



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2018**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Unaudited as at 30-Sep-18 RM'000	Audited as at 31-Dec-17 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	55,754	58,429
Goodwill on consolidation	8,592	8,592
	<u>64,346</u>	<u>67,021</u>
Current assets		
Gross amount due from customers	5,674	63
Property Development Costs	18,570	11,607
Inventories	17,396	12,852
Trade receivables	57,586	41,868
Other receivables, deposits and prepayments	31,114	34,105
Tax refundable	1,228	1,398
Fixed deposits with a licensed bank	1,899	1,389
Cash and bank balances	13,896	17,828
	<u>147,363</u>	<u>121,110</u>
TOTAL ASSETS	<u>211,709</u>	<u>188,131</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	201,529	201,529
Other reserves	(39,547)	(46,519)
	<u>161,982</u>	<u>155,010</u>
Non-controlling interests	1,073	932
Total equity	<u>163,055</u>	<u>155,942</u>
Non-current liabilities		
Borrowings	1,197	1,379
Deferred tax liabilities	1,183	1,183
	<u>2,380</u>	<u>2,562</u>
Current liabilities		
Trade payables	34,829	21,954
Other payables and accruals	7,723	6,679
Borrowings	3,163	775
Provision for taxation	559	219
	<u>46,274</u>	<u>29,627</u>
Total liabilities	<u>48,654</u>	<u>32,189</u>
TOTAL EQUITY AND LIABILITIES	<u>211,709</u>	<u>188,131</u>
Net assets per share (RM)	0.08	0.08

The notes set out on page 5 to 17 form an integral part of and should be read in conjunction with this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2018

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Sep-18 RM'000	30-Sep-17 RM'000	30-Sep-18 RM'000	30-Sep-17 RM'000
Revenue	51,748	40,087	137,390	104,205
Cost of sales	<u>(42,357)</u>	<u>(35,656)</u>	<u>(114,549)</u>	<u>(88,541)</u>
Gross profit	9,391	4,431	22,841	15,664
Other income	207	12	331	308
Administration expenses	(5,228)	(3,516)	(13,360)	(10,174)
Distribution expenses	<u>(240)</u>	<u>(231)</u>	<u>(684)</u>	<u>(712)</u>
Results from operating activities	4,130	696	9,128	5,086
Finance costs	<u>(53)</u>	<u>(48)</u>	<u>(119)</u>	<u>(158)</u>
Profit before taxation	4,077	648	9,009	4,928
Taxation	<u>(708)</u>	<u>(476)</u>	<u>(1,960)</u>	<u>(1,171)</u>
Profit for the period	3,369	172	7,049	3,757
Other comprehensive income:				
Exchange translation reserve	<u>69</u>	<u>(38)</u>	<u>64</u>	<u>(130)</u>
Total comprehensive income for the period	3,438	134	7,113	3,627
Income for the year attributable to:				
Owners of the parent	3,320	110	6,934	3,608
Non-controlling interests	<u>49</u>	<u>62</u>	<u>115</u>	<u>149</u>
	3,369	172	7,049	3,757
Total comprehensive income attributable to:				
Owners of the parent	3,361	87	6,972	3,530
Non-controlling interests	<u>77</u>	<u>47</u>	<u>141</u>	<u>97</u>
	3,438	134	7,113	3,627
Basic earning per ordinary share (sen)	<u>0.17</u>	<u>0.01</u>	<u>0.35</u>	<u>0.19</u>
Diluted earnings per ordinary share (sen)	<u>0.13</u>	<u>0.00</u>	<u>0.26</u>	<u>0.14</u>

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LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2018

