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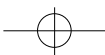
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PRESTAR RESOURCES BERHAD (123066-A)
(Incorporated in Malaysia)





PRESTAR RESOURCES BERHAD (123066-A)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 12 June, 2001 at 10.00 a.m. for the following purpose:-

AGENDA

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December, 2000 together with the Auditors' Report. **(Resolution 1)**
2. To approve the declaration of a first and final dividend of 3.5% less 28% tax for the financial year ended 31 December, 2000. **(Resolution 2)**
3. To sanction the payment of Directors' fees for the financial year ended 31 December 2000. **(Resolution 3)**
4. To re-elect the following Directors who retire pursuant to Article 105(1) of the Company's Articles of Association:-
 - a) Ms Toh Poh Khuan **(Resolution 4)**
 - b) Encik Md Nahar Bin Noordin **(Resolution 5)**
 - c) Encik Fadzlullah Shuhaimi B. Salleh **(Resolution 6)**
5. To re-elect Mr Toh Yew Peng who retire pursuant to Paragraph 7.28(2) of Part K of Chapter 7 of the Revamped Listing Requirements of Kuala Lumpur Stock Exchange. **(Resolution 7)**
6. 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. **(Resolution 8)**

7. As Special Business

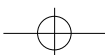
To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:-

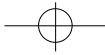
ORDINARY RESOLUTION

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."

8. To transact any other business for which due notice shall have been given. **(Resolution 9)**



**PRESTAR RESOURCES BERHAD** (123066-A)**NOTICE OF BOOK CLOSURE**

NOTICE IS ALSO HEREBY GIVEN that the First and Final Dividend of 3.5% less 28% Tax will be payable on 7 September 2001 to depositors who are registered in the Record of Depositors at the close of business on 13 August 2001 if approved by members at the Sixteenth Annual General Meeting on 12 June 2001.

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

- a. Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 13 August 2001 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

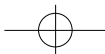
Dated: 24 May 2001

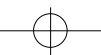
Explanatory Note to Special Business:

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 any adjournment thereof.





PRESTAR RESOURCES BERHAD (123066-A)

Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements of Prestar Resources Berhad for the financial year ended 31st December 2000.

The year 2000 started off with robust sales revenue for the first and second quarter in which we saw substantial growth in terms of sales revenue and profit. However these were slowly eroded by the poor market performance and a regional drop in iron and steel prices. Supply output of steel overide the demand of the market, resulting in erosion of product pricing across the board.

The steel industry continues to be weak as we faced severe market competitions both local and abroad.

This had adverse effects to our newly formed subsidiary Prestar Europe bvba as it continued to suffer losses for its initial operations. We are looking at all available options to address this situation.

Prestar group of companies has continued to exercise its main focus on our various core related steel industries as well as downstream manufacturing which have helped us to weather this downturn. The Group achieved a sales revenue of RM263 million and a group profit after tax and MI of RM12.09 million for the year ended 31st December 2000 against the corresponding year of sale revenue of RM195 million and profit after tax and MI of RM13 million. This had resulted in the net tangible assets per share of the Group to increase from RM2.23 per share to RM2.73 per share for the year ended 2000.

The following are the status of various corporate events of the Group:-

1. The Rights Issue of 20.350 million new ordinary shares on the basis of one Right share for every one existing ordinary share of RM1.00 each at an issue price of RM2.00 per share were subscribed by shareholders up to 98%. The balance of 2% unsubscribed Rights Issue were taken up by the appointed Underwriters.
2. The acquisition of 18.25 acres of industrial land together with 5 blocks of factory buildings, which currently houses the major manufacturing activities of the Group were completed on 5th April 2001.
3. The increase in authorised share capital of the company from RM25 million comprising of 25,000,000 ordinary shares of RM1.00 per share to RM100 million comprising of 100,000,000 ordinary shares of RM1.00 each.
4. The additional listing of 20,350,000 new ordinary shares of RM1.00 each issued pursuant to the Right's Issue listed in the first quarter of year 2001. This exercise enabled the company to conform to the Securities Commission's listing requirements for second board companies.
5. The successful acquisition of the remaining 65% stake in Zelleco Metal Galvanising Sdn Bhd in August 2000 and the subsequent approval of name change to Prestar Galvanising Sdn Bhd by the Registrar of Companies in middle of October 2000.
6. The accreditation of ISO 9002 Quality Management System Standard by Lloyd's had been achieved by two members of the group, Prestar Engineering Sdn Bhd in August 2000 and Summit Steel Centre Sdn Bhd in December 2000.
7. The Employees' Share Option Scheme, ESOS, for eligible employees of Prestar and its subsidiaries had been implemented on 31st January 2001.

