

Company Name : **PRESTAR RESOURCES BERHAD**
Stock Name : **PRESTAR**
Stock Code : **9873**
Date Announced : **1 JULY 2020**
Type : **ANNOUNCEMENT**
Subject : **OTHERS**
Description : **PRESTAR RESOURCES BERHAD ("PRESTAR" OR "THE COMPANY") – AWARD OF CONTRACTS TOTALING APPROXIMATELY RM80 MILLION**

1. Introduction

The Board of Directors of Prestar wishes to announce that its wholly-owned subsidiary company, Prestar Engineering Sdn. Bhd. ("**PESB**") had on 1 July 2020 entered into two (2) Supply Agreements ("**the Agreements**") with Pansar Company Sdn. Bhd. ("**PANSAR**") and was also awarded the contracts ("**the Contracts**") from LTC West Gate Sdn. Bhd. ("**LTC**") and Kemakmuran 2000 Sdn. Bhd. ("**KEMAKMURAN**") for the purpose of supplying and delivering guardrails and accessories in respect of the development and upgrading of the proposed Pan Borneo Highway in Sarawak, Malaysia ("**the Project**").

2. Information on PANSAR, LTC and KEMAKMURAN

Information on PANSAR

PANSAR is a private limited company incorporated in Malaysia and having its registered address at 4th Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibu, Sarawak. PANSAR is a wholly-owned subsidiary of Pansar Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. PANSAR involves in marketing and distribution of construction and building materials, marine and industrial engineering products, wood-engineering equipment and supplies, electrical and office automation products and supplies, design, installation and service maintenance of commercial and industrial air conditioning and ventilation systems and fire protection systems.

PANSAR was appointed by Dermaga Makmur Sdn. Bhd. and Hart Builders Sdn. Bhd. to be their subcontractor to supply, distribute and deliver the guardrail systems for the Project.

Information on LTC

LTC is a private limited company incorporated in Malaysia and having its business address at Lot 1433, Jalan Tenaga, Pending Industrial Estate, 93450 Kuching, Sarawak. LTC is a construction and trading company undertaking multi-construction and services for government and private sectors as well as local councils and statutory bodies.

Information on KEMAKMURAN

KEMAKMURAN is a private limited company incorporated in Malaysia and having its business address at No. 45, Jalan DU 2/1, Taman Damai Utama, 47180 Puchong, Selangor Darul Ehsan. KEMAKMURAN involves in trading of road safety product, thermoplastic road marking and equipment and general contractor for civil engineering works.

3. Salient terms of the Agreements and the Contracts

The salient terms of the Agreements and the Contracts are as follows:

Contract title	Customer	Delivery period
Work Package Contract: road leading from Pantu Junction to Batang Skrang	PANSAR	from the date of Agreement up to 31 December 2021
Work Package Contract: road leading from Sg. Kua Bridge to Sg. Arip Bridge	PANSAR	from the date of Agreement up to 31 December 2021
Work Package Contract: road leading from Semantan to Sungai Moyan Bridge	LTC	From date of Purchase Order (" PO ") to 31 December 2021
Work Package Contract: road leading from Sg. Awik Bridge to Bintagor Junction	KEMAKMURAN	From date of PO to 31 December 2021.

The total estimated contract sum awarded to PESB for the Project is approximately RM80,000,000.00 (Ringgit Malaysia: Eighty Million only).

Pursuant to the Agreements, the products manufactured and supplied to PANSAR shall be in full compliance with all standards as stipulated by Lebuhraya Borneo Utara Sdn. Bhd. (LBU), including Public Works Department Malaysia's (Jabatan Kerja Raya) Standards Specifications for Road Furniture.

4. Risk factors

Prestar does not foresee any exceptional risk other than the normal operational risk associated with the supply of products and will take the necessary steps to mitigate the risks as and when it occurs based on its past experiences and expertise.

5. Financial effects

The Agreements and the Contracts are expected to contribute positively towards the future earnings and net assets of the Company and its group of companies for the financial years ending 31 December 2020 and 31 December 2021, or until the expiry of the respective Agreements and the Contracts. The Agreements and the Contracts will not have any effect on the share capital and substantial shareholders' shareholdings of Prestar.

6. Approval required

The execution of the Agreements and award of the Contracts are not subject to the approval of the Company's shareholders or any other authorities.

7. Directors' and major shareholders' interests

None of the Directors or major shareholders and persons connected with them has any interest, direct or indirect in the Agreements and the Contracts.

8. Directors' statement

The Board of Directors of Prestar is of the opinion that the acceptance of the Agreements and the Contracts is in the best interest of the Company and its group of companies.

This announcement is dated 1 July 2020.