



PRESTAR RESOURCES BERHAD (123066-A)
(Incorporated in Malaysia)

Accreditation of ISO 9002
Certification of Quality
Management System
Standard by SGS Yarsley
to Prestar Manufacturing
Sdn. Bhd.

Accreditation of ISO 9002
Certification of Quality
Management System
Standard by Lyod's to
Prestar Steel Pipes Sdn.
Bhd.

Quality Certification
Scheme awarded to
Prestar Engineering Sdn.
Bhd. by SIRIM Berhad.

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Proxy Form

Steel Service Centre



PRESTAR RESOURCES BERHAD (123066-A)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at Johore Room, Lower Lobby, Shangri-La Hotel Kuala Lumpur, 11, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 27 June, 2000 at 10.00 a.m. for the following purposes :-

AGENDA

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 December, 1999 together with the Auditors' Report.
2. To approve the declaration of a first and final dividend of 7.0% less 28% tax for the financial year ended 31 December, 1999.
3. To sanction the payment of Directors' fees for the financial year ended 31 December, 1999.
4. To re-elect the following Directors who retire pursuant to Article 105(1) of the Company's Articles of Association :-
 - a) Mr. Toh Yew Keat
 - b) Mr. Toh Yew Keong
 - c) Mr. Toh Yew Seng
5. To re-appoint Messrs KPMG as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors.
6. As Special Business :

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution.

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

ORDINARY RESOLUTION - AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 8

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



NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that the First and Final Dividend of 7% less 28% Tax will be payable on 25 September 2000 to depositors who are registered in the Record of Depositors at the close of business on 28 August 2000 if approved by members at the Fifteenth Annual General Meeting on 27 June 2000.

A Depositor shall qualify for entitlement only in respect of :-

- (a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 28 August 2000 in respect of ordinary transfers; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN
Company Secretary

Kuala Lumpur
Dated : 5 June 2000

Explanatory Note to Special Business :

The proposed adoption of the Ordinary Resolution is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting.

Notes :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A member shall be entitled to appoint a person who may but need not be a member as his proxy.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office at Level 22, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of Prestar Group for the financial year ended 31st December, 1999.

With the continuous efforts in consolidating our activities as well as various strategies implemented, we have managed to improve significantly our productivity, efficiency and thus reduce our total costs and achieved a rewarding level of profits in 1999. The Government's consistent Foreign Exchange and low interest rate policies have also assisted our expansion plans including the export activities.

Since our listing at Kuala Lumpur Stock Exchange in 1995, we have identified fresh directions for the Group to venture and excel upstream in various steel-related manufacturing activities. The timely diversification has enabled us to transform our company from a Material Handling Equipment manufacturer to a Group of Companies specialised in the processing and manufacturing of steel-related products. This includes the reprocessing of Steel Mother Coils, roll-forming of steel pipes and tubes, manufacturing and installing of Highway Guardrails. This positive new undertaking has improved our sales turnover consistently from RM52 million in 1995 to RM194 million in 1999 with an unprecedented Profit After Tax of RM13.08 million against a loss of RM3.61 million in 1998.

Following are some of our major activities in 1999:-

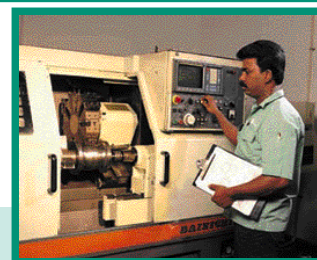
1. To further reinforce and upgrade our technical capabilities, a subsidiary emphasising in Research and Development (R & D), Prestar Tooling Sdn. Bhd., was incorporated to carry out research and designing of mould and dies as well as maintenance of the Group's manufacturing facilities and equipment.
2. The establishment of an office in Dubai to further enhance our presence at Middle East countries as well as exploring the African market.
3. The acquisition of an industrial factory in Prai, Butterworth and the incorporation of a new subsidiary, Tashin Steel Sdn Bhd, with the objective to further reinforce our sales coverage in the Northern Zone, of Peninsular Malaysia.
4. The accreditation of ISO9002 Quality Management System Standards by Lloyd's and SGS Yarsley to Prestar Steel Pipes Sdn. Bhd. and Prestar Manufacturing Sdn. Bhd. respectively for the commitments and achievements in the Quality Management System of operations for both companies.



Plastic Injection Division.



Down-shearing and steel sheet.



CNC Lathe Machine.

5. Proposed Rights Issue of 20,350,000 new ordinary shares of RM1.00 each for every one (1) existing ordinary share held at an issue price of RM2.30 per new ordinary share.
6. Proposed acquisition of a parcel of industrial land together with five (5) blocks of factory buildings for a cash consideration of RM37 million.
7. Proposed Employees' Share Option Scheme for eligible employees of Prestar and its subsidiaries.
8. Proposed increase in the authorised Share Capital.

The Board of Directors is pleased to recommend a first and final dividend of 7% per ordinary share less income tax of 28% for the financial year ended 31st December, 1999. This is subjected to the approval of the shareholders at the forthcoming Annual General Meeting.

With the improving Malaysian economy supported by strong exports from manufacturing sectors and recovering domestic demand, Malaysia's GDP growth rate for Year 2000 is forecasted to reach 5.8%. With our implemented consolidating programmes, Prestar is optimistic that it can tap aggressively into this recovery wagon and is expected to scale another higher level of financial performance in this new millennium.

Finally, on behalf of the Board, I wish to thank the management and staff whose efforts have made possible our achievement of the past years as well as our shareholders, customers, suppliers, bankers and relevant authorities who have given us their continued valued support.

Toh Yew Keat
Executive Chairman



PRESTAR RESOURCES BERHAD (123066-A)

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PENYATA PENERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Beraudit Kumpulan Prestar bagi tahun kewangan berakhir 31 Disember 1999.

Dengan usaha berterusan dalam pengukuhan aktiviti kumpulan di samping pelaksanaan pelbagai strategi, kita berjaya memperbaiki dengan ketara produktiviti, kecekapan dan sekali gus mengurangkan jumlah kos serta mencapai tahap keuntungan pada 1999. Dasar kerajaan yang konsisten dalam Kadar Tukaran Asing dan kadar faedah yang rendah juga membantu program pengembangan termasuk aktiviti eksport.

Sejak disenaraikan di Bursa Saham Kuala Lumpur pada 1995, kita telah mengenal pasti hala tuju yang baru untuk kumpulan menerokai dan mencapai kecemerlangan haluan dalam pelbagai aktiviti pemprosesan berkaitan keluli. Langkah kepelbagaian yang tepat pada masanya telah membolehkan kita menukar syarikat daripada Pengeluar Peralatan Bahan Pengendalian kepada kumpulan syarikat yang mengkhusus dalam pemprosesan produk berkaitan keluli. Ini termasuk memproses semula Besi Induk Dalam Gulungan, besi paip dan tiub 'roll-forming', pembuatan dan pemasangan Besi Penghadang Lebuhraya. Langkah baru yang positif ini telah memperbaiki perolehan jualan secara konsisten dari RM52 juta pada 1995 kepada RM194 juta pada 1999, dengan keuntungan selepas cukai memberangsangkan sebanyak RM13.08 juta berbanding kerugian RM3.61 juta pada 1998.

Berikut adalah sebahagian aktiviti utama kumpulan pada 1999:-

1. Untuk mengukuh dan meningkatkan lagi keupayaan teknikal kumpulan, sebuah anak syarikat yang menumpukan kepada Penyelidikan dan Pembangunan (R&D), Prestar Tooling Sdn. Bhd., telah diperbadankan untuk menjalankan penyelidikan dan mereka bentuk acuan dan pencetak, di samping menyelenggara kemudahan dan peralatan perkilangan kumpulan.
2. Menubuhkan sebuah pejabat di Dubai bagi meningkatkan lagi kehadiran kumpulan di negara-negara Timur Tengah, selain menerokai pasaran Afrika.
3. Pengambilalihan kilang perindustrian di Prai, Butterworth dan penggabungan anak syarikat baru, Tashin Steel Sdn Bhd, bermatlamat untuk memperkukuhkan penjualan di Zon Utara Semenanjung Malaysia.



CAD Mould And Die Designing.

Manufacture of Highway Guardrails.



CNC Milling Machine.

4. Akreditasi Pensijilan ISO9002 iaitu Standard Sistem Pengurusan Berkualiti oleh Llyod's dan SGS Yarsley kepada Prestar Steel Pipes Sdn. Bhd. dan Prestar Manufacturing Sdn. Bhd. atas komitmen dan pencapaian Sistem Pengurusan Berkualiti dalam operasi kedua-dua syarikat tersebut.
5. Cadangan Terbitan Hak sebanyak 20,350,000 saham baru biasa berharga RM1.00 setiap satu yang dipegang pada harga terbitan RM2.30 setiap satu saham baru.
6. Cadangan pengambilalihan sebidang tanah perindustrian bersama lima (5) blok bangunan kilang untuk pertimbangan tunai RM37 juta.
7. Cadangan Skim Saham Opsyen Pekerja untuk kakitangan Prestar dan anak syarikatnya yang layak.
8. Cadangan meningkatkan modal saham dibenarkan.