Dividend

The directors have recommended a final dividend of 3.5% less 28% tax amounting to RM 512,820 in respect of the financial year ended 31st December 2000 and will seek approval at the forthcoming annual general meeting.

Review of the Operations

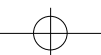
The Directors are of the opinion that signs of the economic downturn in the US market will evidently affect the Asean regions and other major parts of the world. We are therefore taking steps to address our groups' activities and operations. We will further

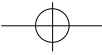
diversify into other non-traditional markets like Eastern Europe and South Africa to increase our market share for the export and distribution of our product range as well as preparing for the dawning of the AFTA which will further add new and stronger players to our market. Our continuous quality upgrading of our products and productivity would be permeated at all levels to enhance export and local markets. This will lend a positive boost for our sales revenue.

Finally, I wish to extend my appreciation to the Board of Directors, management and the staff for their unwavering dedication and contribution and sincere thanks to financial institutions, Government, authorities, suppliers and valued clients for their continuous support.



Toh Yew Keat
Executive Chairman





PRESTAR RESOURCES BERHAD (123066-A)

Penyata Pengerusi

Bagi pihak Lembaga

Pengarah, saya dengan

berbesar hati

membentangkan Laporan

Tahunan dan Penyata

Kewangan Beraudit bagi

Prestar Resources Berhad

untuk tahun kewangan

berakhir 31 Disember

2000.

Prestar Kumpulan pada tahun 2000 telah bermula dengan perolehan jualan yang amat menggalakkan pada suku tahun pertama dan kedua yang mana mencatatkan pertumbuhan besar daripada aspek perolehan jualan dan keuntungan. Walau bagaimanapun, keadaan ini secara perlahan-lahan menurun berikutan kelembapan pasaran serta penurunan serantau harga besi dan keluli. Ini disebabkan berlakunya penawaran barang besi dan keluli telah melebihi keperluan permintaan pasaran. Ianya menjuruskan kepada penurunan harga barangan besi dan keluli secara menyeluruh.

Industri besi dan keluli terus mengalami kesan kemerosotan disebabkan oleh persaingan sengit diantara kedua-dua pasaran tempatan dan luar negara.

Hakikat itu telah memberi kesan negatif kepada salah sebuah anak syarikat yang baru beroperasi, Prestar Europe bvba yang mana ianya terus merekodkan kerugian untuk operasi permulaannya. Oleh itu, syarikat sedang berusaha dari segala segi untuk mengatasi masalah tersebut.

Prestar Resources Bhd dan anak-anak syarikat terus menumpukan dan mempelbagaikan aktiviti utama yang berteraskan industri besi dan keluli selain daripada sektor pembuatan yang mana terbukti telah membantu syarikat mengharungi ekonomi yang sederhana sekarang. Kumpulan merekodkan perolehan jualan sebanyak RM263 juta dan keuntungan selepas cukai kumpulan dan Kepentingan Minoriti sebanyak RM12.09 juta untuk tahun

berakhir 31 Disember 2000 berbanding kepada tahun sebelumnya yang mana perolehan jualan sebanyak RM195 juta dan keuntungan selepas cukai kumpulan dan Kepentingan Minoriti sebanyak RM13 juta. Oleh itu, aset ketara bersih sesaham kumpulan meningkat daripada RM2.23 sesaham kepada RM2.73 sesaham untuk tahun berakhir 2000.

Berikutan adalah status pelbagai aktiviti korporat Kumpulan:

