



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2019**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Unaudited as at 30-Jun-19 RM'000	Audited as at 31-Dec-18 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	52,495	54,436
Goodwill on consolidation	7,754	7,754
Deferred tax assets	4,565	4,565
Trade receivables	5,563	1,983
	<u>70,377</u>	<u>68,738</u>
Current assets		
Contract assets	3,680	9,141
Inventory properties	22,850	19,189
Inventories	18,586	17,651
Trade receivables	45,222	32,515
Other receivables, deposits and prepayments	33,385	35,007
Current tax assets	1,437	1,693
Fixed deposits with licensed banks	4,711	3,828
Cash and bank balances	19,035	20,972
	<u>148,906</u>	<u>139,996</u>
TOTAL ASSETS	<u>219,283</u>	<u>208,734</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	201,529	201,529
Other reserves	(30,357)	(32,959)
	<u>171,172</u>	<u>168,570</u>
Non-controlling interests	149	148
Total equity	<u>171,321</u>	<u>168,718</u>
Non-current liabilities		
Borrowings	873	1,237
Deferred tax liabilities	1,284	1,284
Trade payables	5,222	1,698
	<u>7,379</u>	<u>4,219</u>
Current liabilities		
Trade payables	23,962	22,429
Other payables and accruals	7,685	7,485
Borrowings	8,793	5,746
Current tax liabilities	143	137
	<u>40,583</u>	<u>35,797</u>
Total liabilities	<u>47,962</u>	<u>40,016</u>
TOTAL EQUITY AND LIABILITIES	<u>219,283</u>	<u>208,734</u>
Net assets per share (RM)	0.09	0.09

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2019

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Jun-19 RM'000	30-Jun-18 RM'000	30-Jun-19 RM'000	30-Jun-18 RM'000
Revenue	35,619	44,737	82,513	85,642
Cost of sales	<u>(30,168)</u>	<u>(38,356)</u>	<u>(69,856)</u>	<u>(72,192)</u>
Gross profit	5,451	6,381	12,657	13,450
Other income/(expenses)	154	588	245	124
Administrative expenses	(3,687)	(4,042)	(8,638)	(8,132)
Selling and distribution expenses	<u>(229)</u>	<u>(214)</u>	<u>(505)</u>	<u>(444)</u>
Results from operating activities	1,689	2,713	3,759	4,998
Finance costs	<u>(88)</u>	<u>(31)</u>	<u>(181)</u>	<u>(66)</u>
Profit before tax	1,601	2,682	3,578	4,932
Tax expense	<u>(532)</u>	<u>(691)</u>	<u>(973)</u>	<u>(1,252)</u>
Profit for the period	1,069	1,991	2,605	3,680
Other comprehensive income:				
Foreign currency translation differences for foreign operation	<u>53</u>	<u>119</u>	<u>(3)</u>	<u>(5)</u>
Total comprehensive income for the period	<u>1,122</u>	<u>2,110</u>	<u>2,602</u>	<u>3,675</u>
Profit attributable to:				
Owners of the parent	1,069	1,968	2,605	3,614
Non-controlling interests	<u>-</u>	<u>23</u>	<u>-</u>	<u>66</u>
	<u>1,069</u>	<u>1,991</u>	<u>2,605</u>	<u>3,680</u>
Total comprehensive income attributable to:				
Owners of the parent	1,119	2,039	2,602	3,611
Non-controlling interests	<u>3</u>	<u>71</u>	<u>(0)</u>	<u>64</u>
	<u>1,122</u>	<u>2,110</u>	<u>2,602</u>	<u>3,675</u>
Basic earning per ordinary share (sen)	<u>0.05</u>	<u>0.10</u>	<u>0.13</u>	<u>0.18</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2019

	----- Attributable to owners of the parent -----								
	----- Non-distributable -----								
	Share capital RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Discount on shares RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 1 January 2019	201,529	761	22,618	(22,618)	8,420	(42,140)	168,570	148	168,718
Total comprehensive income for the period	-	(3)	-	-	-	2,605	2,602	1	2,603
As at 30 June 2019	201,529	758	22,618	(22,618)	8,420	(39,535)	171,172	149	171,321
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	-	(5)	-	-	-	3,614	3,609	66	3,675
As at 30 June 2018	201,529	717	22,618	(22,618)	8,420	(52,047)	158,619	998	159,617