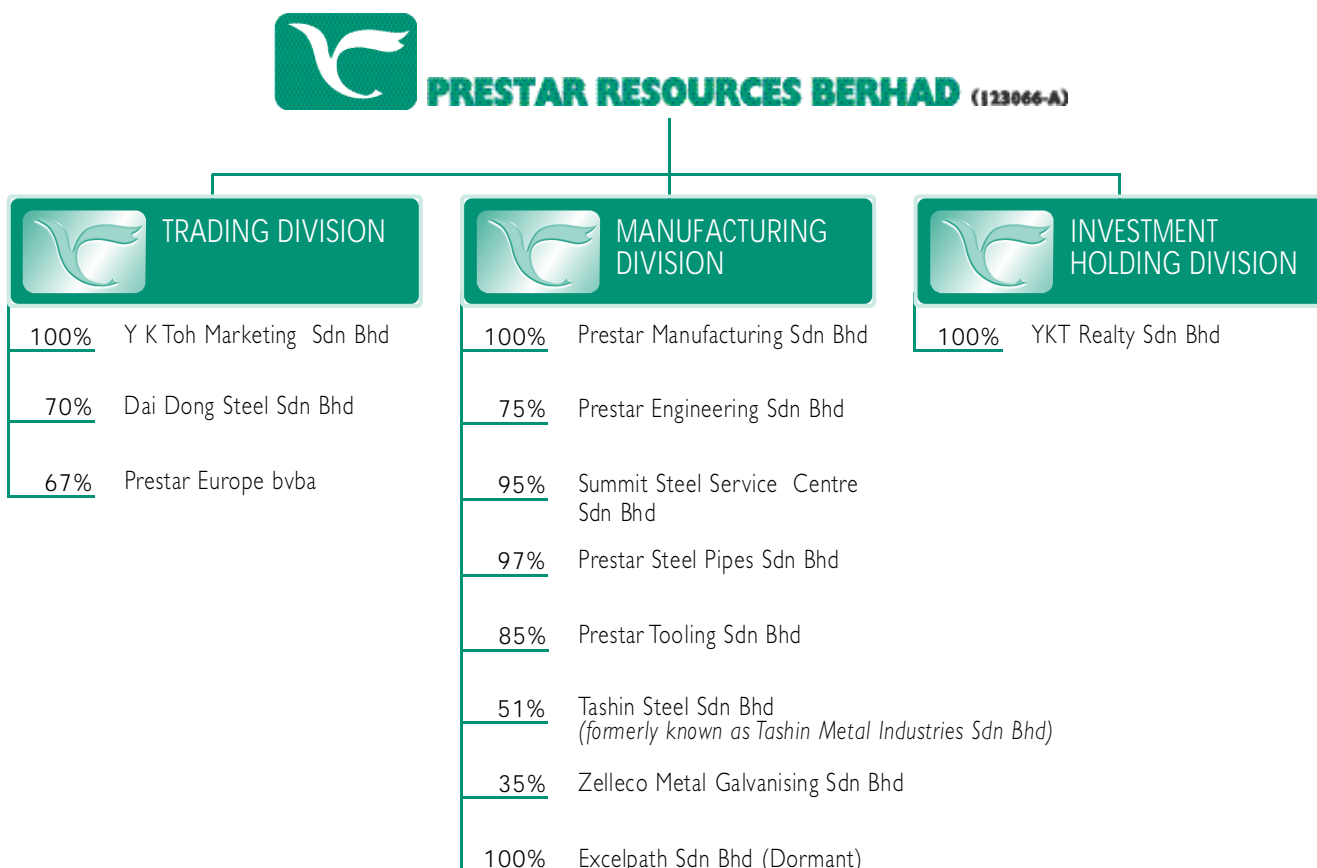
Lembaga Pengarah dengan sukacitanya mencadangkan dividen pertama dan akhir sebanyak 7% bagi setiap saham biasa tolak cukai pendapatan sebanyak 28% bagi tahun kewangan berakhir 31 Disember 1999. Cadangan ini tertakluk kepada kelulusan pemegang saham pada Mesyuarat Agung Tahunan yang akan datang.

Dengan pemulihan ekonomi Malaysia yang disokong oleh eksport yang kukuh daripada sektor perkilangan dan pemulihan permintaan domestik, kadar pertumbuhan KDNK Malaysia pada tahun 2000 dijangkakan mencapai 5.8 peratus. Dengan pelaksanaan program pengukuhanannya, Prestar yakin bahawa ia boleh menerokai secara agresif dalam suasana pemulihan ini dan dijangkakan sekali lagi mampu mencatatkan prestasi kewangan yang cemerlang dalam alaf baru ini.

Akhir sekali, bagi pihak Lembaga Pengarah, saya mengucapkan terima kasih kepada pengurusan dan kakitangan kerana usaha mereka itu membolehkan kumpulan mencatatkan pencapaian memberangsangkan pada tahun-tahun lalu. Ucapan terima kasih juga kepada pemegang saham, pelanggan, pembekal, bank dan pihak berkuasa berkaitan yang terus memberi sokongan bermakna kepada kumpulan.

Toh Yew Keat
Pengerusi Eksekutif

CORPORATE STRUCTURE as at 12 May 2000



BOARD OF DIRECTORS

Toh Yew Keat (Executive Chairman)
 Toh Yew Peng (Group Managing Director)
 Toh Yew Kar (Executive Director)
 Toh Yew Seng (Executive Director)
 Toh Poh Khuan (Executive Director)
 Toh Yew Keong
 Toh Yew Chin
 Md. Nahar Bin Noordin
 Fadzlullah Shuhaimi Bin Salleh

COMPANY SECRETARY

Chua Siew Chuan
 (MAICSA 0777689)

REGISTERED OFFICE

Level 22, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 Damansara Heights
 50490 Kuala Lumpur
 Tel. No : 03-2557077

REGISTRARS

Securities Services (Holdings) Sdn. Bhd.
 Level 22, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 Damansara Heights
 50490 Kuala Lumpur

AUDITORS

KPMG
 Public Accountants
 Wisma KPMG
 Jalan Dungun, Damansara Heights
 50490 Kuala Lumpur

PRINCIPAL BANKERS

Bank of Commerce (M) Berhad
 Overseas Union Bank (M) Sdn Bhd
 Perwira Affin Bank Berhad
 RHB Bank Berhad

SOLICITORS

Lim & Yeoh
 Skrine
 Amin Tan & Co.



AUDIT COMMITTEE

CHAIRMAN

Fadzlullah Shuhaimi Bin Salleh
Independent Non-Executive Director

MEMBERS

Md. Nahar Bin Noordin
Independent Non-Executive Director

Toh Yew Peng
Group Managing Director

SECRETARY

Chua Siew Chuan

TERMS OF REFERENCE

Frequency of meetings

Meetings shall be held not less than twice a year.

Proceeding of Meetings

Written notice of the meeting together with the Agenda shall be given to the Committee. The quorum for a meeting shall be two and any decision shall be by a simple majority. The Company Secretary shall be the Secretary of the Committee and shall circulate the minutes of the meetings of the Committee to all members of the Board.

Authority

The Committee is authorised by the Board to investigate any activity within its term of reference. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as necessary.

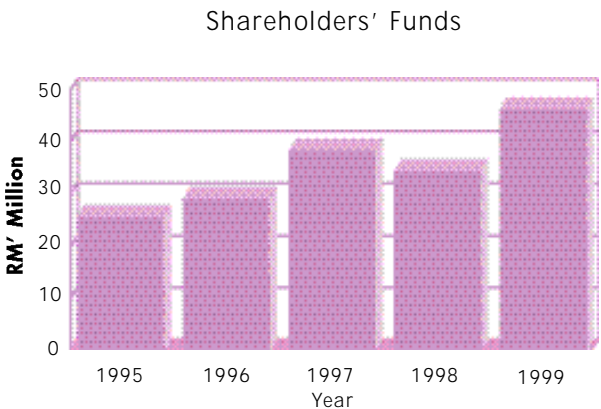
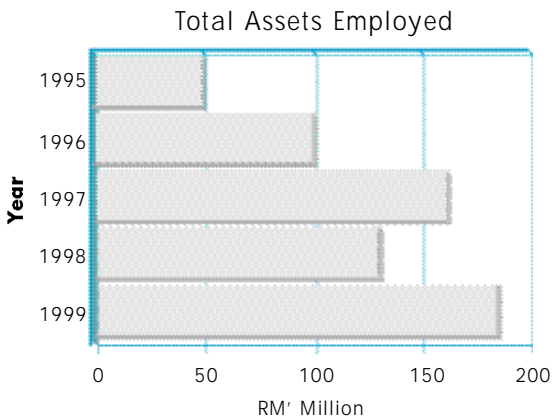
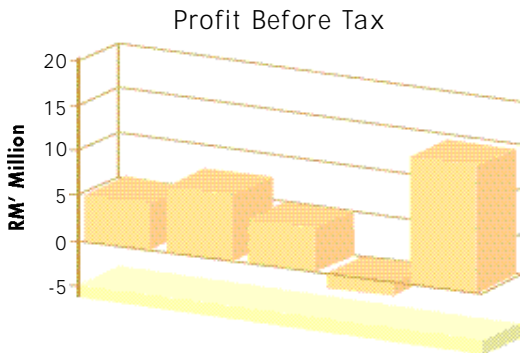
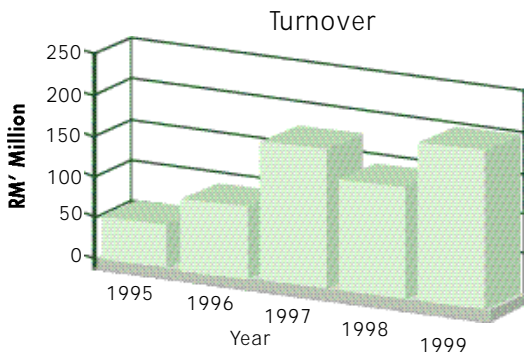
Duties (Summary)