	----- Attributable to owners of the parent -----										
	----- Non-distributable -----									Non-controlling interests RM'000	Total equity RM'000
Share capital RM'000	ICULS RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Discount on shares RM'000	ESOS reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total RM'000			
As at 1 January 2018	201,529	-	722	22,618	(22,618)	-	8,420	(55,661)	155,010	932	155,942
Total comprehensive income for the period	-	-	38	-	-	-	-	6,934	6,972	141	7,113
As at 30 September 2018	201,529	-	760	22,618	(22,618)	-	8,420	(48,727)	161,982	1,073	163,055
As at 1 January 2017	174,142	473	862	22,618	(22,618)	1,590	8,420	(60,660)	124,827	869	125,696
Total comprehensive income for the period	-	-	(130)	-	-	-	-	3,608	3,478	149	3,627
<i>Transactions with owners :</i>											
Issuance of shares pursuant to ICULS conversion	473	(473)							-		-
Issuance of shares pursuant to placement	18,852								18,852		18,852
Issuance of shares pursuant to ESOS	6,537								6,537		6,537
Transfer upon exercise of ESOS	1,526					(1,526)			-		-
Transfer upon expiry of ESOS						(64)		64	-		-
Total transactions with owners	27,388	(473)	-	-	-	(1,590)	-	64	25,389	-	25,389
As at 30 September 2017	201,530	-	732	22,618	(22,618)	-	8,420	(56,988)	153,694	1,018	154,712

The notes set out on page 5 to 17 form an integral part of and should be read in conjunction with this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2018

	30-Sep-18 RM'000	30-Sep-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,009	4,928
Adjustments for:		
Depreciation	3,845	3,726
Gain on disposal of property, plant and equipment	(245)	(519)
Interest expense	119	158
Interest income	(142)	(301)
Unrealised (gain)/loss on foreign exchange	(46)	677
Operating profit before working capital changes	<u>12,540</u>	8,669
Increase in contract customer	(5,611)	-
Increase in property development costs	(6,963)	(8,269)
Increase in inventories	(4,544)	(2,138)
Increase in receivables	(12,354)	(17,765)
Increase in payables	<u>13,873</u>	796
Cash used in operations	(3,059)	(18,707)
Income tax paid	(1,450)	(1,592)
Interest paid	<u>(119)</u>	(158)
Net cash used in operating activities	<u>(4,628)</u>	(20,457)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	142	294
Proceeds from disposal of property, plant and equipment	494	2,329
Purchase of property, plant and equipment	<u>(1,328)</u>	(1,168)
Net cash (used in)/generated from investing activities	<u>(692)</u>	1,455
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers acceptance	773	-
Drawdown of revolving credit	1,480	-
Repayment of finance lease	(155)	(1,052)
Repayment of bankers' acceptance	-	(2,000)
Proceeds from issuance of shares pursuant to placement	-	18,852
Proceeds from issuance of shares pursuant to ESOS	-	6,537
Withdrawal of fixed deposits	-	2,868
Net cash generated from financing activities	<u>2,098</u>	25,205
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,222)</u>	6,203
Effects of foreign exchange rates changes	(200)	(521)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>17,974</u>	16,921
CASH AND CASH EQUIVALENTS AT END	<u>14,552</u>	22,603
Represented by:		
Fixed deposits with licensed banks	656	120
Cash and bank balances	<u>13,896</u>	22,483
	<u>14,552</u>	22,603

The notes set out on page 5 to 17 form an integral part of and should be read in conjunction with this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant To MFRS 134

1. Basis of preparation

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

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the financial year ended 31 December 2017.

2. Significant accounting policies

Application of MFRS 1

The accounting policies and methods of computation adopted by Luster Industries Bhd and its subsidiaries in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2017, except for the adoption of the following Financial Reporting Standards (“FRS”), amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”).

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 2 Share-based Payment: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 140 Investment Property: Transfers of Investment Property

Annual Improvements to MFRS 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)

IC Interpretation (“IC Int”) 22 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
IC Int 23 Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle

Effective for annual periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The existing MFRS 4 and Amendments to MFRS 4 will be withdrawn upon the adoption of the new MFRS 17 which will take effect on or after 1 January 2021.

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group.

3. Auditors' qualification of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.

4. Seasonality or cyclical factors

The operations of the Group are subjected to seasonal orders throughout the financial year.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in accounting estimates

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter and financial period to date results.

7. Changes in debt and equity securities

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

8. Dividend paid

No dividend was paid during the current quarter under review.

9. Segmental information

Segmental information is presented in respect of the Group's business segments.

