



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Unaudited as at 31-Dec-20 RM'000	Audited as at 31-Dec-19 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,664	51,330
Right-of-use assets	77	264
Goodwill on consolidation	6,446	6,446
Deferred tax assets	3,039	3,332
Trade receivables	2,724	5,521
Other receivables, deposits and prepayments	12,374	2,466
	<u>76,324</u>	<u>69,359</u>
Current assets		
Inventory properties	43,691	37,066
Inventories	18,970	18,159
Trade receivables	91,959	54,274
Contract assets	1,934	7,134
Contract costs	1,258	2,798
Other receivables, deposits and prepayments	19,381	30,884
Current tax assets	740	844
Fixed deposit with licensed banks	24,922	4,789
Cash and bank balances	76,247	18,570
	<u>279,102</u>	<u>174,518</u>
	<u>355,426</u>	<u>243,877</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	299,299	207,829
Other reserves	(17,890)	(23,759)
	<u>281,409</u>	<u>184,070</u>
Non-controlling interests	1,084	158
Total equity	<u>282,493</u>	<u>184,228</u>
Non-current liabilities		
Borrowings	1,839	2,125
Lease liabilities	2	41
Trade payables	2,262	4,515
Deferred taxation	1,239	764
	<u>5,342</u>	<u>7,445</u>
Current liabilities		
Trade payables	39,302	29,018
Other payables and accruals	15,133	13,356
Borrowings	11,557	7,497
Lease liabilities	84	233
Contract liabilities	1,176	784
Current tax liabilities	339	1,316
	<u>67,591</u>	<u>52,204</u>
Total liabilities	<u>72,933</u>	<u>59,649</u>
	<u>355,426</u>	<u>243,877</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share (RM)	0.10	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 12 MONTHS PERIOD ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	31-Dec-20 RM'000	31-Dec-19 RM'000	31-Dec-20 RM'000	31-Dec-19 RM'000
Revenue	48,197	49,108	183,471	182,551
Cost of sales	<u>(41,934)</u>	<u>(41,227)</u>	<u>(157,608)</u>	<u>(152,640)</u>
Gross profit	6,263	7,881	25,863	29,911
Other income	1,251	241	2,157	921
Administrative expenses	(3,893)	(4,459)	(16,030)	(16,530)
Selling and distribution expenses	<u>(349)</u>	<u>(277)</u>	<u>(1,045)</u>	<u>(1,004)</u>
Results from operating activities	3,272	3,386	10,945	13,298
Finance costs	<u>(1,304)</u>	<u>(208)</u>	<u>(1,932)</u>	<u>(552)</u>
Profit before tax	1,968	3,178	9,013	12,746
Tax expense	<u>(819)</u>	<u>(964)</u>	<u>(3,126)</u>	<u>(3,417)</u>
Profit for the period	1,149	2,214	5,887	9,329
Other comprehensive income:				
Foreign currency translation differences for foreign operation	<u>(157)</u>	<u>(62)</u>	<u>(97)</u>	<u>(38)</u>
Total comprehensive income for the period	992	2,152	5,790	9,291
Profit attributable to:				
Owners of the parent	1,229	2,201	5,962	9,310
Non-controlling interests	<u>(80)</u>	13	<u>(75)</u>	19
	1,149	2,214	5,887	9,329
Total comprehensive income attributable to:				
Owners of the parent	1,080	2,142	5,870	9,274
Non-controlling interests	<u>(88)</u>	10	<u>(80)</u>	17
	992	2,152	5,790	9,291
Basic earning per ordinary share (sen)	<u>0.06</u>	0.11	<u>0.27</u>	0.47
Diluted earnings per ordinary share (sen)	<u>0.04</u>	NA	<u>0.21</u>	NA

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 12 MONTHS PERIOD ENDED 31 DECEMBER 2020

	----- Attributable to owners of the parent -----								
	----- Non-distributable -----							Non- controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Warrant reserve	Discount on shares	Capital reserve	Accumulated losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	207,829	21	22,618	(22,618)	8,420	(32,200)	184,070	158	184,228
Total comprehensive income for the period	-	(93)	-	-	-	5,962	5,869	(79)	5,790
<i>Transactions with owners :</i>									
Issuance of shares pursuant to placement	91,470						91,470		91,470
Acquisition of interest in subsidiary							-	1,005	1,005
Total transactions with owners	91,470	-	-	-	-	-	91,470	1,005	92,475
As at 31 December 2020	299,299	(72)	22,618	(22,618)	8,420	(26,238)	281,409	1,084	282,493
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	-	(37)	-	-	-	9,310	9,273	17	9,290
<i>Transactions with owners :</i>									
Issuance of shares pursuant to placement	6,300						6,300		6,300
Acquisition of interest in subsidiary							-	(7)	(7)
Total transactions with owners	6,300	-	-	-	-	-	6,300	(7)	6,293
As at 31 December 2019	207,829	724	22,618	(22,618)	8,420	(32,830)	184,143	158	184,301

