www.prestar.com.my.

ii) Board meetings

The Board intends to meet at least four (4) times a year, with additional meetings to be convened where necessary.

During FYE 2022, a total of four (4) Board meetings were held and the details of each Director's attendance at the Board meetings are as follows:

Name of Directors	No. of meetings attended	% of attendance
Shamsudin @ Samad Bin Kassim	4 / 4	100
Dato' Toh Yew Peng	4 / 4	100
Toh Yew Kar	4 / 4	100
Toh Yew Seng	4 / 4	100
Toh Yew Chin	4 / 4	100
Kenny Toh Jin Tat	4 / 4	100
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	4 / 4	100
Md. Nahar Bin Noordin * (retired on 15 June 2022)	1 / 1	100
Dato' Lim Cheang Nyok	4 / 4	100
Lou Swee You * (retired on 30 September 2022)	3 / 3	100
Dato' Siew Mun Wai@ (appointed on 16 June 2022)	2 / 2	100
Dato' Quah Thain Khan@ (appointed on 1 October 2022)	1 / 1	100

* Reflects the number of meetings held during FYE 2022 before retirement as Director.

@ Reflects the number of meetings held during FYE 2022 after appointment as Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part II: Board composition (cont'd)

6) Overall Board effectiveness (cont'd)

ii) Board meetings (cont'd)

In the intervals between the Board meetings, the Board's approvals are obtained via circular resolutions for exceptional matters requiring urgent Board's decisions which are supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors of the Company before the beginning of each financial year.

The Board is satisfied with the time commitment given by the Directors of the Company. All Directors of the Company do not hold more than five (5) directorships in the public listed companies as stipulated under Paragraph 15.06 of Bursa Malaysia Securities MMLR. If any Director of the Company wishes to accept a new directorship in the public listed companies, the Chairman will be informed prior to the aforesaid appointment together with an indication of the time that will be spent on the aforesaid new appointment.

iii) Directors' training

Apart from the two (2) newly appointed Executive Director and Independent Non-Executive Director on 10 April 2023 namely, Ms. Toh Hui Yi and Mr. Wang Eng Lon, all Directors of the Company have attended the Mandatory Accreditation Programme ("MAP") and are encouraged to attend training programmes on a continual basis to enhance their knowledge and keep abreast with the latest technological market and recent developments in regulations and business practices.

The Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as an understanding of the Group's businesses and operations.

During FYE 2022, records of the Directors who had attended various talks and seminars organised by Bursa Malaysia Securities and other local training organisations are listed as follows:

Attended by	Seminars/Programmes
Dato' Toh Yew Peng Toh Yew Kar Toh Yew Seng Toh Yew Chin Dato' Lim Cheang Nyok	<ul style="list-style-type: none"> ESG Focus: Climate Change and Sustainability Reporting and Disclosure for Main Market Listing
Kenny Toh Jin Tat	<ul style="list-style-type: none"> ESG Focus: Climate Change and Sustainability Reporting and Disclosure for Main Market Listing Finance for Non-Finance personnel
Dato' Siew Mun Wai	<ul style="list-style-type: none"> ESG Focus: Climate Change and Sustainability Reporting and Disclosure for Main Market Listing Audit Oversight Board's conversation with AC Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers Corporate Governance and Remuneration Practices for the ESG World ESG Awareness

In addition, the Company Secretaries, external auditors and internal auditors also update the Board on a regular basis on the respective changes and amendments to regulatory requirements, laws and accounting standards to assist the Board to keep abreast of such developments.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part III: Remuneration

7) Remuneration Policy

The Company has in place a Remuneration Policy for Directors and senior management which sets out the criteria applied in recommending their remuneration packages.

The objective of the Group's Remuneration Policy is to attract and retain the Directors and senior management of the Group that could lead the Group to achieve its long-term goals and enhance shareholders' value.

In the case of Executive Directors and senior management of the Group, the components of the remuneration packages are structured so as to link rewards to corporate and individual performance. The level of remuneration of the Non-Executive Directors of the Company is reflective of their experience, time commitment and level of responsibilities as well as market norm and practices.

8) Remuneration Committee

The RC assists the Board in assessing the remuneration packages of the Executive Directors of the Company with a view to ensure that a competitive remuneration package is offered to attract and retain talented individuals to serve as Executive Directors of the Company.

The RC considers the principles recommended by MCGG in determining the Directors' remuneration whereby, the Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.

The RC reviews the Directors' fees and benefits and proposes to the Board for approval and recommendation to the shareholders for approval at the AGM of the Company.

For FYE 2022, the RC consists of four (4) members, all of which are Independent Non-Executive Directors of the Company, and the composition of the RC is as follows:

Members	Designation	Number of NC meetings attended/held in the financial year under review
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	Chairman	1/1
Md. Nahar Bin Noordin <i>(ceased on 15 June 2022)</i>	Member	1/1
Lou Swee You <i>(ceased on 1 October 2022)</i>	Member	1/1
Shamsudin @ Samad Bin Kassim <i>(appointed on 16 June 2022)</i>	Member	1/1
Dato' Siew Mun Wai <i>(appointed on 1 October 2022)</i>	Member	1/1
Dato' Quah Thain Khan <i>(appointed on 1 October 2022)</i>	Member	1/1

The full TOR of the RC, outlining the RC's objectives, composition, retirement and resignation, proceeding of meetings, authority and duties and responsibilities, is available on the Company's corporate website at www.prestar.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part III: Remuneration (cont'd)

9) Directors' remuneration

The details of the remuneration of the Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during FYE 2022 are as follows:

(a) Company (RM' 000)

Name of Directors	Fees	Salaries and/or allowance	Bonuses	Benefit-in-kind	EPF and SOCSO	Total
<u>Non-Executive Directors</u>						
Shamsudin @ Samad Bin Kassim	60	2	0	0	0	62
Md. Nahar Bin Noordin <i>(retired on 15 June 2022)</i>	16	1	0	0	0	17
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	39	3	0	0	0	42
Dato' Lim Cheang Nyok	39	2	0	0	0	41
Lou Swee You <i>(retired on 1 October 2022)</i>	31	2	0	0	0	33
Dato' Siew Mun Wai <i>(appointed on 16 June 2022)</i>	21	1	0	0	0	22
Dato' Quah Thain Khan <i>(appointed on 1 October 2022)</i>	9	1	0	0	0	10
Sub-Total	215	12	0	0	0	227
<u>Executive Directors</u>						
Dato' Toh Yew Peng	15	889	185	27	119	1,235
Toh Yew Seng	15	0	0	0	0	15
Toh Yew Kar	15	0	0	0	0	15
Toh Yew Chin	20	0	0	0	0	20
Kenny Toh Jin Tat	15	0	0	0	0	15
Sub-Total	80	889	185	27	119	1,300
Total Company	295	901	185	27	119	1,527



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part III: Remuneration (cont'd)

9) Directors' remuneration (cont'd)

The details of the remuneration of the Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during FYE 2022 are as follows: (cont'd)

(b) Group (RM' 000)

Name of Directors	Fees	Salaries and/or allowance	Bonuses	Benefit-in-kind	EPF and SOCSO	Total
<u>Non-Executive Directors</u>						
Shamsudin @ Samad Bin Kassim	60	2	0	0	0	62
Md. Nahar Bin Noordin <i>(retired on 15 June 2022)</i>	16	1	0	0	0	17
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	39	3	0	0	0	42
Dato' Lim Cheang Nyok	39	2	0	0	0	41
Lou Swee You <i>(retired on 1 October 2022)</i>	31	2	0	0	0	33
Dato' Siew Mun Wai <i>(appointed on 16 June 2022)</i>	21	1	0	0	0	22
Dato' Quah Thain Khan <i>(appointed on 1 October 2022)</i>	9	1	0	0	0	10
Sub-Total	215	12	0	0	0	227
<u>Executive Directors</u>						
Dato' Toh Yew Peng	15	1,622	290	27	212	2,166
Toh Yew Seng	15	1,447	361	20	200	2,043
Toh Yew Kar	15	726	103	30	92	966
Toh Yew Chin	20	422	16	0	84	542
Kenny Toh Jin Tat	15	377	23	17	77	509
Sub-Total	80	4,594	793	94	665	6,226
Total Group	295	4,606	793	94	665	6,453

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Part III: Remuneration (cont'd)

10) Remuneration of top five (5) senior management staff

For FYE 2022, the top five (5) senior management's remuneration components including salary, bonus, benefit-in-kind and other emoluments in bands of RM50,000.00 are shown as follows:

Range of Remuneration (RM)	No. of person
400,001 - 450,000	1
450,001 - 500,000	1
550,001 - 600,000	1
650,001 - 700,000	1
750,001 - 800,000	1

Note: Successive bands of RM50,000.00 are not shown entirely as they are not represented.

Detail remuneration components and names of the top five (5) key Management team are not disclosed as the Board is of the view that the detailed disclosures of individual remuneration information are sensitive and proprietary, and the information may be wrongly used or quoted by certain parties. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the above disclosures.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

11) Audit Committee

The AC consists of four (4) Independent Non-Executive Directors of the Company, which complies with Paragraph 15.09(1)© of Bursa Malaysia Securities MMLR whereby the AC shall only consist of Non-Executive Directors and the majority of whom are Independent Non-Executive Directors. In line with Practice 9.1 and Step-Up Practice 9.4 of the MCCG, the AC comprises solely Independent Non-Executive Directors of the Company and the Chairman of the AC, Dato' Siew Mun Wai, is not the Chairman of the Board. For detailed information on the AC with regards to its composition, activities and its report, please refer to the AC Report in this Annual Report.

None of the AC members was a former partner of the external audit firm of the Company i.e., the former partners of the audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc.). In line with the MCCG, the Board has adopted the revised TOR of the AC to require a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before he/she could be appointed as a member of the AC.

All members of the AC have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties. The qualification and experience of the individual AC members are disclosed in the Profile of Directors in this Annual Report.

12) Suitability, objectivity and independence of the external auditors

The Board, through the AC maintains a formal and transparent relationship with its external auditors in seeking professional advice. The AC meets with the external auditors without the presence of the Executive Board members and Management at least twice a year regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.

The AC is assigned to assess, review and supervise the performance, suitability and independence of the external auditors. Evaluation of the external auditors is carried out on a yearly basis to determine its' continuance suitability and independence via a formal assessment form. The AC remains confident that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the Malaysian Institute of Accountants' By-Law (on Professional Ethics, Conduct and Practice).



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

13) Group Risk Management Committee (“GRMC”)

The Board acknowledges that there are inherent risks associated with the businesses carried out by the Group. The GRMC assists the Board in continuously reviewing the activities of the Group to identify key business and operational risks and where possible, implement policies and procedures to address such risks.

All subsidiaries have their own Risk Management Unit to review, monitor and assess the risk portfolio composition of significant activities within each subsidiary. The Risk Management Unit provides the GRMC with periodical reports on the status of risk management in individual subsidiaries. The GRMC reviews the Group's overall risks by assessing the adequacy and effectiveness of risk portfolio composition and risk mitigation controls to determine the desired exposures of each major area of risk on a periodic basis. The Risk Management Committee Progress Reports are further presented to the AC and thereafter, to the Board for their deliberations.

14) Sound risk management and internal audit function

The Board acknowledges its responsibility for establishing a sound system of internal control and risk management framework and practices which encompasses financial, operational and compliance control that aims to safeguard shareholders' investments and the Group's assets during its course of business.

The Group has outsourced its internal audit function to assist the AC in discharging its duties and responsibilities. On-going reviews are performed on a quarterly basis to identify, evaluate, monitor and manage significant risks affecting the businesses and ensure that adequate and effective controls are in place. The internal auditors report their findings and recommendations to the AC during the quarterly AC meeting.

The Risk Management Unit of each subsidiary is actively identifying, assesses and monitors the key business risks to safeguard shareholders' investments and the Group's assets by monitoring the internal control in place with the assistance of the AC.

The GRMC assists the AC and the Board by reviewing the Risk Management Reports of all subsidiaries of the Company. The Board is updated on the Group's internal control system which encompasses risk management practices as well as financial, operational and compliance control on a quarterly basis.

While the internal control system is devised to cater to the needs of the Group as well as risk management, such controls by their nature could only provide reasonable assurance but not absolute assurance against material misstatement or loss. Information on the Company's risk management framework and internal control system within the Group is presented in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

15) Corporate reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board is committed to providing a balanced, fair and comprehensive assessment of the Company's state of affairs in relation to its financial performance. In order to achieve the above, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards. This also helps to safeguard the preparation of annual financial statements which present a true and fair view of the state of affairs of the Group at the reporting dates.

The AC assists the Board by reviewing the financial statements with Management and the external auditors (when reviewing the yearly financial statements) to ensure the accuracy and adequacy of all the information to be disclosed as well as to ensure its compliance with the requirements of the rules and regulations of the authorities and approved accounting standards. The Group Financial Controller also presented to the AC and the Board a detailed analysis of the financial results, including performance against targets/budget on a quarterly basis.

The Statement of Directors' Responsibility pursuant to Bursa Malaysia Securities MMLR on its responsibilities in preparing the financial statements is set out in another section of this Annual Report.

16) Communication with stakeholders

The Board recognises the importance of an effective communication channel between the Board, shareholders, investors and the general public. The Annual Reports, press releases, quarterly results and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance and also form an important channel of communication to reach shareholders and investors. In view thereof, effort has been taken to enhance the contents of the Annual Report in line with the MCCG and Bursa Malaysia Securities MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

16) Communication with stakeholders (cont'd)

The Group Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

The Company maintains a website at www.prestar.com.my for shareholders, investors and the general public to access information on amongst others, the Group's profile, products, financial performance announcements and corporate information.

17) Encourage shareholder participation at general meetings

Participation at AGM

The AGM of the Company represents the principal forum for dialogue and interaction with shareholders and provides an opportunity for the shareholders to seek and clarify any issue and to have a better understanding of the Group's businesses and corporate developments. Adequate notice period for the AGM of the Company of not less than twenty-eight (28) days is communicated to all the shareholders.

Before the commencement of the AGM of the Company, the Group Managing Director will either provide a presentation, screening corporate video or brief verbal highlights to the shareholders on the performance of the Group for the financial year under review as well as the outlook of the Group on its future performance and opportunities.

Healthy dialogues and interactions with the shareholders are greatly encouraged with no time limitations for shareholders to raise questions pertaining to the proposed resolutions, business performance and the operations of the Group.

The Board is supported by the external auditors, Company Secretaries, legal and financial advisers, and senior management staff, where applicable, who are also present at the AGM of the Company to communicate with the shareholders, investors and media as well as to respond to the queries raised.

During FYE 2022, the Company's Thirty-Seventh ("37th") AGM was conducted on a virtual basis via Remote Participation and Voting Facilities at the broadcast venue at the Meeting Room of our Share Registrar at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan. This is to facilitate communication and engagement with the shareholders. It also enables shareholders to participate remotely via live streaming and online remote voting on all the resolutions tabled at the AGM of the Company. The shareholders are given opportunities to raise questions and feedback on their views on issues affecting the Group via real-time submission of typed texts through a text box within the online platform.

Poll voting

Bursa Malaysia Securities MMLR requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll for all general meetings from 1 July 2016 onwards.

The Company had conducted its poll voting on all resolutions since the 2017 AGM of the Company and will continue with such practice for all future general meetings.

At the Company's 37th AGM held on 15 June 2022, the Company had leveraged technology via a virtual basis to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all the resolutions. It was streamed live where the eligible shareholders or the appointed proxies or authorised representatives were able to log in to remotely participate and submit their votes online.

An independent scrutineer was appointed to validate the votes cast and the results of each resolution put to vote were announced at the said AGM of the Company.

Compliance with MCGG

The Board is satisfied that during FYE 2022, the Company complied substantially with the best practices of the MCGG on the application of the principles and best practices except for those departures highlighted in the CG Report which is available on the Company's corporate website at www.prestar.com.my as well as the website of Bursa Malaysia Securities.

This CG Overview Statement and the CG Report are made in accordance with a resolution of the Board passed on 5 April 2023.



ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Utilisation of proceeds

On 8 June 2021, the Company had completed its Private Placement exercise upon issuance of 19,403,200 new ordinary shares at an issue price of RM1.00 per ordinary share in accordance with the general mandate granted by the shareholders at the Company's Thirty-Fifth Annual General Meeting held on 27 July 2020 for the authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016. The total proceeds raised from the Private Placement was RM19,403,200. The proceeds was fully utilised in year 2022.

