

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	75,766,827	49,504,616	72,142,358	45,441,043
Investment in a subsidiary	6	-	-	2,500,000	2,500,000
		75,766,827	49,504,616	74,642,358	47,941,043
Current assets					
Inventories	7	103,154,185	65,516,669	88,724,917	54,087,412
Derivative assets	8	-	7,286	-	7,286
Trade and other receivables	9	57,315,804	62,674,109	54,144,952	63,449,673
Cash and bank balances	10	24,555,500	8,416,978	18,471,288	7,683,386
		185,025,489	136,615,042	161,341,157	125,227,757
TOTAL ASSETS		260,792,316	186,119,658	235,983,515	173,168,800
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings	12	103,697,109	95,700,953	95,108,911	89,911,771
Revaluation reserves	12	21,134,084	-	21,134,084	-
TOTAL EQUITY		144,831,193	115,700,953	136,242,995	109,911,771
Non-current liabilities					
Borrowings	13	269,543	1,445,269	155,216	844,503
Deferred tax liabilities	14	9,769,922	2,796,000	9,519,922	2,338,000
		10,039,465	4,241,269	9,675,138	3,182,503
Current liabilities					
Trade and other payables	15	52,840,729	32,568,522	45,484,892	28,545,040
Derivative liabilities	8	32,703	-	32,703	-
Borrowings	13	51,104,726	31,846,108	43,183,287	30,201,342
Current tax liabilities		1,943,500	1,762,806	1,364,500	1,328,144
		105,921,658	66,177,436	90,065,382	60,074,526
TOTAL LIABILITIES		115,961,123	70,418,705	99,740,520	63,257,029
TOTAL EQUITY AND LIABILITIES		260,792,316	186,119,658	235,983,515	173,168,800

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

TASHIN STEEL SDN. BHD. (471094 - P)
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	17	257,701,130	214,741,139	224,260,248	185,291,079
Cost of sales		<u>(221,568,508)</u>	<u>(185,247,322)</u>	<u>(196,135,501)</u>	<u>(162,286,737)</u>
Gross profit		36,132,622	29,493,817	28,124,747	23,004,342
Other income		2,201,719	963,480	3,350,225	1,260,527
Selling and distribution expenses		(3,418,703)	(2,612,160)	(1,511,324)	(1,497,605)
Administrative expenses		(9,102,323)	(6,863,310)	(8,812,441)	(6,692,498)
Other expenses		(2,054,545)	(4,151,439)	(1,642,521)	(4,056,491)
Finance costs		(2,234,829)	(2,350,626)	(2,029,419)	(2,047,810)
Interest income		<u>168,621</u>	<u>105,022</u>	<u>242,233</u>	<u>143,623</u>
Profit before tax	18	21,692,562	14,584,784	17,721,500	10,114,088
Tax expense	19	<u>(5,955,941)</u>	<u>(2,401,294)</u>	<u>(4,783,895)</u>	<u>(1,353,532)</u>
Profit for the financial year		15,736,621	12,183,490	12,937,605	8,760,556
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation surplus		<u>21,393,619</u>	-	<u>21,393,619</u>	-
Total comprehensive income		<u><u>37,130,240</u></u>	<u><u>12,183,490</u></u>	<u><u>34,331,224</u></u>	<u><u>8,760,556</u></u>
Profit after taxation attributable to: Owners of the parent		<u><u>15,736,621</u></u>	<u><u>12,183,490</u></u>		
Total comprehensive income attributable to: Owners of the parent		<u><u>37,130,240</u></u>	<u><u>12,183,490</u></u>		
Earnings per share (sen) income attributable to:					
- Basic	20	<u>78.68</u>	<u>60.92</u>		
- Diluted	20	<u>78.68</u>	<u>60.92</u>		

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

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Group	Non-distributable Share capital RM	Revaluation reserve RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2016	20,000,000	-	85,517,463	105,517,463
Profit for the financial year	-	-	12,183,490	12,183,490
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	12,183,490	12,183,490
Transaction with owners				
Dividends paid (Note 21)	-	-	(2,000,000)	(2,000,000)
Total transaction with owners	-	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2016	20,000,000	-	95,700,953	115,700,953
Profit for the financial year	-	-	15,736,621	15,736,621
Revaluation surplus	-	21,393,619	-	21,393,619
Total comprehensive income	-	21,393,619	15,736,621	37,130,240
Transfer due to crystallisation of revaluation reserve	-	(259,535)	259,535	-
Transaction with owners				
Dividends paid (Note 21)	-	-	(8,000,000)	(8,000,000)
Total transaction with owners	-	-	(8,000,000)	(8,000,000)
Balance as at 31 December 2017	20,000,000	21,134,084	103,697,109	144,831,193

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

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

Company	Share capital RM	Revaluation reserves RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2016	20,000,000	-	83,151,215	103,151,215
Profit for the financial year	-	-	8,760,556	8,760,556
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	8,760,556	8,760,556
Transactions with owners				
Dividends paid (Note 21)	-	-	(2,000,000)	(2,000,000)
Total transaction with owners	-	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2016	20,000,000	-	89,911,771	109,911,771
Profit for the financial year	-	-	12,937,605	12,937,605
Revaluation surplus	-	21,393,619	-	21,393,619
Total comprehensive income	-	21,393,619	12,937,605	34,331,224
Transfer due to crystallisation of revaluation reserve	-	(259,535)	259,535	-
Transactions with owners				
Dividends paid (Note 21)	-	-	(8,000,000)	(8,000,000)
Total transaction with owners	-	-	(8,000,000)	(8,000,000)
Balance as at 31 December 2017	20,000,000	21,134,084	95,108,911	136,242,995

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

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		21,692,562	14,584,784	17,721,500	10,114,088
Adjustments for:					
Depreciation of property, plant and equipment	4	3,204,629	2,655,558	2,823,383	2,287,116
Fair value adjustment on derivative assets	8(c)	39,989	11,839	39,989	11,839
Gain on disposal of property, plant and equipment		(23,085)	(42,023)	(23,085)	(42,023)
Impairment losses on trade receivables	9(h)	535,079	680,278	250,179	620,278
Reversal of impairment losses on property, plant and equipment	4	(8,252)	-	(66,110)	-
Interest expense		2,234,829	2,350,626	2,029,419	2,047,810
Interest income		(168,621)	(105,022)	(242,233)	(143,623)
Inventories written down	7(d)	-	810,000	-	790,000
Reversal of inventories written down	7(c)	(253,000)	-	(236,000)	-
Unrealised loss on foreign exchange		6,977	12,394	6,977	12,394
Operating profit before changes in working capital		27,261,107	20,958,434	22,304,019	15,697,879
(Increase)/Decrease in inventories		(37,384,516)	505,472	(34,401,505)	3,714,445
Decrease/(Increase) in trade and other receivables		4,925,682	(6,798,674)	7,281,395	(4,685,918)
Decrease in amount owing by a subsidiary		-	-	2,015,460	1,335,955
Increase in amounts owing by related companies		(109,433)	(70,132)	(106,537)	(89,751)
Increase/(decrease) in amounts owing to related company		215	(23,974)	215	(23,974)
Increase in trade and other payables		26,098,992	14,435,739	22,766,637	12,053,406
Cash generated from operations		20,792,047	29,006,865	19,859,684	28,002,042
Interest received		-	-	73,612	39,018
Tax paid		(5,649,443)	(1,255,788)	(4,321,497)	(801,188)
Tax refunded		92,238	-	-	-
Net cash from operating activities		15,234,842	27,751,077	15,611,799	27,239,872