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2019

	30-Jun-19	30-Jun-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,578	4,932
Adjustments for:		
Depreciation	2,405	2,558
Loss/(gain) on disposal of property, plant and equipment	20	(276)
Impairment on inventories	345	-
Interest expense	181	66
Interest income	(147)	(95)
Unrealised loss/(gain) on foreign exchange	125	(85)
Operating profit before working capital changes	<u>6,507</u>	7,100
Changes in:		
Contract assets	5,461	(3,751)
Inventory properties	(3,661)	(7,295)
Inventories	(1,280)	(3,469)
Receivables	(14,615)	(8,771)
Payables	<u>5,245</u>	12,035
Cash (used in)/from operations	(2,343)	(4,151)
Income tax paid	(711)	(842)
Interest paid	<u>(181)</u>	(66)
Net cash (used in)/from operating activities	<u>(3,235)</u>	(5,059)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	395	95
Proceeds from disposal of property, plant and equipment	33	381
Purchase of property, plant and equipment	(518)	(622)
Net cash from/(used in) investing activities	<u>(90)</u>	(146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers' acceptance	5,643	284
Net changes in revolving credit	(1,000)	500
Repayment of finance lease	(137)	(396)
Repayment of term loan	(17)	-
Withdrawal of fixed deposits	1,028	-
Net cash from/(used in) financing activities	<u>5,517</u>	388
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,192</u>	(4,817)
Effects of foreign exchange rates changes	<u>(165)</u>	(157)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>20,944</u>	17,974
CASH AND CASH EQUIVALENTS AT END	<u>22,971</u>	13,000
Represented by:		
Fixed deposits with licensed banks	3,936	148
Cash and bank balances	<u>19,035</u>	12,852
	<u>22,971</u>	13,000

The accompany notes form an integral part of 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 2018.

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 2018, 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 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

Annual Improvements to MFRS Standards 2015-2017 Cycle

IC Interpretation 23 Uncertainty over Income Tax Treatments

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

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 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption except as mentioned below:

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

3. Auditors' qualification of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not qualified.

4. Seasonality or cyclicity 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.

	6 months ended 30.06.19 RM'000	6 months ended 30.06.18 RM'000
Segment Revenue		
Manufacturing	58,323	64,470
Property development & construction	21,619	18,782
Gaming & leisure	2,571	2,390
Others	438	438
Total revenue including inter-segment sales	<u>82,951</u>	<u>86,080</u>
Elimination of inter-segment sales	<u>(438)</u>	<u>(438)</u>
Total revenue to external customers	<u><u>82,513</u></u>	<u><u>85,642</u></u>

	6 months ended 30.06.19 RM'000	6 months ended 30.06.18 RM'000
Segment Results		
Manufacturing	942	3,462
Property development & construction	2,698	1,557
Gaming & leisure	366	165
Others	(340)	(252)
Total results	<u>3,666</u>	<u>4,932</u>
Elimination	(88)	-
Profit before tax	<u>3,578</u>	<u>4,932</u>
Tax	(973)	(1,252)
Profit for the year	<u><u>2,605</u></u>	<u><u>3,680</u></u>
	As at 30.06.19 RM'000	As at 30.06.18 RM'000
Segment Assets		
Manufacturing	145,206	157,612
Property development & construction	86,109	62,955
Gaming & leisure	6,127	3,572
Others	178,801	162,970
Total assets before elimination	<u>416,243</u>	<u>387,109</u>
Elimination	(196,960)	(182,579)
Total assets	<u><u>219,283</u></u>	<u><u>204,530</u></u>
	As at 30.03.19 RM'000	As at 30.06.18 RM'000
Segment Assets by Locations		
Malaysia	213,156	200,958
Cambodia	6,127	3,572
Total assets	<u><u>219,283</u></u>	<u><u>204,530</u></u>
	As at 30.03.19 RM'000	As at 30.06.18 RM'000
Segment Liabilities		
Manufacturing	41,022	51,964
Property development & construction	36,075	59,498
Gaming & leisure	3,075	858
Others	5,960	10,267
Total liabilities before elimination	<u>86,132</u>	<u>122,587</u>
Elimination	(38,170)	(77,675)
Total liabilities	<u><u>47,962</u></u>	<u><u>44,912</u></u>

	As at 30.06.19 RM'000	As at 30.06.18 RM'000
Segment Liabilities by Locations		
Malaysia	47,254	22,443
Cambodia	708	429
Total liabilities	<u>47,962</u>	<u>22,872</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 2018.