The status of the utilisation of the proceeds as at 31 December 2022 is disclosed as follows:

Details of utilisation	Proposed utilisation (RM'000)	Variation (RM'000)	Actual utilisation (RM'000)	Intended timeframe for utilisation	Revised timeframe for utilisation
Capital expenditure	9,978	(664)	(9,314)	Within 12 months	Within 18 months to June 2023
Repayment of bank borrowings	9,000	-	(9,000)	Within 12 months	No change
Working capital	169	664	(833)	Within 12 months	No change
Estimated expenses for the Proposed Private Placement	256	-	(256)	Within 1 month	No change
Total Gross Proceeds	19,403		(19,403)		

2. Audit and non-audit fees

During the financial year ended 31 December 2022 ("FYE 2022"), BDO PLT, the External Auditors have rendered audit and non-audit services to the Company and its subsidiaries ("the Group"). The breakdown of the fees payable to the External Auditors is as follows:

	Audit fees (RM)	Non-audit fees (RM)
Company	41,000	19,500
Group	219,400	19,500

3. Material contracts involving Directors', chief executive's and major shareholders' interests

There was no material contract entered into by the Group involving the interests of the Directors, chief executive and major shareholders during FYE 2022.

4. Recurrent related party transactions of a revenue or trading nature ("RRPTs")

The information on RRPTs for FYE 2022 is disclosed under Note 30 of the Audited Financial Statements for FYE 2022 in this Annual Report.

5. Employees' Share Option Scheme ("ESOS")

The ESOS was approved by the shareholders at the Extraordinary General Meeting of the Company held on 17 December 2013 and was subsequently implemented on 21 April 2014.

There were 38,400 new ordinary shares being exercised during FYE 2022. Details of the ESOS are disclosed under Note 29 of the Audited Financial Statements for FYE 2022 in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Prestar Resources Berhad (“the Company”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2022 (“FYE 2022”), which has been prepared pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”). This Statement, which outlines the nature and scope of risk management and internal control of the Group during FYE 2022, is guided by the “Statement on Risk Management and Internal Control Guidelines: Guidelines for Directors of Listed Issuers” issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities as well as Part II of Principle B, Intended Outcome 10.0, Practices 10.1 and 10.2 and Guidance 10.1 and 10.2 as set out in the Malaysian Code on Corporate Governance. The principles adopted by the Group in this Statement do not apply to the associate companies where risk management and internal control are managed by the respective management teams.

BOARD RESPONSIBILITY

The Board is committed and acknowledges its overall responsibility for maintaining sound risk management and internal control systems and for reviewing their adequacy and effectiveness continually so as to safeguard all its stakeholders’ interests and protect the Group’s assets. The system of risk management and internal control covers not only financial controls but risk management, organisational, operational, fraud prevention and compliance controls. The Board ensures the adequacy and effectiveness of the system through regular review and monitoring. However, such a system is designed to manage the Group’s risks within an acceptable risk profile rather than eliminate the risk of failure in order to achieve the goals and objectives of the Group. As there are inherent limitations in any system of internal control, such system of risk management and internal control could only provide reasonable but not absolute assurance against material misstatement, fraud and potential losses.

The Board affirms that the Group has in place an on-going process of identifying, evaluating, monitoring and managing the principal risks affecting the achievement of its business objectives throughout FYE 2022. The Board has delegated the review of the adequacy and effectiveness of the internal control system to the Audit Committee (“AC”), which in turn delegated the tasks to the Group Risk Management Committee (“GRMC”). Hence, through the AC, the Board is kept informed of all significant control issues brought to the attention of the AC by Management, the internal audit function (“IAF”) and also the external auditors. The Board is working closely with the AC in reviewing and improving the internal controls as well as addressing the potential risks of the Group from time to time.

RISK MANAGEMENT FRAMEWORK AND PROCESS

Risk management is an integral part of the overall management process. Therefore, the Group has established and put in place a risk management framework to promote effective risk management within the Group for identifying, evaluating and managing significant risks faced by the Group systematically during FYE 2022.

As mentioned above, the responsibility to oversee the risk management framework is delegated to the GRMC which is responsible to ensure that all the principal risks of the Group are properly addressed and managed within its acceptable level. The GRMC is supported by various Risk Management Units of its subsidiaries. The GRMC reports to the AC and the Board.

The GRMC constantly assesses and identifies risks and puts in place necessary controls and mitigation plans to address and maintain the risks at an appropriate level acceptable to the Group throughout FYE 2022.

All significant risks identified and relevant controls and mitigation plans taken by Management are documented in the risk management progress reports and the same be compiled and tabled to the AC and the Board for deliberations.

IAF

The IAF is carried out by an external professional firm based on the internal audit plan and ad-hoc assignments approved by the AC.

The scope of works of the IAF includes but is not limited to the following:

- Review and assess the adequacy, efficiency and effectiveness of the Group’s internal control system.
- Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which possibly cause a significant impact on the business operations of the Group.
- Report significant issues in relation to the business operations and activities of the Group and make recommendations for improvements in the internal audit reports to the AC.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

IAF (cont'd)

- Conduct follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management and report the same to the AC.
- Highlight any irregularities to the AC.

During FYE 2022, no material issues were highlighted by the IAF to the AC.

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

In addition to the risk management and internal audit, the Group has established various controls to review the adequacy, effectiveness and integrity of the internal control system. Such controls include:

- A budgeting process where budgets are prepared by the operating business units for subsequent monitoring and tracking of variances and performance.
- Documented Quality Management System accredited by various International Organisation for Standardisation (ISO) certification bodies on four (4) subsidiaries' quality management systems on various manufacturing and trading activities.
- Quarterly review of financial results and operational matters by the AC and the Board.
- Policies and standard operating procedures of various operating business units within the Group are properly documented for operational guidance and compliance. These policies and procedures are reviewed and updated when necessary to maintain their effectiveness at all times.
- Corporate finance and treasury matters are controlled centrally and monitored on a weekly, monthly and quarterly basis.
- Formal authorisation limit for various levels of personnel is established in order to minimise the risk of unauthorised transactions.
- Monthly management report on key business indicators and performance results on each subsidiary is reported to Management and the Executive Directors. This would enable Management and the Executive Directors to review the performance of each subsidiary on a monthly basis.
- In compliance with Section 17A of the Malaysia Anti-Corruption Commission ("MACC") Amended Act 2018, the Group has established the Anti-Bribery and Anti-Corruption Policy and Guidelines ("ABAC") as part of Anti-Corruption Management System of the Group to help prevent, detect and address bribery and corruption, by establishing ethical business practices, maintain high standard of corporate governance and develop a healthy workplace culture. The ABAC is available for reference on the Company's website at www.prestar.com.my.
- Whistleblowing Policy and Guidelines is in place to enable the Group to address concerns that may adversely affect the reputation and interests of the group effectively. The WEP is available on the Company's website at www.prestar.com.my.

During FYE 2022, there were no material losses incurred as a result of weaknesses in the internal control and the Board is satisfied that the on-going process of regular reviewing, evaluating and monitoring of the risk management and internal control system are reasonably effective and adequate within the Group, except for POSCO-MKPC Sdn. Bhd. and Tashin Holdings Berhad and its group of companies, which are the associate companies of the Company.

The Board has received assurance from the Group Managing Director and Group Finance Director that the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model and internal control system adopted by the Group.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main LR of Bursa Malaysia Securities, the external auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process and the review adopted by the Board on the adequacy and integrity of the risk management and internal control of the Group.

This Statement is made in accordance with the resolution of the Board dated 23 February 2023.

AUDIT COMMITTEE REPORT

The Board of Directors (“Board”) of Prestar Resources Berhad (“Prestar” or “Company”) is pleased to present the following report on the Audit Committee (“AC” or “Committee”) and its activities during the financial year ended 31 December 2022 (“FYE 2022”).

1. CONSTITUTION

The AC of Prestar has been established since 16 August 1995 which is in line with the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”).

2. COMPOSITION OF THE AC AND MEETINGS ATTENDANCE

The Committee comprises four (4) members, which consist of all Independent Non-Executive Directors. This meets the requirements of Paragraphs 15.09(1)(a) and (b) of the Main LR of Bursa Malaysia Securities and Step-Up Practice 9.4 as recommended by the Malaysian Code on Corporate Governance.

During FYE 2022, the AC held a total of five (5) meetings. The members of the AC and their attendance at the meetings are set out below:

Name	Designation	Attendance	Percentage
Lou Swee You	Chairman / Independent Non-Executive Director <i>(Retired on 1 October 2022)</i>	4/4	100%
Dato’ Siew Mun Wai	Chairman / Independent Non-Executive Director <i>(Appointed as Chairman of AC on 1 October 2022)</i>	1/1	100%
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	Member / Independent Non-Executive Director	5/5	100%
Dato’ Lim Cheang Nyok	Member / Independent Non-Executive Director	4/5	80%
Dato’ Quah Thain Khan	Member / Independent Non-Executive Director <i>(Appointed on 1 October 2022)</i>	1/1	100%

Dato’ Siew Mun Wai is a member of the Malaysian Institute of Accountants.

After the easing of the Covid-19 lockdown, meetings were convened both physically and virtually (hybrid meetings).

For FYE 2022, the performance and effectiveness of the AC and individual AC members have been evaluated by the Nomination Committee. Having reviewed the results of the AC’s and individual AC members’ performance, the Board is satisfied that the AC and individual AC members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference of the AC.

3. SUMMARY OF KEY ACTIVITIES FOR FYE 2022

During FYE 2022, the main activities undertaken by the AC were as follows:

- a) Reviewed the unaudited quarterly financial results of the Company and its Group of Companies (“Group”) and thereafter, submitted to the Board for approval and release to Bursa Malaysia Securities.
- b) Reviewed the audited year-end financial statements of the Company and its Group and thereafter, submitted to the Board for consideration and approval.
- c) Met twice with the external auditors in the absence of the Executive Directors and Management to discuss areas of audit emphasis, issues that may have arisen from the audit and co-operation received from Management during the course of the audit.
- d) Reviewed the audit strategy and scope of the audit plan presented by the external auditors prior to the commencement of the annual audit and also audit issues and recommendations raised by them from the audit.
- e) Reviewed the audit reports of the external auditors and management letters in relation to the audit including Management’s responses arising from the audit.
- f) Reviewed the principal risks and the risk management actions reported by the Group Risk Management Committee and the Subsidiary Risk Management Unit.



AUDIT COMMITTEE REPORT (cont'd)

3. SUMMARY OF KEY ACTIVITIES FOR FYE 2022 (cont'd)

- g) Reviewed the AC Report and the Statement on Risk Management and Internal Control and thereafter, recommended the same to the Board for inclusion in the annual report.
- h) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and thereafter, recommended the same to the Board for approval.
- i) Reviewed the related party transactions and recurrent related party transactions on a quarterly basis.
- j) Reviewed the performance of the internal audit function ("IAF"), annual internal audit plan and internal audit reports presented by the internal auditors and considered the major findings highlighted by the internal auditors and the responses from Management.
- k) Reviewed the suitability and independence of the external auditors vide a formalised external auditors evaluation form and upon reviewing and being satisfied with the results of the said assessment, the same had been recommended to the Board for approval.
- l) Reviewed and discussed the Group's business plan and budget.

4. TERMS OF REFERENCE

The terms of reference of the AC, outlining the AC's objectives, composition, retirement and resignation, proceeding of meeting, authority and duties and responsibilities, is available at the Company's website at www.prestar.com.my.

5. KEY AUDIT MATTERS ("KAM")

Under the new and revised Auditor Reporting Standards released by the International Auditing and Assurance Standards Board in 2016, auditors are required to disclose KAM in their auditors' reports, leading to more informative and tailored reporting specific to the circumstances of each entity and engagement. KAM are those matters that, in the auditors' professional judgement, are of most significance in the audit of the financial statements of the current period.

During the audit process for FYE 2022, the issue related to the Impairment of Trade Receivables was raised by the Company's external auditors as a KAM. The audit responses to address the above said issue by the Company's external auditors were set out in the Independent Auditors' Report ("IAR"). For detail information on the KAM, please refer to the IAR in this Annual Report.

6. STATEMENT ON IAF

The IAF is outsourced and undertaken by an external professional firm i.e., Tricor Axcelasia Sdn, Bhd. to conduct regular reviews and assessments on the adequacy, efficiency and effectiveness of the Company and its subsidiaries' internal control system. The IAF reports directly to the AC. The IAF is responsible to conduct reviews in accordance with the internal audit plan or other ad-hoc assignments which are approved by the AC.

The AC meets quarterly to review the internal audit findings and to discuss the corrective action plans in order to ensure that the control weaknesses highlighted in the internal audit reports are appropriately addressed by Management. In addition, the IAF carries out follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management. The progression status of the corrective action plans is also reported to the AC on a quarterly basis.

AUDIT COMMITTEE REPORT (cont'd)

6. STATEMENT ON IAF (cont'd)

For FYE 2022, the IAF has successfully conducted the following audits in accordance with their Internal Audit Plan 2022 which was approved by the AC and agreed on the timing, frequency and scope of internal audit services to be rendered:

Audit activities	Auditable entities
Review of inventory management, procurement and payment system	Dai Dong Steel Sdn. Bhd.
Review of inventory management, sales processing, credit control and collection	Prestar Marketing Sdn. Bhd.
Review of health and safety management, repair and maintenance management	Prestar Galvanising Sdn. Bhd.
Review of Anti-Corruption Programme Management	Prestar Group

The cost incurred in maintaining the IAF for FYE 2022 was approximately RM68,800 (Financial year ended 31 December 2021: RM51,600).

The Board has approved this AC Report by a resolution dated 23 February 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In respect of the preparation of the Audited Financial Statements of Prestar Resources Berhad ("the Company") for the financial year ended 31 December 2022 ("FYE 2022")

The Directors are responsible for the preparation of financial statements for each financial year as required by the Companies Act 2016 ("the Act"). The financial statements are prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards as well as provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to present a true and fair view of the financial position of the Company and its subsidiaries ("the Group") as at the end of the financial year and of its financial performance and its cash flows for FYE 2022.

In preparing the Audited Financial Statements for FYE 2022, the Directors are satisfied that the Company and the Group had maintained adequate and proper accounting records and sufficient internal controls to enable the Group to disclose, with reasonable accuracy and without any material misstatement, the financial position and its financial performance for FYE 2022.

In order to ensure that the financial statements are properly drawn up, the Directors have taken the following measures:

- ensure the adoption of appropriate accounting policies;
- where applicable, judgements and estimates are made on a reasonable and prudent basis;
- ensure that applicable approved accounting standards have been followed; and
- ensure that the financial statements have been prepared on a going concern basis.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a Directors' Resolution in Writing, dated 5 April 2023.



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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is renting out properties and investment holding. The principal activities of the subsidiaries mainly consist of manufacturing of steel pipes, tubes, supply and install of guardrails, material handling equipment, pallet racking systems, wheelbarrows, hand trucks and other steel related products. The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	15,191	13,625
Profit attributable to owners of the parent	15,191	13,625

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2021:	
Final single tier dividend of 2.0 sen per ordinary share, was paid on 25 August 2022	6,860

On 23 February 2023, the Directors proposed a final dividend via distribution of treasury shares as share dividends on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2022, which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from 360,551,000 to 360,589,000 by way of issuance of 38,000 new ordinary shares pursuant to the options exercised under the Employees' Share Option Scheme ("ESOS") at exercise prices ranging from RM0.33 to RM0.52 per ordinary share for cash totalling RM16,000.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.



DIRECTORS' REPORT (cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company implements an ESOS, which is in force for a period of ten (10) years until 20 April 2024 ("the option period"). The main features of the ESOS are as follows:

- Eligible Directors and employees are those who are confirmed employees of the Group before the date of offer;
- The maximum number of options to be offered under the ESOS based on the issued and paid-up ordinary share capital as at 31 December 2022 for ordinary shares previously issued under the ESOS is 26,077,100 (2021: 26,077,100);
- The total number of options to be issued under the ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of Prestar Resources Berhad (excluding Treasury shares) at any point of time during the tenure of the ESOS;
- The exercise of options granted will be staggered over a period of two (2) to five (5) years depending on the number of options granted;
- The option price of a new ordinary share under the ESOS shall be at a discount of not more than ten percent (10%) of the five (5)-days weighted average market price of the shares as quoted in the Daily Official List issued by Bursa Securities immediately preceding the date of offer, or at the par value of the ordinary shares, whichever is higher;
- The options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and
- The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the options period.

