



BURSA MALAYSIA

General Announcement

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Submitting Investment

Bank/Advisor

(if applicable)

Submitting Secretarial Firm

Securities Services (Holdings) Sdn. Bhd.

(if applicable)

Company name *

PRESTAR RESOURCES BERHAD

Stock name *

PRESTAR

Stock code *

9873

Contact person *

Chua Siew Chuan

Chin Mun Yee

Designation *

Company Secretaries

Type *

Announcement Reply to query

Subject *

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)

NON RELATED PARTY TRANSACTIONS

Description :-*

(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

PRESTAR RESOURCES BHD ("PRESTAR" OR "COMPANY")

- PROPOSED ACQUISITION OF LAND BY TASHIN STEEL SDN. BHD., A SUBSIDIARY OF PRESTAR

Announcement Details/Table Section :-

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

We act for and on behalf of Prestar.

1.0 INTRODUCTION

The Board of Directors of Prestar wishes to announce that Tashin Steel Sdn. Bhd. ("TSSB"), a subsidiary of Prestar, had on 11 August 2011 entered into a conditional Sale and Purchase Agreement ("SPA") with PDC Properties Sdn. Bhd. ("PDC") for the proposed acquisition of a piece of land at a total cash consideration of RM4,600,000.00 (Ringgit Malaysia: Four Million and Six Hundred Thousand Only) ("Purchase Consideration") ("Proposed Acquisition").

Further details of the Proposed Acquisition are set out in the ensuing sections.

2.0 DETAILS OF THE PROPOSED ACQUISITION

2.1 Information of the Land

The land is held under H.S.(D)15736, PT No. 2634, Mukim 13, Daerah Timor Laut, Pulau Pinang within the development known or to be known as "D' Residence, Bayan Mutiara Phase 3" measuring

approximately 679.998 square metres.

The land is a freehold vacant land and is used for residential purpose. No valuation was carried out on the land. Since the land is for investment purposes, the Company has no intention to develop the land.

2.2 Information on TSSB

TSSB was incorporated in Malaysia under the Companies Act, 1965 ("the Act") on 30 October 1998 as a private limited company and its registered office is at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal activity of TSSB is manufacture and sale of steel products. It is a subsidiary of Prestar.

The authorised share capital of TSSB is RM25,000,000.00 comprising 25,000,000 ordinary shares of RM1.00 each, of which 20,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

2.3 Information on PDC

PDC was incorporated in Malaysia under the Act on 7th July 1995 as a private limited company and its registered office is at Level 1, Tun Dr. Lim Chong Eu Building, No. 1 Persiaran Mahsuri, Bandar Bayan Baru, 11909 Bayan Lepas, Penang. The principal activity of PDC is property development.

The authorised share capital of PDC is RM50,000,000.00 comprising 50,000,000 ordinary shares of RM1.00 each, of which 47,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

2.4 Basis and Justifications on Arriving at the Purchase Consideration

The Purchase Consideration of the Land was arrived at on a willing buyer willing seller basis.

2.5 Salient Terms of the SPA

The salient terms of the SPA include inter alia, the following:-

1. The SPA is subject to the approval of Penang State Authority for the transfer of the Land.
2. The total Purchase Consideration of RM4,600,000.00 shall be payable in cash by TSSB in the following manner:-

Installments Payable	Percentage (%)	Amount (RM'000)
1. Immediately upon the signing of the SPA	20	920
2. Within three (3) months from the date of the SPA	80	3,680
Total	100	4,600

3. The date on which the balance purchase price is to be paid by TSSB to PDC shall be referred to as "the Completion Date" with an extension of one (1) month subject to payment of interest at the rate of ten per centum (10%) per annum.

4. In the event that TSSB shall fail, neglect and/or refuse to pay such sums or any other sums due under the SPA on or before the Completion Date, TSSB shall pay to PDC interest to be calculated from day to day on such unpaid sums at the rate of ten per centum (10%) per annum from the date such payment becomes due till the date of actual payment of such sum(s).

2.6 Sources of Funding

TSSB intends to fund the Proposed Acquisitions through internally generated funds.

2.7 Liabilities to be Assumed

TSSB will not be assuming any liability, including contingent liabilities and guarantees arising from the Proposed Acquisitions.

3.0 RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is for investment purpose.

4.0 PROSPECTS

The land located at a strategic location with strong demand for residential properties is expected to appreciate in value.

5.0 RISKS FACTORS

The Board of Directors does not foresee any significant risk arising from the Proposed Acquisition.

6.0 HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02 (g) of Bursa Malaysia Securities Berhad Main Market Listing Requirements is approximately 6.3% based on the latest Audited Financial Statements of Prestar for the financial year ended 31 December 2010.

7.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in three (3) months from the date of signing of the SPA.

8.0 EFFECTS OF THE PROPOSED ACQUISITION

The effects of the Proposed Acquisition are as follows:-

8.1 Share Capital and Substantial Shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company as the purchase consideration will be satisfied wholly in cash and does not involve any issuance of shares in Prestar.

8.2 Net Assets (NA)

The Proposed Acquisition is not expected to have any material effect on the NA of Prestar Group for the financial year ending 31 December 2012.

8.3 Earnings and Earnings Per Share (EPS)

The Proposed Acquisition is not expected to have any material effect on the EPS of Prestar Group for the financial year ending 31 December 2012.

8.4 Gearing

The Proposed Acquisition is not expected to have any material effect on the Gearing of Prestar Group for the financial year ending 31 December 2012.

9.0 APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval of shareholders of Prestar or any other relevant

authorities.

10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of Prestar or persons connected to them has an interest, direct or indirect, in the Proposed Acquisition.

11.0 DIRECTORS' RECOMMENDATION

The Board of Directors of Prestar, after taking into consideration all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of Prestar Group.

12.0 DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection at the registered office of Prestar during normal business hours from Mondays to Fridays (except public holidays) at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for a period of three (3) months from the date of this announcement.

This announcement is dated 12 August 2011.

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