

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the 3rd financial quarter ended 30 September 2024

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 01/07/2024 to 30/09/2024 RM'000	Preceding Year Corresponding Quarter RM'000	Current Year To-date 01/01/2024 to 30/09/2024 RM'000	Preceding Year Corresponding Period RM'000
Revenue	109,053	139,075	358,772	404,377
Cost of sales	(99,772)	(124,685)	(323,644)	(360,957)
Gross profit	9,281	14,390	35,128	43,420
Other operating income	1,267	2,382	4,659	5,905
Operating expenses	(11,289)	(11,376)	(32,680)	(32,719)
(Loss) / Profit from operations	(741)	5,396	7,107	16,606
Finance costs	(1,224)	(1,444)	(3,997)	(5,085)
Interest income	120	147	355	428
Share of results of associates	2,622	4,189	7,471	8,398
Profit before taxation	777	8,288	10,936	20,347
Tax expenses	254	(937)	(2,184)	(2,683)
Profit for the period	1,031	7,351	8,752	17,664
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operation	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,031	7,351	8,752	17,664
Profit attributable to:				
Owners of the parent	1,031	7,351	8,752	17,664
Total comprehensive income attributable to:				
Owners of the parent	1,031	7,351	8,752	17,664
Earnings per share (sen)				
Basic	0.29	2.05	2.44	4.92
Diluted	0.29	2.05	2.44	4.92

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024

	As at 30/09/2024 RM'000	As at 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	136,529	135,281
Right-of-use assets	12,949	12,693
Intangible assets	1,675	1,675
Investments in associates	171,092	166,778
	322,245	316,427
Current assets		
Inventories	110,217	119,082
Trade receivables	89,156	98,892
Other receivables	8,008	10,935
Tax Recoverable	12,663	12,527
Cash and bank balances	28,263	25,787
	248,307	267,223
TOTAL ASSETS	570,552	583,650
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	126,966	126,966
Reserves	315,689	312,323
Treasury shares	(725)	(725)
Total equity	441,930	438,564
Non-current liabilities		
Bank borrowings	5,735	8,054
Lease liabilities	804	677
Deferred taxation	5,575	5,380
Retirement benefit obligations	6,457	6,260
	18,571	20,371
Current liabilities		
Trade payables	11,051	11,776
Other payables	21,076	19,605
Derivative liabilities	257	118
Bank borrowings	76,930	92,233
Lease liabilities	437	275
Taxation	236	645
Retirement benefit obligations	64	63
	110,051	124,715
Total liabilities	128,622	145,086
TOTAL EQUITY AND LIABILITIES	570,552	583,650
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.23	1.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

PRESTAR RESOURCES BHD

Company No. 198401010527 (123066-A)

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the 3rd financial quarter ended 30 September 2024**

	<----- Non-distributable ----->				Distributable		Total attributable to owners of the parent	Total Equity
	Share Capital	Translation Reserve	Share Options reserve	Treasury Shares	Retained earnings	RM'000		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	126,966	(6)	1,091	(8,634)	297,075	416,492	416,492	
Total comprehensive income	-	-	-	-	17,664	17,664	17,664	
Share dividend	-	-	-	8,150	(8,150)	-	-	
Shares buy-back	-	-	-	(241)	-	(241)	(241)	
At 30 September 2023	126,966	(6)	1,091	(725)	306,589	433,915	433,915	
At 1 January 2024	126,966	-	1,091	(725)	311,232	438,564	438,564	
Total comprehensive income	-	-	-	-	8,752	8,752	8,752	
Dividend paid	-	-	-	-	(5,386)	(5,386)	(5,386)	
Share Options expired transferred to retained earnings	-	-	(1,091)	-	1,091	-	-	
At 30 September 2024	126,966	-	-	(725)	315,689	441,930	441,930	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Unaudited Condensed Consolidated Statement of Cash Flows
For the 3rd financial quarter ended 30 September 2024