The details of the options over ordinary shares of the Company are as follows:

Date of offer	Option price RM	[----- Number of options over ordinary shares -----]				
		Outstanding as at	Movements during the		Outstanding	Exercisable
		1.1.2022	[-----financial year-----] Exercised	Lapsed*	as at 31.12.2022	as at 31.12.2022
	'000	'000	'000	'000	'000	
21 April 2014	0.33/0.52	329	(38)	(24)	267	267

* Due to resignation

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Dato' Toh Yew Peng *
 Toh Yew Kar *
 Toh Yew Seng *
 Toh Yew Chin *
 Kenny Toh Jin Tat *
 Tuan Haji Fadzlullah Shuhaimi Bin Salleh
 Md. Nahar Bin Noordin (retired on 15 June 2022)
 Dato' Siew Mun Wai (appointed on 16 June 2022)
 Dato' Lim Cheang Nyok
 Lou Swee You (retired on 1 October 2022)
 Dato' Quah Thain Khan (appointed on 1 October 2022)
 Shamsudin @ Samad Bin Kassim

* These Directors of the Company are also the Directors of certain subsidiaries of the Company



DIRECTORS' REPORT (cont'd)

DIRECTORS (cont'd)

The Directors who have held office during the financial year and up to the date of this report are as follows: (cont'd)

Subsidiaries of Prestar Resources Berhad

Alan Toh Jin Joo
 Andy Toh Jin Hong
 Jason Toh Jin Hin
 Koay Kah Ee
 Toh Poh Khuan
 Toh Hui Yi (appointed on 15 March 2023)

REPURCHASE OF OWN SHARES

At the Annual General Meeting held on 15 June 2022, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase its own shares based, amongst others, on the following terms:

- (i) The number of shares to be repurchased and/or held as treasury shares shall not exceed 10% of its existing issued and paid-up share capital of the Company;
- (ii) The maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company at the time of purchase(s); and
- (iii) The shares so repurchased be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Act.

The Company has the rights to retain, distribute, resell, cancel and or transfer for the purposes of or under an employees' share scheme and or such other purpose as allowed under the Act. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Details of the treasury shares are disclosed in Note 15(d) to the financial statements.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	[----- Number of ordinary shares -----]			
	Balance as at 1.1.2022	Bought	Sold	Balance as at 31.12.2022
<u>Direct interests:</u>				
Dato' Toh Yew Peng	15,500,000	600,000	-	16,100,000
Toh Yew Kar	4,675,641	-	-	4,675,641
Toh Yew Seng	5,370,003	50,000	-	5,420,003
Toh Yew Chin	4,315,641	-	-	4,315,641
Kenny Toh Jin Tat	160,000	-	-	160,000
Tuan Haji Fadzlullah Shuhaimi Bin Salleh	176,000	-	-	176,000
Md Nahar Bin Noordin (retired on 15 June 2022)	1,770,000	390,000	-	2,160,000
Dato' Lim Cheang Nyok	310,400	-	-	310,400
Lou Swee You (retired on 1 October 2022)	302,400	-	-	302,400
Shamsudin @ Samad Bin Kassim	528,000	500,000	-	1,028,000
Dato' Siew Mun Wai (appointed on 16 June 2022)	-	533,000	(200,000)	333,000



DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (cont'd)

Shares in the Company	[----- Number of ordinary shares -----]			Balance as at 31.12.2022
	Balance as at 1.1.2022	Bought	Sold	
<u>Indirect interests:</u>				
Dato' Toh Yew Peng*	117,426,240	-	-	117,426,240

* Indirect interest by virtue of his interests in Fabulous Essence Sdn. Bhd., Y.K. Toh Property Sdn. Bhd. and the interests of his son, Alan Toh Jin Joo in the Company.

By virtue of his substantial interest in the shares of the Company, Dato' Toh Yew Peng is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (i) remuneration received or due and receivable by certain Directors from the related corporations in their capacity as Directors or executives of those related corporations; and
- (ii) deemed benefits arising from related party transactions as disclosed in Note 30 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS as disclosed in Note 30 to the financial statements.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group 2022 RM'000	Company 2022 RM'000
<u>Directors of the Company</u>		
Executive Directors:		
Short-term employee benefits:		
- fees	80	80
- salaries, bonuses and other benefits*	5,058	1,101
- defined contribution plan	613	119
	<u>5,751</u>	<u>1,300</u>
Non-Executive Directors:		
- fees	215	215
- salaries, bonuses and other benefits*	12	12
	<u>227</u>	<u>227</u>
Total	<u>5,978</u>	<u>1,527</u>

DIRECTORS' REPORT (cont'd)

DIRECTORS' REMUNERATION (cont'd)

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows: (cont'd)

	Group 2022 RM'000	Company 2022 RM'000
<u>Directors of the subsidiaries</u>		
Executive Directors:		
Short-term employee benefits:		
- salaries, bonuses and other benefits*	2,025	-
- defined contribution plan	316	-
	2,341	-
Non-Executive Director:		
- salaries, bonuses and other benefits*	23	-
- defined contribution plan	4	-
	2,368	-
Total	2,368	-
Total Directors' remuneration	8,346	1,527

* Salaries, bonuses and other benefits included bonus paid during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Company for the financial year 31 December 2022 was RM10,300 (2021: 8,900).

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.



DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit	219	41
Other assurance services	20	20
	239	61

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Toh Yew Peng
Director

Toh Yew Seng
Director

Kuala Lumpur
5 April 2023



STATEMENT BY DIRECTORS/STATUTORY DECLARATION

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 76 to 147 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Toh Yew Peng

Director

Kuala Lumpur
5 April 2023

Toh Yew Seng

Director

STATUTORY DECLARATION

I, Choy Jing Yi (CA 45808), being the officer primarily responsible for the financial management of Prestar Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
5 April 2023)

Choy Jing Yi

Before me:

No. W729
Mardhiyyah Abdul Wahab
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Kuala Lumpur



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTAR RESOURCES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prestar Resources Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

Recoverability of trade receivables

Gross trade receivables of the Group as at 31 December 2022 was RM111,607,000 as disclosed in Note 13 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTAR RESOURCES BERHAD (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTAR RESOURCES BERHAD (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (cont'd)

- d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
5 April 2023

Francis Cyril A/L S.R Singam
03056/04/2023 J
Chartered Accountant



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	131,450	121,490	47,443	48,001
Right-of-use assets	5	14,789	17,302	11,585	12,019
Investment properties	6	-	-	-	-
Other receivables	13	-	-	8,316	11,008
Investments in subsidiaries	7	-	-	98,782	94,782
Investments in associates	8	160,093	145,823	25,158	25,158
Intangible assets	9	1,675	1,675	-	-
Current assets		308,007	286,290	191,284	190,968
Inventories	11	167,194	266,211	-	-
Derivative assets	12	31	17	-	-
Trade and other receivables	13	128,714	172,452	1,780	5,946
Current tax assets		11,281	400	-	-
Cash and bank balances	14	37,403	47,260	3,549	2,815
		344,623	486,340	5,329	8,761
TOTAL ASSETS		652,630	772,630	196,613	199,729
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	126,966	126,950	126,966	126,950
Treasury shares	15	(8,634)	(8,420)	(8,634)	(8,420)
Reserves	16	298,160	289,839	36,541	29,779
		416,492	408,369	154,873	148,309
Non-controlling interests	7(e)	-	-	-	-
TOTAL EQUITY		416,492	408,369	154,873	148,309



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	17	11,147	14,455	3,855	5,715
Lease liabilities	5	187	329	-	-
Deferred tax liabilities	10	4,138	6,395	1,338	1,264
Retirement benefits obligations	18	6,020	5,852	1,947	1,856
		21,492	27,031	7,140	8,835
Current liabilities					
Trade and other payables	19	36,022	49,750	2,009	10,539
Borrowings	17	177,425	277,609	32,360	31,801
Derivative liabilities	12	455	9	-	-
Lease liabilities	5	513	1,123	-	85
Current tax liabilities		231	8,739	231	160
		214,646	337,230	34,600	42,585
TOTAL LIABILITIES		236,138	364,261	41,740	51,420
TOTAL EQUITY AND LIABILITIES		652,630	772,630	196,613	199,729

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	22	606,957	538,679	20,882	18,784
Cost of sales		(569,102)	(406,357)	(1,934)	(1,618)
Gross profit		37,855	132,322	18,948	17,166
Other operating income		8,094	6,584	975	-
Selling and distribution expenses		(3,408)	(2,821)	-	-
Administrative expenses		(34,538)	(35,816)	(3,958)	(4,808)
Other operating expenses		(2,202)	(3,735)	(313)	(1,263)
Finance costs		(10,067)	(7,713)	(1,850)	(1,635)
Net losses on impairment of financial assets	23	(1,015)	(1,442)	-	-
Interest income		601	546	598	363
Share of results of associates, net of tax	8(e)	19,264	30,851	-	-
Profit before taxation	23	14,584	118,776	14,400	9,823
Taxation	25	607	(23,585)	(775)	(583)
Profit for the financial year		15,191	95,191	13,625	9,240
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translations		(7)	(27)	-	-
Item that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefits liability, net of tax		-	(242)	-	(4)
Total comprehensive income for the financial year		15,184	94,922	13,625	9,236



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit attributable to:					
Owners of the parent		15,191	95,196	13,625	9,240
Non-controlling interests		-	(5)	-	-
		<u>15,191</u>	<u>95,191</u>	<u>13,625</u>	<u>9,240</u>
Total comprehensive income attributable to:					
Owners of the parent		15,184	94,927	13,625	9,236
Non-controlling interests		-	(5)	-	-
		<u>15,184</u>	<u>94,922</u>	<u>13,625</u>	<u>9,236</u>
Earnings per ordinary share attributable to owners of the parent (sen):					
Basic	27(a)	<u>4.43</u>	<u>28.48</u>		
Diluted	27(b)	<u>4.43</u>	<u>28.47</u>		

The accompanying notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	[----- Non-distributable -----] Distributable				Total equity RM'000			
		Share capital RM'000	Treasury shares RM'000	Exchange translation reserve RM'000	Share options reserve RM'000		Retained earnings RM'000	Total attributable to owners RM'000	
Balance as at 1 January 2022		126,950	(8,420)	1	1,094	288,744	408,369	408,369	
Profit for the financial year		-	-	-	-	15,191	15,191	15,191	
Foreign currency translations, net of tax		-	-	(7)	-	-	(7)	(7)	
Total comprehensive income		-	-	(7)	-	15,191	15,184	15,184	
Transactions with owners									
Issuance of ordinary shares pursuant to ESOS exercised	15	16	-	-	(3)	-	13	13	
Shares buy-back		-	(214)	-	-	-	(214)	(214)	
Dividend paid	26	-	-	-	-	(6,860)	(6,860)	(6,860)	
Total transactions with owners		16	(214)	-	(3)	(6,860)	(7,061)	(7,061)	
Balance as at 31 December 2022		126,966	(8,634)	(6)	1,091	297,075	416,492	416,492	



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

Group	Note	[----- Non-distributable -----] Distributable					Total attributable to owners RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Exchange translation reserve RM'000	Share options reserve RM'000	Retained earnings RM'000			
Balance as at 1 January 2021		106,608	(8,358)	28	1,192	204,994	304,464	87	304,551
Profit for the financial year		-	-	-	-	95,196	95,196	(5)	95,191
Remeasurement of defined benefits liability, net of tax	18	-	-	-	-	(242)	(242)	-	(242)
Foreign currency translations, net of tax		-	-	(27)	-	-	(27)	-	(27)
Total comprehensive income		-	-	(27)	-	94,954	94,927	(5)	94,922
Transactions with owners									
Issuance of ordinary shares pursuant to private placement	15	19,403	-	-	-	-	19,403	-	19,403
Issuance of ordinary shares pursuant to ESOS exercised	15	939	-	-	(98)	-	841	-	841
Shares buy-back		-	(62)	-	-	-	(62)	-	(62)
Acquisition of additional interest from non-controlling interests	7(d)(ii)	-	-	-	-	(54)	(54)	(82)	(136)
Dividends paid	26	-	-	-	-	(11,150)	(11,150)	-	(11,150)
Total transactions with owners		20,342	(62)	-	(98)	(11,204)	8,978	(82)	8,896
Balance as at 31 December 2021		126,950	(8,420)	1	1,094	288,744	408,369	-	408,369

The accompanying notes form an integral part of the financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Note	[----- Non-distributable -----] Distributable		Total equity RM'000
		Share capital RM'000	Share options reserve RM'000	
Balance as at 1 January 2022		126,950	1,094	148,309
Profit for the financial year		-	-	13,625
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	-	13,625
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS exercised	15	16	(3)	13
Dividend paid	26	-	-	(6,860)
Shares buy-back		-	(214)	(214)
Total transactions with owners		16	(3)	(7,061)
Balance as at 31 December 2022		126,966	1,091	154,873



STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

Company	Note	[----- Non-distributable -----] Distributable					Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Share options reserve RM'000	Retained earnings RM'000		
Balance as at 1 January 2021		106,608	(8,358)	1,192	30,599	130,041	
Profit for the financial year		-	-	-	9,240	9,240	
Remeasurement of defined benefits liability, net of tax	18	-	-	-	(4)	(4)	
Total comprehensive income		-	-	-	9,236	9,236	
Transactions with owners							
Issuance of ordinary shares pursuant to private placement	15	19,403	-	-	-	19,403	
Issuance of ordinary shares pursuant to ESOS exercised	15	939	-	(98)	-	841	
Dividends paid	26	-	-	-	(11,150)	(11,150)	
Shares buy-back		-	(62)	-	-	(62)	
Total transactions with owners		20,342	(62)	(98)	(11,150)	9,032	
Balance as at 31 December 2021		126,950	(8,420)	1,094	28,685	148,309	

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation:		14,584	118,776	14,400	9,823
Adjustments for:					
Bad debts written off	13(l)	(398)	-	-	-
Depreciation of property, plant and equipment	4	6,804	6,811	1,159	1,114
Depreciation of right-of-use assets	5	573	1,004	198	267
Fair value loss/(gain) on derivatives	12(c)	432	(179)	-	-
Dividend income from subsidiaries	22	-	-	(10,300)	(10,220)
Dividend income from associates		-	-	(4,994)	(3,347)
Impairment losses on property, plant and equipment	4	-	1,003	-	-
Impairment losses on trade receivables	13(l)	1,300	1,445	-	-
Interest expense		10,067	7,713	1,850	1,635
Interest income	23	(601)	(546)	(598)	(363)
Inventories written down	11(b)	13,980	7,212	-	-
Net (gains)/losses on disposals of:					
- property, plant and equipment	23	(138)	10	-	-
- right-of-use asset	23	99	-	-	-
- investment properties	23	-	(44)	-	-
Property, plant and equipment written off	4	207	348	-	-
Retirement benefit obligations	18	375	1,390	91	431
Reversal of impairment loss on property, plant and equipment	4	(313)	-	-	-
Reversal of impairment losses on trade receivables	13(l)	(285)	(3)	-	-
Reversal of inventories written down	11(c)	-	(234)	-	-
Share of results of associates, net of tax	8(e)	(19,264)	(30,851)	-	-
Unrealised loss/(gain) on foreign exchange	23	95	(238)	-	-
Operating profit/(loss) before changes in working capital		27,517	113,617	1,806	(660)
Changes in working capital:					
Inventories		86,863	(178,761)	-	-
Trade and other receivables		43,547	(47,270)	8	4,000
Trade and other payables		(14,217)	15,147	(8,518)	1,572
Cash generated from/(used in) operations		143,710	(97,267)	(6,704)	4,912
Dividends received, from subsidiaries		-	-	10,300	10,220
Dividends received, from associates		4,994	3,347	4,994	3,347
Retirement benefits paid		(207)	-	-	-
Tax refunded		405	19	-	-
Tax paid		(21,444)	(17,396)	(629)	(439)
Net cash from/(used in) operating activities		127,458	(111,297)	7,961	18,040