	9 months ended 30.09.18 (RM'000)	9 months ended 30.09.17 (RM'000)
Segment Revenue		
Manufacturing	99,603	86,730
Gaming & leisure	3,840	3,020
Property development & construction	33,947	14,455
Others	657	657
Total revenue including inter-segment sales	138,047	104,862
Elimination of inter-segment sales	(657)	(657)
Total revenue to external customers	<u>137,390</u>	<u>104,205</u>

	9 months ended 30.09.18 (RM'000)	9 months ended 30.09.17 (RM'000)
Segment Results		
Manufacturing	5,678	4,027
Gaming & leisure	288	368
Property development & construction	3,544	540
Others	(501)	(7)
Profit before taxation	9,009	4,928
Taxation	(1,960)	(1,171)
Profit for the year	<u>7,049</u>	<u>3,757</u>

	As at 30.09.18 (RM'000)	As at 30.09.17 (RM'000)
Segment Assets		
Manufacturing	159,435	130,419
Gaming & leisure	3,953	3,423
Property development & construction	70,038	41,550
Others	162,811	163,648
Total assets including inter-segment assets	396,237	339,040
Elimination of inter-segment assets	(184,528)	(158,098)
Total assets	<u>211,709</u>	<u>180,942</u>

	As at 30.09.18 (RM'000)	As at 30.09.17 (RM'000)
Segment Liabilities		
Manufacturing	51,986	28,294
Gaming & leisure	1,049	1,009
Property development & construction	64,876	39,816
Others	10,367	11,604
Total liabilities including inter-segment liabilities	<u>128,278</u>	<u>80,723</u>
Elimination of inter-segment liabilities	<u>(79,624)</u>	<u>(54,493)</u>
Total liabilities	<u><u>48,654</u></u>	<u><u>26,230</u></u>

Information about the Group's assets and liabilities by locations are detailed below:

	As at 30.09.18 (RM'000)	As at 30.09.17 (RM'000)
Segment Assets		
Malaysia	207,756	177,519
Cambodia	3,953	3,423
Total assets	<u><u>211,709</u></u>	<u><u>180,942</u></u>
Segment Liabilities		
Malaysia	47,895	25,517
Cambodia	759	713
Total liabilities	<u><u>48,654</u></u>	<u><u>26,230</u></u>

10. Revaluation of property, plant and equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 31 December 2017.

11. Material subsequent events

There were no material events subsequent to the quarter under review.

12. Changes in Group's composition

There were no changes in the composition of the Group for the current quarter under review.

13. **Changes in contingent liabilities and contingent assets**

There were no material contingent liabilities and assets as at the date of this Report.

14. **Commitments**

There were no material commitments as at the end of the current quarter except the following:

	RM'000
The balance commitments payable pursuant to:	
- Tripartite Agreement	3,710
- Project Financing, Management and Construction Agreement	<u>12,898</u>
	<u>16,608</u>

Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

1. Review of performance

Comparison with Corresponding Quarter in Previous Year

	Individual Quarter 3 Months Ended		
	(Unaudited) 30.09.18 RM'000	(Unaudited) 30.09.17 RM'000	Changes %
Revenue	51,748	40,087	29.09
Results from operating activities	4,130	696	493.39
Profit before taxation	4,077	648	529.17
Profit after taxation	3,369	172	1,858.72
Profit attributable to owners of the parent	3,320	110	2,918.18

The Group recorded a revenue and profit before taxation (PBT) of RM51.7 million and RM4.1 million respectively in current quarter under review. The revenue and PBT recorded in previous year corresponding quarter were RM40.1 million and RM0.6 million respectively. The increase in revenue was mainly due to the increase in delivery to audio visual industry and Original Equipment Manufacturer (“OEM”) products in hygiene and pest control industry in manufacturing segment and the revenue recognition of the Daerah Seberang Prai Utara project in property development and construction segment.

The manufacturing segment had recorded a revenue of RM35.1 million and RM29.8 million in current quarter under review and previous year corresponding quarter respectively. PBT recorded in manufacturing segment was RM2.2 million in current quarter under review as compared to PBT of RM0.1 million in previous year corresponding quarter. The increase in revenue and profitability was mainly due to the increase in delivery to audio visual industry and OEM products in hygiene and pest control industry.

The gaming & leisure segment recorded a revenue of RM1.5 million in current quarter under review as compared to RM1.1 million in previous year corresponding quarter. Gaming & leisure segment had recorded a PBT of RM0.1 million and RM0.2 million in current quarter under review and previous year corresponding quarter respectively.