	30/09/2024 RM'000	30/09/2023 RM'000
Profit before taxation	10,936	20,347
Adjustments for :-		
Non-cash items	3,581	(20,991)
Non-operating items	3,642	4,657
Operating profit before working capital changes	18,159	4,013
Net change in current assets	16,841	97,060
Net change in current liabilities	905	(5,182)
Dividend received	3,157	4,593
Retirement benefits paid	(31)	-
Tax paid	(2,534)	(2,888)
Net cash from operating activities	36,497	97,596
Investing activities		
Interest received	355	428
Proceeds from disposal of property, plant and equipment	152	361
Purchase of property, plant and equipment	(7,038)	(8,651)
Net cash used in investing activities	(6,531)	(7,862)
Financing activities		
Interest paid	(3,997)	(5,085)
Repayment of borrowings	(17,622)	(85,730)
(Repayment) / Drawdown of lease liabilities	(409)	302
Dividend paid	(5,386)	-
Shares buy-back	-	(241)
Net cash used in financing activities	(27,414)	(90,754)
Net increase/(decrease) in cash and cash equivalent	2,552	(1,020)
Cash and cash equivalents at 1 January	25,787	36,903
Effect of exchange rate changes	(76)	(29)
Cash and cash equivalents at 30 September	28,263	35,854
Cash and cash equivalents comprise:		
Cash and bank balances	28,263	35,854
Bank overdrafts	-	-
	<u>28,263</u>	<u>35,854</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.)

PART A: EXPLANATION NOTES AS PER MFRS 134

A1 Basis of Preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 31 December 2023, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations which are effective for annual periods beginning on or after 1 January 2024:

	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above standards, amendments and annual improvements do not have significant impact on the financial reporting of the Group.

A2 Audit Report of Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

A3 Seasonal or cyclicity factors

The Group faces minor seasonal fluctuations during the major festive season’s celebrations.

A4 The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

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

A5 Changes in estimates

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

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date.

A7 Dividends paid (aggregate or per share) separately for ordinary share and other shares

A second single-tier interim dividend of 1.5 sen per ordinary share, amounting to RM5,386,022 in respect of the financial year ended 31 December 2023 was paid on 27 March 2024.

A8 Segment Information for the current financial year to date

	<u>Trading</u> RM'000	<u>Manufacturing</u> RM'000	<u>Investment</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
Revenue					
External Sales	100,439	257,269	1,064	-	358,772
Inter-segment revenue	2,291	24,264	11,188	(37,743)	-
Total Revenue	102,730	281,533	12,252	(37,743)	358,772
Segment Result	389	6,531	8,134	(7,947)	7,107
Profit from operations					7,107
Finance costs					(3,997)
Interest Income					355
Share of results of associates					7,471
Profit before tax					10,936

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

A9 Valuations of property, plant and equipment

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

A10 Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

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

A11 The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

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

A12 Changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2023

As at the date of this announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A13 Capital commitments

As at 30/09/2024

RM'000

Property, plant and equipment

Authorized and contracted for 710

Authorized but not contracted for 69

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

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

	Individual Period (3 rd quarter)		Increase / (Decrease)		Cumulative Period		Increase / (Decrease)	
	Current Year Quarter 01.07.2024 to 30.09.2024 RM'000	Preceding Year Corresponding Quarter 01.07.2023 to 30.09.2023 RM'000	RM'000	%	Current Year to- date 01.01.2024 to 30.09.2024 RM'000	Preceding Year Corresponding Period 01.01.2023 to 30.09.2023 RM'000	RM'000	%
Revenue	109,053	139,075	(30,022)	(21.6)	358,772	404,377	(45,605)	(11.3)
(Loss)/Profit from operations	(741)	5,396	(6,137)	(113.7)	7,107	16,606	(9,499)	(57.2)
Profit before tax	777	8,288	(7,511)	(90.6)	10,936	20,347	(9,411)	(46.3)

For the quarter under review, the Group achieved total revenue of RM109.0 million, a decline of 21.6% compared to RM139.1 million in the corresponding quarter of preceding year. The drop in revenue was mainly due to lower sales volume and average selling price which influenced by heightened volatility in the global steel market. Corresponding to the lower revenue, Group Profit before tax (“PBT”) also weakened significantly, down by 90.6% to RM0.8 million, compared to RM8.3 million in the corresponding quarter preceding year.

The Group’s Year-to-date (“YTD”) revenue amounted to RM358.8 million, representing a decrease of 11.3% from RM404.4 million of the same period last year. Revenue decline was primarily due to reduction in both average selling price and volume sold during the period under review. Impacted by unfavorable market conditions and squeezed margin, the Group reported YTD PBT of RM10.9 million, representing a decrease of 46.3% when compared to the YTD PBT of RM20.3 million of the preceding year.