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 12 MONTHS PERIOD ENDED 31 DECEMBER 2020

	31-Dec-20 RM'000	31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,013	12,746
Adjustments for:		
Accretion of interest	159	-
Depreciation	4,458	4,832
Depreciation of right-of-use assets	284	-
(Gain)/loss on disposal of property, plant and equipment	(76)	38
Impairment on goodwill on consolidation	-	1,308
Impairment on inventories	3	327
Interest expense	835	552
Interest income	(422)	(637)
Property, plant and equipment written off	-	23
Reversal of impairment loss on property, plant and equipment	-	(1,441)
Unrealised loss on foreign exchange	198	162
Unwinding of discounts	1,097	-
Operating profit before working capital changes	<u>15,549</u>	<u>17,910</u>
Changes in:		
Inventory properties	(6,625)	118
Inventories	(814)	(835)
Receivables	(34,629)	(23,824)
Contract assets	5,200	1,210
Contract costs	1,540	(2,797)
Payables	9,984	16,727
Contract liabilities	392	-
Cash from operations	<u>(9,403)</u>	<u>8,509</u>
Income tax paid	(3,231)	(750)
Interest paid	<u>(835)</u>	<u>(552)</u>
Net cash used in operating activities	<u>(13,469)</u>	<u>7,207</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	1,005	-
Acquisition of Right of use	(96)	(264)
Cash flows on acquisition of equity interests in subsidiaries	-	(17,848)
Interest received	422	875
Proceeds from disposal of property, plant and equipment	75	194
Purchase of property, plant and equipment	(4,792)	(542)
Net cash (used in)/from investing activities	<u>(3,386)</u>	<u>(17,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers' acceptance	2,314	5,119
Net changes in revolving credit	2,000	(1,500)
Net changes in term loan	(95)	1,940
Drawdown of lease liabilities	-	275
Payment of lease liabilities	(349)	-
Proceed from issuance of shares pursuant to placement	91,470	6,300
Repayment of finance lease liabilities	(444)	(1,115)
(Placement)/withdrawal of fixed deposits	(16)	1,011
Net cash from financing activities	<u>94,880</u>	<u>12,030</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>78,025</u>	<u>1,652</u>
Effects of foreign exchange rates changes	<u>(231)</u>	<u>(39)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>22,557</u>	<u>20,944</u>
CASH AND CASH EQUIVALENTS AT END	<u>100,351</u>	<u>22,557</u>
Represented by:		
Fixed deposits with licensed banks	24,104	3,987
Cash and bank balances	76,247	18,570
	<u>100,351</u>	<u>22,557</u>

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 2019.

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 2019, 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 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Business Combinations: Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

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 and of the Company upon adoption.

3. Auditors' qualification of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 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.

	12 months ended 31.12.20 RM'000	12 months ended 31.12.19 RM'000
Segment Revenue		
Manufacturing	126,324	110,224
Property development & construction	52,340	66,408
Gaming & leisure	4,807	5,919
Others	331	876
Total revenue including inter-segment sales	<u>183,802</u>	<u>183,427</u>
Elimination of inter-segment sales	<u>(331)</u>	<u>(876)</u>
Total revenue to external customers	<u>183,471</u>	<u>182,551</u>

	12 months ended 31.12.20 RM'000	12 months ended 31.12.19 RM'000
Segment Results		
Manufacturing	950	3,390
Property development & construction	9,605	11,132
Gaming & leisure	173	464
Others	766	3,576
Total results	<u>11,494</u>	<u>18,562</u>
Elimination	<u>(2,481)</u>	<u>(5,816)</u>
Profit before tax	9,013	12,746
Tax	<u>(3,126)</u>	<u>(3,417)</u>
Profit for the period	<u>5,887</u>	<u>9,329</u>

	As at 31.12.20 RM'000	As at 31.12.19 RM'000
Segment Assets		
Manufacturing	142,810	142,336
Property development & construction	139,027	114,978
Gaming & leisure	6,229	6,410
Others	319,227	208,954
Total assets before elimination	<u>607,293</u>	<u>472,678</u>
Elimination	<u>(251,867)</u>	<u>(221,472)</u>
Total assets	<u>355,426</u>	<u>251,206</u>