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment from holding company		-	1,050,000	-	1,050,000
Advances to a subsidiary		-	-	(142,753)	(2,963,367)
(Repayment to)/advances from related companies		(5,827,000)	5,827,000	(5,827,000)	5,827,000
Interest received		168,621	105,022	168,621	104,605
Proceeds from disposal of plant and equipment		136,791	80,000	136,791	80,000
Proceeds from disposal investment properties		-	4,600,000	-	4,600,000
Purchase of property, plant and equipment	4(h)	(1,422,795)	(1,638,957)	(1,422,795)	(895,154)
Net cash (used in)/from investing activities		(6,944,383)	10,023,065	(7,087,136)	7,803,084
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of hire purchase		(524,908)	(537,203)	(65,142)	(107,568)
Drawdown/(Repayment) of bankers' acceptances		20,022,000	(31,211,000)	13,772,000	(29,175,000)
Repayment of term loans		(1,414,200)	(1,803,929)	(1,414,200)	(1,803,929)
Interest paid		(2,234,829)	(2,350,626)	(2,029,419)	(2,047,810)
Dividends paid	21	(8,000,000)	(2,000,000)	(8,000,000)	(2,000,000)
Net cash from/(used in) financing activities		7,848,063	(37,902,758)	2,263,239	(35,134,307)
Net increase/(decrease) in cash and cash equivalents		16,138,522	(128,616)	10,787,902	(91,351)
Cash and cash equivalents at beginning of financial year		8,416,978	8,545,594	7,683,386	7,774,737
Cash and cash equivalents at end of financial year	10	24,555,500	8,416,978	18,471,288	7,683,386

TASHIN STEEL SDN. BHD. (471094 - P)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

Reconciliation of liabilities arising from financing activities
Group

	1.1.2017 RM'000	Cash flows RM'000	31.12.2017 RM'000
Bankers' acceptances	29,907,000	20,022,000	49,929,000
Hire purchase liabilities	1,125,674	(524,908)	600,766
Term loan	<u>2,258,703</u>	<u>(1,414,200)</u>	<u>844,503</u>
Total borrowings	<u><u>33,291,377</u></u>	<u><u>18,082,892</u></u>	<u><u>51,374,269</u></u>

Company

	1.1.2017 RM'000	Cash flows RM'000	31.12.2017 RM'000
Bankers' acceptances	28,722,000	13,772,000	42,494,000
Hire purchase liabilities	65,142	(65,142)	-
Term loan	<u>2,258,703</u>	<u>(1,414,200)</u>	<u>844,503</u>
Total borrowings	<u><u>31,045,845</u></u>	<u><u>12,292,658</u></u>	<u><u>43,338,503</u></u>

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

TASHIN STEEL SDN. BHD. (471094 - P)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

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 Plot 40, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Prai, Penang.

The Directors regard Prestar Resources Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 30 March 2018.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of manufacturing and selling of steel products. The principal activities of the subsidiary is set out in Note 6 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 as set out on pages 12 to 63 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 27.1 to the financial statements.

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

4. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2017 RM	Additions RM	Revaluation RM	Reversal of impairment loss RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 31.12.2017 RM
Carrying amount							
Buildings	20,360,695	-	15,235,671	-	-	(689,159)	34,907,207
Leasehold land	3,849,254	-	12,913,828	-	-	(261,962)	16,501,120
Furniture, fittings and office equipment	348,975	68,599	-	-	-	(74,521)	343,053
Motor vehicles	1,913,448	1,309,551	-	-	(113,706)	(589,657)	2,519,636
Plant and equipment	23,032,244	44,645	-	8,252	-	(1,589,330)	21,495,811
	49,504,616	1,422,795	28,149,499	8,252	(113,706)	(3,204,629)	75,766,827

<----- At 31 December 2017 ----->

	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
Buildings	25,115,108	15,235,671	(5,443,572)	-	34,907,207
Leasehold land	5,333,059	12,913,828	(1,745,767)	-	16,501,120
Furniture, fittings and office equipment	1,264,346	-	(921,293)	-	343,053
Motor vehicles	6,040,228	-	(3,520,592)	-	2,519,636
Plant and equipment	36,668,802	-	(14,184,275)	(988,716)	21,495,811
	74,421,543	28,149,499	(25,815,499)	(988,716)	75,766,827

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance as at 1.1.2017 RM	Additions RM	Revaluation RM	Reversal of impairment loss RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 31.12.2017 RM
Carrying amount							
Buildings	20,360,695	-	15,235,671	-	-	(689,159)	34,907,207
Leasehold land	3,849,254	-	12,913,828	-	-	(261,962)	16,501,120
Furniture, fittings and office equipment	334,501	68,599	-	-	-	(70,923)	332,177
Motor vehicles	1,528,947	1,309,551	-	-	(113,706)	(500,627)	2,224,165
Plant and equipment	19,367,646	44,645	-	66,110	-	(1,300,712)	18,177,689
	45,441,043	1,422,795	28,149,499	66,110	(113,706)	(2,823,383)	72,142,358

<----- At 31 December 2017 ----->

	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
Buildings	25,115,108	15,235,671	(5,443,572)	-	34,907,207
Leasehold land	5,333,059	12,913,828	(1,745,767)	-	16,501,120
Furniture, fittings and office equipment	1,222,147	-	(889,970)	-	332,177
Motor vehicles	5,488,934	-	(3,264,769)	-	2,224,165
Plant and equipment	32,089,699	-	(13,012,010)	(900,000)	18,177,689
	69,248,947	28,149,499	(24,356,088)	(900,000)	72,142,358

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance as at 1.1.2016 RM	Additions RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 31.12.2016 RM
Carrying amount					
Buildings	20,800,778	61,000	-	(501,083)	20,360,695
Leasehold land	3,957,396	-	-	(108,142)	3,849,254
Furniture, fittings and office equipment	143,830	235,317	-	(44,646)	334,501
Motor vehicles	1,527,299	382,510	(37,977)	(342,885)	1,528,947
Plant and equipment	20,441,679	216,327	-	(1,290,360)	19,367,646
	46,870,982	895,154	(37,977)	(2,287,116)	45,441,043

<----- At 31 December 2016 ----->

	Cost RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
Buildings	25,115,108	(4,754,413)	-	20,360,695
Leasehold land	5,333,059	(1,483,805)	-	3,849,254
Furniture, fittings and office equipment	1,153,548	(819,047)	-	334,501
Motor vehicles	5,316,457	(3,787,510)	-	1,528,947
Plant and equipment	32,045,054	(11,711,298)	(966,110)	19,367,646
	68,963,226	(22,556,073)	(966,110)	45,441,043

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (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 Company 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 and the Company 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 leasehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Leasehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Leasehold land and buildings are revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

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	50 years
Leasehold land	50 years
Furniture, fittings and office equipment	5 - 10 years
Motor vehicles	6 years
Plant and equipment	7 - 20 years

The Group and the Company has assessed and classified land use rights as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group and the Company arising from the lease term. Consequently, the Group and the Company has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) At the end of each reporting year, 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 year to ensure that the amount, method and year 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) The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.
- (e) During the financial year, the Group and the Company changed its accounting policy with respect to the subsequent measurement of leasehold land and buildings from the cost model to the revaluation model, with revaluation surplus recognised in revaluation reserve, net of deferred tax.

Leasehold land and buildings of the Group and the Company were revalued on 31 July 2017 and subsequently updated on 8 January 2018 by the Directors based on a valuation exercise carried out by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at cost, the carrying amounts would have been:

	2016	2017
	RM	RM
Leasehold land	3,849,254	3,741,112
Buildings	<u>20,360,695</u>	<u>19,859,209</u>

- (f) The fair value of leasehold land and buildings (at valuation) of the Group and of the Company are categorised as follows:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2017				
Leasehold land	-	-	16,501,120	16,501,120
Buildings	-	-	34,907,207	34,907,207

- (i) Leasehold land and buildings at Level 3 fair value measurements are based primarily on latest available market transactions of similar properties within the vicinities as well as reports by professional valuers.

In relying on the valuation reports, the Directors have exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions.