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>11,698</u>
	<u>15,408</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) 30.06.19 RM'000	(Unaudited) 30.06.18 RM'000	Changes %
Revenue	35,619	44,737	(20.38)
Results from operating activities	1,689	2,713	(37.74)
Profit before tax	1,601	2,682	(40.31)
Profit after tax	1,069	1,991	(46.31)
Profit attributable to owners of the parent	1,069	1,968	(45.68)

The Group recorded a revenue and profit before tax (“PBT”) of RM35.6 million and RM1.6 million respectively in current quarter under review as compared to RM44.7 million and RM2.7 million respectively in previous year corresponding quarter. The lower revenue in current quarter under review was mainly due to lower sales recorded in manufacturing segment. As a result, the manufacturing segment recorded a loss before tax (“LBT”) of RM0.1 million in current quarter under review.

The revenue and LBT recorded in manufacturing segment were RM25.6 million and RM0.1 million respectively in current quarter under review as compared to RM36.2 million and PBT of RM1.8 million respectively in previous year corresponding quarter. The higher revenue recorded in previous year corresponding period was mainly due to the higher delivery of the “Electric Fly Killer” products to United States of America. The electrical & electronic (“E&E”) products recorded lower sales as compared to previous year corresponding period mainly due to the lower demand from our E&E customers. Our machining division in the manufacturing segment also recorded a lower demand from its main customer in the air-conditioning and refrigeration industry. The lower revenue recorded in current quarter under review has affected the profitability of the manufacturing segment.

The Group had recorded a revenue of RM8.8 million in current quarter under review as compared to RM7.4 million in previous year corresponding quarter in property development & construction segment. Property development & construction segment had recorded a PBT of RM1.6 million in current quarter under review as compared to RM0.9 million in previous year corresponding quarter. The successful launch of project in Daerah Seberang Perai Utara had contributed to the higher recognition of the revenue and PBT.

The gaming & leisure segment recorded a revenue and PBT of RM1.3 million and RM0.2 million in current quarter under review respectively as compared to RM1.2 million and RM0.1 million in previous year corresponding quarter respectively. The Management is maintaining the operation of the digit game while engaging and directing its focus on establishing new games and also the propose operation of the hotel and casino.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 6 Months Ended		Changes %
	(Unaudited) 30.06.19 RM'000	(Unaudited) 30.06.18 RM'000	
Revenue	82,513	85,642	(3.65)
Results from operating activities	3,759	4,998	(24.79)
Profit before tax	3,578	4,932	(27.45)
Profit after tax	2,605	3,680	(29.21)
Profit attributable to owners of the parent	2,605	3,614	(27.92)

The Group had recorded a revenue and PBT of RM82.5 million and RM3.6 million in current reporting period as compared to the revenue and PBT of RM85.6 million and RM4.9 million in previous year corresponding period. The lower revenue was mainly due to the lower demand in the manufacturing segment, hence, affecting the profitability of the segment and the Group.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		Changes %
	(Unaudited) 30.06.19 RM'000	(Unaudited) 31.03.19 RM'000	
Revenue	35,619	46,894	(24.04)
Results from operating activities	1,689	2,070	(18.41)
Profit before taxation	1,601	1,977	(19.02)
Profit after taxation	1,069	1,536	(30.40)
Profit attributable to owners of the parent	1,069	1,536	(30.40)

The revenue recorded in current quarter under review was RM35.6 million as compared to a revenue of RM46.9 million in previous quarter. This was mainly due to the higher demand from customers in hygiene and pest control industry and construction industry in manufacturing segment in previous quarter. The revenue recognition in the property development and construction segment also lower as compared to previous quarter mainly due to higher revenue recognition for the construction project in Kelantan in previous quarter.

PBT recorded was RM1.6 million in current quarter under review as compared to RM2.0 million in previous quarter. This was mainly due to the lower demand in the manufacturing segment, hence, affecting the bottom-line of the segment and the Group.

3. **Prospects**

The global economy remains uncertain as a result of the escalating trade conflicts between United States of America and China, a contraction in world trade could drag down the global demand even more.

Despite the global outlook uncertainty, Malaysia's near-term growth outlook remains resilient with sound macroeconomic fundamentals, stable financial conditions and diversified economic structure. The Group will remain prudent in all its operations.

The manufacturing segment will continue to differentiate itself from the other manufacturers to generate higher revenue and improved margin. The Manufacturing segment will continue the strategies to position and prepare itself to evolve to become an Original Design Manufacturer ("ODM") player.

