

PART A: EXPLANATION NOTES AS PER FRS 134

A1 Accounting policies and methods of computation

The interim financial statements have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for the financial period beginning on 1 January 2008. These revised MASB's FRSs align with the equivalent International Accounting Standards ("IAS"), both in terms of form and content.

- FRS 107 Cash Flow Statements
- FRS 112 Income taxes
- FRS 118 Revenue
- FRS 134 Interim Financial Reporting
- FRS 137 Provision, Contingent Liabilities and Contingent Assets
- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the above mentioned FRSs have no impact on the Group results for the period under review.

A2 Seasonal or cyclicity factors

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

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

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

A4 Changes in estimates

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

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter ended 30 Sep 2008.

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

A First and Final Dividend of 3.0% tax exempt amounting to 1.5 sen per share in respect of the financial year ended 31 December 2007 was paid on 2 July 2008.

A7 Segment Information for the current financial year to date

	<u>Trading</u>	<u>Manufacturing</u>	<u>Investment</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	103,613	334,030	1,332	-	438,975
Inter-segment revenue	178	63,685	6,389	(70,252)	-
Total Revenue	103,791	397,715	7,721	(70,252)	438,975
Segment Result	5,502	51,463	4,656	(7,014)	54,607
Profit from operations					54,607
Finance costs					(9,410)
Interest Income					89
Share of results of associates					7,408
Profit before tax					52,694

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

A8 Valuations of property, plant and equipment

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

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

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

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

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

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

The contingent liabilities of the Company as follows:	As at 30.9.2008 RM'000
Guarantees to financial institutions for credit facilities granted to subsidiaries – unsecured	289,810
	<hr/> 289,810 <hr/>

A12 Capital commitments

	As at 30/9/2008 RM'000
Property, plant and equipment Authorised and contracted for	<hr/> 14,373 <hr/>
Authorised and not contracted for	<hr/> 2,640 <hr/>

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

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

Group revenue for the current quarter and year-to-date were RM 128.2 million and RM 438.9 million respectively, an increase of 7 % and 32 % over the same period last year. Profit before tax for the current quarter improved by 243% to RM 13.4 million whilst YTD Profit before tax were a record of RM 52.7 million. This was mainly due to unprecedented hike in selling prices at the early part of the quarter. Other contributing factors included on going costs reduction exercises and productivity enhancement program which further boosted the bottom line to a new height. However, towards the later part of the quarter under review, steel prices started to fall resulting in the dwindling of sales volume and profit margins ,thus reduced the overall profits of the quarter.

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

The Group achieved a profit before taxation of RM 13.4million for the quarter under review, this was 53 % lower than RM 28.6 million of the immediate preceding quarter. The substantial reduction was mainly attributed to the sudden fall in sales margin as a result of sharp drop in steel prices and demand towards the end of the quarter.

B3 Prospects for the current financial year

Amidst the global financial turmoil, steel prices and market demand continued its fall. The last quarter of the year will be very tough and challenging as it is loomed with great uncertainties. Nevertheless, as the Group has reported a strong first half yearly results , the overall performance for the current financial year will still be satisfactory as compared to the previous year. The Board will continue to strive its best in steering the Group through this economy downturn with cautious actions in supply chain management, on-going KAIZEN activities and productivity enhancement programmes.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

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Notes to the Interim Financial Report for the period ended 30 Sep 2008

B5 Tax expenses

RM'000	Current Quarter 30/9/08	Current Year To Date 30/9/08
Current taxation	2,136	12,278
Deferred taxation	(603)	(1,066)
In respect of prior years	(195)	(216)
	<u>1,338</u>	<u>10,996</u>

The average effective tax rate of the Group for the current quarter and financial year to date is lower than the statutory tax rate due principally to the utilization of tax losses, capital allowance and reinvestment allowance of some subsidiaries.

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

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

B7 Quoted securities

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

	Current Quarter 30/9/08 RM'000	Year To date 30/9/08 RM'000
Total Purchases*	1	1
Total Sale Proceeds	<u>0</u>	<u>0</u>
Total Profit / (Loss)	<u>0</u>	<u>0</u>

*Subscription of rights issue

(b) Investments in quoted securities as at 30 Sep 2008 are as follows:-

	RM'000
(i) At cost	<u>561</u>
(ii) At book value	<u>362</u>
(iii) At market value	<u>395</u>

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

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

(a) and (b) not applicable.

B9 Group bank borrowings:

Total group borrowings as at 30 Sep 2008 are as follows:-

	Short Term Borrowing	Long Term Borrowing
	RM'000	RM'000
Denominated in Ringgit Malaysia:		
Secured	99,063	3,074
Unsecured	149,797	3,470
Denominated in US Dollar:		
Secured	672	7,622
Total Bank Borrowings	249,532	14,166

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

Foreign currency contracts

As at 24 Nov 2008, the Group had the following outstanding foreign currency contracts to hedge its committed purchases and sales in foreign currencies.

Currency	Contract Amount ('000)	Equivalent amount in Ringgit Malaysia ('000)	Expiry Dates
Bank Sell:			
USD	433	1,540	25/11/08 to 20/04/09

Currency	Contract Amount ('000)	Equivalent amount in Ringgit Malaysia ('000)	Expiry Dates
Bank Buy:			
USD	2,738	9,042	24/11/08 to 31/03/09
SGD	190	453	30/12/08 to 30/01/09

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Notes to the Interim Financial Report for the period ended 30 Sep 2008

There is minimal credit risk because these contracts were entered into with reputable banks. All gains and losses arising from forward foreign exchange contracts are dealt with through the Income Statement upon maturity.

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

As at 24 Nov 2008, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2007.

B12 Dividend

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

B13 Earnings per share

	Current Quarter Ended 30/9/2008
Basic	
Net profit attributable to ordinary shareholder (RM'000)	<u>8,203</u>
Number of ordinary shares as at 1 Jan 2008 after net off treasury shares	174,061
Effect of ESOS exercised	-
Effect of warrants exercised	-
Effect of shares repurchased	<u>-</u>
Weighted average number of ordinary shares in issue ('000)	<u>174,061</u>
Basic earnings per share (sen)	<u>4.71</u>

Diluted

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

B14 Report of auditors

The audit report of the most recent annual financial statement for the year ended 31 December 2007 was not qualified.