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances/(Repayments) to subsidiaries		-	-	6,840	(18,343)
Additions of interest in a subsidiary	7 (c),(d)	-	(136)	(4,000)	(8,000)
Interest received		601	546	598	363
Proceeds from disposal of:					
- property, plant and equipment		321	13	-	-
- right-of-use asset*		-	-	-	-
- investment properties		-	45	-	-
Purchase of property, plant and equipment	4	(16,345)	(11,682)	(367)	(574)
Net cash (used in)/from investing activities		(15,423)	(11,214)	3,071	(26,554)
* Amount is negligible					
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(10,067)	(7,713)	(1,850)	(1,635)
Repayments of term loans		(3,951)	(3,949)	(1,860)	(1,860)
Net (repayment)/drawdown of other borrowings		(97,834)	136,386	1,000	500
Repayments of lease liabilities	5	(1,284)	(1,739)	(86)	(168)
Dividends paid	26	(6,860)	(4,290)	(6,860)	(4,290)
Proceed from issuance of ordinary shares pursuant to:					
- Private placement	15	-	19,403	-	19,403
- ESOS subscription		13	841	13	841
- Shares buy-back		(214)	(62)	(214)	(62)
Net cash (used in)/from financing activities		(120,197)	138,877	(9,857)	12,729
Net (decrease)/increase in cash and cash equivalents		(8,162)	16,366	1,175	4,215
Effects of exchange rate changes on cash and cash equivalents		12	2	-	-
Cash and cash equivalents at beginning of financial year		45,053	28,685	2,374	(1,841)
Cash and cash equivalents at end of financial year	14(d)	36,903	45,053	3,549	2,374

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 5) RM'000	Term loans (Note 17) RM'000	Other borrowings* (Note 17) RM'000
Balance as at 1 January 2022	1,452	18,404	271,453
Cash flows:			
Repayments of lease liabilities	(1,284)	-	-
Repayments of term loans	-	(3,951)	-
Repayments of other borrowings	-	-	(97,834)
Non-cash flows:			
Addition	184	-	-
Modification	297	-	-
Unwinding of interest	51	-	-
Balance as at 31 December 2022	<u>700</u>	<u>14,453</u>	<u>173,619</u>
Balance as at 1 January 2021	3,064	22,353	135,067
Cash flows:			
Repayments of lease liabilities	(1,739)	-	-
Repayments of term loans	-	(3,949)	-
Drawdowns of other borrowings	-	-	136,386
Non-cash flow:			
Unwinding of interest	127	-	-
Balance as at 31 December 2021	<u>1,452</u>	<u>18,404</u>	<u>271,453</u>

* Other borrowings excludes bank overdrafts.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (cont'd)

Company	Lease liabilities (Note 5) RM'000	Term loans (Note 17) RM'000	Other borrowings* (Note 17) RM'000
Balance as at 1 January 2022	85	7,575	29,500
Cash flows:			
Repayment of lease liabilities	(86)	-	-
Repayment of term loan	-	(1,860)	-
Drawdown of other borrowings	-	-	1,000
Non-cash flow:			
Unwinding of interest	1	-	-
Balance as at 31 December 2022	-	5,715	30,500
Balance as at 1 January 2021	245	9,435	29,000
Cash flows:			
Repayment of lease liabilities	(168)	-	-
Repayment of term loan	-	(1,860)	-
Drawdown of other borrowings	-	-	500
Non-cash flow:			
Unwinding of interest	8	-	-
Balance as at 31 December 2021	85	7,575	29,500

* Other borrowings excludes bank overdrafts.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

Prestar Resources Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 1298, 16½ Miles, Jalan Ipoh, Rawang Industrial Estate, 48000 Rawang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is renting out properties and investment holding. The principal activities of the subsidiaries mainly consist of manufacturing of steel pipes, tubes, supply and install of guardrails, material handling equipment, pallet racking systems, wheelbarrows, hand trucks and other steel related products. The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Notwithstanding that the Company was in a net current liabilities position of RM29,271,000 as at 31 December 2022, the Directors have considered the application of the going concern basis in the preparation of financial statements of the Company to be appropriate, given the ability of the Company to generate adequate net cash inflows in the foreseeable future, including the utilisation of unused banking facilities. In relation to this, the Directors have assessed the Company’s cash flow position for the next twelve (12) months to ensure that the Company has sufficient funds to meet its obligations as and when they fall due.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Balance as at 1.1.2022 RM'000	Additions RM'000	Transfer RM'000	Reclassifi- cation from right-of-use assets (Note 5) RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.12.2022 RM'000
Carrying amount						
Freehold land	15,293	-	-	-	-	15,293
Buildings	32,361	299	-	-	(922)	31,738
Office equipment	167	25	(2)	-	(43)	147
Furniture, fittings and renovations	173	34	-	-	(126)	81
Motor vehicles	7	-	-	236	(68)	175
Construction-in- progress	-	9	-	-	-	9
	48,001	367	(2)	236	(1,159)	47,443

<----- As at 31 December 2022 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	15,293	-	15,293
Buildings	46,269	(14,531)	31,738
Office equipment	606	(459)	147
Furniture, fittings and renovations	2,507	(2,426)	81
Motor vehicles	1,004	(829)	175
Construction-in-progress	9	-	9
	65,688	(18,245)	47,443

Company	Balance as at 1.1.2021 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.12.2021 RM'000
Carrying amount				
Freehold land	15,293	-	-	15,293
Buildings	32,718	552	(909)	32,361
Office equipment	193	22	(48)	167
Furniture, fittings and renovations	328	-	(155)	173
Motor vehicles	9	-	(2)	7
	48,541	574	(1,114)	48,001

<----- As at 31 December 2021 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	15,293	-	15,293
Buildings	45,972	(13,611)	32,361
Office equipment	597	(430)	167
Furniture, fittings and renovations	2,474	(2,301)	173
Motor vehicles	59	(52)	7
	64,395	(16,394)	48,001



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

- (b) After initial recognition, property, plant and equipment except for freehold land are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Buildings	20 - 50 years
Plant and machinery	5 - 20 years
Office equipment	5 - 10 years
Furniture, fittings and renovations	5 - 10 years
Motor vehicles and forklifts	5 - 6 years
Moulds, tools and equipment	7 years

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents machinery under installation and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

- (c) At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

- (d) As at the end of the reporting period, certain freehold land and buildings of the Group with a carrying amount of RM61,332,000 (2021: RM62,027,000) and certain freehold land and buildings of the Company with a carrying amount of RM39,704,000 (2021: RM40,169,000) has been charged as securities for banking facilities granted to the Group and the Company as disclosed in Note 17(d) and (e) to the financial statements.

- (e) Impairment assessment

During the financial year, no impairment loss was recognised in the Group. There was a reversal of impairment loss amounting to RM313,000 on the property, plant and equipment following the disposal of certain plant and machinery.

In the previous financial year, impairment loss on property, plant and equipment of the Group of RM1,003,000 was recognised due to the decline in operations of a subsidiary of the Group as a result of the COVID-19 pandemic.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Carrying amount	Balance as at 1.1.2022 RM'000	Additions RM'000	Modification RM'000	Disposal RM'000	Depreciation charge for the financial year		Reclassification * RM'000	Balance as at 31.12.2022 RM'000
					RM'000	RM'000		
Leasehold land	11,712	-	-	-	(125)	-	-	11,587
Buildings	56	-	297	-	(161)	-	-	192
Machineries	4,225	-	-	-	(131)	(1,402)	(1,402)	2,692
Motor vehicles	1,309	184	-	(99)	(156)	(920)	(920)	318
	17,302	184	297	(99)	(573)	(2,322)	(2,322)	14,789

* The assets previously acquired under hire purchase arrangement were reclassified to property, plant and equipment as the lease liabilities for these assets have been fully settled during the financial year.

Carrying amount

Leasehold land	Buildings	Machineries	Motor vehicles	Depreciation charge for the financial year		Balance as at 31.12.2021 RM'000
				RM'000	RM'000	
11,837	214	4,420	1,835	(125)	(158)	11,712
				(195)	(526)	56
				(1,004)		4,225
						1,309
						17,302



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Group as lessee (cont'd)

Lease liabilities

Carrying amount	Balance as at 1.1.2022 RM'000	Addition RM'000	Modifi- cation RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2022 RM'000
Buildings	61	-	297	(168)	6	196
Machineries	889	-	-	(654)	33	268
Motor vehicles	502	184	-	(462)	12	236
	1,452	184	297	(1,284)	51	700

Carrying amount	Balance as at 1.1.2021 RM'000	Reclassification RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2021 RM'000
Buildings	222	-	(168)	7	61
Machineries	1,753	(60)	(883)	79	889
Motor vehicles	1,089	60	(688)	41	502
	3,064	-	(1,739)	127	1,452

Represented by:

	2022 RM'000	2021 RM'000
Current liabilities	513	1,123
Non-current liabilities	187	329
	700	1,452
Lease liabilities owing to financial institutions	329	1,391
Lease liabilities owing to non-financial institutions	371	61
	700	1,452



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Company as lessee

Right-of-use assets

	Balance as at 1.1.2022 RM'000	Reclassifi- cation to property, plant and equipment (Note 4) RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.12.2022 RM'000
Carrying amount				
Leasehold land	11,712	-	(127)	11,585
Motor vehicles	307	(236)	(71)	-
	12,019	(236)	(198)	11,585

	Balance as at 1.1.2021 RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.12.2021 RM'000
Carrying amount			
Leasehold land	11,837	(125)	11,712
Motor vehicles	449	(142)	307
	12,286	(267)	12,019

Lease liabilities

	Balance as at 1.1.2022 RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2022 RM'000
Carrying amount				
Motor vehicles	85	(86)	1	-

	Balance as at 1.1.2021 RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2021 RM'000
Carrying amount				
Motor vehicles	245	(168)	8	85

Represented by:

	2022 RM'000	2021 RM'000
Current liabilities	-	85
Lease liabilities owing to a financial institution	-	85



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Group and the Company as lessee

- (a) The Group and the Company leases buildings and leasehold land in the location which it operates. The lease of buildings and leasehold land comprised fixed payment over the lease term.

The Group also leases certain items of machineries and motor vehicles. Leases of machineries and motor vehicles comprise only fixed payments over the lease terms.

- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	99 years
Buildings	1 - 3 years
Machineries	3 - 5 years
Motor vehicles	1 - 7 years

- (c) The Group and the Company have certain leases of machineries and office equipment with lease term of 12 months or less and low value leases of assets of RM20,000 and below. The Group and the Company applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

- (d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation charge of right-of-use assets (included in cost of sales)	573	1,004	198	267
Interest expense on lease liabilities (included in finance costs)	51	127	1	8
Gain on disposal of right-of-use asset	99	-	-	-
Expense relating to short-term leases (included in administrative expenses)	228	347	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	7	10	-	-
	<u>958</u>	<u>1,488</u>	<u>199</u>	<u>275</u>

- (e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash used in operating activities:				
Payments relating to short-term leases and low value assets	235	357	-	-
Included in net cash used in financing activities:				
Payment of lease liabilities	(1,284)	(1,739)	(86)	(168)
Total cashflows for leases	<u>(1,049)</u>	<u>(1,382)</u>	<u>(86)</u>	<u>(168)</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Group and the Company as lessee (cont'd)

- (f) The Group and the Company leases several assets that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's and the Company's operations. Management determines whether these extensions and termination options are reasonably certain to be exercised.

As at 31 December 2022, there is no undiscounted potential future rental payment that is not included in the lease term.

The Group and the Company as lessor

The Group and the Company has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to seven (7) years (2021: one (1) to seven (7) years) and one (1) to three (3) years (2021: one (1) to three (3) years) respectively and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group and the Company has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Not later than one (1) year	2,364	3,391	4,230	5,569
Later than one (1) year and not later than two (2) years	4,848	3,903	6,899	5,676
Later than two (2) years and not later than three (3) years	2,261	1,006	1,105	229
Later than three (3) years and not later than four (4) years	737	266	-	-
Later than four (4) years and not later than five (5) years	414	49	-	-
Later than five (5) years	169	49	-	-
	10,793	8,664	12,234	11,474

6. INVESTMENT PROPERTIES

Group	Balance as at 1.1.2021 RM'000	Disposal for the financial year RM'000	Balance as at 31.12.2021 RM'000
Carrying amount			
Investment properties	1	(1)	-

- (a) Investment properties were properties which were held to earn rental yields or for capital appreciation or for both and were not occupied by the Group. Investment properties were initially measured at cost, which includes transaction costs.

Subsequent costs were included in the carrying amount of the investment properties or recognised as a separate asset, as appropriate, only when the cost was incurred and it was probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amounts of parts that were replaced were derecognised. The costs of the day-to-day servicing of investment properties were recognised in profit or loss as incurred.

- (b) Investment properties were derecognised when either they have been disposed of or when they were permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property was determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and was recognised in profit or loss in the period of the retirement or disposal.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
At cost		
Unquoted shares	98,782	105,033
Less: Accumulated impairment losses	-	(10,251)
	98,782	94,782

(a) Details of the subsidiaries are as follows:

Name of Company	Principal place of business/ Country of incorporation	Effective interest in equity held by the Group		Principal activities
		2022 %	2021 %	
Prestar Manufacturing Sdn. Bhd.* ("PMSB")	Malaysia	100	100	Investment holding.
Prestar Marketing Sdn. Bhd.* ("PMktgSB")	Malaysia	100	100	Import and distribute of general hardware, tools, material handling equipment and forklifts.
Prestar Engineering Sdn. Bhd.* ("PESB")	Malaysia	100	100	Manufacture, supply and install guardrails and related products.
Prestar Steel Pipes Sdn. Bhd. ("PSPSB") ***	Malaysia	100	100	Struck off.
Prestar Precision Tube Sdn. Bhd.* ("PPTSB")	Malaysia	100	100	Manufacture of a wide range of steel pipes and tubes.
Dai Dong Steel Sdn. Bhd.* ("DDSSB")	Malaysia	100	100	Importing and trading of steel materials and general hardware products.
Prestar Storage System Sdn.Bhd.* ("PSSSB")	Malaysia	100	100	Manufacture, installation and export of all kinds of material handling equipment, structural steel works, pallet racking systems, wheelbarrows and hand trucks.
Subsidiary of PESB				
Prestar Galvanising Sdn. Bhd. * ("PGSB")	Malaysia	100	100	General hot-dip galvanising and coating of metal products and threaded items, fabrication of moulds and dies, maintenance and installation of machinery.
Subsidiary of PMSB				
PT Prestar MHE **^@ ("PTMHE")	Indonesia	90	90	Importing and trading of wheelbarrow and other material handling equipment products.
Subsidiary of PSSSB				
PT Prestar MHE **^@ ("PTMHE")	Indonesia	10	10	Importing and trading of wheelbarrow and other material handling equipment products.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

7. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) Details of the subsidiaries are as follows: (cont'd)

* Subsidiaries audited by BDO PLT Malaysia.

** Consolidated based on its management accounts for the financial year ended 31 December 2022.

*** This subsidiary had been struck off the Register pursuant to Section 550 of the Companies Act, 2016 in the current financial year.

^ Not required to be audited under the local legislation.

@ This subsidiary is in the process of winding up as of reporting date.

(b) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) During the financial year ended 31 December 2022:

(i) On 13 April 2022, the Company had subscribed for 4,000,000 new ordinary shares in PSSSB, a wholly-owned subsidiary of the Company at issue price of RM1.00 per share for cash consideration of RM4,000,000. The Company's equity interests in PSSSB remained at 100%

(ii) On 30 December 2022, the Company has written off its investment in PSPSB amounting to RM10,251,000 as the subsidiary has been struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551 (3) of the Companies Act 2016 in the Gazette and is accordingly dissolved.

Striking off of PSPSB did not have any material financial impact to the Group.

(d) In the previous financial year ended 31 December 2021:

(i) On 16 March 2021, the Company had subscribed for 4,000,000 new ordinary shares in PSSSB, a wholly owned subsidiary of the Company at issue price of RM1.00 per share for a total cash consideration of RM4,000,000. On 20 December 2021, the Company had further subscribed for 4,000,000 new ordinary shares in PSSSB at issue price of RM1.00 per share for a total cash consideration of RM4,000,000.

(ii) On 31 October 2021, PESB, a wholly owned subsidiary of the Company had subscribed for 3% of equity interest comprising of 263,000 ordinary shares in PGSB for a total cash consideration of RM136,000. The transaction resulted in an increase in direct shareholding from 97% to 100%.

The acquisition of subsidiary did not have any material effect on the financial results and position in the Group.