The residential property market in Malaysia is expected to grow marginally following the mismatch between demand and supply. However, the demand for residential property will continue to be fueled by the affordable housing scheme currently promoted by both the Federal and State governments. The property development and construction segment has successfully launched the affordable housing project in Daerah Seberang Perai Utara and the sales have been encouraging. The affordable housing project in Pengkalan Hulu, Perak, under the "Built Then Sell" ("BTS") scheme is almost completed. The property development and construction segment will continue to explore the opportunity in the development of the affordable housing scheme for the near-term. This segment will adopt a more careful and prudent strategies in developing the high-medium and high-end housing development projects.

Cambodia's economy is predicted to remain resilient and maintain a high growth rate this year in the face of challenges posed by the global economy. Domestic demand has boosted by higher wage growth and larger public investments with fiscal expansion serving as stimulus. This has significantly contributed to the larger disposal income of the population. The growth experienced by the country, has also contributed positively to the growth of the digit forecast gaming industry. The gaming and leisure segment continues to put in place the strategies to expand its sales network and representatives in Cambodia to capture a bigger market share in this growing market

Buoyed by Cambodia's rapidly growing tourism industry, gaming has enjoyed a steady growth in the recent years. With the influx of Chinese tourists to Cambodia and also the growth in the neighbouring country, Vietnam, the company has also put in place the plan to establish its casino operation in 2019. The company had leased a piece of land in Kampot Province bordering Vietnam for its casino operation. The company is also at the stage of final discussion with the consultants for the construction of the casino and hotel building. With the efforts of the tour agencies to attract more tourists to Cambodia and the Cambodian Government to enact more gaming legislation to streamline the gaming industry, the Cambodian gaming industry is buoyed for growth and outlook is promising.

In light of the above and barring any unforeseen circumstances, the Board is cautiously optimistic in delivering a better result in financial year 2019.

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.

5. Taxation

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- Current tax	(532)	(691)	(973)	(1,252)

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

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

6. Profit before taxation

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Bad debt recovered	(1)	-	(1)	-
Depreciation	1,203	1,287	2,405	2,558

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Loss/(gain) on disposal of property, plant and equipment	32	(276)	20	(276)
Impairment loss on inventories	37	-	345	-
Interest expense	88	31	181	66
Interest income	(77)	(53)	(147)	(95)
Realised loss on foreign exchange	5	65	195	355
Rental income	(49)	(10)	(56)	(18)
Unrealised (gain)/loss on foreign exchange	(23)	(312)	125	(85)

Other than the above items, there are no impairment of receivables, 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:

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 Private Placement. On 8 April 2019, the Company further announced that Bursa Securities had, vide its letter dated 8 April 2019, resolved to grant the Company an extension of time of 6 months until 17 October 2019 to complete the Placement.

8. Borrowings and debts securities

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

	As at quarter ended 30.06.19		
	Non-Current	Current	Total
	RM'000	RM'000	RM'000
Secured			
Bankers acceptance	-	7,143	7,143
Finance lease liabilities	631	1,115	1,746
Overdraft	-	-	-
Revolving credit	-	500	500
Term loan	242	35	277
Total	873	8,793	9,666

As at quarter ended 30.06.18

	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	284	284
Finance lease liabilities	1,068	798	1,866
Revolving credit	-	500	500
Finance lease liabilities	<u>1,068</u>	<u>1,582</u>	<u>2,650</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 (“High Court”), 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 trial has concluded on 6 March 2019, the High Court had adjourned the oral submission or clarification of the written submission to 9 October 2019.

10. Proposed dividend

No dividend was proposed for the current quarter under review.

11. Earnings per share

The basic earnings per share for the current quarter and cumulative period to date are computed as below:

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Income attributable to owners of the parent (RM'000)	1,069	1,968	2,605	3,614

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Weighted average number of issued ordinary shares ('000)	1,976,035	1,976,035	1,976,035	1,976,035
Basic earnings per share (sen)	0.05	0.10	0.13	0.18

^ Based on the 30-days weighted average market price of share of Luster Industries Bhd. up to 30 June 2019, the warrants issued are anti-dilutive. Therefore, there is no calculation of diluted earnings per share for the current period based on the assumption of non-exercise of the above securities.

BY ORDER OF THE BOARD
Liang Wooi Gee
Deputy Managing Director
Dated this 26th day of August 2019