- (ii) The fair value measurements of the leasehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (g) As at the end of reporting period, certain buildings and leasehold land of the Group and the Company with carrying amount of RM18,961,497 (2016: RM5,378,642) and RM8,595,683 (2016: RM1,824,611) respectively have been charged as securities for banking facilities granted to the Group and the Company as disclosed in Note 13 to the financial statements.
- (h) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Purchase of property, plant and equipment	1,422,795	1,888,957	1,422,795	895,154
Financed by hire purchase arrangements	-	(250,000)	-	-
Cash payments on purchase of property, plant and equipment	<u>1,422,795</u>	<u>1,638,957</u>	<u>1,422,795</u>	<u>895,154</u>

- (i) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase and finance leases at the end of the reporting period are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Carrying amount				
Motor vehicles	190,925	430,043	-	188,764
Plant and equipment	<u>1,419,707</u>	<u>1,481,434</u>	<u>-</u>	<u>-</u>
	<u>1,610,632</u>	<u>1,911,477</u>	<u>-</u>	<u>188,764</u>

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 13.1 to the financial statements.

- (j) The carrying amount of the property, plant and equipment of the Group and of the Company under term loan facilities at the end of the reporting period are as follows:

	Group and Company	
	2017 RM	2016 RM
Buildings	3,263,005	3,332,431
Plant and equipment	<u>4,493,274</u>	<u>7,671,903</u>
	<u>7,756,279</u>	<u>11,004,334</u>

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (k) The Group and the Company has carried out a review of the recoverable amount of its property, plant and equipment during the financial period and adjusted carrying amounts of certain property, plant and equipment to their recoverable amounts. The impairment losses included in profit or loss are as follow:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Impairment losses	57,858	-	-	-
Reversal of impairment losses	(66,110)	-	(66,110)	-
	<u>(8,252)</u>	<u>-</u>	<u>(66,110)</u>	<u>-</u>

5. INVESTMENT PROPERTY

	Group and Company	
	2017 RM	2016 RM
Freehold land - at cost		
Balance as at 1 January	-	4,766,848
Less: Disposal during the financial year	-	(4,766,848)
Balance as at 31 December	-	-
Accumulated impairment loss		
Balance as at 1 January	-	(166,848)
Less: Disposal during the financial year	-	166,848
Balance as at 31 December	-	-
Net carrying amount as at 31 December	<u>-</u>	<u>-</u>

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

Subsequent costs are included in the carrying amount of the investment property 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 Company 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 investment property is recognised in profit or loss as incurred.

- (b) After initial recognition, investment property is stated at cost less accumulated depreciation and impairment losses, if any.

5. INVESTMENT PROPERTY (continued)

- (c) At the end of each reporting period, the carrying amount of an item of the investment property 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 investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

- (d) Investment property is derecognised when either it has been disposed of or when it is 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 is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.
- (e) Direct operating expenses arising from non-income generating investment property during the financial year are as follows:

	Group and Company	
	2017	2016
	RM	RM
Quit rent and assessment	-	150

6. INVESTMENT IN A SUBSIDIARY

	Company	
	2017	2016
	RM	RM
At cost		
Unquoted shares	<u>2,500,000</u>	<u>2,500,000</u>

- (a) Investments in a subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) The details of the subsidiary, incorporated in Malaysia, are as follows:

Name of company	Effective equity in interest		Principal activity
	2017	2016	
Tashin Hardware Sdn. Bhd.	100%	100%	Manufacturing and trading of steel material and general hardware product

7. INVENTORIES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At cost				
Raw materials	75,451,528	39,524,475	66,195,876	32,748,625
Manufactured and trading inventories	17,939,657	16,293,194	13,836,041	12,302,787
	93,391,185	55,817,669	80,031,917	45,051,412
At net realisable value				
Raw materials	6,225,000	5,326,000	5,656,000	5,167,000
Manufactured and trading inventories	3,538,000	4,373,000	3,037,000	3,869,000
	9,763,000	9,699,000	8,693,000	9,036,000
	<u>103,154,185</u>	<u>65,516,669</u>	<u>88,724,917</u>	<u>54,087,412</u>

- (a) The cost of raw materials and consumables are determined on the weighted average basis.
- (b) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM221,568,508 and RM196,135,501 (2016: RM185,247,322 and RM162,286,737) respectively.
- (c) During the financial year, the Group and the Company reversed RM253,000 and RM236,000 respectively of a write down of inventories recorded in the previous financial year that was subsequently not required as the Group and the Company were able to sell those inventories above their carrying amount.
- (d) In the previous financial year, the Group and the Company wrote down inventories of RM810,000 and RM790,000 respectively.

8. DERIVATIVE (LIABILITIES)/ASSETS

	2017		2016	
	Contract/ Notional amount RM	Liabilities RM	Contract/ Notional amount RM	Assets RM
Group and Company				
Forward currency contracts	4,639,617	(32,703)	3,515,024	7,286

- (a) Derivatives are initially recognised at fair value through profit or loss, are subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

8. DERIVATIVE (LIABILITIES)/ASSETS (continued)

(b) Forward currency contracts have been entered into to operationally hedge forecast purchases denominated in foreign currencies that are expected to occur at various dates within two (2) 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 and the Company recognised net loss of RM39,989 and RM39,989 (2016: RM11,839 and RM11,839) respectively 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 25 to the financial statements.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade				
- Third parties	55,557,624	60,667,130	44,106,957	51,297,656
- Subsidiary	-	-	4,732,513	6,747,973
- Related companies	358,973	249,540	351,486	244,949
	55,916,597	60,916,670	49,190,956	58,290,578
Less: Impairment losses				
- Third parties	(740,734)	(680,278)	(529,610)	(620,278)
	55,175,863	60,236,392	48,661,346	57,670,300
Non-trade				
Other receivables:				
- Third parties	1,553,971	104,514	1,478,909	104,514
- Subsidiary	-	-	3,528,452	3,385,699
Deposits	48,560	37,590	39,060	37,590
	1,602,531	142,104	5,046,421	3,527,803
Loan and receivables	56,778,394	60,378,496	53,707,767	61,198,103
Prepayments	537,410	2,295,613	437,185	2,251,570
	<u>57,315,804</u>	<u>62,674,109</u>	<u>54,144,952</u>	<u>63,449,673</u>

(a) Trade and other receivables (excluding prepayments) are classified as loans and receivables and are measured at amortised cost using the effective interest method.

9. TRADE AND OTHER RECEIVABLES (continued)

- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company ranges from 14 to 90 days (2016: 14 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) All trade amounts owing by related companies and a subsidiary are subject to normal trade credit terms.
- (d) Amount owing by a subsidiary (non-trade) with carrying amount of RM3,528,452 (2016: RM3,385,699) represents advances and payments made on behalf which bears interest of 5% (2016: 5%) per annum and is payable on demand in cash and cash equivalents.
- (e) In the previous financial year, included in prepayments of the Group and of the Company is an amount of RM1,627,691 made to supplier for purchase of raw materials.
- (f) The currency exposure profile of trade and other receivables (net of prepayments) are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	56,687,782	60,296,602	53,617,155	61,097,550
Singapore Dollar	17,751	75,075	17,751	93,734
United States Dollar	72,861	6,819	72,861	6,819
	<u>56,778,394</u>	<u>60,378,496</u>	<u>53,707,767</u>	<u>61,198,103</u>

- (g) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Neither past due nor impaired	44,919,387	49,920,298	40,854,372	47,366,493
Past due, not impaired				
- 1 to 30 days past due	7,746,902	7,860,144	5,895,656	7,142,043
- 31 to 60 days past due	1,614,654	2,127,177	1,241,250	2,534,279
- 61 to 90 days past due	554,049	327,994	329,197	626,706
- More than 90 days	340,871	779	340,871	779
	10,256,476	10,316,094	7,806,974	10,303,807
Past due and impaired	<u>740,734</u>	<u>680,278</u>	<u>529,610</u>	<u>620,278</u>
	<u>55,916,597</u>	<u>60,916,670</u>	<u>49,190,956</u>	<u>58,290,578</u>

9. TRADE AND OTHER RECEIVABLES (continued)

- (g) The ageing analysis of trade receivables of the Group and of the Company are as follows (continued):

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM10,256,476 and RM7,806,974 (2016: RM10,316,094 and RM10,303,807) respectively that are past due at the end of the reporting period but not impaired. Trade receivables of the Group and of the Company that are past due but not impaired are unsecured in nature and creditworthy reliable. The Group and the Company closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

Receivables that are past due and impaired

Trade receivables of the Group and of the Company that are past due and individually impaired at the end of each reporting period are as follows:

	Group		Individually impaired Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables, gross	740,734	680,278	529,610	620,278
Less: Impairment losses	(740,734)	(680,278)	(529,610)	(620,278)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (h) The reconciliation of movements in the impairment losses of trade receivables are as follows:

	Group		Individually impaired Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 January	680,278	-	620,278	-
Charge for the financial year	535,079	680,278	250,179	620,278
Written off	(474,623)	-	(340,847)	-
At 31 December	<u>740,734</u>	<u>680,278</u>	<u>529,610</u>	<u>620,278</u>

9. TRADE AND OTHER RECEIVABLES (continued)

- (h) The reconciliation of movements in the impairment losses of trade receivables are as follows (continued):

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Directors specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. When expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 26 to the financial statements.

10. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash and bank balances	<u>24,555,500</u>	<u>8,416,978</u>	<u>18,471,288</u>	<u>7,683,386</u>

- (a) Cash and bank balances are classified as loans and receivables, and measured at amortised cost using the effective interest method.
- (b) All cash and bank balances are denominated in RM.
- (c) In the previous financial year, the Royal Malaysian Customs Department (“RMCD”) conducted a site visit and an investigation and issued letters and notices to the Company, effectively resulting in certain bank accounts being frozen and certain raw materials being withheld for the purposes of audit and investigation. In June 2016, the Company received a notice from RMCD that raw materials being withheld had been released. Subsequently in April 2017, the Company was notified by the respective banks that all relevant frozen bank accounts had been unfrozen and activated.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 26 to the financial statements.

11. SHARE CAPITAL

	Group and Company			
	2017 Number of shares	2016 RM	2016 Number of shares	2016 RM
Issued and fully paid				
Balance as at 1 January/ 31 December	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

11. SHARE CAPITAL (continued)

- (a) Ordinary shares are classified as equity instruments and recorded at the nominal value.
- (b) The holder of ordinary share is entitled to receive dividends as declared from time to time 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.
- (c) With the introduction of the Companies Act 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished.

12. RESERVES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-distributable:				
Revaluation reserve	21,134,084	-	21,134,084	-
	21,134,084	-	21,134,084	-
Distributable:				
Retained earnings	103,697,109	95,700,953	95,108,911	89,911,771
	<u>124,831,193</u>	<u>95,700,953</u>	<u>116,242,995</u>	<u>89,911,771</u>

Revaluation reserve of the Group and of the Company represents revaluation surplus on leasehold land and building as disclosed in Note 4(e) to the financial statements.

13. BORROWINGS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current liabilities				
<u>Secured</u>				
Bankers' acceptances	17,921,000	18,546,000	12,248,000	17,361,000
Hire purchase (Note 13.1)	486,439	524,908	-	65,142
Term loans	689,287	1,414,200	689,287	1,414,200
<u>Unsecured</u>				
Bankers' acceptances	32,008,000	11,361,000	30,246,000	11,361,000
	<u>51,104,726</u>	<u>31,846,108</u>	<u>43,183,287</u>	<u>30,201,342</u>
Non-current liabilities				
<u>Secured</u>				
Hire purchase (Note 13.1)	114,327	600,766	-	-
Term loans	155,216	844,503	155,216	844,503
	<u>269,543</u>	<u>1,445,269</u>	<u>155,216</u>	<u>844,503</u>

13. BORROWINGS (continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total borrowings				
<u>Secured</u>				
Bankers' acceptances	17,921,000	18,546,000	12,248,000	17,361,000
Hire purchase (Note 13.1)	600,766	1,125,674	-	65,142
Term loans	844,503	2,258,703	844,503	2,258,703
<u>Unsecured</u>				
Bankers' acceptances	<u>32,008,000</u>	<u>11,361,000</u>	<u>30,246,000</u>	<u>11,361,000</u>
	<u>51,374,269</u>	<u>33,291,377</u>	<u>43,338,503</u>	<u>31,045,845</u>

- (a) Borrowings are classified as other financial liabilities initially measured at fair value net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.
- (b) All borrowings are denominated in RM.
- (c) The bank borrowings of the Group and of the Company (other than hire purchase liabilities as further disclosed in Note 13.1 to the financial statements) are secured by means of:
- corporate guarantee issued by the holding company and a corporate shareholder of the Company; and
 - a first party legal charge over certain buildings and leasehold land of the Company as disclosed in Note 4(g) to the financial statements.
- (d) Information on financial risks of borrowings of the Group and of the Company is disclosed in Note 26 to the financial statements.

13.1 HIRE PURCHASE LIABILITIES

The hire purchase liabilities are repayable over the following periods:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Minimum hire purchase payments:				
- Not later than one (1) year	507,854	574,004	-	66,150
- Later than one (1) year but not later than five (5) years	<u>121,875</u>	<u>629,729</u>	<u>-</u>	<u>-</u>
	629,729	1,203,733	-	66,150
Less: Future interest charges	<u>(28,963)</u>	<u>(78,059)</u>	<u>-</u>	<u>(1,008)</u>
Present value of hire purchase liabilities	<u>600,766</u>	<u>1,125,674</u>	<u>-</u>	<u>65,142</u>

13. BORROWINGS (continued)

13.1 HIRE PURCHASE LIABILITIES (continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Repayable as follows:				
- Current liabilities (Note 13)	486,439	524,908	-	65,142
- Non-current liabilities (Note 13)	114,327	600,766	-	-
	<u>600,766</u>	<u>1,125,674</u>	<u>-</u>	<u>65,142</u>

14. DEFERRED TAX

Deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Balance as at 1 January	2,796,000	3,369,000	2,338,000	3,008,000
Recognised in profit or loss (Note 19)	218,042	(573,000)	426,042	(670,000)
Arising from revaluation	6,755,880	-	6,755,880	-
Balance as at 31 December	<u>9,769,922</u>	<u>2,796,000</u>	<u>9,519,922</u>	<u>2,338,000</u>
Presented after appropriate offsetting:				
Deferred tax liabilities	11,935,519	4,770,175	11,418,144	4,210,277
Deferred tax assets	<u>(2,165,597)</u>	<u>(1,974,175)</u>	<u>(1,898,222)</u>	<u>(1,872,277)</u>
	<u>9,769,922</u>	<u>2,796,000</u>	<u>9,519,922</u>	<u>2,338,000</u>

14. DEFERRED TAX (continued)

- (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.
- (b) 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.

14. DEFERRED TAX (continued)

- (c) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	Property, plant and equipment RM	Revaluation reserve RM	Provisions RM	Total RM
At 1 January 2017	4,770,175	-	(1,974,175)	2,796,000
Recognised in profit or loss	491,422	(81,958)	(191,422)	218,042
Arising from revaluation	-	6,755,880	-	6,755,880
At 31 December 2017	<u>5,261,597</u>	<u>6,673,922</u>	<u>(2,165,597)</u>	<u>9,769,922</u>
At 1 January 2016	4,398,062	-	(1,029,062)	3,369,000
Recognised in profit or loss	372,113	-	(945,113)	(573,000)
At 31 December 2016	<u>4,770,175</u>	<u>-</u>	<u>(1,974,175)</u>	<u>2,796,000</u>
Company	Property, plant and equipment RM	Revaluation reserve RM	Provisions RM	Total RM
At 1 January 2017	4,210,277	-	(1,872,277)	2,338,000
Recognised in profit or loss	533,945	(81,958)	(25,945)	426,042
Arising from revaluation	-	6,755,880	-	6,755,880
At 31 December 2017	<u>4,744,222</u>	<u>6,673,922</u>	<u>(1,898,222)</u>	<u>9,519,922</u>
At 1 January 2016	3,929,998	-	(921,998)	3,008,000
Recognised in profit or loss	280,279	-	(950,279)	(670,000)
At 31 December 2016	<u>4,210,277</u>	<u>-</u>	<u>(1,872,277)</u>	<u>2,338,000</u>

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables				
Third parties	44,751,366	20,419,052	38,288,941	16,969,111
Related companies	9,333	9,118	9,333	9,118
	44,760,699	20,428,170	38,298,274	16,978,229
Other payables				
Other payables				
- Third parties	2,046,977	1,960,332	1,839,501	1,544,125
- Related companies	-	5,827,000	-	5,827,000
Accruals	6,033,053	4,353,020	5,347,117	4,195,686
	8,080,030	12,140,352	7,186,618	11,566,811
	<u>52,840,729</u>	<u>32,568,522</u>	<u>45,484,892</u>	<u>28,545,040</u>

- Trade and other payables are classified as other financial liabilities, and measured at amortised cost using effective interest method.
- Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 to 90 days (2016: 30 to 90 days) from date of invoice.
- Amounts owing to related companies are subject to normal credit terms.
- All trade and other payables are denominated in RM.
- Information on financial risks of trade and other payables is disclosed in Note 26 to the financial statements.