1. Review of audit plans and reports with the External Auditors.
2. Review of Auditors evaluation of internal accounting controls and establishment of effective controls.
3. Review of quarterly and annual financial statements.
4. To consider the appointment of external auditor; the audit fees and any questions of resignation or dismissal.
5. Review any related party transactions that may arise within the group.
6. Any such other function as may be agreed to by the Committee and the Board.

GROUP FINANCIAL HIGHLIGHTS



(RM '000)	1995	1996	1997	1998	1999
Turnover	52,033	84,800	170,406	139,068	194,507
Profit/(Loss) before taxation	5,234	7,389	4,894	(1,566)	14,421
Profit/(Loss) after taxation and MI	3,612	4,866	2,465	(3,615)	13,080
Total assets employed	50,306	100,962	162,325	131,837	185,444
Shareholder's funds	25,484	29,425	38,617	34,595	46,616
Net tangible assets	25,250	28,212	37,334	33,340	45,421
Net tangible assets per share (RM)	1.36	1.52	1.83	1.64	2.23
Earnings per share (Sen)	22.7	26.3	13.1	(17.8)	64.3





PRESTAR RESOURCES BERHAD (120004-A)

Financial

Statements

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DIRECTORS' REPORT

for the year ended 31 December 1999

The directors have pleasure in submitting their report and the audited accounts of the Group and of the Company for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company remained unchanged during the year and consist of rental of properties, investment holding and indent trading.

The principal activities of the subsidiary companies are stated in Note 4 to the accounts.

RESULTS

	Group RM	Company RM
Profit after taxation and minority interest	13,080,353	2,499,638
Unappropriated profit brought forward	6,430,435	8,681,783
Profit available for appropriation	19,510,788	11,181,421
Appropriation:		
Dividend	(1,025,640)	(1,025,640)
Unappropriated profit carried forward	18,485,148	10,155,781

DIVIDEND

During the financial year, the Company paid a final dividend of 2% (tax exempt) amounting to RM407,000 in respect of the financial year ended 31 December 1998

The directors recommend a dividend of 7% less 28% tax amounting to RM1,025,640 in respect of the financial year ended 31 December 1999.

RESERVES AND PROVISIONS

All material movements to or from reserves and provisions during the year have been disclosed in the account.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

Toh Yew Peng
 Toh Yew Keat
 Toh Yew Keong
 Toh Yew Kar
 Toh Yew Chin
 Toh Yew Seng
 Toh Poh Khuan
 Md. Nahar B. Noordin
 Fadzlullah Shuhaimi B. Salleh
 Abdul Rahim Abdul Rahman (resigned on 9.8.1999)



PRESTAR RESOURCES BERHAD

DIRECTORS' REPORT

for the year ended 31 December 1999

DIRECTORS OF THE COMPANY (Continued)

The directors who had interests in the shares of the Company during the financial year were as follows:-

	Ordinary shares of RM1.00 each			
Name	Balance at 1.1.1999	Bought	Sold	Balance at 31.12.1999
The Company				
Direct Interest -				
Toh Yew Peng	1,250,399	-	-	1,250,399
Toh Yew Keat	3,687,851	-	-	3,687,851
Md. Nahar B. Noordin	833,000	-	-	833,000
Fadzlullah Shuhaimi B. Salleh	2,000	-	-	2,000
Indirect interest -				
Toh Yew Peng	7,076,250	-	-	7,076,250
Toh Yew Keat	7,076,250	-	-	7,076,250
Toh Yew Keong	7,076,250	-	-	7,076,250
Toh Yew Kar	7,076,250	-	-	7,076,250
Toh Yew Chin	7,076,250	-	-	7,076,250
Toh Yew Seng	7,076,250	-	-	7,076,250
Toh Poh Khuan	7,076,250	-	-	7,076,250

In accordance with Article 105 of the Company's Articles of Association, Toh Yew Keat, Toh Yew Keong and Toh Yew Seng retire from the Board at the next Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for certain directors who may be deemed to derive a benefit by virtue of those transactions conducted between the Company and companies in which the directors have interests as disclosed in Note 26 to the accounts.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the issued and paid-up capital of the Company during the year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take-up unissued shares and debentures of the Company during the year.



DIRECTORS' REPORT

for the year ended 31 December 1999

SIGNIFICANT EVENT

During the year, the Company undertook the following proposals:-

- i) Proposed rights issue of 20,350,000 new ordinary shares of RM1.00 each with 20,350,000 new detachable warrants on the basis of one new ordinary share with one new warrant for every one existing ordinary share held at an issue price of RM2.30 per new ordinary share;
- ii) Proposed acquisition of a parcel of industrial land together with five blocks of factory buildings from a company in which certain directors have interest for a cash consideration of RM37 million;
- iii) Proposed Employees' Share Option Scheme for all eligible employees including Executive Directors of the Company and its subsidiary companies;
- iv) Proposed increase in the authorised share capital; and
- v) A conditional sale and purchase agreement with Taihen Metal Industries Sdn. Bhd. acting by its liquidator for the acquisition of land and building located in Penang for a total cash consideration of RM7,500,000.

The proposals are subject to approvals from the Securities Commission and Foreign Investment Committee.

In connection with proposal i), subsequent to year end, the Company proposed to implement a revised rights issue of 20,350,000 rights shares without any warrants attached at an issue price of RM2.30 per rights share on the basis of one rights share for every one existing share held on a date to be determined by the directors.

OTHER STATUTORY INFORMATION

Before the profit and loss account and balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors of the Company are not aware of any circumstances:

- i) that would render the amount written off as bad debts or the provision for doubtful debts in the Group and the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and the Company accounts misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the accounts of the Group and of the Company misleading.

At the date of this report there does not exist:-

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.



PRESTAR RESOURCES BERHAD

DIRECTORS' REPORT

for the year ended 31 December 1999

OTHER STATUTORY INFORMATION (Continued)

No contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

- i) the results of the operations of the Group and of the Company for the financial year ended 31 December 1999 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report except as disclosed in note 29 and,
- ii) the accounts of the Group and of the Company set out on pages 16 to 39, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 1999 and of their results and cash flows of the Group for the year ended on that date.

YEAR 2000 COMPLIANCE

The Company is Year 2000 compliant.

AUDITORS

The retiring auditors, Messrs KPMG (formerly known as KPMG Peat Marwick), have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:

TOH YEW PENG
Director

TOH YEW KAR
Director

Kuala Lumpur,

Date: 31 March 2000


PRESTAR RESOURCES BERHAD (1200000-02)

STATEMENT BY DIRECTORS

We, TOH YEW PENG and TOH YEW KAR, being the directors of PRESTAR RESOURCES BHD., do hereby state that, in the opinion of the directors, the accompanying balance sheets of the Company and the Group as at 31 December 1999 and the related profit and loss accounts of the Company and of the Group and the consolidated cash flow statement of the Group for the year ended, together with the notes thereto, are properly drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended.

On behalf of the Board

TOH YEW PENG

TOH YEW KAR

Selangor Darul Ehsan

Date: 31 March 2000

STATUTORY DECLARATION

I, TOH YEW PENG, being the director primarily responsible for the financial management of PRESTAR RESOURCES BHD., do solemnly and sincerely declare that the accounts set out on pages 16 to 39, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

TOH YEW PENG at Rawang

in the Selangor Darul Ehsan

this 10th day of April 2000.

Before me:

B. 061

Mejar (B) Haji Zainal Bin Omar
AMN, PJK, PK, JP

Pesuruhjaya Sumpah
(Commissioner for Oaths)
Selangor Darul Ehsan

**PRESTAR RESOURCES BERHAD**

REPORT OF AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 16 to 39. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 1999 and the results of their operations and cash flows of the Group for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company;
and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiary companies in respect of which we have not acted as auditors are identified in Note 4 to the accounts and we have considered their accounts and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for those purposes.