Segment Assets by Locations		
Malaysia	349,197	244,796
Cambodia	6,229	6,410
Total assets	<u>355,426</u>	<u>251,206</u>

	As at 31.12.20 RM'000	As at 31.12.19 RM'000
Segment Liabilities		
Manufacturing	54,049	35,503
Property development & construction	74,793	58,879
Gaming & leisure	421	2,986
Others	26,808	25,582
Total liabilities before elimination	<u>156,071</u>	<u>122,950</u>
Elimination	<u>(83,138)</u>	<u>(56,045)</u>
Total liabilities	<u>72,933</u>	<u>66,905</u>
Segment Liabilities by Locations		
Malaysia	72,512	66,261
Cambodia	421	644
Total liabilities	<u>72,933</u>	<u>66,905</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 2019.

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>2,054</u>
	<u>5,764</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		Changes %
	(Unaudited) 31.12.20 RM'000	(Unaudited) 31.12.19 RM'000	
	Revenue	48,197	
Results from operating activities	3,272	3,386	(3.37)
Profit before tax (“PBT”)	1,968	3,178	(38.07)
Profit after tax	1,149	2,214	(48.10)
Profit attributable to owners of the parent	1,229	2,201	(44.16)

The revenue and profit before tax recorded by the Group was RM48.2 million and RM2.0 million respectively in current quarter under review as compared to RM49.1 million and RM3.2 million respectively in previous year corresponding quarter.

The lower revenue recorded by the Group was mainly attributed by the lower revenue recorded in the property development & construction segment which was RM8.7 million in current quarter under review as compared to RM22.2 million in previous year corresponding quarter. The lower revenue recorded in current quarter under review was mainly due to the on-going housing project in Daerah Seberang Perai Utara has lower billing towards its completion stage. The PBT recorded was RM0.2 million in current quarter under review as compared to RM3.2 million in previous year corresponding quarter. This was mainly due to the lower sales recognised and the provision of unwinding discount of RM1.1 million on the reclassification of the current assets to non-current asset.

The revenue recorded in manufacturing segment was RM38.0 million in current quarter under review as compared to RM25.0 million in previous year corresponding quarter. This was mainly due to the deliveries of the OEM audio product in current quarter under review. The PBT for the current quarter under review was RM2.3 million as compare to RM1.3 million in the previous year corresponding quarter. This was mainly due to the reversal of provision of custom duties of RM1.2 million in current quarter under review. Included in the PBT in previous year corresponding quarter was the reversal of impairment loss on property, plant and equipment of RM1.4 million.

The gaming & leisure segment recorded a revenue of RM1.1 million in current quarter under review as compared to RM1.9 million in previous year corresponding quarter. The gaming & leisure segment had recorded a loss of RM0.6 thousand in current quarter under review as compared to loss in the previous year corresponding quarter of

RM0.3 million mainly due to the presentation of gaming tax in the income statement where it reclassified its year-to-date gaming tax of RM0.5 million from taxation to sales tax in the administrative expenses in the previous year corresponding quarter. Without this reclassification, the PBT in the previous year corresponding quarter would be RM0.2 million.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 12 months Ended		
	(Unaudited) 31.12.20 RM'000	(Unaudited) 31.12.19 RM'000	Changes %
Revenue	183,471	182,551	0.50
Results from operating activities	10,945	13,298	(17.69)
Profit before tax	9,013	12,746	(29.29)
Profit after tax	5,887	9,329	(36.90)
Profit attributable to owners of the parent	5,962	9,310	(35.96)

The revenue recorded was RM183.5 million in current reporting period as compared to RM182.6 million in previous year corresponding period. The PBT in current reporting period was RM9.0 million as compared to RM12.7 million in previous year corresponding period.

The manufacturing segment had recorded a revenue of RM126.3 million in current reporting period as compared to RM110.2 million in previous year corresponding period. This was mainly due to the deliveries of the OEM audio product in current reporting period. The PBT recorded in current reporting period was RM1.0 million as compared to PBT of RM3.4 million in previous year corresponding period. This was mainly due to the initial overheads incurred on the manufacturing of the OEM Project for a sound system product. The deliveries of the OEM audio product had been delayed due to the Covid-19 pandemic. The PBT in current reporting period was also due to the reversal of provision of custom duties of RM1.2 million in current quarter under review. Included in the PBT in previous year corresponding quarter was the reversal of impairment loss on property, plant and equipment of RM1.4 million.