1. Terbitan Hak sebanyak 20.350 juta saham RM1.00 sesaham pada asas satu saham biasa baru RM1.00 bagi setiap saham biasa RM1.00 sedia ada pada harga terbitan RM2.00 sesaham yang dilanggan pemegang saham sebanyak 98%. Baki 2% lagi yang tidak dilanggan diambil oleh penanggung jamin yang dilantik.
2. Pengambilalihan tanah perindustrian seluas 18.25 ekar bersama dengan 5 blok bangunan kilang, yang kini menempatkan kegiatan pembuatan utama Kumpulan disiapkan pada 5 April 2001.
3. Meningkatkan modal saham syarikat yang dibenarkan daripada RM25 juta terdiri daripada 25,000,000 saham biasa RM1.00 sesaham kepada RM100 juta terdiri daripada 100,000,000 saham biasa RM1.00 sesaham.
4. Tambahan penyertaan 20,350,000 saham biasa RM1.00 sesaham yang diterbitkan merujuk kepada Terbitan Hak disenaraikan pada suku pertama tahun 2001. Langkah itu akan membolehkan syarikat mematuhi syarat penyertaan Papan Kedua yang ditetapkan Suruhanjaya Sekuriti.
5. Penyelesaian pengambilalihan baki 65% kepentingan dalam Zelleco Metal Galvanising Sdn Bhd pada Ogos 2000 dan kelulusan berikutnya untuk menukar nama kepada Prestar Galvanising Sdn Bhd oleh Pendaftar Syarikat pada pertengahan Oktober 2000.
6. Persijilan ISO 9002 Piawai Sistem Pengurusan Kualiti dicapai oleh dua anak syarikat Kumpulan, Prestar Engineering Sdn Bhd pada Ogos 2000 dan Summit Steel Centre Sdn Bhd pada Disember 2000.
7. Cadangan Skim Opsyen Saham Kakitangan, ESOS, untuk kakitangan Prestar dan anak syarikatnya yang layak sudah dilaksanakan pada 31 Januari 2001.

Dividen

Para pengarah mengesyorkan dividen akhir sebanyak 3.5% tolak 28% cukai berjumlah RM512,820 untuk tahun kewangan berakhir 31 Disember 2000 dan akan memohon kelulusan pada mesyuarat agung tahunan akan datang.

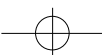
Ulasan Operasi

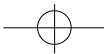
Para pengarah berpendapat bahawa tanda-tanda kelembapan ekonomi Amerika Syarikat akan memberi kesan globalisasi terutamanya kepada Asia Tenggara. Dengan itu, kami akan mengambil langkah proaktif dengan memperbaiki kegiatan serta operasi Kumpulan. Kami akan terus mempelbagaikan pasaran ke pasaran bukan tradisional seperti Eropah Timur dan Afrika Selatan untuk meluaskan pasaran Kumpulan bagi pasaran eksport dan pengedaran rangkaian barangan serta bersedia berdepan dengan kemunculan AFTA yang mana ianya akan menambahkan lagi pesaing baru dan kuat ke dalam pasaran kita. Peningkatan mutu yang berterusan bagi barangan keluaran serta produktiviti akan diterapkan pada setiap tahap untuk meningkatkan pasaran eksport dan tempatan. Langkah ini akan menghasilkan lonjakan positif kepada perolehan jualan Kumpulan.



Akhir sekali, saya mengucapkan penghargaan kepada Lembaga Pengarah, pengurusan dan kakitangan kerana sumbangan dan dedikasi yang tidak berbelah bagi serta ucapan terima kasih setulus hati kepada institusi-institusi kewangan, Kerajaan Malaysia, pihak berkuasa, pembekal dan pelanggan yang amat dihargai kerana sokongan mereka yang berterusan.