None of the audit reports on the accounts of the subsidiary companies were subject to any qualification nor included any comment under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

LIM HUN SOON @ DAVID LIM
Partner
Approval Number: 1514/5/00(J)

Kuala Lumpur,

Date: 31 March 2000



CONSOLIDATED BALANCE SHEET

at 31 December 1999

	Note	1999 RM	1998 RM
FIXED ASSETS	3	47,113,624	44,568,238
INVESTMENT IN ASSOCIATED COMPANY	5	416,383	1,135,383
GOODWILL ON CONSOLIDATION	6	1,182,318	1,255,725
DEFERRED EXPENDITURE	7	12,210	-
CURRENT ASSETS			
Quoted investments	8	371,773	221,717
Stocks	9	63,420,605	36,948,493
Trade debtors	10	66,354,343	42,763,372
Other debtors, deposits and prepayments	11	2,455,326	3,362,640
Cash and bank balances		4,117,715	1,581,027
		136,719,762	84,877,249
LESS: CURRENT LIABILITIES			
Creditors	13	24,253,625	13,626,095
Hire purchase creditors	14	5,039,361	5,065,187
Bank borrowings	15	99,278,473	64,164,829
Provision for taxation		991,039	3,607,962
Proposed dividend		1,025,640	407,000
		130,588,138	86,871,073
Net Current Assets/(Liabilities)		6,131,624	(1,993,824)
		54,856,159	44,965,522
Financed by:-			
SHARE CAPITAL	16	20,350,000	20,350,000
RESERVES	17	26,266,014	14,245,314
Shareholders' Funds		46,616,014	34,595,314
MINORITY INTEREST		2,614,087	1,720,708
HIRE PURCHASE CREDITORS	14	4,506,058	7,811,500
DEFERRED TAXATION	18	1,120,000	838,000
		54,856,159	44,965,522

The notes set out on pages 22 to 39 form an integral part of,
and should be read in conjunction with, these accounts.


PRESTAR RESOURCES BERHAD

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

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	Note	1999 RM	1998 RM
Turnover	19	<u>194,506,594</u>	<u>139,067,586</u>
Operating profit/(loss)		<u>15,139,920</u>	<u>(742,589)</u>
Share of loss in associated company		<u>(719,000)</u>	<u>(822,911)</u>
Profit/(Loss) before taxation	20	<u>14,420,920</u>	<u>(1,565,500)</u>
Taxation	21	<u>(306,947)</u>	<u>(1,951,842)</u>
Profit/(Loss) after taxation		<u>14,113,973</u>	<u>(3,517,342)</u>
Minority interest		<u>(1,033,620)</u>	<u>(97,219)</u>
Profit/(Loss) after taxation and minority interest		<u>13,080,353</u>	<u>(3,614,561)</u>
Unappropriated profit brought forward		<u>6,430,435</u>	<u>10,451,996</u>
Profit available for appropriation		<u>19,510,788</u>	<u>6,837,435</u>
Appropriation:			
Dividend	22	<u>(1,025,640)</u>	<u>(407,000)</u>
Unappropriated profit carried forward		<u>18,485,148</u>	<u>6,430,435</u>
Retained by:-			
Holding company		<u>10,255,781</u>	<u>8,681,783</u>
Subsidiary companies		<u>8,862,984</u>	<u>(2,336,731)</u>
Associated company		<u>(633,617)</u>	<u>85,383</u>
	17	<u>18,485,148</u>	<u>6,430,435</u>
Basic earnings/ (loss) per share (sen)	23	<u>64.3</u>	<u>(17.8)</u>

The notes set out on pages 22 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



PRESTAR RESOURCES BERHAD (1200000-A2)

BALANCE SHEET

at 31 December 1999

	Note	1999 RM	1998 RM
FIXED ASSETS	3	8,651,538	8,829,769
INVESTMENT IN SUBSIDIARY COMPANIES	4	23,859,576	23,859,576
INVESTMENT IN ASSOCIATED COMPANY	5	1,050,000	1,050,000
CURRENT ASSETS			
Other debtors, deposits and prepayments	11	983,095	345,738
Amount due from subsidiary companies	12	24,914,373	20,858,486
Dividend receivable		2,750,000	360,000
Cash and bank balances		5,467	54,776
		28,652,935	21,619,000
LESS: CURRENT LIABILITIES			
Creditors	13	485,104	577,996
Amount due to subsidiary companies	12	6,506,992	93,972
Hire purchase creditors	14	110,295	144,672
Bank borrowings	15	14,629,524	15,412,293
Provision for taxation		427,016	1,127,566
Proposed dividend		1,025,640	407,000
		23,184,571	17,763,499
Net Current Assets		5,468,364	3,855,501
		39,029,478	37,594,846
Financed by:-			
SHARE CAPITAL	16	20,350,000	20,350,000
RESERVES	17	17,970,660	16,496,662
Shareholders' Funds		38,320,660	36,846,662
HIRE PURCHASE CREDITORS	14	78,818	92,184
DEFERRED TAXATION	18	630,000	656,000
		39,029,478	37,594,846

The notes set out on pages 22 to 39 form an integral part of,
and should be read in conjunction with, these accounts.


PRESTAR RESOURCES BERHAD

19

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

	Note	1999 RM	1998 RM
Turnover	19	<u>6,829,647</u>	<u>9,452,595</u>
Profit before taxation	20	<u>3,008,292</u>	<u>1,527,495</u>
Taxation	21	<u>(508,654)</u>	<u>(733,000)</u>
Profit after taxation		<u>2,499,638</u>	<u>794,495</u>
Unappropriated profit brought forward		<u>8,681,783</u>	<u>8,294,288</u>
Profit available for appropriation		<u>11,181,421</u>	<u>9,088,783</u>
Appropriation:			
Dividend	22	<u>(1,025,640)</u>	<u>(407,000)</u>
Unappropriated profit carried forward	17	<u>10,155,781</u>	<u>8,681,783</u>

The notes set out on pages 22 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



CONSOLIDATED CASH FLOW STATEMENT

PRESTAR RESOURCES BERHAD

for the year ended 31 December 1999

	1999 RM	1998 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation after minority interests	13,387,300	(1,662,719)
Adjustments for:		
Amortisation of goodwill	73,407	73,407
Amortisation of deferred expenditure	4,440	
Depreciation	4,640,433	3,778,831
Dividend income	(314)	-
Gain on disposal of fixed assets - net	(41,301)	(26,846)
Interest expense	6,504,753	10,886,539
Interest income	(48,267)	(60,271)
Minority interest in retained profit	1,033,620	97,219
(Write back)/Provision for diminution in value of quoted investments	(135,000)	6,000
Share of loss in associated company	719,000	822,911
Operating profit before working capital changes	26,138,071	13,915,071
(Increase)/Decrease in stocks	(26,472,112)	28,252,192
(Increase)/Decrease in debtors	(22,391,990)	12,131,382
Increase in creditors	10,377,530	685,672
Increase in deferred expenditure	(16,650)	-
Cash (used in)/generated from operations	(12,365,151)	54,984,317
Interest paid	(6,504,753)	(10,886,539)
Taxation paid	(2,933,537)	(2,171,276)
Net cash (used in)/generated from operating activities	(21,803,441)	41,926,502
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	314	-
Interest received	48,267	60,271
Minority interest in subsidiary company acquired	109,759	75,000
Proceeds from disposal of fixed assets	433,287	200,659
Purchase of fixed assets	(7,577,805)	(14,193,899)
Purchase of goodwill in subsidiary company	-	(46,002)
Purchase of quoted investments	(15,056)	-
Increase in minority interest share of net assets	-	(71,048)
Exchange fluctuation reserves	(34,013)	-
Net cash used in investing activities	(7,035,247)	(13,975,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(407,000)	(666,000)
Payments of hire purchase	(6,254,139)	(4,844,495)
Proceeds from hire purchase	2,922,871	8,443,721
Revolving credits	980,000	9,300,000
Net cash (used in)/generated from financing activities	(2,758,268)	12,233,226


PRESTAR RESOURCES BERHAD

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1999 (cont'd)

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	1999 RM	1998 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(31,596,956)	40,184,709
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(53,283,802)	(93,468,511)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>(84,880,758)</u>	<u>(53,283,802)</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	4,117,715	1,581,027
Bank overdrafts	(9,811,940)	(11,411,975)
Bankers acceptances and trust receipts	(79,186,533)	(43,452,854)
	<u>(84,880,758)</u>	<u>(53,283,802)</u>

The notes set out on pages 22 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



NOTES TO THE ACCOUNTS

31 December 1999

1. PRINCIPAL ACTIVITIES

The principal activities of the Company remained unchanged during the year and consist of rental of properties, investment holding and indent trading.

The principal activities of the subsidiary companies are stated in Note 4 to the accounts.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The accounts of the Group and the Company are prepared under the historical cost convention and in compliance with applicable approved accounting standards in Malaysia except as modified to include the revaluation of freehold and leasehold land and buildings.