16. COMMITMENTS

- Operating lease commitments

The Group had entered into non-cancellable lease agreements for premises, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

16. COMMITMENTS (continued)

(a) Operating lease commitments (continued)

The lease terms do not contain restrictions on the activities of the Group and of the concerning dividends or additional debt. The Group and the Company has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	Group and Company	
	2017	2016
	RM	RM
Not later than one (1) year	55,585	42,435
Later than one (1) year and not later than five (5) years	<u>7,760</u>	<u>-</u>
	<u><u>63,345</u></u>	<u><u>42,435</u></u>

(b) Capital commitments

	Group and Company	
	2017	2016
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment: Approved and contracted for	<u>-</u>	<u>120,286</u>

17. REVENUE

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Sale of goods	<u>257,701,130</u>	<u>214,741,139</u>	<u>224,260,248</u>	<u>185,291,079</u>

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group and the Company, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met.

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group and the Company does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

18. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
After charging:				
Auditors' remuneration	38,000	36,000	29,500	28,000
Interest expenses on:				
- bankers' acceptances	2,104,664	2,083,638	1,947,342	1,854,166
- revolving credit	-	25,929	-	25,929
- term loans	81,069	161,883	81,069	161,883
- hire purchase	49,096	79,176	1,008	5,832
Rental of:				
- office equipment	3,005	440	3,005	440
- equipment	1,872	1,812	1,872	1,812
- hostel	86,580	84,660	86,580	84,660
- forklift	4,900	17,460	4,900	17,460
Unrealised loss on foreign exchange	6,977	12,394	6,977	12,394
And crediting:				
Gain on disposal of property, plant and equipment	23,085	42,023	23,085	42,023
Interest income*	168,261	105,022	242,233	143,623
Realised gain on foreign exchange	27,012	173,986	27,012	166,966

* Interest income is recognised as it accrues, using the effective interest method.

19. TAX EXPENSE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current tax expense based on profit for the financial year:				
- Income tax	5,694,000	2,913,000	4,352,000	1,956,000
- Under provision in prior year	43,899	61,294	5,853	67,532
	<u>5,737,899</u>	<u>2,974,294</u>	<u>4,357,853</u>	<u>2,023,532</u>
Deferred tax (Note 14)				
- Relating to origination and reversal of temporary differences	245,000	(558,000)	417,000	(597,000)
- Relating to revaluation reserve	(81,958)	-	(81,958)	-
- Over/(Under) provision in prior year	55,000	(15,000)	91,000	(73,000)
	<u>218,042</u>	<u>(573,000)</u>	<u>426,042</u>	<u>(670,000)</u>
	<u>5,955,941</u>	<u>2,401,294</u>	<u>4,783,895</u>	<u>1,353,532</u>

- (a) Income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised, outside profit or loss, either in other comprehensive income or directly in equity.
- (b) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2016: twenty-four (24%)) of the estimated taxable profit for the fiscal year.
- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	<u>21,692,562</u>	<u>14,584,784</u>	<u>17,721,500</u>	<u>10,114,088</u>
Tax at Malaysian statutory tax rate at 24% (2016: 24%)	5,206,215	3,500,348	4,253,160	2,427,381
Tax effects in respect of:				
- Non-allowable expenses	792,313	183,252	515,840	160,379
- Tax incentives and allowances	(59,528)	(1,328,600)	-	(1,228,760)
- Deferred tax on revaluation reserve	(81,958)	-	(81,958)	-
	<u>5,857,042</u>	<u>2,355,000</u>	<u>4,687,042</u>	<u>1,359,000</u>
Under provision of tax expense in prior years	43,899	61,294	5,853	67,532
Under/(Over) provision of deferred tax in prior year	55,000	(15,000)	91,000	(73,000)
	<u>5,955,941</u>	<u>2,401,294</u>	<u>4,783,895</u>	<u>1,353,532</u>

20. EARNINGS PER SHARE

	Group	
	2017	2016
Profit attributable to owners of the parent (RM)	<u>15,736,621</u>	<u>12,183,490</u>
Weighted average number of ordinary shares in issue	<u>20,000,000</u>	<u>20,000,000</u>
Earnings per share (sen):		
- Basic	78.68	60.92
- Diluted	<u>78.68</u>	<u>60.92</u>

Basic earnings per share is calculated by dividing the 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.

The Group has not issued any dilutive potential shares and hence, the diluted earnings per share is equal to the basic earnings per share.

21. DIVIDENDS

	Group and Company			
	2017		2016	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of current financial year:				
- first interim dividend	10.00	2,000,000	5.00	1,000,000
- second interim dividend	20.00	4,000,000	5.00	1,000,000
In respect of previous financial year:				
- final dividend	<u>10.00</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
	<u>40.00</u>	<u>8,000,000</u>	<u>10.00</u>	<u>2,000,000</u>

- (a) Dividend income is recognised when the right to receive payment is established.
- (b) Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

22. EMPLOYEE BENEFITS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Salaries, wages and bonuses	9,295,139	8,238,106	7,574,377	7,280,461
Contribution to defined contribution plan	808,112	690,532	660,416	578,642
Other employee benefits	605,283	387,723	599,872	338,094
Share options granted under share options scheme	46,096	36,463	33,346	26,926
	<u>10,754,630</u>	<u>9,352,824</u>	<u>8,868,011</u>	<u>8,224,123</u>

Included in the employee benefits of the Group and of the Company are Directors' emoluments amounting to RM129,696 (2016: RM105,952).

23. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has controlling related party relationship with its holding company, subsidiary, associate of holding company and related companies.

(b) The Group and the Company had the following transactions with the related parties during the financial year:

	Group	
	2017 RM	2016 RM
Transactions with corporate shareholders:		
<i>Prestar Resources Berhad</i>		
Dividend paid	4,080,000	1,020,000
<i>Formula Naga Sdn. Bhd.</i>		
Dividend paid	3,920,000	980,000
Transactions with related companies:		
<i>Prestar Precision Tube Sdn. Bhd.</i>		
Purchase of goods	-	3,106
Sales of goods	(133,796)	(102,927)
<i>Prestar Manufacturing Sdn. Bhd.</i>		
Sales of goods	(9,474)	(192,245)

23. RELATED PARTIES DISCLOSURES (continued)

- (b) The Group and the Company had the following transactions with the related parties during the financial year (continued):

	Group	
	2017	2016
	RM	RM
Transactions with related companies (continued):		
<i>Prestar Storage System Sdn. Bhd.</i>		
Sales of goods	(330,477)	(323,240)
<i>Dai Dong Steel Sdn. Bhd.</i>		
Purchase of goods	2,945	-
Interest received	-	(418)
Sales of goods	(9,778,031)	(7,468,262)
<i>Prestar Engineering Sdn. Bhd.</i>		
Purchase of goods	28,944	7,789
<i>Prestar Galvanising Sdn. Bhd.</i>		
Purchase of goods	49,046	40,616
<i>Prestar Marketing Sdn. Bhd.</i>		
Purchase of goods	3,055	-
Transactions with an associate of holding company:		
<i>POSCO-MKPC Sdn. Bhd.</i>		
Sales of goods	(19,517)	-
Transactions with company in which certain Directors have financial interests :		
<i>Litat Hardware Sdn. Bhd.</i>		
Sales of goods	<u>(2,331,858)</u>	<u>(1,253,410)</u>
	Company	
	2017	2016
	RM	RM
Transactions with holding company:		
Dividend paid	4,080,000	1,020,000
Transactions with subsidiary:		
Purchase of goods	3,237,064	2,727,472
Slitting service - purchases	96,003	-
Dividend income	1,000,000	-
Sales of goods	(21,246,870)	(16,463,708)
Interest received	(73,612)	(38,601)
Slitting service - sales	(1,704,404)	(2,968,387)
Transportation charges received	(237,950)	(304,066)