(e) In the previous financial year, a subsidiary of the Group that had a material non-controlling interests ("NCI") was as follows:

PGSB	2021
NCI percentage of ownership interest and voting interest	3%*
Carrying amount of NCI (RM'000)	-
Loss allocated to NCI (RM'000)	(5)
Total comprehensive loss allocated to NCI (RM'000)	(5)

* up to acquisition date

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

7. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (f) The summarised financial information before intra-group elimination of the subsidiary that had material NCI as at the end of the previous reporting period was as follows:

PGSB	2021 RM'000
Assets and liabilities	
Non-current assets	8,797
Current assets	5,887
Non-current liabilities	(393)
Current liabilities	(9,547)
Net assets	<u>4,744</u>
Results	
Revenue	10,466
Loss for the financial year	(166)
Total comprehensive loss	<u>(166)</u>
Cash flows from operating activities	940
Cash flows from investing activities	1,146
Cash flows used in financing activities	(1,939)
Net increase in cash and cash equivalents	<u>147</u>

- (g) The carrying amounts of assets to which significant restrictions apply are as follows:

	2022 RM'000	2021 RM'000
Buildings	10,552	10,781
Cash and cash equivalents	11,443	11,779
Freehold land	20,000	20,000
	<u>41,995</u>	<u>42,560</u>

The above restrictions arose from bank covenants as follows:

- (i) A covenant of banking facilities undertaken by PESB, a subsidiary of the Company, restricts the ability of the subsidiary to declare dividends to its shareholders if the subsidiary is making loss after tax, and any future dividend payments in excess of 50% of its net profit after tax for the financial year shall require the bank's consent.
- (ii) A covenant of banking facilities undertaken by DDSSB, PPTSB, PSSSB and PMktgSB, subsidiaries of the Company, restricts the ability of the subsidiaries to declare dividends of more than 50% of its current year profit after tax to its shareholders without the bank's consent.
- (iii) The covenant of banking facilities undertaken by PSSSB, a subsidiary of the Company, restricts the ability of the subsidiaries to dispose or transfer the ownership of their freehold land and building.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At cost:				
Unquoted equity shares	16,965	16,965	16,965	16,965
Share of post acquisition reserves, net of dividends received	53,297	39,930	-	-
	70,262	56,895	16,965	16,965
Quoted equity shares	68,821	68,821	8,193	8,193
Share of post-acquisition reserves, net of dividends received	21,010	20,107	-	-
	160,093	145,823	25,158	25,158
			Group and Company	Group and Company
			2022	2021
			RM'000	RM'000
Market value:				
Quoted equity shares in Malaysia			45,090	59,922

- (a) Investments in associates are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) The details of the associates of which all are incorporated in Malaysia are as follows:

Name of Company	Effective interest in equity held by the Group		Principal activities
	2022 %	2021 %	
POSCO-MKPC Sdn. Bhd. ("MKPC") *	30	30	Slitting, shearing and sales of steel sheets and coils.
Tashin Holdings Berhad ("THB") **	34	34	Investment holding company.

* Associate not audited by BDO PLT Malaysia.

** Associate audited by BDO PLT Malaysia.

- (c) The financial statements of the above associates are coterminous with those of the Group, which are 31 December 2022.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

8. INVESTMENTS IN ASSOCIATES (cont'd)

(d) The summarised financial information of the associates are as follows:

2022	MKPC RM'000	THB RM'000	TOTAL RM'000
Assets and liabilities			
Non-current assets	64,526	129,939	194,465
Current assets	456,955	247,622	704,577
Non-current liabilities	(5,840)	(28,779)	(34,619)
Current liabilities	(281,112)	(89,920)	(371,032)
Net assets	<u>234,529</u>	<u>258,862</u>	<u>493,391</u>
Results			
Revenue	827,251	434,303	1,261,554
Profit for the financial year	49,337	13,125	62,462
Total comprehensive income	<u>49,337</u>	<u>13,125</u>	<u>62,462</u>
Cash flows from operating activities	23,239	36,238	59,477
Cash flows used in investing activities	(446)	(56,474)	(56,920)
Cash flows used in financing activities	(9,642)	(1,114)	(10,756)
Net increase/(decrease) in cash and cash equivalents	<u>13,151</u>	<u>(21,350)</u>	<u>(8,199)</u>
2021			
	MKPC RM'000	THB RM'000	TOTAL RM'000
Assets and liabilities			
Non-current assets	69,994	77,265	147,259
Current assets	452,820	321,893	774,713
Non-current liabilities	(6,821)	(10,637)	(17,458)
Current liabilities	(326,021)	(132,314)	(458,335)
Net assets	<u>189,972</u>	<u>256,207</u>	<u>446,179</u>
Results			
Revenue	595,215	388,653	983,868
Profit for the financial year	31,869	62,619	94,488
Total comprehensive income	<u>31,869</u>	<u>62,619</u>	<u>94,488</u>
Cash flows (used in)/from operating activities	(52,470)	17,105	(35,365)
Cash flows used in investing activities	(6,507)	(5,717)	(12,224)
Cash flows used from financing activities	10,408	17,655	28,063
Net (decrease)/increase in cash and cash equivalents	<u>(48,569)</u>	<u>29,043</u>	<u>(19,526)</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

8. INVESTMENTS IN ASSOCIATES (cont'd)

- (e) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:

2022	MKPC RM'000	THB RM'000	TOTAL RM'000
Share of net assets of the Group	70,262	89,831	160,093
Elimination of unrealised profits	-	-	-
	<hr/>	<hr/>	<hr/>
Carrying amount in the statements of financial position	70,262	89,831	160,093
Share of results of the Group for the financial year			
Share of profit of the Group	14,801	4,463	19,264
Share of other comprehensive income or loss of the Group	-	-	-
	<hr/>	<hr/>	<hr/>
Share of total comprehensive income of the Group	14,801	4,463	19,264
Other information			
Dividend income from associates	1,434	3,560	4,994
	<hr/>	<hr/>	<hr/>
2021			
	MKPC RM'000	THB RM'000	TOTAL RM'000
Share of net assets of the Group	56,895	88,928	145,823
Elimination of unrealised profits	-	-	-
	<hr/>	<hr/>	<hr/>
Carrying amount in the statements of financial position	56,895	88,928	145,823
Share of results of the Group for the financial year			
Share of profit of the Group	9,561	21,290	30,851
Share of other comprehensive income or loss of the Group	-	-	-
	<hr/>	<hr/>	<hr/>
Share of total comprehensive income of the Group	9,561	21,290	30,851
Other information			
Dividend income from associates	381	2,966	3,347
	<hr/>	<hr/>	<hr/>

- (f) As at 31 December 2022, the carrying amount of the net assets of THB is in excess of the related market capitalisation.

The Group has performed the impairment assessment of the carrying amount on cost of investment in THB.

The recoverable amount of the cost of investment in the associate assessed by the Group is the higher of its fair value less cost to sell and its value in use. The Group has determined the recoverable amount of the investment using discounted cash flows expected to be generated from the investment.

During the financial year, the key assumptions used in the value-in-use calculations are as follows:

- (i) The anticipated annual revenue growth rates used in the cash flows projections ranged from 2% to 12% per annum;
- (ii) Profit margins are projected based on the historical profit margin achieved for the products; and
- (iii) Pre-tax discount rate of 10.14% was applied over the projection periods in determining the recoverable amount of the investment. The discount rate used is pre-tax, which is the weighted average cost of capital adjusted for specific risks relating to THB.

In assessing the value-in-use, the Directors are of the view that no foreseeable changes in any of the above key assumptions would cause the carrying amount of the investment in THB to materially exceed its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

9. INTANGIBLE ASSETS

	Balance as at 1.1.2022 RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2022 RM'000
2022			
Group Carrying amount			
Goodwill	1,675	-	1,675
<----- As at 31 December 2022 ----->			
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill	2,803	(1,128)	1,675
Development costs	589	(589)	-
	3,392	(1,717)	1,675
	Balance as at 1.1.2021 RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2021 RM'000
2021			
Group Carrying amount			
Goodwill	1,675	-	1,675



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

9. INTANGIBLE ASSETS (cont'd)

	<----- As at 31 December 2021 ----->		
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill	2,803	(1,128)	1,675
Development costs	589	(589)	-
	3,392	(1,717)	1,675

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

Goodwill arising from business combinations has been allocated to two (2) individual cash-generating units ("CGU") for impairment testing, as follows:

	Manufacturing (CGU 1) RM'000	Trading (CGU 2) RM'000	Total RM'000
Goodwill, gross	1,799	1,004	2,803
Less: Impairment losses	(668)	(460)	(1,128)
Goodwill, net	1,131	544	1,675

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

9. INTANGIBLE ASSETS (cont'd)

(a) Goodwill (cont'd)

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using discounted cash flow projections from financial budgets approved by the Directors covering a five (5) year period. The pre-tax discount rate applied to the cash flow projections and forecasted growth rates used to extrapolate cash flows for the five (5) year period are as follows:

	CGU1		CGU2	
	2022 %	2021 %	2022 %	2021 %
Growth rates	11.0	2.0	5.0	3.0
Pre-tax discount rates	10.1	7.0	10.1	7.0

The calculations of value-in-use for the CGUs are based on the following assumptions:

(i) Growth rates

The forecasted growth rates applied to the cash flow projections of CGU 1 and CGU 2 are based on the most recent financial budgets approved by the Directors covering a five (5) year period.

(ii) Pre-tax discount rates

Discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess the operating performance of the respective CGUs and to evaluate future investment proposals. The discount rates used are pre-tax and reflect the overall weighted average cost of capital and specific risk adjustment relating to the relevant segments.

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amounts of the remaining goodwill assessed as at 31 December 2022 as their recoverable amounts were in excess of their carrying amounts.

The sensitivity of the impairment assessment to a reasonably possible change in the above assumptions are not disclosed as it is not significant.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other expenses line item.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Capitalised development costs are amortised on a straight-line basis over a period of ten (10) years. Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in profit or loss as incurred.

Development costs represent costs incurred in the development of high quality steel pipes prior to the commencement of commercial production.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

10. DEFERRED TAX LIABILITIES

Deferred tax liabilities are made up of the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Balance as at 1 January	6,395	7,417	1,264	1,134
Recognised in profit or loss (Note 25)	(2,257)	(1,022)	74	130
Balance as at 31 December	4,138	6,395	1,338	1,264

- (a) Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

- (b) The movements of deferred tax liabilities during the financial year are as follows:

Deferred tax liabilities of the Group	Property, plant and equipment RM'000
Balance as at 1 January 2022	6,395
Recognised in profit or loss	(2,257)
Balance as at 31 December 2022	4,138
Balance as at 1 January 2021	7,417
Recognised in profit or loss	(1,022)
Balance as at 31 December 2021	6,395

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

10. DEFERRED TAX LIABILITIES (cont'd)

(b) The movements of deferred tax liabilities during the financial year are as follows: (cont'd)

Deferred tax liabilities of the Company	Property, plant and equipment RM'000
Balance as at 1 January 2022	1,264
Recognised in profit or loss	74
	<hr/>
Balance as at 31 December 2022	1,338
	<hr/>
Balance as at 1 January 2021	1,134
Recognised in profit or loss	130
	<hr/>
Balance as at 31 December 2021	1,264
	<hr/>

11. INVENTORIES

	2022 RM'000	Group 2021 RM'000
At cost		
Raw materials	65,394	148,569
Work-in-progress	26,097	22,566
Manufactured and trading inventories	56,874	77,438
	<hr/>	<hr/>
	148,365	248,573
At net realisable value		
Raw materials	8,703	6,693
Work-in-progress	283	274
Manufactured and trading inventories	9,843	10,671
	<hr/>	<hr/>
	18,829	17,638
	<hr/>	<hr/>
	167,194	266,211
	<hr/>	<hr/>

- (a) Inventories are stated at the lower of cost and net realisable value. The cost of the inventories are determined using the weighted average method. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location. Costs of work-in-progress and manufactured and trading inventories included the cost of raw materials, direct labour, other direct cost and an appropriate portion of production overheads based on normal operating capacity of the production facilities.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM567,168,000 (2021: RM404,739,000). In addition, the amounts recognised in cost of sales include inventories written down of RM13,980,000 (2021: RM7,212,000).
- (c) In the previous financial year, the Group had reversed RM234,000 of a write down of inventories which was subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (d) During the financial year, machineries and forklift under property, plant and equipment amounting to RM1,826,000 (2021: RM118,000) have been transferred to inventories.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

12. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
2022			
Forward currency contracts	16,236	31	(455)
2021			
Forward currency contracts	17,631	17	(9)

- (a) Derivatives are initially recognised at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.
- (b) Forward currency contracts have been entered into to operationally hedge receivables and forecast purchases denominated in foreign currencies that are expected to realise or occur at various dates within five (5) months (2021: three (3) months) from the end of the reporting period. The forward currency contracts have maturity dates that coincide with the expected occurrence of these transactions. The fair value of these components have been determined based on the difference between the contracted rate and the forward exchange rate as applicable to a contract of similar amount and maturity profile at the end of the reporting period.
- (c) During the financial year, the Group recognised a net loss of RM432,000 (2021: net gain of RM179,000) arising from fair value changes of derivative financial instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 33 to the financial statements.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Other receivables				
Subsidiaries	-	-	8,413	11,105
Less: Impairment losses	-	-	(97)	(97)
	-	-	8,316	11,008
Current				
Trade receivables				
Third parties	111,607	138,451	-	-
Associates	-	54	-	-
	111,607	138,505	-	-
Less: Impairment losses				
- third parties	(4,034)	(3,417)	-	-
	107,573	135,088	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current (cont'd)				
Other receivables				
Third parties	2,683	3,007	94	79
Deposits	184	276	14	14
Subsidiaries	-	-	1,678	5,837
	2,867	3,283	1,786	5,930
Less: Impairment losses - subsidiaries	-	-	(16)	(16)
	2,867	3,283	1,770	5,914
Total receivables	110,440	138,371	1,770	5,914
Prepayments	18,274	34,081	10	32
Total trade and other receivables (current)	128,714	172,452	1,780	5,946
Total trade and other receivables (non-current and current)	128,714	172,452	10,096	16,954

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 to 120 days (2021: 30 to 120 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) In the previous financial year, amounts owing by associates in trade receivables was non-interest bearing and were subjected to normal trade credit terms. They were recognised at their invoice amounts, which represented their fair values on initial recognition.
- (d) Non-current amounts owing by subsidiaries in other receivables of the Company represent loan and advances, which are unsecured, bear interest rate ranging from 1.95% to 4.19% (2021: 1.95% to 4.19%) per annum and are not repayable within the next twelve (12) months.
- (e) Current amounts owing by subsidiaries in other receivables of the Company represent advances, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (f) Included in prepayments of the Group is an amount of RM14,747,000 (2021: RM29,564,000) made to suppliers for purchase of raw materials.
- (g) The currency exposure profiles of total receivables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ("RM")	108,299	133,240	10,086	16,922
US Dollar ("USD")	743	3,672	-	-
Euro ("EURO")	1,254	1,064	-	-
Singapore Dollar ("SGD")	118	339	-	-
Indonesian Rupiah ("IDR")	-	20	-	-
Thai Baht ("THB")	26	36	-	-
	110,440	138,371	10,086	16,922



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

- (h) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.
- (i) The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the average historical bad debts write-offs rate and general rate based on the length of time invoices are overdue. The trade receivables have been grouped based on shared credit risk characteristics and the days past due.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the gross domestic products ("GDP"), inflation rate, lending interest rate, unemployment rate, consumer price index ("CPI") and producer price index ("PPI") as the key macroeconomic factors. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

- (j) Lifetime expected loss provision for trade receivables are as follows:

Group	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net carrying amount RM'000
2022			
Current (not past due)	90,453	(583)	89,870
1 to 30 days past due	13,816	(242)	13,574
31 to 60 days past due	3,017	(128)	2,889
61 to 90 days past due	672	(30)	642
More than 90 days past due	734	(136)	598
	108,692	(1,119)	107,573
Credit impaired			
Individually impaired	2,915	(2,915)	-
	111,607	(4,034)	107,573
2021			
Current (not past due)	122,378	(798)	121,580
1 to 30 days past due	8,718	(290)	8,428
31 to 60 days past due	1,710	(94)	1,616
61 to 90 days past due	796	(51)	745
More than 90 days past due	3,875	(1,156)	2,719
	137,477	(2,389)	135,088
Credit impaired			
Individually impaired	1,028	(1,028)	-
	138,505	(3,417)	135,088

Individually impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

- (j) Lifetime expected loss provision for trade receivables are as follows: (cont'd)

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- (i) when there is a breach of financial covenants by the counterparty; or
- (ii) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

- (k) As at the end of each reporting period, the credit risks exposures relating to trade receivables of the Group are summarised in the table below:

	2022 RM'000	Group 2021 RM'000
Maximum exposure	107,573	135,088
Collateral obtained	(82,000)	(72,000)
Net exposure to credit risk	<u>25,573</u>	<u>63,088</u>

The above collaterals are credit insurance obtained by the Group.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (l) The reconciliation of movements in the impairment losses for trade receivables are as follows:

	2022 RM'000	Group 2021 RM'000
Balance as at 1 January	3,417	1,975
Charge for the financial year	1,300	1,445
Reversal of impairment losses	(285)	(3)
Written off	(398)	-
Balance as at 31 December	<u>4,034</u>	<u>3,417</u>

- (m) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The Group and the Company have identified the gross domestic products ("GDP"), inflation rate, unemployment rate, lending interest rate, consumer price index ("CPI") and producer price index ("PPI") as the key macroeconomic factors. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

(m) (cont'd)

At the end of the reporting period, the Group and the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by subsidiaries and other receivables are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the subsidiaries and other receivables.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly and defaulted in payments which has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The reconciliation of movements in the impairment losses on amounts owing by subsidiaries are as follows:

Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Total RM'000
Balance as at 1 January/ 31 December 2022/2021	-	113	113

(n) No expected credit loss is recognised arising from other receivables as it is negligible.