2.2 Basis of Consolidation

The consolidated account incorporate the audited accounts of the Company and its subsidiary companies made up to the end of the financial year. Inter-company transactions are eliminated on consolidation and the group account reflect external transactions only.

The subsidiaries, Y K Toh Marketing Sdn. Bhd. and YKT Realty Sdn. Bhd. are consolidated under the merger method of accounting in accordance with Malaysian Accounting Standard No. 2.

The merger method of accounting is adopted when the following conditions are met:-

- (i) The Company holds a long term equity interest of at least 90% of the subsidiary Company, and
- (ii) Not less than 90% of the fair value of the total consideration is in the form of equity share capital.

Under the merger method, the results of subsidiary companies are presented as if the companies had been combined throughout the current and previous accounting periods. The difference between the cost of acquisition over the nominal value of the share capital of the subsidiaries is taken to merger reserve.

All other subsidiary companies are consolidated using the acquisition method.

Under the acquisition method of consolidation, the difference between the cost of acquisition of the subsidiary company and its fair value attributable to the net assets acquired at the date of acquisition is included as goodwill or capital reserve on consolidation. Goodwill arising on consolidation is amortised on a straight line basis over a period of twenty years.

2.3 Fixed Assets and Depreciation

Fixed assets are stated at cost/valuation less accumulated depreciation.

Freehold land and capital work in progress are not depreciated.

Depreciation on other fixed assets is calculated using the straight line basis so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are as follows:-



NOTES TO THE ACCOUNTS

31 December 1999

2. ACCOUNTING POLICIES (Continued)

Leasehold land	over the remaining lease period of 45 years
Buildings	2%
Furniture, fittings and renovations	10% - 20%
Motor vehicles and forklift	20%
Moulds, tools and equipment	10% - 15%
Office equipment	10% - 20%
Plant and machinery	8% - 12.5%

It is the Group's policy to state fixed assets at cost. Revaluation of certain properties in 1994 was carried out primarily for the purpose of listing to the Second Board of Kuala Lumpur Stock Exchange then and was not intended to effect change in the accounting policy to one of revaluation of properties.

2.4 Investments in Subsidiary Companies

Investments in subsidiary companies are stated at cost and provision for diminution in value is made where there is a permanent diminution.

2.5 Deferred Expenditure

Deferred expenditure consists of preliminary and pre-operating expenses. Preliminary expenses incurred is in connection with the formation of the Company and pre-operating expenses are carried forward at cost. Deferred expenditure will be amortised on a straight line basis over a period of five years.

2.6 Quoted Investments

Quoted investments held for short term purposes are carried at the lower of cost and market value and are valued on an aggregate portfolio basis.

2.7 Associated Company

An associated company is defined as a company in which the Group has long term interest of 20% to 50% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

The Group's share of post acquisition results of associated company is included in the consolidated accounts and is based on the latest audited annual accounts and four months unaudited management accounts made up to 31 December 1999.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Cost of raw materials include the actual cost of materials and incidentals in bringing the stocks to their present condition and location. For work-in-progress and finished goods, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.



NOTES TO THE ACCOUNTS

31 December 1999

2. ACCOUNTING POLICIES (Continued)

2.9 Foreign Currency Translation

i) Transactions in Foreign Currencies

Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the rates of exchange closely approximating to those ruling at the balance sheet date. Transactions during the year are translated at the rates ruling on the transaction dates. Gain and losses on foreign currency translation are dealt with through the profit and loss account.

ii) Translation of Foreign Currency Financial Statements

Assets and liabilities of foreign subsidiaries are translated into Ringgit Malaysia at the approximate rates of exchange ruling at the balance sheet date. Profit and loss items are translated at the average rates of exchange ruling during the period. The translation difference arising therefrom are dealt with in the Exchange Fluctuation Reserve Account.

2.10 Deferred Taxation

Deferred taxation is calculated using the liability method for all material timing differences between accounting and taxable income unless it is foreseeable that these timing differences will not reverse in the foreseeable future.

Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

2.11 Revaluation Reserves

Surplus arising from the revaluation will be dealt with in the revaluation reserve. Any deficit arising will be set off against the revaluation reserve to the extent of the previous increase for the same asset. In all other cases, a decrease in the carrying amount will be charged to the profit and loss account.

2.12 Hire Purchase Plan

Fixed assets acquired under hire purchase plan are capitalised in the balance sheet and depreciated over their useful lives as stated in Note 2.3. The interest element of the hire purchase instalment is charged to the profit and loss account over the period of the plan and accounted for on the sum of digits method.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances net of short term borrowings.


PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

3. FIXED ASSETS

Group	Building	Freehold land	Furniture fittings and renovations	Motor vehicles and forklift	Mould, tools and equipment	Office equipment	Plant and machinery	Short term leasehold land	Capital work-in-progress	Total
Cost/Valuation	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 1999	9,131,761	3,929,465	2,102,378	4,839,288	4,147,164	1,979,072	30,467,846	1,080,770	212,113	57,889,857
Additions - cost	306,984	-	247,931	596,981	832,552	550,255	1,434,960	-	3,608,142	7,577,805
Disposal	-	-	(14,443)	(686,147)	-	(26,951)	(58,611)	-	-	(786,152)
Reclassification	-	-	-	-	-	-	1,950,902	-	(1,950,902)	-
At 31 December 1999	9,438,745	3,929,465	2,335,866	4,750,122	4,979,716	2,502,376	33,795,097	1,080,770	1,869,353	64,681,510
Representing items at:										
Cost	4,523,454	1,799,465	2,335,866	4,750,122	4,979,716	2,502,376	33,795,097	1,080,770	1,869,353	57,636,219
Directors' valuation - 1995	4,915,291	2,130,000	-	-	-	-	-	-	-	7,045,291
At 31 December 1999	9,438,745	3,929,465	2,335,866	4,750,122	4,979,716	2,502,376	33,795,097	1,080,770	1,869,353	64,681,510
Accumulated depreciation										
At 1 January 1999	890,088	-	751,454	2,323,941	2,098,292	916,069	6,213,390	128,385	-	13,321,619
Charge for the year	182,970	-	218,846	842,671	550,447	346,461	2,478,254	20,784	-	4,640,433
Disposals	-	-	(9,897)	(362,391)	-	(10,749)	(11,129)	-	-	(394,166)
Reclassification	-	-	-	-	-	-	-	-	-	-
At 31 December 1999	1,073,058	-	960,403	2,804,221	2,648,739	1,251,781	8,680,515	149,169	-	17,567,886
Net book value										
At 31 December 1999	8,365,687	3,929,465	1,375,463	1,945,901	2,330,977	1,250,595	25,114,582	931,601	1,869,353	47,113,624
At 31 December 1998	8,241,673	3,929,465	1,350,924	2,515,347	2,048,872	1,063,003	24,254,456	952,385	212,113	44,568,238
Depreciation charge for the year ended 31 December 1998	182,634	-	165,480	852,293	480,299	230,189	1,847,152	20,784	-	3,778,831



NOTES TO THE ACCOUNTS

31 December 1999

3. FIXED ASSETS (Continued)

Company	Building	Freehold land	Furniture, fittings and renovation	Motor vehicles	Moulds, tools and equipment	Office equipment	Plant and machinery	Total
Cost/Valuation	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 1999	6,691,917	2,166,466	276,226	785,251	-	24,701	-	9,944,561
Additions	-	-	909	136,887	-	13,261	-	151,057
At 31 December 1999	6,691,917	2,166,466	277,135	922,138	-	37,962	-	10,095,618
Representing items at:								
Cost	1,776,626	36,466	277,135	922,138	-	37,962	-	3,050,327
Directors' valuation - 1995	4,915,291	2,130,000	-	-	-	-	-	7,045,291
At 31 December 1999	6,691,917	2,166,466	277,135	922,138	-	37,962	-	10,095,618
Accumulated Depreciation								
At 1 January 1999	528,405	-	179,472	399,846	-	7,069	-	1,114,792
Charge for the year	133,838	-	25,240	165,347	-	4,863	-	329,288
At 31 December 1999	662,243	-	204,712	565,193	-	11,932	-	1,444,080
Net book value								
At 31 December 1999	6,029,674	2,166,466	72,423	356,945	-	26,030	-	8,651,538
At 31 December 1998	6,163,512	2,166,466	96,754	385,405	-	17,632	-	8,829,769
Depreciation charge for the year ended 31 December 1998	133,838	-	24,882	153,036	68,579	24,450	93,743	498,528

The freehold and leasehold land and buildings of the Company and its subsidiary companies were revalued in 1994 based on the valuation made by an independent firm of professional valuers, using the comparison method of valuation. The valuation was only adopted by the directors in 1995 and the revaluation surplus arising from the valuation has been credited to the revaluation reserve.

The freehold land and buildings of the Group and the Company have been charged as securities for banking facilities granted to the Company and its subsidiary companies (see Note 15).


PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

3. FIXED ASSETS (Continued)

Net book value of assets acquired under hire purchase are as follows:-

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Motor vehicles	1,602,649	2,326,423	356,944	385,403
Moulds, tools, and equipment	874,026	349,518	-	-
Plant and machinery	18,798,483	19,577,235	-	-
Office equipment	6,005	14,359	-	-
	<u>21,281,163</u>	<u>22,267,535</u>	<u>356,944</u>	<u>385,403</u>

Details of building stated at cost and valuation are as follows:-

Building	Balance at 1.1.1999	Addition/ charge	Disposal	Balance at 31.12.1999
Group	RM	RM	RM	RM
At cost	4,216,470	306,984	-	4,523,454
At valuation - 1995	4,915,291	-	-	4,915,291
	<u>9,131,761</u>	<u>306,984</u>	<u>-</u>	<u>9,438,745</u>
Accumulated depreciation				
At cost	480,130	182,970	-	663,100
At valuation - 1995	409,958	-	-	409,958
	<u>890,088</u>	<u>182,970</u>	<u>-</u>	<u>1,073,058</u>
Net book value				
At cost	3,736,340	124,014	-	3,860,354
At valuation - 1995	4,505,333	-	-	4,505,333
	<u>8,241,673</u>	<u>124,014</u>	<u>-</u>	<u>8,365,687</u>



NOTES TO THE ACCOUNTS

31 December 1999

3. FIXED ASSETS (Continued)

Building	Balance at	Addition/	Disposal	Balance at
Company	1.1.1999	charge		31.12.1999
	RM	RM	RM	RM
At cost	1,776,626	-	-	1,776,626
At valuation - 1995	4,915,291	-	-	4,915,291
	<u>6,691,917</u>	<u>-</u>	<u>-</u>	<u>6,691,917</u>
Accumulated depreciation				
At cost	118,444	133,838	-	252,282
At valuation - 1995	409,961	-	-	409,961
	<u>528,405</u>	<u>133,838</u>	<u>-</u>	<u>662,243</u>
Net book value				
At cost	1,658,182	(133,838)	-	1,524,344
At valuation - 1995	4,505,330	-	-	4,505,330
	<u>6,163,512</u>	<u>(133,838)</u>	<u>-</u>	<u>6,029,674</u>

4. INVESTMENT IN SUBSIDIARY COMPANIES

4.1 Interest in subsidiary companies

	Company	
	1999	1998
	RM	RM
Unquoted shares at cost	23,959,576	23,859,576
Provision for diminution in value	(100,000)	-
	<u>23,859,576</u>	<u>23,859,576</u>

4.2 Name of Subsidiary companies

	Effective Interest		Place of	Principal Activities
	1999	1998	Incorporation	
Prestar Manufacturing Sdn. Bhd.	100%	100%	Malaysia	Manufacture and exporter of material handling equipment such as wheelbarrow, hand truck, industrial castor and wheel and pallet mesh as well as gas cookers.


PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

4. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

	Effective Interest		Place of	Principal Activities
	1999	1998	Incorporation	
Subsidiary of Prestar Manufacturing Sdn. Bhd.				
Prestar Tooling Sdn. Bhd.	85%	85%	Malaysia	Mould and dies fabrication, maintenance and installation of machinery and manufacture of plastic products.
Y K Toh Marketing Sdn. Bhd.	100%	100%	Malaysia	Importer and distributor of general hardware, tools and material handling equipment.
YKT Realty Sdn. Bhd.	100%	100%	Malaysia	Renting of building and office premises.
Prestar Engineering Sdn. Bhd.	75%	75%	Malaysia	Manufacture and supply of guardrails, trading of building materials and related products.
Summit Steel Service Centre Sdn. Bhd.	95%	95%	Malaysia	Slitting, shearing and sales of steel sheets and coils.
Prestar Steel Pipes Sdn. Bhd.	97%	97%	Malaysia	Manufacture and supply of carbon steel pipes and related products.
Dai Dong Steel Sdn. Bhd.	70%	70%	Malaysia	Import and trading of steel materials and general hardware product
Tashin Steel Sdn. Bhd. (formerly known as Tashin Metal Industries Sdn Bhd)	100%	-	Malaysia	Manufacture, reprocess and trading of steel related products
† Excelpath Sdn. Bhd.	100%	100%	Malaysia	Dormant.
† Prestar Europe bvba	67%	51%	Belgium	Importer and distributor of castors and wheels, hand trucks, material handling equipment and other general hardware.

On 30 December 1999, the Company entered into a joint venture agreement with Tashin Steel Sdn. Bhd.(Tashin) and a third party for steel related business. The joint venture agreement regulates the participation and management among the parties whereby the Company and a third party are the joint venture parties and Tashin is the joint venture vehicle which will be held in a 51% and 49% proportion by the Company and a third party respectively. Subsequent to year end, the Company's effective interest in Tashin was diluted to 51%.

† Audited by another firm of auditors



NOTES TO THE ACCOUNTS

31 December 1999

5. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Share of net assets at date of acquisition	1,050,000	1,050,000	-	-
Unquoted share, at cost	-	-	1,050,000	1,050,000
Share of post acquisition (loss)/profit net of taxation	(633,617)	85,383	-	-
	<u>416,383</u>	<u>1,135,383</u>	<u>1,050,000</u>	<u>1,050,000</u>

The Company has a 35% (1998-35%) interest in Zelleco Metal Galvanising Sdn. Bhd., a company incorporated in Malaysia.

The principal activity of the associated company is that of general hot dip galvanising on metal products and threaded items.

6. GOODWILL ON CONSOLIDATION

	Group	
	1999 RM	1998 RM
Goodwill on consolidation	1,498,809	1,498,809
Accumulated amortisation	(316,491)	(243,084)
	<u>1,182,318</u>	<u>1,255,725</u>

7. DEFERRED EXPENDITURE

	Group	
	1999 RM	1998 RM
Preliminary expenses	16,650	-
Less: Amortisation of deferred expenditure	(4,440)	-
	<u>12,210</u>	<u>-</u>


PRESTAR RESOURCES BERHAD

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NOTES TO THE ACCOUNTS

31 December 1999

8. QUOTED INVESTMENTS

	Group	
	1999	1998
	RM	RM
Shares quoted in Malaysia, at cost	568,773	553,717
Provision for diminution in value of quoted investments	(197,000)	(332,000)
	<u>371,773</u>	<u>221,717</u>
Market value	<u>377,980</u>	<u>221,620</u>

9. STOCKS

	Group	
	1999	1998
	RM	RM
Raw materials	34,528,738	19,711,072
Tools and consumables	46,302	44,462
Work-in-progress	3,139,001	3,243,391
Finished goods	21,674,336	14,794,349
Goods-in-transit	4,718,299	17,090
	<u>64,106,676</u>	<u>37,810,364</u>
Less: Provision for stocks obsolescence	(686,071)	(861,871)
	<u>63,420,605</u>	<u>36,948,493</u>

10. TRADE DEBTORS

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Trade debtors	70,532,877	46,309,688	7,303	7,303
Less: Provision for doubtful debts	(4,178,534)	(3,546,316)	(7,303)	(7,303)
	<u>66,354,343</u>	<u>42,763,372</u>	<u>-</u>	<u>-</u>
Included in trade debtors is:				
Amount due from companies in which certain directors have interests	<u>3,215,644</u>	<u>577,897</u>	<u>-</u>	<u>-</u>



NOTES TO THE ACCOUNTS

31 December 1999

11. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors, deposits and prepayments is:

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Rental deposit paid to a company in which certain directors have interests	<u>436,170</u>	<u>-</u>	<u>436,170</u>	<u>-</u>

12. AMOUNT DUE FROM /(TO) SUBSIDIARY COMPANIES

	Company	
	1999 RM	1998 RM
Due from:		
Trade	101,746	10,922,658
Non-trade	10,598,345	3,514,994
Loan	14,214,282	6,420,834
	<u>24,914,373</u>	<u>20,858,486</u>
Due to:		
Trade	-	(93,972)
Non-trade	(476,992)	-
Loan	(6,030,000)	-
	<u>(6,506,992)</u>	<u>(93,972)</u>

Amount due from/(to) subsidiary companies in respect of trade and non-trade are unsecured, interest free and have no fixed terms of repayment. Loans due from subsidiary companies are unsecured, bear interests ranging from 8.5% to 9.4% (1998 - 8.5% to 10.0%) per annum and have no fixed terms of repayment. Loan due to a subsidiary company is unsecured, interest free and has no fixed terms of repayment.

13. CREDITORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Trade creditors	14,387,509	9,237,590	-	39,335
Sundry creditors and accruals	9,866,116	4,388,505	485,104	538,661
	<u>24,253,625</u>	<u>13,626,095</u>	<u>485,104</u>	<u>577,996</u>
Included in trade creditors is:				
Amount due to companies in which certain directors have interests	<u>308,633</u>	<u>142,423</u>	<u>-</u>	<u>-</u>
Included in sundry creditors and accruals is:				
Amount due to companies in which certain directors have interests	<u>11,879</u>	<u>1,114,694</u>	<u>-</u>	<u>-</u>


PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

14. HIRE PURCHASE CREDITORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Gross amount payable	10,892,029	15,057,987	221,466	260,473
Less: Interest in suspense	(1,346,610)	(2,181,300)	(32,353)	(23,617)
	9,454,419	12,876,687	189,113	236,856
Less: Amount repayable within twelve months	(5,039,361)	(5,065,187)	(110,295)	(144,672)
Amount repayable after twelve months	4,506,058	7,811,500	78,818	92,184

15. BANK BORROWINGS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Bank overdrafts	9,811,940	11,411,975	2,211,524	4,083,293
Bankers acceptances and trust receipts	79,186,533	43,452,854	7,138,000	2,029,000
Revolving credits	10,280,000	9,300,000	5,280,000	9,300,000
	99,278,473	64,164,829	14,629,524	15,412,293

The above amounts outstanding are secured by the following:-

- first and third party registered legal charge over the Company and its subsidiary companies' freehold land and buildings;
- legal assignment of rental proceeds from a subsidiary company's freehold land and building;
- by a corporate guarantee issued by the Company and personal guarantee by certain directors of the subsidiary companies, and
- the joint and several guarantees of certain directors of the Company .

The above credit facilities bear interest ranging from 3.1% to 10.05% (1998 - 8% to 16.7%) per annum.

16. SHARE CAPITAL

	Group and Company	
	1999 RM	1998 RM
Ordinary shares of RM1 each:		
Authorised	25,000,000	25,000,000
Issued and fully paid	20,350,000	20,350,000



NOTES TO THE ACCOUNTS

31 December 1999

17. RESERVES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Non-distributable				
Revaluation Reserves	2,142,628	2,142,628	2,142,628	2,142,628
Exchange Fluctuation Reserve Account	(34,013)	-	-	-
Share Premium Account	5,672,251	5,672,251	5,672,251	5,672,251
Distributable				
Unappropriated profit	18,485,148	6,430,435	10,155,781	8,681,783
Total Reserves	<u>26,266,014</u>	<u>14,245,314</u>	<u>17,970,660</u>	<u>16,496,662</u>

18. DEFERRED TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
At 1 January	838,000	610,500	656,000	515,000
Transfer to/(from) profit and loss account	282,000	227,500	(26,000)	141,000
At 31 December	<u>1,120,000</u>	<u>838,000</u>	<u>630,000</u>	<u>656,000</u>

The cumulative deferred taxation liabilities recognised in the accounts are due to timing differences on fixed assets.

Deferred taxation of RM145,000 (1998 - RM145,000) at the Group level and RM107,000 (1998 - RM107,000) at the Company level is not provided on the surplus arising from the revaluation of fixed assets as it is not the intention of the directors to dispose of these assets.

Subject to agreement with the Inland Revenue Board, details of the deferred tax benefits of the Group are set out below:-

	Group	
	1999 RM	1998 RM
Tax losses carried forward	(3,879,000)	(4,649,000)
Other timing differences	1,254,000	(1,798,000)
	<u>(2,625,000)</u>	<u>(6,447,000)</u>
Potential deferred tax benefits not recognised in the accounts calculated at a tax rate of 28%	<u>(735,000)</u>	<u>(1,805,000)</u>

19. TURNOVER

Group

Turnover represents invoiced value of sales less discounts and sales tax and rental income receivable.

Company

Turnover represents invoiced value of sales less discounts and sales tax, gross dividend income received and receivable from subsidiary companies and rental income receivable.



PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

20. PROFIT BEFORE TAXATION

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Profit before taxation is arrived at:				
After charging:-				
Amortisation of goodwill	73,407	73,407	-	-
Amortisation of deferred expenditure	4,440	-	-	-
Audit fee				
- current year	100,000	91,000	18,000	18,000
Bad debts written off	5,793	159,253	-	-
Cost of sales	160,041,925	119,332,938	2,818,254	6,606,394
Depreciation (Note 3)	4,640,433	3,778,831	329,288	498,528
Directors' remuneration				
Directors of the company				
- fee	130,000	96,000	55,000	61,000
- other emoluments	1,342,920	688,110	578,880	337,440
Other directors				
- fee	50,000	35,000	-	-
- other emoluments	632,552	482,238	-	-
Interest				
- bankers acceptances and trust receipts	3,608,425	6,547,816	-	700,913
- hire purchase	1,368,747	1,593,343	32,873	50,594
- overdrafts	732,406	1,411,701	180,771	442,664
- revolving credits	795,175	1,308,325	795,175	1,308,325
- others	-	25,354	-	25,354
Loss on disposal of fixed assets	56,232	12,445	-	-
Loss on foreign exchange	4,973	-	-	-
Provision for doubtful debts	1,634,767	387,822	-	-
Provision for stock obsolescence	66,800	14,140	-	-
Provision for diminution in value				
- quoted investments	-	6,000	-	-
- subsidiary company	-	-	100,000	-
Rental of premises	2,833,601	1,927,014	2,617,020	2,204,750
Rental of equipment	-	2,918	-	-
Rental of factory building	6,305	-	-	-
Rental of plant and machinery	45,000	-	-	-



NOTES TO THE ACCOUNTS

31 December 1999

20. PROFIT BEFORE TAXATION (Continued)

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
and crediting:-				
Bad debt recovered	10,721	-	-	-
Gross dividend income				
- subsidiary companies	-	-	3,041,667	500,000
- shares quoted in Malaysia	314	-	-	-
Gain on foreign exchange	53,637	477,575	8,785	115,281
Gain on disposal of fixed assets	97,533	39,291	-	17,999
Interest income				
- subsidiary companies	-	-	1,308,055	1,863,126
- others	48,267	60,271	2,949	-
Provision for doubtful debts written back	997,322	190,769	-	145,769
Provision for stock obsolescence written back	242,600	783,015	-	450,000
Rental income	147,650	159,488	3,787,980	2,270,800
Writeback of provision for diminution in value of quoted investments	135,000	-	-	-

21. TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Income tax				
Company and subsidiary companies				
- Current year charge	-	1,726,000	-	452,000
- Under provision in prior year	24,947	39,535	242,987	-
- Tax attributable to dividend income	-	-	291,667	140,000
Associated company				
- Current year charge	-	14,807	-	-
	24,947	1,780,342	534,654	592,000
Deferred taxation				
Company and subsidiary companies				
- Current year charge/ (written back)	282,000	227,500	(26,000)	141,000
Associated company	-	(56,000)	-	-
	306,947	1,951,842	508,654	733,000



PRESTAR RESOURCES BERHAD

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NOTES TO THE ACCOUNTS

31 December 1999

21. TAXATION (Continued)

Current year taxation of the Company is in respect of dividend income. Pursuant to the Income Tax (Amendment) Act, 1999 which was gazetted on 8 July 1999, all income (except dividend income) derived in the year 1999 of the Group and of the Company would be waived from income tax.

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and tax exempt account to frank in full dividends from its distributable reserves as at 31 December 1999.

22. DIVIDEND

	Group and Company	
	1999	1998
	RM	RM
Proposed final dividend of 7% less 28% tax (1998 - 2% tax exempt)	<u>1,025,640</u>	<u>407,000</u>

23. BASIC EARNINGS / (LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the Group profit/(loss) after taxation and minority interest of RM13,080,353 (1998 - (RM3,614,561)) and the number of shares in issue during the year of 20,350,000(1998 - 20,350,000).

24. DIRECTORS' BENEFITS-IN-KIND

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Estimated benefits-in-kind received by the directors	<u>65,557</u>	<u>84,050</u>	<u>27,550</u>	<u>59,250</u>

25. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	Company	
	1999	1998
	RM	RM
With subsidiary companies		
Interest received	1,308,055	1,853,759
Management fee received	286,368	164,600
Purchases	-	2,159,048
Rental paid	-	23,900
Rental received	3,787,980	2,270,800
Sales	-	3,019,608
Transfer of fixed assets at net book value	-	3,246,026
Transfer of stocks at gross amount	<u>-</u>	<u>5,391,836</u>

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.



NOTES TO THE ACCOUNTS

31 December 1999

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
With companies in which certain directors have interest:				
Commission paid	-	69,000	-	-
Purchases	1,147,721	312,766	-	-
Rental paid	2,617,020	2,245,900	2,617,020	2,180,850
Rental received	24,000	18,000	-	-
Sales	7,826,535	1,969,711	-	-
With associated company				
Services charged	-	365,177	-	-

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

27. CONTINGENT LIABILITY (UNSECURED)

	Company	
	1999 RM	1998 RM
Guarantees to financial institutions for credit facilities granted to subsidiary companies	138,072,000	103,119,000

28. CAPITAL COMMITMENT

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Authorised and contracted for	44,941,330	-	36,563,830	-

29. SIGNIFICANT EVENT

During the year, the Company undertook the following proposals:-

- Proposed rights issue of 20,350,000 new ordinary shares of RM1.00 each with 20,350,000 new detachable warrants on the basis of one new ordinary share with one new warrant for every one existing ordinary share held at an issue price of RM2.30 per new ordinary share;
- Proposed acquisition of a parcel of industrial land together with five blocks of factory buildings from a company in which certain directors have interest for a cash consideration of RM37 million;
- Proposed Employees' Share Option Scheme for all eligible employees including Executive Directors of the Company and its subsidiary companies;


PRESTAR RESOURCES BERHAD

NOTES TO THE ACCOUNTS

31 December 1999

29. SIGNIFICANT EVENT (Continued)

- iv) Proposed increase in the authorised share capital; and
- v) A conditional sale and purchase agreement with Taihen Metal Industries Sdn. Bhd. acting by its liquidator for the acquisition of land and building located in Penang for a total cash consideration of RM7,500,000.