The Group had recorded a revenue of RM15.2 million in property development & construction segment in current quarter under review as compared to RM9.2 million in previous year corresponding quarter. Property development & construction segment had recorded a PBT of RM2.0 million in current quarter under review as compared to RM0.5 million in previous year corresponding quarter. The increase in revenue was mainly due to the revenue generated from the project in Daerah Seberang Perai Utara.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 9 Months Ended		Changes %
	(Unaudited) 30.09.18 RM'000	(Unaudited) 30.09.17 RM'000	
Revenue	137,390	104,205	31.85
Results from operating activities	9,128	5,086	79.47
Profit before taxation	9,009	4,928	82.81
Profit after taxation	7,049	3,757	87.62
Profit attributable to owners of the parent	6,934	3,608	92.18

The Group had recorded a revenue and PBT of RM137.4 million and RM9.0 million respectively in current reporting period as compared to the revenue and PBT of RM104.2 million and RM4.9 million respectively in previous year corresponding period. The increase in revenue was mainly due to the sales generated from property development & construction segment and manufacturing segment.

The revenue in property development & construction segment was RM33.9 million in current reporting period as compared to RM14.5 million recorded in previous year corresponding period. This was mainly due to the revenue recognition of the project in Daerah Seberang Perai Utara.

The revenue in manufacturing segment had increased from RM86.7 million in previous year corresponding period to RM99.6 million in current reporting period. This was mainly due to the increase in delivery to audio visual industry and OEM products in hygiene and pest control industry.

The PBT in property development & construction segment had increased by RM3.0 million from RM0.5 million in previous year corresponding period to RM3.5 million in current reporting period. This was mainly due to the revenue recognition of the Daerah Seberang Prai Utara project.

The PBT in manufacturing segment had increased from RM4.0 million in previous year corresponding period to RM5.7 million in current reporting period mainly due to the increase in sales of the higher margin OEM product.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		
	(Unaudited) 30.09.18 RM'000	(Unaudited) 30.06.18 RM'000	Changes %
Revenue	51,748	44,737	15.67
Results from operating activities	4,130	2,713	52.23
Profit before taxation	4,077	2,682	52.01
Profit after taxation	3,369	1,991	69.21
Profit attributable to owners of the parent	3,320	1,968	68.70

The Group had recorded a revenue of RM51.7 million in current quarter under review as compared to a revenue of RM44.7 million in previous quarter. PBT recorded was RM4.1 million and RM2.7 million in current quarter under review and previous quarter respectively. This increase in revenue was mainly due to the revenue recognition of the Daerah Seberang Perai Utara project in property development and construction segment.

The increase in PBT was mainly contributed from property development and construction segment as a result of the revenue recognition of the Daerah Seberang Perai Utara project. The PBT recorded in property development and construction segment was RM2.0 million in current quarter under review as compared to RM0.9 million in previous quarter.

3. Prospects

Global growth is projected to edge up in the coming years. This modest recovery is predicted to be more an indication of economic stabilization than a signal of a robust and sustained revival of global demand. However, the Group will remain prudent in all its operations.

In the manufacturing segment, we will continue to differentiate ourselves from the other manufacturers to maintain competitiveness and profitability. We will continue to improve the resources to provide the value-added and soft-skilled activities especially on the product design, research and development has been put in place to position and prepare the Group to evolve itself from OEM player to become an Original Design Manufacturer (“ODM”) player. The Group is also putting in place its strategies to penetrate into the medical industry. The Group had successfully obtained its ISO13485:2016 certification.

In property development and construction segment, the Group will continue to explore additional construction related and property development projects by way of leveraging on the experiences and network of its construction key personnel. In order to minimize the investment outlay in this sector, the Group is also exploring the opportunity to enter into joint ventures to grow this segment.

As for the gaming and leisure segment, the Group continues to put in place the strategies to expand its sales network and representatives in Cambodia in its gaming and leisure segment. Offices are opened in other provinces to provide visibility and convenience for the customers, hence improving the revenue. More sales agents are also recruited by improving the rewarding system for the agents

In light of the above and barring any unforeseen circumstances, the Board is cautiously optimistic in delivering a better result in financial year 2018.