23. RELATED PARTIES DISCLOSURES (continued)

- (b) The Group and the Company had the following transactions with the related parties during the financial year (continued):

	Company	
	2017	2016
	RM	RM
Transactions with related companies:		
<i>Prestar Precision Tube Sdn. Bhd.</i>		
Purchase of goods	-	3,106
Sales of goods	(113,796)	(92,501)
<i>Prestar Manufacturing Sdn. Bhd.</i>		
Sales of goods	(9,474)	(192,245)
<i>Prestar Storage System Sdn. Bhd.</i>		
Sales of goods	(219,252)	(285,040)
<i>Dai Dong Steel Sdn. Bhd.</i>		
Interest received	-	(418)
Sales of goods	(9,674,664)	(7,390,614)
Slitting service	(3,012)	-
<i>Prestar Engineering Sdn. Bhd.</i>		
Purchase of goods	28,944	7,789
<i>Prestar Galvanising Sdn. Bhd.</i>		
Purchase of goods	49,046	40,616
<i>Prestar Marketing Sdn. Bhd.</i>		
Purchase of goods	3,055	-
Transactions with an associate of holding company:		
<i>POSCO-MKPC Sdn. Bhd.</i>		
Sales of goods	(19,517)	-
Transactions with company in which certain Directors have financial interests :		
<i>Litat Hardware Sdn. Bhd.</i>		
Sales of goods	<u>(1,609,937)</u>	<u>(869,814)</u>

The related party transactions described above were carried out on negotiated terms and conditions mutually agreed with the respective related parties.

23. RELATED PARTIES DISCLOSURES (continued)

(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 of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Short term employee benefits	2,388,900	1,006,710	1,625,700	770,420
Contribution to defined contribution plan	195,568	143,251	137,124	107,650
Share options granted under share options scheme	16,111	9,302	12,081	7,149
	<u>2,600,579</u>	<u>1,159,263</u>	<u>1,774,905</u>	<u>885,219</u>

24. OPERATING SEGMENTS

The Group 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:

Processing	:	Processing (slitting and shearing) of steel coils into slit coils and steel sheets;
Manufacturing	:	Manufacturing of steel products comprising, steel pipes, flat bars, square bars, expanded metals, checkered plates and C Purlins; and
Trading	:	Trading of steel products including steel pipes, round bars, angle bars etc.

The accounting policies of operating segments are the same as those described in this report. 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.

24. OPERATING SEGMENTS (continued)

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.

2017	Processing RM	Manufacturing RM	Trading RM	Total RM
Revenue				
Total revenue	209,214,462	68,084,464	6,686,545	283,985,471
Inter-segment revenue	(19,106,597)	(6,969,946)	(207,798)	(26,284,341)
Revenue from external customers				
	190,107,865	61,114,518	6,478,747	257,701,130
Finance costs	(1,870,175)	(309,506)	(55,148)	(2,234,829)
Interest income	154,214	10,098	4,309	168,621
Net finance expense	(1,715,961)	(299,408)	(50,839)	(2,066,208)
Depreciation	(2,171,231)	(989,996)	(43,402)	(3,204,629)
Segment profit before income tax	15,000,886	5,829,161	862,515	21,692,562
Tax expense	(4,296,804)	(1,410,819)	(248,318)	(5,955,941)
Other material non-cash items:				
Impairment losses on trade receivables	248,435	275,692	10,952	535,079
Fair value adjustment on derivative assets	37,531	2,458	-	39,989
Gain on disposal of property, plant and equipment	(21,666)	(1,419)	-	(23,085)
Reversal of inventories written down	(222,686)	(30,314)	-	(253,000)
Reversal of impairment losses on property, plant and equipment	(8,252)	-	-	(8,252)
Capital expenditure	1,301,228	85,208	36,359	1,422,795
Segment assets	211,937,231	42,769,845	6,085,240	260,792,316
Segment liabilities	74,632,907	26,965,647	2,649,147	104,247,701

24. OPERATING SEGMENTS (continued)

2016	Processing RM	Manufacturing RM	Trading RM	Total RM
Revenue				
Total revenue	176,049,021	56,070,862	4,780,823	236,900,706
Inter-segment revenue	(20,036,008)	(1,599,482)	(524,077)	(22,159,567)
Revenue from external customers				
	156,013,013	54,471,380	4,256,746	214,741,139
Finance costs	(1,930,989)	(370,501)	(49,136)	(2,350,626)
Interest income	98,179	4,538	2,305	105,022
Net finance expense	(1,832,810)	(365,963)	(46,831)	(2,245,604)
Depreciation	(1,701,022)	(929,197)	(25,339)	(2,655,558)
Segment profit before income tax	8,205,200	5,715,816	663,768	14,584,784
Tax expense	(1,153,212)	(1,154,782)	(93,300)	(2,401,294)
Other material non-cash items:				
Impairment losses on trade receivables	583,153	82,681	14,444	680,278
Fair value adjustment on derivative assets	11,839	-	-	11,839
Gain on disposal of property, plant and equipment	(40,124)	(1,899)	-	(42,023)
Inventories written down	739,621	52,762	17,617	810,000
Capital expenditure	891,348	964,214	33,395	1,888,957
Segment assets	148,109,479	32,469,565	5,540,614	186,119,658
Segment liabilities	46,474,188	17,850,867	1,534,844	65,859,899

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

Revenue	Group	
	2017 RM	2016 RM
Total revenue for reportable segment	283,985,471	236,900,706
Elimination of inter-segmental revenues	(26,284,341)	(22,159,567)
Revenue of the Group per statements of profit or loss and other comprehensive income	<u>257,701,130</u>	<u>214,741,139</u>

24. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows (continued):

	Group	
	2017 RM	2016 RM
Profit for the year		
Total profit for reportable segment	21,692,562	14,584,784
Less: tax expense	<u>(5,955,941)</u>	<u>(2,401,294)</u>
Profit for the financial year per statements of profit or loss and other comprehensive income	<u>15,736,621</u>	<u>12,183,490</u>
Assets		
Total assets for reportable segments	260,792,316	186,119,658
Current tax assets	<u>-</u>	<u>-</u>
Total assets per statements of financial position	<u>260,792,316</u>	<u>186,119,658</u>
Liabilities		
Total liabilities for reportable segments	104,247,701	65,859,899
Deferred tax liabilities	9,769,922	2,796,000
Current tax liabilities	<u>1,943,500</u>	<u>1,762,806</u>
Total liabilities per statements of financial position	<u>115,961,123</u>	<u>70,418,705</u>

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.

25. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern 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 financial year ended 31 December 2016.

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 2017 and 31 December 2016.

25. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

The Group monitors capital on the basis of the Group's gearing ratio which is total external debts divided by shareholders' funds. The Group has a target gearing ratio of 1.00 times. Shareholders' funds represent total equity.