The revenue and PBT recorded in property development and construction segment was RM52.3 million and RM9.6 million respectively in current reporting period as compared to RM66.4 million and RM11.1 million respectively in previous year corresponding period. This was mainly due to the provision of unwinding discount of RM1.1 million on the reclassification of the current assets to non-current asset.

The gaming and leisure segment had recorded a revenue of RM4.8 million in current reporting period as compared to RM5.9 million previous year corresponding period. This was mainly due to Covid-19 lockdown. The PBT in current reporting period was RM0.2 million as compared to RM0.5 million in previous year corresponding period.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		
	(Unaudited)	(Unaudited)	Changes %
	31.12.20 RM'000	30.09.20 RM'000	
Revenue	48,197	51,628	(6.65)
Results from operating activities	3,272	3,753	(12.82)
Profit before taxation	1,968	3,525	(44.17)
Profit after taxation	1,149	2,784	(58.73)
Profit attributable to owners of the parent	1,229	2,782	(55.82)

The revenue recorded in current quarter under review was RM48.2 million as compared to a revenue of RM51.6 million in previous quarter. The PBT was RM2.0 million in current quarter under review as compared to RM3.5 million in previous quarter. This was mainly due to lower revenue recognised in Property development & construction segment.

Property development & construction segment recorded a revenue of RM8.7 million in current quarter under review as compared to RM13.7 million in previous quarter. The lower revenue recorded in current quarter under review was mainly due to the on-going housing project in Daerah Seberang Perai Utara has lower billing towards its completion stage. The PBT recorded was RM0.2 million in current quarter under review as compare to RM2.9 million in previous quarter. This was mainly due to the provision of unwinding discount of RM1.1 million on the reclassification of the current assets to non-current asset.

The revenue in the manufacturing segment had increased by RM1.7 million from RM36.7 million in previous quarter to RM38.4 million in current quarter under review. The PBT recorded was RM2.3 million in current quarter under review as compared to RM0.9 million in previous quarter. This was mainly due to the reversal of provision of custom duties of RM1.2 million in current quarter under review.

The gaming & leisure segment had recorded a revenue of RM1.1 million in current quarter under review as compared to RM1.2 million in previous quarter. The gaming & leisure segment recorded a breakeven in PBT in current quarter under review as compared to a PBT of RM0.1 million in previous quarter.

3. Prospects

The global growth rate has adversely affected by the current outbreak of the Covid-19. Henceforth, the Group will take proactive measures to ensure that it will remain steadfast and to optimise the opportunities presented in any economic situations.

The Group will continue to explore the opportunity in the relocation of business from China to South East Asia pursuant mainly to the trade war between China and the the United States of America as well as most of the companies' strategy to extend their manufacturing source outside of China as part of their risk management strategy. One of the project from China is expected to start in Q2 of 2021. During this Covid-19 pandemic, the manufacturing segment will further improve on productivity and cost structure in order to position itself in the current competitive and uncertain market situation. The Group will also continue to explore the opportunities and expand its existing hygiene and healthcare products.

Pursuant to the earlier announcement on the diversification into the glove manufacturing, the Group had identified a piece of land whereby the sale and purchase agreement will be finalised soon. While waiting for the completion of the sale and purchase agreement of the land, the factory building plan as well as the high speed double former dipping production lines layout and structure has been completed. Orders have also been placed for the materials for the construction of the factory building as well as for the construction of the machines. During this construction period, the Group, with the assistant of its partner, has managed to start the trading activities for the gloves. The Group has also started to place order for the raw materials for the glove manufacturing. The marketing activities have also started and is expected to close certain sales contracts in Q1 of 2021 and the manufacturing operation is expected to be started in early Q3 of 2021.

As for property development and construction segment, the number of property transactions in 2020 might be adversely affected by the Covid-19 pandemic. However, the impact on affordable housing is expected to be minimal with the assistance provided by the Government. In light of the above, the Board believes that the property development and construction segment has potential to grow and will continue to explore the opportunities in the affordable housing. The preliminary work on the Cyber South Project to build townhouse and landed houses with affordable price had already been started.

Given the current situation, the Board will remain its current position in the gaming & leisure segment.

The Board continues to explore the opportunities present in the market place either locally or abroad, from within its core business or other business segments, to enhance its revenue and profitability. The Board believes that diversification would stabilize and improve the Group's future earnings.