4. Variance of profit forecast or profit guarantee

No profit forecast or profit guarantee was published for the current quarter and financial period to date other than the followings:-

The Board had on 21 November 2018 announced that the Company had on the even date entered into a Second Supplemental Agreement in relation to Sale of Shares Agreement dated 30 April 2015 with Opal to amend certain terms and conditions to the Sale of Shares Agreement dated 30 April 2015 (“SSA”) and the First Supplemental Agreement to the SSA dated 4 September 2015.

5. Taxation

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.18	30.06.17	30.06.18	30.06.17
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- Current tax	(708)	(476)	(1,960)	(1,171)

The Group’s effective tax rates differ from statutory tax rate mainly because:

- a. Certain income and expenses which are not taxable and allowable; and
- b. Utilization of unabsorbed capital allowances by certain subsidiaries.

6. **Profit before taxation**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	1,287	1,247	3,845	3,726
Interest expense	53	48	119	158
Interest income	(47)	(75)	(142)	(301)
Loss/(gain) on disposal of property, plant and equipment	31	(8)	(245)	(519)
Realised (gain)/loss on foreign exchange	(222)	78	133	373
Rental income	(8)	(2)	(26)	(10)
Unrealised loss/(gain) on foreign exchange	39	163	(46)	677

Other than the above items, there are no impairment of receivables, impairment of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives as well as other exceptional items incurred for the current quarter under review.

7. **Status of corporate proposals**

Save as disclosed below, there were no corporate proposals announced or not completed as at the date of this report:

- a. The Company had on 18 April 2017 and 9 May 2017 issued 76,000,000 and 98,385,500 new ordinary shares respectively to fund the working capital of the Group and the defray corporate exercise related expenses. The status of the utilization of the total proceeds of RM7,980,000.00 and RM10,871,597.75 respectively from private placement exercise are as follows:

Purpose	Proposed Utilisation	Actual Utilisation as at 30.09.18	Balance as at 30.09.18	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Property development expenditure	10,000	8,249	1,751	Within 21 months
Working capital	8,662	8,728	-	Completed
Expenses for the corporate exercise	190	124	-	Completed
	18,852	17,101	1,751	

Note: Surplus from the expenses for the corporate exercise is adjusted accordingly to working capital.

- b. The Company had on 18 October 2018 announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 18 October 2018, resolved to approve the listing and quotation of up to 197,603,500 new ordinary shares to be issued pursuant to the Proposed.

8. Borrowings and debts securities

The Group's borrowings as at end of the current period are as follows:

As at quarter ended 30.09.18

	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	773	773
Finance lease liabilities	1,197	1,480	2,677
Revolving Credit	-	910	910
Total	<u>1,197</u>	<u>3,163</u>	<u>4,360</u>

As at quarter ended 30.09.17

	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Finance lease liabilities	<u>1,587</u>	<u>808</u>	<u>2,395</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Material litigation

There were no pending or threatened litigations or any facts likely to give rise to the proceedings which might materially and adversely affect the business except the followings:

Luster Industries Bhd Vs Citi-Champ International Limited & 4 Others

The Company had on 13 June 2017, filed a Statement of Claim at the High Court of Malaya at Shah Alam, through the Company's solicitors, Messrs YC Wong to pursue legal action against Citi-Champ International Limited (as 1st Defendant); How Soong Khong (as 2nd Defendant); Yap Yoke Chuan (as 3rd Defendant); Yap Kean Kok (as 4th Defendant); Yew Ding Wei (Practising as Ding Partnership)(as 5th Defendant) [collectively the "Defendants"]

The High Court of Malaya at Shah Alam has further fixed the continuation of trial dates to 4 January 2019, 30 January 2019 and 31 January 2019.

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30.09.18	30.09.17	30.09.18	30.09.17
Weighted average number of issued ordinary shares each ('000)	1,976,035	1,868,368	1,976,035	1,868,368
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	441,595	441,595	441,595	441,595
- Warrants B ('000)	216,000	216,000	216,000	216,000
Adjusted weighted average number of issued ordinary shares of ('000)	<u>2,633,630</u>	<u>2,525,963</u>	<u>2,633,630</u>	<u>2,525,963</u>
Diluted earnings per share (sen)	<u>0.13</u>	<u>0.00</u>	<u>0.26</u>	<u>0.14</u>

BY ORDER OF THE BOARD

Liang Wooi Gee

Deputy Managing Director

Dated this 28th day of November 2018