(o) Information on financial risks of trade and other receivables are disclosed in Note 33 to the financial statements.

14. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	37,403	47,260	3,549	2,815

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The currency exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ("RM")	36,644	45,335	3,549	2,815
US Dollar ("USD")	640	734	-	-
Thai Baht ("THB")	27	73	-	-
Singapore Dollar ("SGD")	2	2	-	-
Indonesian Rupiah ("IDR")	-	1,116	-	-
Chinese Renminbi ("CNY")	90	-	-	-
	37,403	47,260	3,549	2,815

(c) No expected credit losses were recognised arising from cash and bank balances because the probability of default by these financial institutions were negligible.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

14. CASH AND BANK BALANCES (cont'd)

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	37,403	47,260	3,549	2,815
Less:				
Bank overdrafts (Note 17)	(500)	(2,207)	-	(441)
As reported in statements of cash flows	36,903	45,053	3,549	2,374

- (e) Information on financial risks of cash and bank balances are disclosed in Note 33 to the financial statements.

15. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid ordinary shares with no par value				
Balance as at 1 January	360,551	126,950	204,831	106,608
Issuance of ordinary shares pursuant to:				
- private placement	-	-	19,403	19,403
- ESOS	38	16	1,111	939
- bonus issue	-	-	135,206	-
Balance as at 31 December	360,589	126,966	360,551	126,950

- (a) Ordinary shares are classified as equity instruments and recorded at the nominal value.
- (b) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from 360,551,000 to 360,589,000 by way of issuance of 38,000 new ordinary shares pursuant to the options exercised under the Employees' Share Option Scheme ("ESOS") at exercise prices ranging from RM0.33 to RM0.52 per ordinary share for cash totalling RM16,000.
- (c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (d) Treasury shares
- (i) When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently it shall not be revalued for subsequent changes in the fair value or market price of the shares.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2022 (cont'd)

15. SHARE CAPITAL (cont'd)

(d) Treasury shares (cont'd)

- (i) The carrying amount of the treasury shares shall be offset against equity in the statement of financial position.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

- (ii) The shareholders of the Company, by an ordinary resolution passed at its Annual General Meeting held on 26 June 2003, approved the plan of the Company to repurchase its own shares and the approval had been renewed in subsequent Annual General Meetings. The Directors are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan is in the best interests of the Company and its shareholders.

Of the total 360,589,000 (2021: 360,551,000) issued and fully paid ordinary shares as at 31 December 2022, 18,030,000 (2021: 17,530,000) amounting to RM8,634,000 (2021: RM8,420,000) are held as treasury shares by the Company. As at 31 December 2022, the number of outstanding ordinary shares in issue net of treasury shares is 342,559,000 (2021: 343,021,000) ordinary shares.

During the financial year, the Company repurchased 500,000 of its issued ordinary shares from the open market at an average price of RM0.43 per share. The total consideration paid for the repurchased shares was RM214,000. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

- (e) At the Annual General Meeting held on 15 June 2022, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase its own shares based, amongst others, on the following terms:

- (i) The number of shares to be repurchased and/or held as treasury shares shall not exceed 10% of its existing issued and paid-up share capital of the Company;
- (ii) The maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company at the time of purchase(s); and
- (iii) The shares so repurchased be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Act.

The Company has the rights to retain, distribute, resell, cancel and or transfer for the purposes of or under an employees' share scheme and or such other purpose as allowed under the Act. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Details of the treasury shares are disclosed in Note 15(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

16. RESERVES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable				
Exchange translation reserve	(6)	1	-	-
Share options reserve	1,091	1,094	1,091	1,094
	1,085	1,095	1,091	1,094
Distributable				
Retained earnings	297,075	288,744	35,450	28,685
	298,160	289,839	36,541	29,779

(a) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options.

Details of the Group's Employee Share Option Scheme is disclosed in Note 29 to the financial statements.

17. BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current liabilities				
<u>Secured</u>				
Term loans	11,147	14,455	3,855	5,715
Current liabilities				
<u>Secured</u>				
Bank overdrafts	-	441	-	441
Bankers' acceptance	3,528	11,673	-	-
Revolving credits	34,850	32,500	30,500	29,500
Term loans	3,306	3,949	1,860	1,860
<u>Unsecured</u>				
Bank overdrafts	500	1,766	-	-
Bankers' acceptance	124,741	211,280	-	-
Revolving credits	10,500	16,000	-	-
	177,425	277,609	32,360	31,801



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

17. BORROWINGS (cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total borrowings				
Bank overdrafts (Note 14(d))	500	2,207	-	441
Bankers' acceptance	128,269	222,953	-	-
Revolving credits	45,350	48,500	30,500	29,500
Term loans	14,453	18,404	5,715	7,575
	<u>188,572</u>	<u>292,064</u>	<u>36,215</u>	<u>37,516</u>

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) The currency exposure profile of borrowings are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ("RM")	184,300	292,064	36,215	37,516
US Dollar ("USD")	4,272	-	-	-
	<u>188,572</u>	<u>292,064</u>	<u>36,215</u>	<u>37,516</u>

(c) The weighted average effective interest rates per annum of borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	6.67	6.45	-	5.45
Bankers' acceptances	4.63	3.27	-	-
Revolving credits	5.11	3.89	5.09	4.09
Term loans	5.12	4.08	5.32	4.24

(d) Bankers' acceptances, revolving credits and bank overdrafts of are secured by means of:

Group

- (i) registered legal charge over the Group's freehold land and buildings as disclosed in Note 4(d) to the financial statements;
- (ii) negative pledges; and
- (iii) corporate guarantee issued by the Company.

Company

- (i) negative pledges;

(e) Term loans are secured by means of:

Group

- (i) registered legal charge over the Group's freehold land and buildings as disclosed in Note 4(d) to the financial statements; and
- (ii) corporate guarantee issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

17. BORROWINGS (cont'd)

- (e) Term loans are secured by means of: (cont'd)

Company

Registered legal charge over the freehold land and buildings of the Company as disclosed in Note 4(d) to the financial statements.

- (f) Restriction arose from bank covenants is as follow:

A covenant of banking facilities undertaken by the Company, restricts the ability of the subsidiary to declare dividends to its shareholders if the subsidiary is making loss after tax.

- (g) Term loans are repayable as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Facility of RM13 million, repayable in 84 instalments of RM155,000, commenced on 1 February 2019 and expiring on 1 January 2026	5,715	7,575	5,715	7,575
Facility of RM6 million, repayable in 84 instalments of RM71,429, commenced on 1 January 2016 and expiring on 1 March 2023	214	1,072	-	-
Facility of RM12 million, repayable in 120 instalments of RM102,709, commenced on 1 September 2019 and expiring on 1 November 2029	8,524	9,757	-	-
	<u>14,453</u>	<u>18,404</u>	<u>5,715</u>	<u>7,575</u>
Current liabilities				
- not later than one (1) year	3,306	3,949	1,860	1,860
Non-current liabilities				
- later than one (1) year and not later than five (5) years	11,147	14,455	3,855	5,715
	<u>14,453</u>	<u>18,404</u>	<u>5,715</u>	<u>7,575</u>

- (h) Information on financial risks of the borrowings of the Group and of the Company are disclosed in Note 33 to the financial statements.

18. RETIREMENT BENEFIT OBLIGATIONS

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Present value of unfunded defined benefit obligations	6,020	5,852	1,947	1,856



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

The movements during the financial year in the amounts recognised in the statements of financial position in respect of the retirement benefit obligation are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Balance as at 1 January	5,852	4,220	1,856	1,421
Past service costs recognised in profit or loss	375	1,390	91	431
Payment for the year	(207)	-	-	-
Actuarial loss from re-measurement	-	242	-	4
Balance as at 31 December	6,020	5,852	1,947	1,856

The principal actuarial assumptions used are as follows:

	Group and Company	
	2022	2021
Discount rate	4.60%	4.60%
Salary increment rate	5.00%	5.00%

Sensitivity analysis

The impact on changes of each significant actuarial assumption while holding all other assumptions constant as at the end of the reporting period are as follows:

	Group and Company	
	2022 RM'000	2021 RM'000
Discount rate increase by 1% (2021: 1%)	-434	-458
Discount rate decrease by 1% (2021: 1%)	+487	+518
Salary increment rate increase by 1% (2021: 1%)	+428	+408
Salary increment rate decrease by 1% (2021: 1%)	-389	-370

- The Group and the Company operates an unfunded defined benefit plan for eligible employees of the Group and of the Company. The benefits payable on retirement are generally based on the length of service and basic monthly salary of the eligible employee. The first valuation was carried out on 21 November 2017 and subsequently updated on 26 January 2020. Re-measurement on the defined benefit plan was updated on 13 December 2021.
- The amount recognized as a liability in respect of defined benefit plan is the present value of the defined benefit obligations at the reporting date.
- The defined benefit obligation is measured using the projected unit credit actuarial cost method.
- The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- The net changes in the defined benefit liabilities are recognised as a cost of defined benefit plan.
- Settlement of defined benefit schemes are recognised in the period when the settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables				
Third parties	10,465	15,451	-	-
Associates	3,768	4,134	-	-
	14,233	19,585	-	-
Other payables				
Third parties	12,153	9,417	115	348
Subsidiaries	-	-	480	488
Associate	324	324	324	324
Accruals	9,312	20,424	1,090	9,379
	21,789	30,165	2,009	10,539
	36,022	49,750	2,009	10,539

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days (2021: 30 to 120 days) from date of invoice.
- (c) Amounts owing to associates in trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 to 120 days (2021: 30 to 120 days) from date of invoice.
- (d) Non-trade amounts owing to subsidiaries and an associate represent advances and payments made on behalf which are unsecured, interest-free and payable in cash and cash equivalents within next twelve (12) months.
- (e) The currency exposure profiles of trade and other payables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ("RM")	31,664	45,186	2,009	10,539
US Dollar ("USD")	4,349	4,242	-	-
Indonesian Rupiah ("IDR")	6	7	-	-
Chinese Renminbi ("CNY")	3	-	-	-
Singapore Dollar ("SGD")	-	260	-	-
Thai Baht ("THB")	-	55	-	-
	36,022	49,750	2,009	10,539

- (f) Information on financial risks of trade and other payables are disclosed in Note 33 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

20. CAPITAL COMMITMENTS

Group	2022 RM'000	2021 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- Contracted but not provided for	2,170	4,846
- Approved but not contracted for	383	1,879
	2,553	6,725
Company		
Capital expenditure in respect of purchase of property, plant and equipment:		
- Contracted but not provided for	-	376
	-	376

21. CONTINGENT LIABILITIES

	Company	
	2022 RM'000	2021 RM'000
Unsecured:		
- Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	482,883	406,429
	482,883	406,429

The Company designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Company recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

22. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers				
Recognised at point in time				
Sales of goods	602,396	533,878	-	-
Other revenue:				
Gross dividend income from:				
- unquoted subsidiaries	-	-	10,300	10,220
- quoted associate	-	-	3,560	2,966
- unquoted associate	-	-	1,434	381
Rental income	4,561	4,801	5,588	5,217
	606,957	538,679	20,882	18,784
	606,957	538,679	20,882	18,784

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

22. REVENUE (cont'd)

Revenue of the Group and of the Company are predominantly generated in Malaysia.

(a) Sales of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight-line basis.

(d) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 31 to the financial statements.

23. PROFIT BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, the profit before taxation is arrived at:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
After charging:				
Auditors' remuneration:				
- statutory audit	219	203	41	37
- other assurance services	20	20	20	20
Interest expense on:				
- bankers' acceptance	6,983	4,843	-	-
- revolving credits	2,253	1,828	1,459	1,216
- bank overdrafts	67	95	10	32
- term loans	713	820	302	355
- lease liabilities	51	127	1	8
- amounts owing by subsidiaries	-	-	78	24
Net losses on disposal of:				
- property, plant and equipment	-	10	-	-
- right-of-use asset	99	-	-	-
Net loss on foreign exchange:				
- realised	32	35	-	-
- unrealised	95	-	-	-
And crediting:				
Interest income from:				
- deposits with licensed banks	601	546	59	100
- amounts owing by subsidiaries	-	-	539	263
Net gain on disposals of:				
- property, plant and equipment	138	-	-	-
- investment properties	-	44	-	-
Net gain on foreign exchange:				
- unrealised	-	238	-	-



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

23. PROFIT BEFORE TAXATION (cont'd)

Other than those disclosed elsewhere in the financial statements, the profit before taxation is arrived at: (cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Impairment losses on trade receivables	13(l)	1,300	1,445	-	-
Reversal of impairment losses on trade receivables	13(l)	(285)	(3)	-	-
Net losses on impairment of financial assets		1,015	1,442	-	-

Interest income

Interest income is recognised as it accrues, using the effective interest method.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Group and the Company:				
Executive:				
Fees	80	85	80	85
Salaries, bonuses and other benefits	7,083	8,757	1,101	1,306
Defined contribution plan	929	1,308	119	140
Shares options granted share options scheme	-	53	-	-
Non-executive:				
Fees	215	265	215	265
Salaries, bonuses and other benefits	35	13	12	13
Defined contribution plan	4	-	-	-
	8,346	10,481	1,527	1,809

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and from the Company amounted to RM104,000 (2021: RM150,000) and RM27,000 (2021: RM36,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

25. TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense based on profit for the financial year:				
- income tax	1,830	24,815	700	500
- (over)/under-provision in prior years	(180)	(208)	1	(47)
	<u>1,650</u>	<u>24,607</u>	<u>701</u>	<u>453</u>
Deferred tax (Note 10)				
Relating to origination and reversal of temporary differences	(2,263)	(1,022)	74	130
Under-provision in prior year	6	-	-	-
	<u>(2,257)</u>	<u>(1,022)</u>	<u>74</u>	<u>130</u>
	<u>(607)</u>	<u>23,585</u>	<u>775</u>	<u>583</u>

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	14,584	118,776	14,400	9,823
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	3,500	28,506	3,456	2,358
Tax effects in respect of:				
- Non-allowable expenses	1,566	3,883	2,121	1,303
- Non-taxable income	(5,499)	(8,596)	(4,803)	(3,031)
	<u>(433)</u>	<u>23,793</u>	<u>774</u>	<u>630</u>
(Over)/Under-provision of tax expenses in prior years	(180)	(208)	1	(47)
Under-provision of deferred tax in prior year	6	-	-	-
	<u>(607)</u>	<u>23,585</u>	<u>775</u>	<u>583</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

25. TAXATION (cont'd)

(c) Tax on each component of other comprehensive income is as follows:

Group	Before	2022	After	Before	2021	After
	tax	Tax	tax	tax	Tax	tax
	RM'000	effect	RM'000	RM'000	effect	RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	(7)	-	(7)	(27)	-	(27)
<hr/>						
2021	Before	Group	After	Before	Company	After
	tax	Tax	tax	tax	Tax	tax
	RM'000	effect	RM'000	RM'000	effect	RM'000
Item that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefits liability	(242)	-	(242)	(4)	-	(4)
<hr/>						

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

26. DIVIDENDS

	Group and Company			
	2022		2021	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
In respect of financial year ended 31 December 2020				
Final single tier dividend, declared on 21 July 2021 and paid on 30 July 2021	-	-	1.0	2,145
In respect of financial year ended 31 December 2021				
First interim single tier dividend, declared on 24 May 2021 and paid on 30 July 2021	-	-	1.0	2,145
Second interim single tier dividend, declared on 23 November 2021 and paid on 21 January 2022	-	-	2.0	6,860
Final single tier dividend, declared on 27 April 2022 and paid on 25 August 2022	2.0	6,860	-	-
	<u>2.0</u>	<u>6,860</u>	<u>4.0</u>	<u>11,150</u>

On 23 February 2023, the Directors proposed a final dividend via distribution of treasury shares as share dividends on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2022, which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

27. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per ordinary share for the financial year is calculated by dividing the consolidated profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting the treasury shares.