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Borrowings (Note 13)	<u>51,374,269</u>	<u>33,291,377</u>	<u>43,338,503</u>	<u>31,045,845</u>
Total equity	<u>144,831,193</u>	<u>115,700,953</u>	<u>136,242,995</u>	<u>109,911,711</u>
Gearing ratio	<u>0.35</u>	<u>0.29</u>	<u>0.32</u>	<u>0.28</u>

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial assets				
<i>Loans and receivables</i>				
Trade and other receivables, net of prepayments	56,778,394	60,378,496	53,707,767	61,198,103
Cash and bank balances	<u>24,555,500</u>	<u>8,416,978</u>	<u>18,471,288</u>	<u>7,683,386</u>
	<u>81,333,894</u>	<u>68,795,474</u>	<u>72,179,055</u>	<u>68,881,489</u>
<i>Fair value through profit or loss</i>				
Derivative (liabilities)/assets	<u>(32,703)</u>	<u>7,286</u>	<u>(32,703)</u>	<u>7,286</u>
Financial liabilities				
<i>Other financial liabilities</i>				
Borrowings	51,374,269	33,291,377	43,338,503	31,045,845
Trade and other payables	<u>52,840,729</u>	<u>32,568,522</u>	<u>45,484,892</u>	<u>28,545,040</u>
	<u>104,214,998</u>	<u>65,859,899</u>	<u>88,823,395</u>	<u>59,590,885</u>

25. FINANCIAL INSTRUMENTS (continued)

(c) 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 of the Group and of the Company 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) Obligations under finance lease

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

- (iii) Derivatives

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the end of the financial year.

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.

(d) 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).

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).

25. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value after initial recognition and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the combined statements of financial position.

Group and Company	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2017								
Financial assets								
Financial assets at fair value through profit or loss								
- Forward currency contracts	-	-	(32,703)	-	-	-	(32,703)	(32,703)
2016								
Financial assets								
Financial assets at fair value through profit or loss								
- Forward currency contracts	-	-	7,286	-	-	-	7,286	7,286

25. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value after initial recognition and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the combined statements of financial position (continued).

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2017	-	-	-	-	577,400	-	577,400	600,766
Other financial liabilities								
- Hire purchase liabilities								
2016								
Other financial liabilities								
- Hire purchase liabilities	-	-	-	-	1,070,552	-	1,070,552	1,125,674
Company								
2016								
Other financial liabilities								
- Hire purchase liabilities	-	-	-	-	63,553	-	63,553	65,412

25. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table shows a reconciliation of Level 3 fair values:

	Group and Company	
	2017	2016
	RM	RM
Financial (liabilities)/assets		
Balance as at 1 January	7,286	19,125
Gains and losses recognised in profit or loss:		
- Other expenses (unrealised)	(32,703)	7,286
- Other expenses (realised)	<u>(7,286)</u>	<u>(19,125)</u>
Balance as at 31 December	<u><u>(32,703)</u></u>	<u><u>7,286</u></u>

(e) The following table shows the sensitivity analysis for the Level 3 fair value measurements.

	Group and Company	
	2017	2016
	RM	RM
Profit after tax		
Foreign currency rate		
- Increase by 3% (2016: 3%)	105,038	80,309
- Decrease by 3% (2016: 3%)	<u><u>(105,038)</u></u>	<u><u>(80,309)</u></u>

(f) The Group and the Company has established policies and procedures in respect of the measurement of fair values of financial instruments. The Directors regularly review significant unobservable inputs and valuation adjustments.

26. 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.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Directors review and agree policies for managing each of these risks and these are summarised below:

(a) 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 risk, it is the policy of the Group and the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company is exposed to minimal credit risk.

The primary exposure of the Group and the Company 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 14 days, extending up to 90 days for major customers. Each customer has a maximum credit limit and the Group and the Company seeks to minimise and monitor the credit risk via strictly limiting the associations to business customers with high creditworthiness. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group and of the Company.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statements of financial position, including derivatives with positive fair values.

Information regarding trade and other receivables is disclosed in Note 9 to the financial statements. The Group and the Company do not have any significant concentration of credit risk related to any individual customers or counterparty as at the end of the reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 9 to the financial statements. In respect of the cash and bank balances placed with major financial institutions, the Directors believe the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 to the financial statements.

(b) Liquidity and cash flow risk

The Group and the Company actively manages their 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 and the Company measure and forecast their cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the activities of the Group and of the Company.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity and cash flow risk (continued)

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 and the Company aim at maintaining the flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2017				
Financial liabilities				
Borrowings	51,126,141	277,091	-	51,403,232
Trade and other payables	52,840,729	-	-	52,840,729
Total undiscounted financial liabilities	103,966,870	277,091	-	104,243,961
2016				
Financial liabilities				
Borrowings	31,895,204	1,474,232	-	33,369,436
Trade and other payables	32,568,522	-	-	32,568,522
Total undiscounted financial liabilities	64,463,726	1,474,232	-	65,937,958
Company				
2017				
Financial liabilities				
Borrowings	43,183,287	155,216	-	43,338,503
Trade and other payables	45,484,892	-	-	45,484,892
Total undiscounted financial liabilities	88,668,179	155,216	-	88,823,395
2016				
Financial liabilities				
Borrowings	30,202,350	844,503	-	31,046,853
Trade and other payables	28,545,040	-	-	28,545,040
Total undiscounted financial liabilities	58,747,390	844,503	-	59,591,893

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) 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 and is managed through effective negotiation with financial institutions for best available rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of each reporting period changed by 100 basis points will all other variables held constant:

	Group	
	2017	2016
	RM	RM
Profit after tax		
- increase by 1% (2016: 1%)	(386,000)	(244,000)
- decrease by 1% (2016: 1%)	<u>386,000</u>	<u>244,000</u>
	Company	
	2017	2016
	RM	RM
Profit after tax		
- increase by 1% (2016: 1%)	(329,000)	(235,000)
- decrease by 1% (2016: 1%)	<u>329,000</u>	<u>235,000</u>

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(c) Interest rate risk (continued)**

The following tables set out the carrying amounts, the weighted average effective interest rate (“WAEIR”) as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	WAEIR %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Total RM
As at 31 December 2017							
Fixed rate							
Hire purchase liabilities	5.93	486,439	53,066	56,410	4,851	-	600,766
Floating rate							
Bankers' acceptances	4.65	49,929,000	-	-	-	-	49,929,000
Term loans	5.13	689,287	155,216	-	-	-	844,503
As at 31 December 2016							
Fixed rate							
Hire purchase liabilities	5.40	524,908	486,439	53,066	56,410	4,851	1,125,674
Floating rate							
Bankers' acceptances	4.66	29,907,000	-	-	-	-	29,907,000
Term loans	5.15	1,414,200	689,287	155,216	-	-	2,258,703

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rate (“WAEIR”) as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Company	WAEIR %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Total RM
As at 31 December 2017							
Fixed rate							
Amount owing by a subsidiary	5.00	3,528,452	-	-	-	-	3,528,452
Floating rate							
Bankers' acceptances	4.61	42,494,000	-	-	-	-	42,494,000
Term loans	5.13	689,287	155,216	-	-	-	844,503
As at 31 December 2016							
Fixed rate							
Hire purchase liability	2.50	65,142	-	-	-	-	65,142
Amount owing by a subsidiary	5.00	3,385,699	-	-	-	-	3,385,699
Floating rate							
Bankers' acceptances	4.65	28,722,000	-	-	-	-	28,722,000
Term loans	5.15	1,414,200	689,287	155,216	-	-	2,258,703

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) 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.

Transactional currency exposures of the Group and of the Company mainly arise from transactions entered in currencies other than their functional currency. The Group and the Company enters into forward foreign currency contracts for their foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group and the Company entered into foreign currency forward contracts to manage exposures to currency risk for trade payables which are denominated in a currency other than the functional currency of the Group and of the Company.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at the end of each reporting period are as follows:

Group	Foreign Currency	Contractual amount in foreign currency	RM equivalent	Maturities within
31 December 2017				
Forward contracts				
Used to hedge trade payables	USD	1,129,152	<u>4,639,617</u>	<u>One (1) to two (2) months</u>
31 December 2016				
Forward contracts				
Used to hedge trade payables	USD	783,467	<u>3,515,024</u>	<u>One (1) month</u>
Company				
31 December 2017				
Forward contracts				
Used to hedge trade payables	USD	1,129,152	<u>4,639,617</u>	<u>One (1) to two (2) months</u>
31 December 2016				
Forward contracts				
Used to hedge trade payables	USD	783,467	<u>3,515,024</u>	<u>One (1) month</u>

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

The following table demonstrates the sensitivity analysis of the profit after tax of the Group and of the Company to a reasonably possible change in Singapore Dollar ('SGD') and United States Dollar ('USD') exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

Profit after tax		Group and Company	
		2017 RM	2016 RM
SGD	- strengthen by 3%	+405	+2,000
	- weaken by 3%	-405	-2,000
USD	- strengthen by 3%	+1,590	+150
	- weaken by 3%	<u>-1,590</u>	<u>-150</u>

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

27.1 New MFRSs adopted during the financial year

The Group and 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
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

27.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
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 is in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable in future financial years.