The proposals are subject to approvals from the Securities Commission and Foreign Investment Committee.

In connection with proposal i), subsequent to year end, the Company proposed to implement a revised rights issue of 20,350,000 rights shares without any warrants attached at an issue price of RM2.30 per rights share on the basis of one rights share for every one existing share held on a date to be determined by the directors.

30. SEGMENT REPORTING

Group 1999	Total assets employed RM'000	Turnover RM'000	Profit/(Loss) before taxation RM'000
Manufacturing	159,807	175,918	13,258
Trading	42,312	62,603	1,976
Investment holding	64,883	6,990	3,201
Intra - Group	(81,558)	(51,004)	(4,014)
	<u>185,444</u>	<u>194,507</u>	<u>14,421</u>
Analysis by geographical location			
Malaysia	182,236	191,365	14,775
Belgium	3,208	3,142	(354)
	<u>185,444</u>	<u>194,507</u>	<u>14,421</u>
1998			
Manufacturing	136,677	127,290	(1,828)
Trading	25,941	50,348	355
Intra - Group	(32,037)	(38,571)	(93)
	<u>130,581</u>	<u>139,067</u>	<u>(1,566)</u>

No analysis by geographical location in 1998 as the operation is conducted in Malaysia.



PRESTAR RESOURCES BERHAD (1200000-02)

LIST OF GROUP PROPERTIES

for the year ended 31 December 1999

LOCATION	DESCRIPTION	BUILT-UP AREA (SQ. FT.)	EXISTING USE	TENURE APPROXIMATE AGE OF BUILDING AS AT 31 DECEMBER , 1999	NETBOOK VALUE AS AT 31 DECEMBER 1999 (RM'000)
No. 32, Jalan Segambut Lot No. 40022 Mukim Batu District of Federal Territory Federal Territory	One Unit Factory cum office block	9,500	Tenanted	66 - Year Leasehold expiring 2/10/2044 (21 years)	1,276
HS(D) 28255 PT No 10327 Mukim of Rawang District of Gombak Selangor Darul Ehsan	One Unit Factory complex	80,384	Manufacturing site for Prestar Manufacturing Sdn. Bhd.	Freehold (6 years)	8,300
Lot 17494, 8 1/2 Miles Jalan Ipoh Selayang Industrial Estate 68100 Batu Caves Selangor Darul Ehsan	One Unit Factory cum office block	35,263	Corporate office cum warehouse	Freehold (12 years)	2,282
Lot 1113, 65 A, Jalan Perak , 10150 Penang	One Unit 2 1/2 storey office / warehouse block	2,904	Office cum warehouse	Freehold (37 years)	1,166
Lot No : DL 566 Taman Daya Phase I, Kepong	One Unit Double storey link house	1,650	Tenanted	Freehold (12 years)	203



PRESTAR RESOURCES BERHAD (1100004-A)

STATISTICS OF SHAREHOLDINGS

as at 12th May 2000

Authorised Capital	:	RM25,000,000
Issued And Fully Paid Capital	:	RM20,350,000
Class Of Shares	:	Ordinary shares of RM1.00 each fully paid
Number of Shareholders	:	1,080
Voting Rights	:	One vote per ordinary share

SUBSTANTIAL SHAREHOLDERS

NO.	NAME	NO. OF SHARES	PERCENTAGE %
1.	Fabulous Essence Sdn. Bhd.	7,076,250	34.77
2.	Toh Yew Keat	3,937,851	19.35
3.	Soh Tik Siew	1,332,000	6.55
4.	Toh Yew Peng	1,250,399	6.14
5.	Md Nahar Bin Noordin	833,000	4.09
6.	Roziah Bt Ismail	568,000	2.79
7.	Perbadanan Nasional Berhad	500,000	2.46
8.	Malaysia National Insurance Berhad	406,000	2.00
TOTAL		15,903,500	78.15

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED CAPITAL
1-1,000	666	61.67	665,017	3.27
1,001 - 5,000	310	28.70	854,151	4.20
5,001 - 10,000	51	4.72	403,000	1.98
10,001 and above	53	4.91	18,427,832	90.55
TOTAL	1,080	100.00	20,350,000	100.00



STATISTICS OF SHAREHOLDINGS (cont'd)

PRESTAR RESOURCES BERHAD

as at 12 May 2000

THE TWENTY (20) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	PERCENTAGE %
1	Fabulous Essence Sdn. Bhd.	7,076,250	34.77
2	Toh Yew Keat	3,937,851	19.35
3	Soh Tik Siew	1,332,000	6.55
4	Toh Yew Peng	1,250,399	6.14
5	Md Nahar Bin Noordin	833,000	4.09
6	Roziah Bt Ismail	568,000	2.79
7	Perbadanan Nasional Berhad	500,000	2.46
8	Malaysia National Insurance Berhad	406,000	2.00
9	Abrar Investment Fund	350,000	1.72
10	S'ng Soo Eng	313,000	1.54
11	Syarikat Takaful Malaysia Bhd	277,000	1.36
12	Melissa Shireen Munshir	197,332	0.97
13	Amanah Saham Selangor	186,000	0.91
14	Goh Kok Chen	139,000	0.68
15	Lim Mei Wha	117,000	0.57
16	Takaful Nasional Sdn. Bhd.	100,000	0.49
17	Tan Heng Bee	78,000	0.38
18	Toh Swee Kheng	63,000	0.31
19	Rubber Industry Smallholders Development Authority	61,000	0.30
20	Azman Bin Ahmad	60,000	0.29
		17,844,832	87.69

LIST OF DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2000

NO.	NAME	DIRECT		INDIRECT	
		NO. OF SHARES	%	NO. OF SHARES	%
1.	Toh Yew Peng	1,250,399	6.14	(1) 7,076,250	34.77
2.	Toh Yew Kar	-	-	(1) 7,076,250	34.77
3.	Toh Yew Chin	-	-	(1) 7,076,250	34.77
4.	Toh Yew Keat	3,687,851	18.12	(1) 7,076,250	34.77
5.	Toh Yew Keong	-	-	(1) 7,076,250	34.77
6.	Toh Yew Seng	-	-	(1) 7,076,250	34.77
7.	Toh Poh Khuan	-	-	(2) 7,076,250	34.77
8.	Md Nahar Bin Noordin	833,000	4.09	(3) 318,000	1.56
9.	Fadzlullah Shuhaimi Salleh	2,000	0.01	-	-

(1) By virtue of being a Director and Shareholder of Fabulous Essence Sdn. Bhd.

(2) By virtue of being a Shareholder of Fabulous Essence Sdn. Bhd.

(3) By virtue of his wife's shareholding in the company.

PROXY FORM



PRESTAR RESOURCES BERHAD (123046-A)
(Incorporated in Malaysia)

No. of Shares Held

I / We, _____
of _____ being
a member/members of PRESTAR RESOURCES BHD, hereby appoint _____
_____ of _____
_____ or failing him, _____
_____ of _____

or failing him, the Chairman of the Meeting as my /our proxy to vote for me / us and on my / our behalf at the Fifteenth Annual General Meeting of the Company to be held at Johore Room, Lower Lobby, Shangri-La Hotel Kuala Lumpur, 11, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 27 June 2000 at 10.00 a.m. or at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):

	RESOLUTIONS	FOR	AGAINST
Resolution 1	Adoption of Directors' Report and Audited Accounts for the financial year ended 31 December, 1999 together with the Auditors' Report thereon.		
Resolution 2	Declaration of a first and final dividend of 7.0% less 28% tax.		
Resolution 3	Approval of Directors' fees.		
Resolution 4 Resolution 5 Resolution 6	Re-election of the following Directors in accordance with the Company's Articles of Association : (a) Mr Toh Yew Keat (b) Mr Toh Yew Keong (c) Mr Toh Yew Seng		
Resolution 7	Re-appointment of Auditors.		
Resolution 8	Approval of Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.		

Signature
Dated this _____ day of _____ 1999

- Notes :
- 1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
 - 2. A member shall be entitled to appoint a person who may but need not be a member as his proxy.
 - 3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office at Level 22, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

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STAMP

The Company Secretary

PRESTAR RESOURCES BERHAD (1128069-K)

Level 22, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

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