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

	Current Year Quarter 01.07.2024 to 30.09.2024 RM'000	Immediate Preceding Quarter 01.04.2024 to 30.06.2024 RM'000	Changes	
			RM'000	%
Revenue	109,053	117,889	(8,836)	(7.5)
(Loss) / Profit from operations	(741)	2,958	(3,699)	(125.1)
Profit before tax	777	4,105	(3,328)	(81.1)

Compared with immediate preceding quarter, the Group's revenue for the current quarter under review declined by 7.5%, dropping from RM117.9 million to RM109.0 million. The reduction was predominantly driven by weak market sentiment caused by lackluster market conditions.

The Group reported a PBT of RM0.8 million in the current quarter, as compared to PBT of RM4.1 million in the immediate preceding quarter. The decline was mainly due to lower sales volume and a decline in average selling price.

B3 Prospects

The steel industry outlook remains bearish, driven by weak demand in major steel-consuming sectors. Furthermore, fluctuating steel prices and exchange rates could affect the Group's profit margin. Against these backdrops, the Board will focus on a prudent procurement strategy and adopting effective inventory management while enhancing operational efficiency to preserve a strong financial position and safeguard stakeholders' interest.

Barring unforeseen circumstances, the Board remained cautiously optimistic about the prospect for the financial year ending 31 December 2024. The Group will continue to emphasize on strong cashflow management and delivering positive results to navigate this volatile and challenging environment.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Tax expenses

	Current Quarter 30/09/2024 RM'000	Current Year To Date 30/09/2024 RM'000
Current taxation	421	2,092
Deferred taxation	(572)	195
In respect of prior years	(103)	(103)
	<u>(254)</u>	<u>2,184</u>

B6 The status of corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

There were no corporate proposals announced at the date of this announcement.

B7 Group bank borrowings:

Total group borrowings as at 30 September 2024 are as follows:-

RM'000	Short Term Borrowing	Long Term Borrowing
Denominated in Ringgit Malaysia:		
Secured	24,902	5,735
Unsecured	52,028	-
Denominated in US Dollar:		
Secured	-	-
Unsecured	-	-
Total Bank Borrowings	76,930	5,735

B8 Material litigation since the date of the last annual statement of financial which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report

The Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group.

B9 Dividend

The Board declared an interim single-tier dividend of 1.0 sen per ordinary share, amounting to RM3,590,680 in respect of the financial year ending 31 December 2024.

The entitlement of the interim single-tier interim dividend will be determined based on the shareholders registered in the record of depositors as at 11 December 2024 and the date of payment will be on 23 December 2024.

B10 Earnings per share

Basic

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Current Year Quarter 30/09/2024	Preceding Year Quarter 30/09/2023	Current Year to date 30/09/2024	Preceding Year to date 30/09/2023
Net profit attributable to ordinary shareholders (RM'000)	1,031	7,351	8,752	17,664
Weighted average number of ordinary shares in issue ('000)	359,068	359,245	359,068	359,245
Basic earnings per share (sen)	0.29	2.05	2.44	4.92

Diluted

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding in issue during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Current Year Quarter 30/09/2024	Preceding Year Quarter 30/09/2023	Current Year to date 30/09/2024	Preceding Year to date 30/09/2023
Net profit attributable to ordinary shareholders (RM'000)	1,031	7,351	8,752	17,664
Weighted average number of ordinary shares in issue ('000)	359,068	359,245	359,068	359,245
Effect of dilution – ESOS ('000)	-	23	-	23
Weighted average number of ordinary shares in issue ('000) –diluted	359,068	359,268	359,068	359,268
Diluted earnings per share (sen)	0.29	2.05	2.44	4.92

B11 Notes to Condensed Consolidated Statement of Comprehensive Income

Net profit is arrived at after take in the following items:	Current Quarter 30/09/2024 RM'000	Current Year To Date 30/09/2024 RM'000
(a) Interest income	120	355
(b) Other income	1,345	4,659
(c) Interest expense	(1,224)	(3,997)
(d) Depreciation and amortization	(2,017)	(5,960)
(e) Provision (for) and written down of receivables	(300)	(446)
(f) Provision (for) and written down of inventories	(852)	(4,214)
(g) Gain / (loss) on disposal of quoted / unquoted investment / properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss) - Realised and unrealized	(154)	(76)
(j) Gain / (loss) on derivatives	(139)	(139)
(k) Exceptional items	N/A	N/A