The following table reflects the profit and share data used in the computation of basic earnings per ordinary share:

	Group	
	2022	2021
Profit for the financial year attributable to equity holders of the parent (RM'000)	15,191	95,196
Weighted average number of ordinary shares outstanding (adjusted for treasury shares) ('000)	342,995	334,231
Basic earnings per ordinary share (sen)	4.43	28.48



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

27. EARNINGS PER SHARE (cont'd)

(b) Diluted earnings per share

Diluted earnings per ordinary share for the financial year is calculated by dividing the consolidated profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares and adjusted for the number of ordinary shares that could have been issued under the Employees' Share Option Scheme ("ESOS"). The details of ESOS are disclosed in Note 29 to the financial statements.

The following table reflects the profit and share data used in the computation of diluted earnings per ordinary share:

	Group	
	2022	2021
Profit for the financial year attributable to equity holders of the parent (RM'000)	15,191	95,196
Weighted average number of ordinary shares used in the calculation of basic earnings per ordinary share ('000)	342,995	334,231
Effects of dilution due to the ESOS ('000)	25	95
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	343,020	334,326
Diluted earnings per ordinary share (sen)	4.43	28.47

28. EMPLOYEE BENEFITS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and bonuses	38,382	37,900	2,627	3,085
Contribution to defined contribution plan	3,960	4,165	318	341
Defined benefit plan	375	1,390	91	431
Other benefits	3,406	2,994	44	82
	46,123	46,449	3,080	3,939

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM8,346,000 and RM1,527,000 respectively (2021: RM10,481,000 and RM1,809,000) as disclosed in Note 24 to the financial statements.

29. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions but excluding the impact of any non-market performance and service vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

29. EMPLOYEES SHARE OPTION SCHEME (“ESOS”) (cont'd)

If the options are exercised, the Company issues new shares to the employees. The proceeds received, net of any directly attributable transaction costs are recognised in ordinary share capital at nominal value, and any excess would be recognised in equity, with the introduction of the Companies Act 2016 effective 31 January 2017.

The Employees Share Options Scheme (“ESOS”) came into effect on 21 April 2014. The ESOS shall be in force for a period of ten (10) years until 20 April 2024 (“the option period”). The main features of the ESOS are as follows:

- (a) Eligible Directors and employees are those who are confirmed employees of the Group before the date of offer;
- (b) The maximum number of options to be offered under the ESOS based on the issued and paid-up ordinary share capital as at 31 December 2022 for ordinary shares previously issued under the ESOS is 26,077,100;
- (c) The total number of options to be issued under the ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of Prestar Resources Berhad (excluding Treasury shares) at any point of time during the tenure of the ESOS;
- (d) The exercise of options granted will be staggered over a period of two (2) to five (5) years depending on the number of options granted;
- (e) The option price of a new ordinary share under the ESOS shall be the five (5)-day weighted average market prices of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately preceding the date of offer with a discount of not more than ten percent (10%) of the weighted average market price, or at the par value of the ordinary shares, whichever is higher;
- (f) The options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and
- (g) The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the options period.

The details of the options over ordinary shares of the Company are as follows:

	[----- Number of options over ordinary shares -----]				
	Outstanding as at 1.1.2022	Movement during the [-----financial year -----] Exercised Lapsed		Outstanding as at 31.12.2022	Exercisable as at 31.12.2022
2022					
2014 options (’000)	329	(38)	(24)	267	267
Weighted average exercise prices (RM)	0.43	0.33	0.52	0.46	0.46
Weighted average remaining contractual life (months)	28				16



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

30. RELATED PARTIES DISCLOSURES (cont'd)

(a) Identities of related parties (cont'd)

The Company has controlling related party relationships with its direct, indirect subsidiaries, and its associate as disclosed in Notes 7 and 8 to the financial statements respectively.

The Group also has related party relationships with the following parties:

Related parties	Relationship
Chiho Hardware Sdn. Bhd.	A company in which Dato' Toh Yew Peng, Toh Yew Seng, Toh Yew Keat and Toh Yew Kar are also Directors and shareholders
Syarikat Kwong Nam Hing Sdn. Bhd.	A company in which Dato' Toh Yew Peng and Toh Yew Keat are also a Director and a shareholders
YK Toh (M) Sdn. Bhd.	A company in which Toh Yew Keat, Dato' Toh Yew Peng, Toh Yew Kar and Toh Yew Seng are also Directors and shareholders
YK Toh Marketing (S) Pte. Ltd.	A company in which Toh Yew Chin is also a Director and a shareholder
Tashin Steel Sdn. Bhd.	A subsidiary of an associate, Tashin Holdings Berhad

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with the related parties during the financial year:

	2022 RM'000	Group 2021 RM'000
Transactions with an associate:		
<i>POSCO-MKPC Sdn. Bhd.</i>		
Sales of goods	(40)	(128)
Purchase of goods	14,829	12,231
Rental income	(1,607)	(1,607)
Transactions with subsidiary of an associate:		
<i>Tashin Steel Sdn. Bhd.</i>		
Sales of goods	(15)	(83)
Purchase of goods	124	780
Transactions with companies in which the substantial shareholders have financial interests:		
<i>Chiho Hardware Sdn. Bhd.</i>		
Sales of goods	(595)	(664)
Purchases	46	23
<i>YK Toh (M) Sdn. Bhd.</i>		
Rental paid	30	30
Transactions with a company in which Dato' Toh Yew Peng and Toh Yew Keat have financial interest:		
<i>Syarikat Kwong Nam Hing Sdn. Bhd.</i>		
Sales of goods	(35)	(25)
Transactions with companies in which Toh Yew Chin has financial interest:		
<i>YK Toh Marketing (S) Pte. Ltd.</i>		
Sales of goods	(5,429)	(4,828)
Purchases	1,174	1,614



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

30. RELATED PARTIES DISCLOSURES (cont'd)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with the related parties during the financial year: (cont'd)

	Company	
	2022 RM'000	2021 RM'000
Transactions with subsidiaries:		
Interest paid	78	24
Gross dividend income	(10,300)	(10,220)
Rental income	(3,981)	(3,610)
Interest income	(539)	(263)
Transactions with associates		
<i>POSCO-MKPC Sdn. Bhd.</i>		
Rental income	(1,607)	(1,607)
Dividend income	(1,434)	(381)
<i>Tashin Holdings Berhad</i>		
Dividend income	(3,560)	(2,966)

The related parties transactions described above were carried out on agreed contractual terms and conditions and in the negotiated terms of business between the related parties of the Group and the Company.

Information regarding outstanding balances arising from related parties transactions as at 31 December 2022 are disclosed in Notes 13 and 19 to the financial statements.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Directors (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short term employee benefits	9,017	10,851	2,364	2,706
Contributions to defined contribution plan	1,192	1,579	286	321
	<u>10,209</u>	<u>12,430</u>	<u>2,650</u>	<u>3,027</u>

Executive Directors of the Group and the Company and other key management personnel have been granted the following number of options under the Employee Share Options Scheme ("ESOS"):

	Group		Company	
	2022 '000	2021 '000	2022 '000	2021 '000
Balance as at 1 January	42	560	-	382
Grant	-	30	-	-
Exercised	-	(518)	-	(382)
Lapsed	-	(30)	-	-
Balance as at 31 December	<u>42</u>	<u>42</u>	<u>-</u>	<u>-</u>

The terms and conditions of the share options are detailed in Note 29 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

31. OPERATING SEGMENTS

Prestar Resources Berhad and its subsidiaries are principally engaged in investment holding, trading and manufacturing of steel related products.

Prestar Resources Berhad has arrived at three (3) reportable segments that are organised and managed separately based on information reported internally to the Management and the Board of Directors. The reportable segments are summarised as follows:

Investment	:	Investment holding, long term investment in quoted shares and property investment
Trading	:	Sales of hardware and steel related products
Manufacturing	:	Manufacturing of steel related products

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and goodwill. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one (1) period for each reportable segment.

2022	Investment RM'000	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue				
Total revenue	20,882	170,520	490,452	681,854
Inter-segment revenue	(19,275)	(7,167)	(48,455)	(74,897)
Revenue from external customers	1,607	163,353	441,997	606,957
Results				
Finance costs	(1,311)	(1,329)	(7,427)	(10,067)
Interest income	59	159	383	601
Net finance expense	(1,252)	(1,170)	(7,044)	(9,466)
Depreciation	1,357	1,744	4,276	7,377
Segment profit before income tax	18,372	555	(4,343)	14,584
Share of results of associates	19,264	-	-	19,264
Taxation	(775)	(364)	1,746	607



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

31. OPERATING SEGMENTS (cont'd)

2022 (cont'd)	Investment RM'000	Trading RM'000	Manufacturing RM'000	Total RM'000
Other material non-cash items:				
Impairment losses on trade receivables	-	21	1,279	1,300
Reversal of impairment losses on trade receivables	-	(15)	(270)	(285)
Bad debts written off	-	(398)	-	(398)
Net (gain)/loss on disposal of:				
- plant and equipment	-	(16)	(122)	(138)
- right-of-use assets	-	-	99	99
Inventories written down	-	1,586	12,394	13,980
Unrealised loss on foreign exchange	-	61	34	95
Capital expenditure	367	865	15,113	16,345
Segment assets	222,787	87,783	329,104	639,674
Segment liabilities	40,171	32,138	159,460	231,769
2021				
Revenue				
Total revenue	18,784	149,075	434,802	602,661
Inter-segment revenue	(17,177)	(7,181)	(39,624)	(63,982)
Revenue from external customers	1,607	141,894	395,178	538,679
Results				
Finance costs	(1,372)	(956)	(5,385)	(7,713)
Interest income	100	144	302	546
Net finance expense	(1,272)	(812)	(5,083)	(7,167)
Depreciation	1,381	2,383	4,051	7,815
Segment profit before income tax	27,107	22,706	68,963	118,776
Share of profit of associates	30,851	-	-	30,851
Taxation	(583)	(5,273)	(17,729)	(23,585)
Other material non-cash items:				
Impairment losses on trade receivables	-	134	1,311	1,445
Reversal of impairment losses on trade receivables	-	-	(3)	(3)
Reversal of written down of inventories	-	-	(234)	(234)
Gain on disposal of investment property	-	-	(44)	(44)
Net loss on disposal of property, plant and equipment	-	-	10	10
Impairment of property, plant and equipment	-	-	1,003	1,003
Inventories written down	-	527	6,685	7,212
Unrealised gain on foreign exchange	-	(127)	(111)	(238)
Capital expenditure	574	946	10,162	11,682
Segment assets	208,784	118,177	443,594	770,555
Segment liabilities	49,997	53,261	245,869	349,127

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

31. OPERATING SEGMENTS (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2022 RM'000	2021 RM'000
Revenue		
Total revenue for reportable segments	681,854	602,661
Elimination of inter-segmental revenues	(74,897)	(63,982)
	<hr/>	<hr/>
Revenue of the Group per statements of profit or loss and other comprehensive income	606,957	538,679
	<hr/>	<hr/>
Profit for the financial year		
Total profit for reportable segments	14,584	118,776
Profit before tax	14,584	118,776
Taxation	607	(23,585)
	<hr/>	<hr/>
Profit for the financial year of the Group per statements of profit or loss and other comprehensive income	15,191	95,191
	<hr/>	<hr/>
Assets		
Total assets for reportable segments	639,674	770,555
Tax assets	11,281	400
Goodwill	1,675	1,675
	<hr/>	<hr/>
Assets of the Group per statements of financial position	652,630	772,630
	<hr/>	<hr/>
Liabilities		
Total liabilities for reportable segments	231,769	349,127
Tax liabilities	4,369	15,134
	<hr/>	<hr/>
Liabilities of the Group per statements of financial position	236,138	364,261
	<hr/>	<hr/>

Geographical information

The business activities of the Group are predominantly located in Malaysia and as such segment reporting by geographical location is not presented.

Major customers

The Group does not have major customers with revenue equal to or more than ten percent (10%) of the revenue of the Group.

32. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratio. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

32. FINANCIAL INSTRUMENTS (cont'd)

(a) Capital management (cont'd)

The Group monitors capital on the basis of the Group's consolidated gearing ratio which is total external debts divided by consolidated net tangible assets. The Group has a target gearing ratio of 1.50 times. External debts comprise borrowings and lease liabilities owing to financial institutions. Consolidated net tangible assets represents shareholders' funds (excluding non-controlling interests) less intangible assets and net deferred tax.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings	188,572	292,064	36,215	37,516
Lease liabilities	700	1,452	-	85
	189,272	293,516	36,215	37,601
Shareholders' funds (excluding non-controlling interests)	416,492	408,369	154,873	148,309
Less: Intangible assets	(1,675)	(1,675)	-	-
Add: Deferred tax liabilities	4,138	6,395	1,338	1,264
Net tangible assets	418,955	413,089	156,211	149,573
Gearing ratio	0.45	0.71	0.23	0.25

The Group maintains a gearing ratio that complies with debt covenants and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirement to maintain legal reserves which are non-distributable.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement for the financial year ended 31 December 2022.

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair value of these borrowings has been determined using discounted cash flows technique. The discount rates used are based on the current market rate available for similar borrowings.

- (ii) Non-current amount owing by subsidiaries

The fair value of these financial instruments are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of lending at the end of each reporting period.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

32. FINANCIAL INSTRUMENTS (cont'd)

(b) Methods and assumptions used to estimate fair value (cont'd)

(iii) Derivatives

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the end of the reporting period.

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of the reporting period applied to a contract of similar amount and maturity profile.

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

32. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value hierarchy (cont'd)

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

Group 2022	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000				
Financial assets										
Financial assets at fair value through profit or loss										
- Forward currency contracts	-	31	-	-	-	-	31	-	31	31
Financial liabilities										
Financial liabilities at fair value through profit or loss										
- Forward currency contracts	-	455	-	-	-	-	455	-	455	455
Unrecognised financial liabilities										
- Contingent liabilities	-	-	-	-	-	-	-	#	#	#

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

32. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value hierarchy (cont'd)

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. (cont'd)

The table below analyses other financial instruments at fair value. (cont'd)

Group 2021	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000	Total RM'000	Total RM'000	Total RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000					
Financial assets											
Financial assets at fair value through profit or loss											
- Forward currency contracts	-	17	-	-	-	-	17	-	-	17	17
Financial liabilities											
Financial liabilities at fair value through profit or loss											
- Forward currency contracts	-	9	-	-	-	-	9	-	-	9	9
Unrecognised financial liabilities											
- Contingent liabilities	-	-	-	-	-	-	-	-	-	-	#

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

32. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value hierarchy (cont'd)

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. (cont'd)

The table below analyses other financial instruments at fair value. (cont'd)

Company 2022	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000				
Financial assets Amount owing by subsidiaries	-	-	-	-	9,053	-	-	-	9,053	8,413
Unrecognised financial liabilities - Contingent liabilities	-	-	-	-	-	#	-	#	#	-
2021										
Financial assets Amount owing by subsidiaries	-	-	-	-	10,558	-	-	-	10,558	11,105
Unrecognised financial liabilities - Contingent liabilities	-	-	-	-	-	#	-	#	#	-

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from credit risk, liquidity risk and cash flow risk, interest rate risk and foreign currency risk.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the Group financial risk management policies. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The exposure of the Group to financial risks and the management of its related exposures are as follows:

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, it is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with their customers are mainly on credit. The credit period is generally for a period of 30 days, extending up to 120 days for major customers. Each customer has a maximum credit limit and the Group seeks to minimise and monitor the credit risk via strictly limiting the associations to business customers with high creditworthiness. Certain subsidiaries of the Group have bought the collateral insurance for turnover of RM82,000,000 in the financial year ended 31 December 2022 (2021: RM72,000,000) to minimise the credit risk. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding trade and other receivables is disclosed in Note 13 to the financial statements. The Group does not have any significant concentration of credit risk related to any individual customers or counterparty.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligations when they are fall due. The exposure of the Group and the Company to liquidity risk arises principally from various lease liabilities, payables and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group. The Company has net current liability of RM29,271,000 (2021: 33,824,000) as at 31 December 2022. The Directors have assessed the Company's cash flow position for the next twelve (12) months to ensure that the Company has sufficient funds to meet its obligations as and when they fall due.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

Prudent liquidity risk management is applied by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining the flexibility in funding by keeping committed credit lines available.