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

3. MATERIAL LITIGATION

As at the LPD, neither Prestar nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Prestar Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Prestar Group.

4. MATERIAL COMMITMENT

As at the LPD, save as disclosed below, the Board is not aware of any material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of the Prestar Group:

Material commitments	RM '000
Operating lease commitments	6,512
Capital commitments	13,820
	20,332

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of the Group to meet its obligations as and when they fall due.

Contingent liabilities	RM '000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	414,999

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Memorandum and Articles of Association of Prestar;
- (ii) Constitution of Tashin Steel;
- (iii) Constitution of Tashin Holdings;
- (iv) The audited consolidated financial statements of Prestar for the 2 FYEs 31 December 2016 and 31 December 2017 and the unaudited consolidated financial statements for the 9 months FPE 30 September 2018;
- (v) The audited consolidated financial statements of Tashin Steel for the 2 FYEs 31 December 2016 and 31 December 2017 and the unaudited consolidated financial statements for the 9 months FPE 30 September 2018;
- (vi) Material contracts referred to in Appendix I; and
- (vii) Consent letter and declaration referred to in Section 2 above.



PRESTAR RESOURCES BERHAD

(Company No. 123066-A)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Prestar Resources Berhad ("Prestar" or the "Company") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 20 March 2019 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION NO. 1

- PROPOSED LISTING OF TASHIN HOLDINGS BERHAD ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED LISTING")

"THAT, subject to the approval of the relevant authorities for the admission of Tashin Holdings Berhad ("**Tashin Holdings**") to the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the listing of and quotation for the entire enlarged issued share capital of Tashin Holdings on the ACE Market of Bursa Securities, approval be and is hereby given for the Company to list the entire enlarged share capital of Tashin Holdings pursuant to the Proposed Listing as set out in Section 2 of the Circular to Shareholders of the Company dated 25 February 2019;

AND THAT, the Directors be and are hereby authorised to act for and on behalf of the Company, to take all such steps and execute all necessary documents to complete the Proposed Listing with full powers to give effect or assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

ORDINARY RESOLUTION NO. 2

- PROPOSED ALLOCATION OF NEW SHARES IN TASHIN HOLDINGS ("ISSUE SHARES") TO MR TOH YEW KEAT

"THAT, subject to the passing of Ordinary Resolution No. 1 above, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for Tashin Holdings to allocate 120,000 Issue Shares to Mr Toh Yew Keat, Group Executive Chairman of the Company;

AND THAT, the Directors be and are hereby authorised to give full effect to the proposed allocation of Issue Shares to Mr Toh Yew Keat with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

ORDINARY RESOLUTION NO. 3

- PROPOSED ALLOCATION OF ISSUE SHARES TO DATO' TOH YEW PENG

"THAT, subject to the passing of Ordinary Resolution No. 1 above, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for Tashin Holdings to allocate 550,000 Issue Shares to Dato' Toh Yew Peng, Group Managing Director of the Company;

AND THAT, the Directors be and are hereby authorised to give full effect to the proposed allocation of Issue Shares to Dato' Toh Yew Peng with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

ORDINARY RESOLUTION NO. 4

- PROPOSED ALLOCATION OF ISSUE SHARES TO MR TOH YEW KAR

"THAT, subject to the passing of Ordinary Resolution No. 1 above, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for Tashin Holdings to allocate 100,000 Issue Shares to Mr Toh Yew Kar, Group Executive Director of the Company;

AND THAT, the Directors be and are hereby authorised to give full effect to the proposed allocation of Issue Shares to Mr Toh Yew Kar with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

ORDINARY RESOLUTION NO. 5

- PROPOSED ALLOCATION OF ISSUE SHARES TO MR TOH YEW SENG

"THAT, subject to the passing of Ordinary Resolution No. 1 above, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for Tashin Holdings to allocate 550,000 Issue Shares to Mr Toh Yew Seng, Group Executive Director of the Company;

AND THAT, the Directors be and are hereby authorised to give full effect to the proposed allocation of Issue Shares to Mr Toh Yew Seng with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

ORDINARY RESOLUTION NO. 6

- PROPOSED ALLOCATION OF ISSUE SHARES TO MR TOH YEW CHIN

"THAT, subject to the passing of Ordinary Resolution No. 1 above, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for Tashin Holdings to allocate 70,000 Issue Shares to Mr Toh Yew Chin, Executive Director of the Company;

AND THAT, the Directors be and are hereby authorised to give full effect to the proposed allocation of Issue Shares to Mr Toh Yew Chin with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or parties or otherwise deemed by the Directors to be in the best interests of the Company."

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)

CHIN MUN YEE (MAICSA 7019243)

Chartered Secretaries

Kuala Lumpur

25 February 2019

Notes:**Proxy**

1. 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 proportion of his shareholdings to be represented by each proxy.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.
3. A proxy may, but does not need to be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. 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.
4. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
6. If you wish to attend the meeting yourself, please do not submit any Proxy Form for the Meeting that you wish to attend. You will not be allowed to attend the Meeting together with a proxy appointed by you.
7. If you have submitted your Proxy Form prior to the Meeting and subsequently decided to attend the Meeting yourself, please proceed to the Help Desk to revoke the appointment of your proxy.
8. Fax copy of the duly executed Proxy Form is not acceptable.

General Meeting Record of Depositors

Only members whose names appear in the Record of Depositors as at 13 March 2019 shall be entitled to attend and vote at the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.

Registration

1. Please produce your original Identity Card (IC) to the registration staff for verification. Please make sure you collect your IC thereafter.
2. Upon verification, you are required to write your name and sign on the attendance list placed on the registration table.
3. You are not allowed to register on behalf of another person even with the original IC of the other person.

Voting

The resolution will be put to vote by poll.

PRESTAR RESOURCES BERHAD

(Company No. 123066-A)
(Incorporated in Malaysia under the Companies Act, 1965)

No. of Shares held	CDS Account No.

PROXY FORM

*I/We _____
(FULL NAME IN BLOCK LETTERS)

NRIC/Passport No. / Company No. _____ Tel No. _____
of _____
(FULL ADDRESS)

being a member(s) of **PRESTAR RESOURCES BERHAD**, hereby appoint:-

1. Name of Proxy _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)
Address _____

(FULL ADDRESS)

*and/*or failing him/her,

2. Name of Proxy _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)
Address _____

(FULL ADDRESS)

or failing *him/her, the Chairman of the Meeting, as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 20 March 2019 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

(* strike out whichever is not applicable)

Resolutions	FOR	AGAINST
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy will vote or abstain from voting at his/her discretion.)

Dated this _____ day of _____ 2019

Signature of Member/Common Seal

For appointment of two proxies, the shareholdings to be represented by the proxies:-

Proxy	No. of shares	Percentage (%)
1		
2		
TOTAL		100



Notes:**Proxy**

1. 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 proportion of his shareholdings to be represented by each proxy.
2. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.
3. A proxy may, but does not need to be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. 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.
4. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
6. If you wish to attend the meeting yourself, please do not submit any Proxy Form for the Meeting that you wish to attend. You will not be allowed to attend the Meeting together with a proxy appointed by you.
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General Meeting Record of Depositors

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Registration

1. Please produce your original Identity Card (IC) to the registration staff for verification. Please make sure you collect your IC thereafter.
2. Upon verification, you are required to write your name and sign on the attendance list placed on the registration table.
3. You are not allowed to register on behalf of another person even with the original IC of the other person.

Voting

The resolution will be put to vote by poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Chartered Secretaries
PRESTAR RESOURCES BERHAD (123066-A)
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

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