4. Variance of profit forecast or profit guarantee

No profit forecast or profit guarantee was issued.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax: Based on results for the period:				
- Current tax	49	(445)	(2,225)	(2,898)
- Deferred tax	(748)	280	(748)	280
	(699)	(165)	(2,973)	(2,618)
(Under)/over provision in prior year:				
- Current tax	(114)	119	(147)	119
- Deferred tax	(6)	(918)	(6)	(918)
	(120)	(799)	(153)	(799)
	(819)	(964)	(3,126)	(3,417)

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		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Bad debt recovered	-	(5)	-	(6)
Depreciation	968	1,216	4,458	4,832
Depreciation of right-of-use assets	99	-	284	-
Impairment loss on goodwill on consolidation	-	1,308	-	1,308
Impairment loss on inventories	(53)	(16)	3	327
Interest expense	207	208	835	552
Interest income	(242)	(94)	(422)	(637)
(Gain)/loss on disposal of property, plant and equipment	(76)	18	(76)	38

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Property, plant and equipment written off	-	23	-	23
Realised loss/(gain) on foreign exchange	793	23	218	235
Rental income	(9)	52	(29)	(28)
Reversal of impairment loss on property, plant and equipment	-	(1,441)	-	(1,441)
Unrealised loss/(gain) on foreign exchange	(493)	75	198	162
Unwinding of discounts	1,097	-	1,097	-

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:

- i. On 13 October 2020, the Company had issued 237,124,202 new ordinary shares through private placement exercise. The placement shares were issued at an issue price of RM0.111 per share. The total proceeds of RM26,320,786.42 was received. The status of the utilisation of the total proceeds from private placement exercise is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation as at 31.12.20 RM'000	Balance as at 31.12.2020 RM'000	Intended Timeframe for Utilisation
General working capital	26,278	5,491	20,787	Within 12 months
Expenses for the corporate exercise	43	43	-	Within 2 weeks
	26,321	5,534	20,787	

- ii. On 29 December 2020, the Company had issued 482,150,000 new ordinary shares through private placement exercise. The placement shares were issued at an issue price of RM0.125 per share. The total proceeds of RM60,268,750.00 was received.

The status of the utilisation of the total proceeds from private placement exercise is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation as at 31.12.20 RM'000	Balance as at 31.12.2020 RM'000	Intended Timeframe for Utilisation
Investment in glove business	50,000	-	50,000	Within 12 months
General working capital	10,049	-	10,049	Within 12 months
Expenses for the corporate exercise	220	-	220	Within 2 weeks
	60,269	-	60,269	

8. Borrowings and debts securities

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

As at quarter ended 31.12.20

	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	8,933	8,933
Finance lease liabilities	170	154	324
Revolving credit	-	2,000	2,000
Term loan	1,669	470	2,139
Total	1,839	11,557	13,396

As at quarter ended 31.12.19

	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	6,619	6,619
Finance lease liabilities	272	496	768
Term loan	1,853	382	2,235
Total	2,125	7,497	9,622

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 Company had on 18 December 2019 announced that the 2nd, 3rd, 4th and 5th defendants had filed an appeal to the Court of Appeal on 9 December 2019 and 10 December 2019 respectively against the Shah Alam High Court’s decision on 13 November 2019. The Court had fixed a further case management date on 26 February 2021 for the appeal filed by 2nd, 3rd, 4th and 5th defendant against the Company.

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		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	31.12.20	31.12.19	31.12.20	31.12.19
Income attributable to owners of the parent (RM'000)	1,229	2,201	5,962	9,310
Adjusted number of issued ordinary shares of RM0.10 each ('000)	2,076,035	1,976,035	2,076,035	1,976,035
Effect of shares issued pursuant to private placement ('000)	124,486	20,822	124,486	20,822
Weighted average number of issued ordinary shares of RM0.10 each (‘000)	2,200,521	1,996,857	2,200,521	1,996,857
Basic earnings per share (sen)	0.06	0.11	0.27	0.47

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	31.12.20	31.12.19	31.12.20	31.12.19
Profit attributable to owners of the parent (RM'000)	1,229	^	5,962	^
Weighted average number of issued ordinary shares each ('000)	2,200,521	^	2,200,521	^
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	441,595	^	441,595	^
- Warrants B ('000)	216,000	^	216,000	^
Adjusted weighted average number of issued ordinary shares of ('000)	2,858,116	^	2,858,116	^
Diluted earnings per share (sen)	0.04	^	0.21	^

^ Based on the 30-days weighted average market price of share of Luster Industries Bhd. up to 31 December 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 25th day of February 2021