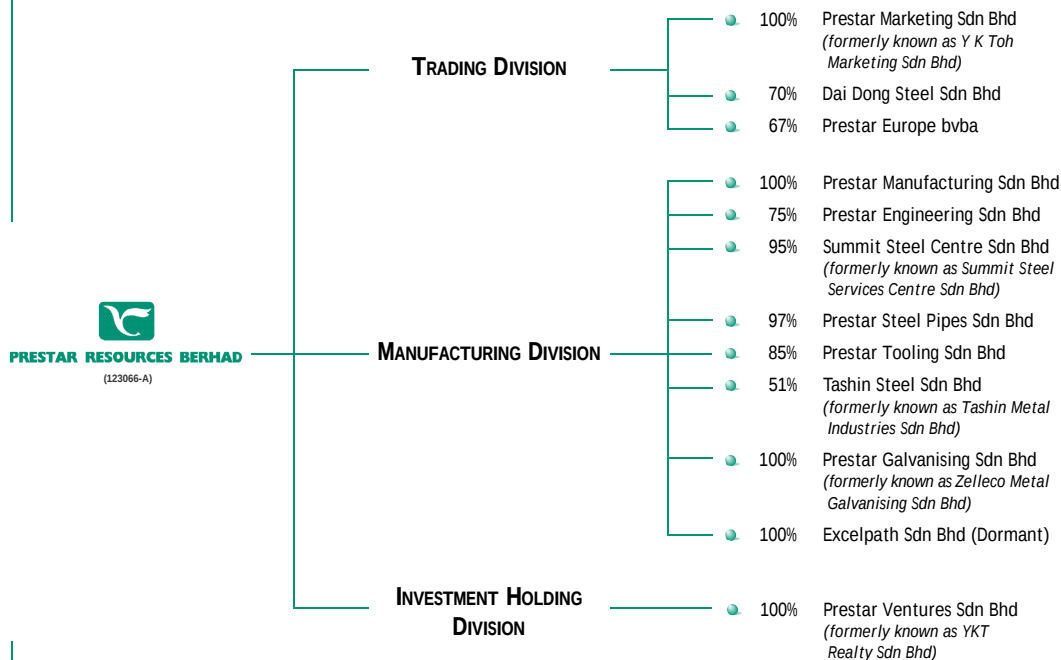
Toh Yew Keat
Pengerusi Eksekutif





PRESTAR RESOURCES BERHAD (123066-A)

Corporate Structure



Corporate Information

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 (resigned on 14-5-2001)
Toh Yew Chin (resigned on 14-5-2001)
Md. Nahar Bin Noordin
Fadzlullah Shuhaimi Bin Salleh
Meer Sadik Bin Habib Mohamed

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)

REGISTERED OFFICE

Level 22, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 Damansara Heights
 50490 Kuala Lumpur
 Tel. No. :03-255 7077

REGISTRAR

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

AUDITORS

KPMG
 Public Accountants
 Kuala Lumpur

PRINCIPAL BANKERS

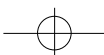
Bumiputra Commerce Bank Bhd
 Overseas Union Bank (M) Sdn Bhd
 RHB Bank Berhad
 Affin Bank Berhad

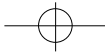
SOLICITORS

Lim & Yeoh
 Lee Choon Wan & Co.
 Amin Tan & Co.

STOCK EXCHANGE LISTING

Second Board of
 Kuala Lumpur Stock Exchange
 Stock code:9873



**PRESTAR RESOURCES BERHAD** (123066-A)

Audit Committee

CHAIRMAN

Fadzlullah Shuhaimi Bin Salleh
Independent Non-Executive Director

MEMBERS

Meer Sadik Bin Habib Mohamed
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.

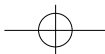
Authority

The Committee is Authorised by the Board to investigate any activity within its terms 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)

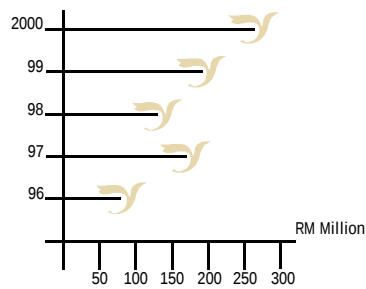
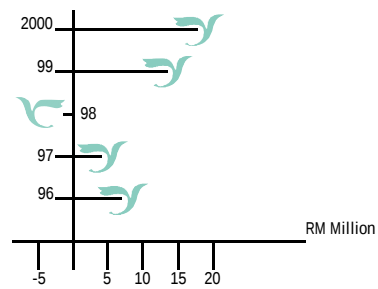
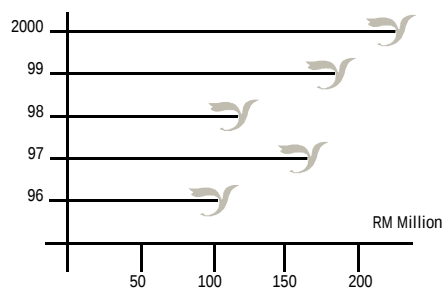
1. Review of audit plans and reports with the External Auditors.
2. Review of Auditors evaluation of internal accounting controls and establishment of effective controls.
3. Review of quarterly and annual financial statements.
4. To consider the appointment of external auditors, the audit fees and any 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 be the Committee and the Board.




PRESTAR RESOURCES BERHAD (123066-A)

Group Financial Highlights

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000 (restated)
Revenue	84,800	170,406	139,068	194,507	262,717
Profit/(Loss) Before Taxation	7,389	4,894	(1,566)	14,421	17,666
Profit/(Loss) After Taxation and MI	4,866	2,465	(3,615)	13,080	12,091
Total Assets Employed	100,962	162,325	131,837	185,444	236,946
Shareholder's Funds	29,425	38,617	34,595	46,616	58,207
Net Tangible Assets	28,212	37,334	33,340	45,421	55,583
Net Tangible Assets Per Share (RM)	1.52	1.83	1.64	2.23	2.73
Earnings Per Share (Sen)	26.3	13.1	(17.8)	64.3	59.4

REVENUE

PROFIT BEFORE TAX

TOTAL ASSETS EMPLOYED

SHAREHOLDERS' FUNDS