The table below summaries the maturity profile of the liabilities of the Group and the Company at the end of each reporting period based on contractual undiscounted repayment obligations:

2022	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Borrowings	169,024	9,695	2,446	181,165
Lease liabilities	751	319	-	1,070
Trade and other payables	36,022	-	-	36,022
Derivatives liabilities	455	-	-	455
Total undiscounted financial liabilities	206,252	10,014	2,446	218,712
Company				
Financial liabilities				
Borrowings	32,670	4,031	-	36,701
Trade and other payables	2,009	-	-	2,009
Total undiscounted financial liabilities	34,679	4,031	-	38,710
2021				
Group				
Financial liabilities				
Borrowings	280,457	11,990	3,790	296,237
Lease liabilities	976	378	-	1,354
Trade and other payables	49,750	-	-	49,750
Derivatives liabilities	9	-	-	9
Total undiscounted financial liabilities	331,192	12,368	3,790	347,350
Company				
Financial liabilities				
Borrowings	32,280	5,923	-	38,203
Lease liabilities	87	-	-	87
Trade and other payables	10,539	-	-	10,539
Total undiscounted financial liabilities	42,906	5,923	-	48,829



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The income and operating cash flows of the Group and of the Company are independent of changes in market interest rates. Interest rate exposure arises mainly from the bank borrowings of the Group and of the Company is managed through effective negotiation with financial institutions for best available rates.

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

Group

As at 31 December 2022, if interest rates at the date had been 100 basis points lower with all variables held constant, post-tax profit for the year would have been RM113,000 (2021: RM155,000) higher, arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher with all variables held constant, post-tax profit would have been RM113,000 (2021: RM155,000) lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Sensitivity analysis for interest rate risk

Company

As at 31 December 2022, if interest rates at the date had been 100 basis points lower with all variables held constant, post-tax profit for the year would have been RM43,000 (2021: RM60,000) higher, arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher with all variables held constant, post-tax profit would have been RM43,000 (2021: RM60,000) lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

31 December 2022	WAEIR %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Fixed rate								
Lease liabilities	4.55	513	82	37	38	30	-	700
Bankers' acceptances	4.63	(128,269)	-	-	-	-	-	(128,269)
Revolving credits	5.11	(45,350)	-	-	-	-	-	(45,350)
Floating rate								
Bank overdrafts	6.67	(500)	-	-	-	-	-	(500)
Term loans	5.12	(3,306)	(3,093)	(3,093)	(4,961)	-	-	(14,453)
Company								
Fixed rate								
Amounts owing by subsidiaries	3.64	1,678	1,736	1,795	1,856	1,529	1,497	10,091
Revolving credits	5.09	(30,500)	-	-	-	-	-	(30,500)
Floating rate								
Term loan	5.32	(1,860)	(1,860)	(1,860)	(135)	-	-	(5,715)



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk: (cont'd)

31 December 2021	WAEIR %	Within					Total
		1 year	2 - 3	3 - 4	4 - 5	More than	
Group		RM'000	years	years	years	years	RM'000
Fixed rate							
Lease liabilities	5.38	(1,123)	(329)	-	-	-	(1,452)
Bankers' acceptances	3.27	(222,953)	-	-	-	-	(222,953)
Revolving credits	3.89	(48,500)	-	-	-	-	(48,500)
Floating rate							
Bank overdrafts	6.45	(2,207)	-	-	-	-	(2,207)
Term loans	4.08	(3,307)	(3,093)	(3,093)	(1,368)	(3,594)	(18,404)
Company							
Fixed rate							
Amounts owing by a subsidiary	3.28	5,837	1,866	1,926	1,988	3,273	16,942
Lease liabilities	2.23	(85)	-	-	-	-	(85)
Revolving credits	4.09	(29,500)	-	-	-	-	(29,500)
Floating rate							
Bank overdrafts	5.45	(441)	-	-	-	-	(441)
Term loan	4.24	(1,860)	(1,860)	(1,860)	(135)	-	(7,575)



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arise from transactions that are denominated in currencies other than functional currency of the operating entity.

The Group also holds cash and cash equivalents denominated in foreign currency for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM759,000 (2021: RM1,925,000) for the Group.

Transactional currency exposures of the Group mainly arise from transactions entered into by subsidiaries in currencies other than their functional currency. The Group enters into forward foreign currency contracts for its foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group entered into foreign currency forward contracts to manage exposures to currency risk for trade receivables and trade payables which are denominated in currencies other than the functional currency of the Group.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at 31 December 2022 and 31 December 2021 are as follows:

2022	Currency	Contract amount in foreign currency '000	RM'000 equivalent	Maturities Within
Forward contracts used to hedge trade receivables	EURO	268	1,261	5 months
Forward contracts used to hedge trade receivables	USD	75	328	3 months
Forward contracts used to hedge trade receivables	SGD	36	117	3 months
Forward contracts used to hedge trade payables	USD	3,155	14,345	5 months
Forward contracts used to hedge trade payables	THB	700	92	1 month
Forward contracts used to hedge trade payables	CNY	137	90	3 months
Forward contracts used to hedge trade payables	SGD	1	3	3 months



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) Foreign currency risk (cont'd)

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at 31 December 2022 and 31 December 2021 are as follows: (cont'd)

2021	Currency	Contract amount in foreign currency '000	RM'000 equivalent	Maturities Within
Forward contracts used to hedge trade receivables	USD	589	2,480	3 months
Forward contracts used to hedge trade receivables	SGD	110	339	3 months
Forward contracts used to hedge trade payables	USD	3,534	14,810	3 months
Forward contracts used to hedge trade payables	SGD	1	2	3 months

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit after tax to a reasonably possible change in US Dollar ("USD"), Thai Baht ("THB"), Euro ("EURO"), Singapore Dollar ("SGD") and Chinese Renminbi ("CNY") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2022 RM'000	Group 2021 RM'000
Profit after tax			
USD	- strengthen by 3% (2021:3%)	-452	+30
	- weaken by 3% (2021:3%)	+452	-30
THB	- strengthen by 3% (2021:3%)	-6	+3
	- weaken by 3% (2021:3%)	+6	-3
EURO	- strengthen by 3% (2021:3%)	+57	+24
	- weaken by 3% (2021:3%)	-57	-24
SGD	- strengthen by 3% (2021:3%)	+5	+2
	- weaken by 3% (2021:3%)	-5	-2
CNY	- strengthen by 3% (2021:3%)	-2	-
	- weaken by 3% (2021:3%)	+2	-



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022 (cont'd)

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2021	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable for future financial years.



LIST OF PROPERTIES FOR FINANCIAL YEAR ENDED 31 December 2022

	Tenure	Built-up Area	Year of Expiry	Description /Existing Use	Carrying Amount (RM'000)	Age of Building (years)	Date of Acquisition/ Revaluation
PRESTAR RESOURCES BERHAD							
GM 4895, Lot 1298 Mukim of Rawang, District of Gombak, Selangor Darul Ehsan	Freehold	583,602 sq ft	nil	Corporate office cum manufacturing site for subsidiaries	39,703	15 to 27	5 April 2001
P.M. 5176, Lot 72471 and P.M. 5177, Lot 72470, Pekan Subang, Daerah Petaling, Negeri Selangor Darul Ehsan	99 years Leasehold *(93 years)	58,022 sq ft	2115	Office cum Warehouse for Prestar Marketing Sdn Bhd	18,913	5	9 Jan 2019
PRESTAR STORAGE SYSTEM SDN. BHD.							
Geran 86261, Lot 162 (Lot 39), Seksyen 19, Bandar Rawang, District of Gombak, Selangor Darul Ehsan	Freehold	92,836 sq ft	nil	Office cum manufacturing site	14,338	29	17 Aug 2015
Geran 86347, Lot 202 (Lot 3), Seksyen 19, Bandar Rawang, District of Gombak, Selangor Darul Ehsan	Freehold	43,930 sq ft	nil	Office cum manufacturing site	16,214	23	18 Oct 2019
PRESTAR MARKETING SDN. BHD.							
Lot 1113, 65A, Jalan Perak, 10150 Penang	Freehold	2,904 sq ft	nil	Office cum warehouse	738	60	29 Dec 1993

* Balance of Leasehold Tenure



STATISTICS OF SHAREHOLDINGS AS AT 10 APRIL 2023

Total number of issued shares	: 360,589,156 ordinary shares (including treasury shares)
Class of Shares	: Ordinary shares
Number of Shareholders	: 5,384 (excluding treasury shares)
Voting Rights	: One (1) vote per ordinary share on a poll

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	[----- No. of Shares Held -----]			
	Direct	%	Indirect	%
Fabulous Essence Sdn. Bhd.	84,147,520	24.60	-	-
Y.K. Toh Property Sdn. Bhd.	32,958,720	9.63	-	-
Toh Yew Keat	7,018,747	2.05	⁽¹⁾ 117,106,240	34.23
Dato' Toh Yew Peng	16,100,000	4.71	⁽¹⁾ 117,106,240	34.23
Soh Tik Siew	17,252,320	5.04	-	-

Note:

- (1) Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Fabulous Essence Sdn. Bhd. and Y.K. Toh Property Sdn. Bhd

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	200	3.71	9,456	0.00
100 - 1,000	296	5.50	147,190	0.04
1,001 - 10,000	2,659	49.39	14,575,008	4.26
10,001 - 100,000	1,945	36.13	58,191,138	17.01
100,001 - 17,152,972 (*)	281	5.22	151,583,144	44.31
17,152,973 and above (**)	3	0.06	117,628,640	34.38
Total	5,384	100.00	342,134,576	100.00

Remarks:

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Nationality	[----- Direct Interest -----]		[---- Indirect Interest ----]	
		No. of shares held	%	No. of shares held	%
Shamsudin @ Samad Bin Kassim	Malaysian	1,028,000	0.30	0	0
Dato' Toh Yew Peng	Malaysian	16,100,000	4.71	*117,426,240	34.32
Toh Yew Kar	Malaysian	4,675,641	1.37	0	0
Toh Yew Seng	Malaysian	5,420,003	1.58	0	0
Toh Yew Chin	Singaporean	4,315,641	1.26	0	0
Kenny Toh Jin Tat	Malaysian	160,000	0.05	0	0
Toh Hui Yi	Malaysian	0	0	0	0
Dato' Lim Cheang Nyok	Malaysian	310,400	0.09	0	0
Dato' Siew Mun Wai	Malaysian	333,000	0.10	0	0
Dato' Quah Thain Khan	Malaysian	0	0	0	0
Wang Eng Lon	Malaysian	0	0	0	0

Notes:

- * Deemed interested in Fabulous Essence Sdn. Bhd. and Y.K. Toh Property Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 and the shareholdings of his son, Mr. Alan Toh Jin Joo in Prestar Resources Berhad pursuant to Section 59(11) of the Companies Act 2016.



STATISTICS OF SHAREHOLDINGS

AS AT 10 APRIL 2023 (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%)
1.	FABULOUS ESSENCE SDN. BHD.	80,307,520	23.47
2.	Y.K. TOH PROPERTY SDN. BHD.	20,068,800	5.87
3.	SOH TIK SIEW	17,252,320	5.04
4.	Y.K. TOH PROPERTY SDN. BHD.	12,889,920	3.77
5.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR DATO' TOH YEW PENG)	11,298,000	3.30
6.	TOH YEW KEAT	7,018,747	2.05
7.	TOH YEW SENG	5,370,003	1.57
8.	TOH YEW KEONG	4,432,318	1.29
9.	TAN LYE HUAT	4,337,900	1.27
10.	TOH YEW CHIN	4,315,641	1.26
11.	RHB NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR DATO' TOH YEW PENG)	4,182,000	1.22
12.	TOH POH KHUAN	3,856,368	1.13
13.	FABULOUS ESSENCE SDN. BHD.	3,840,000	1.12
14.	TOH YEW HOE	3,626,006	1.06
15.	TAN AIK CHOON	2,822,700	0.83
16.	TOH YEW KAR	2,765,241	0.81
17.	MD NAHAR BIN NOORDIN	2,475,000	0.72
18.	TOH YEW KAR	1,910,400	0.56
19.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR GOH CHING MUN)	1,700,000	0.50
20.	TAY YING LIM @ TAY ENG LIM	1,698,880	0.50
21.	HLB NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR YEE WAI LENG)	1,650,000	0.48
22.	NG WEE TIEW @ NG WEE CHIEW	1,480,720	0.43
23.	MAH SIEW HOE	1,260,000	0.37
24.	FAM KEAT HONG	1,200,000	0.35
25.	HLB NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO)	1,100,000	0.32
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN. BHD. (MY1461))	1,064,000	0.31
27.	KHOR KENG SAW @ KHAW AH SOAY	1,057,100	0.31
28.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. [CIMB FOR SHAMSUDIN @ SAMAD BIN KASSIM (PB)]	1,028,000	0.30
29.	LAU KEE VON	934,200	0.27
30.	TAN SHU AYAN	930,360	0.27

Note : The analysis of shareholdings is based on the total number of issued shares of the Company after deducting 18,454,580 ordinary shares bought back by the Company and held as treasury shares as at 10 April 2023.

PRESTAR RESOURCES BERHAD

[Registration no. 198401010527 (123066-A)]
(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

FORM OF PROXY

*I/We (full name in block capitals),

NRIC/Passport No./Registration No. Contact No. Email

of (full address)

being a *member/members of PRESTAR RESOURCES BERHAD, hereby appoint:

First Proxy "A"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email:		
	Contact No.:		

*and/or

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email:		
	Contact No.:		

*or failing him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Thirty-Eighth Annual General Meeting of the Company to be held on a virtual basis via Remote Participation and Voting Facilities at the broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 15 June 2023 at 10:00 a.m. or at any adjournment thereof.

The proxy is to vote on the business before the Meeting as indicated below (if no indication is given, the proxy will vote as he/she thinks fit or abstain from voting):

AGENDA

Resolution No.	Resolutions	For	Against
1.	To approve the final share dividend via a distribution of treasury shares on the basis of five (5) treasury shares for every one hundred (100) existing ordinary shares held.		
2.	To approve the payment of Directors' fees.		
3.	To approve the benefits payable to the Non-Executive Directors.		
4.	To re-elect Dato' Siew Mun Wai.		
5.	To re-elect Dato' Quah Thain Khan.		
6.	To re-elect Mr. Wang Eng Lon.		
7.	To re-elect Ms. Toh Hui Yi.		
8.	To re-elect Mr. Toh Yew Seng.		
9.	To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights.		
11.	Proposed Renewal of Share Buy-Back Authority.		
12.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

* Strike out whichever not applicable.

Signed this day of 2023

.....
Signature of Member/Common Seal

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real-time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcasted and responded to by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Appointment of proxy and registration for remote participation and voting
The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshsb.net.my/>. The lodging of the proxy form will not preclude you from attending and voting at the Meeting should you subsequently wish to do so provided a notice of termination of authority to act as a proxy is given to the Company and deposited at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. All resolutions set out in this Notice of Meeting are to be voted by poll.
Should you wish to personally participate in the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting ("**Administrative Guide**") for further details.
The Administrative Guide is available for download at www.prestar.com.my/investorRelations/InvestorRelations_mainpage.asp.

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp

The Company Secretaries
PRESTAR RESOURCES BERHAD
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

FOLD HERE



PRESTAR RESOURCES BERHAD
鴻達資源有限公司



We are an established investment holding company with subsidiary companies mainly engaged in the steel-processing and steel-products manufacturing activities since 1984. Today, we are one of the leading steel-processing / manufacturing Group focusing on the following main activities:-

STEEL PROCESSING UNIT

- Hot-Rolled & Cold-Rolled Steel Pipes and Hollow Sections
- ERW and Cold-Drawn Automotive Tubes
- Slitting, shearing and supplies of Hot-Rolled, Cold-Rolled, Galvanized, Electro-Galvanized, Silicon and Stainless Steel Coils/Sheets
- Mild Steel Flat Bars and Expanded Metal

PRODUCT MANUFACTURING UNIT

- Wheelbarrows and Platform Trucks
- Boltless Shelving, Pallet Racking, Drive-In, ASRS and other Racking Systems
- Galvanized Highway Guardrails and Handrails
- Hot-Dip Galvanizing Services



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