



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Unaudited as at 31-Mar-21 RM'000	Audited as at 31-Dec-20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,764	51,664
Right-of-use assets	579	238
Goodwill on consolidation	6,446	6,446
Intangible assets	1,100	-
Deferred tax assets	3,039	3,039
Trade receivables	5,914	2,724
Other receivables, deposits and prepayments	12,432	12,374
	<u>94,274</u>	<u>76,485</u>
Current assets		
Inventory properties	44,230	43,691
Inventories	18,797	18,970
Trade receivables	89,711	91,209
Contract assets	3,255	1,934
Contract costs	645	1,258
Other receivables, deposits and prepayments	19,858	19,381
Current tax assets	938	740
Fixed deposit with licensed banks	4,941	24,922
Cash and bank balances	89,452	76,247
	<u>271,827</u>	<u>278,352</u>
	<u>366,101</u>	<u>354,837</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	299,305	299,299
Other reserves	(15,318)	(17,888)
	<u>283,987</u>	<u>281,411</u>
Non-controlling interests	4,252	1,084
Total equity	<u>288,239</u>	<u>282,495</u>
Non-current liabilities		
Borrowings	1,701	1,837
Lease liabilities	361	83
Trade payables	6,053	2,262
Deferred taxation	1,209	1,239
	<u>9,324</u>	<u>5,421</u>
Current liabilities		
Trade payables	29,167	38,517
Other payables and accruals	16,172	15,168
Borrowings	20,398	11,554
Lease liabilities	253	166
Contract liabilities	1,705	1,177
Current tax liabilities	843	339
	<u>68,538</u>	<u>66,921</u>
Total liabilities	<u>77,862</u>	<u>72,342</u>
	<u>366,101</u>	<u>354,837</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share (RM)	0.10	0.10

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 3 MONTHS PERIOD ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	31-Mar-21 RM'000	30-Mar-20 RM'000	31-Mar-21 RM'000	30-Mar-20 RM'000
Revenue	43,911	48,214	43,911	48,214
Cost of sales	<u>(36,341)</u>	<u>(40,874)</u>	<u>(36,341)</u>	<u>(40,874)</u>
Gross profit	7,570	7,340	7,570	7,340
Other income	590	262	590	262
Administrative expenses	(3,809)	(4,451)	(3,809)	(4,451)
Selling and distribution expenses	<u>(277)</u>	<u>(231)</u>	<u>(277)</u>	<u>(231)</u>
Results from operating activities	4,074	2,920	4,074	2,920
Finance costs	<u>(158)</u>	<u>(151)</u>	<u>(158)</u>	<u>(151)</u>
Profit before tax	3,916	2,769	3,916	2,769
Tax expense	<u>(1,017)</u>	<u>(1,047)</u>	<u>(1,017)</u>	<u>(1,047)</u>
Profit for the period	2,899	1,722	2,899	1,722
Other comprehensive income:				
Foreign currency translation differences for foreign operation	<u>139</u>	<u>270</u>	<u>139</u>	<u>270</u>
Total comprehensive income for the period	3,038	1,992	3,038	1,992
Profit attributable to:				
Owners of the parent	2,438	1,718	2,438	1,718
Non-controlling interests	<u>461</u>	<u>4</u>	<u>461</u>	<u>4</u>
	2,899	1,722	2,899	1,722
Total comprehensive income attributable to:				
Owners of the parent	2,570	1,975	2,570	1,975
Non-controlling interests	<u>468</u>	<u>17</u>	<u>468</u>	<u>17</u>
	3,038	1,992	3,038	1,992
Basic earning per ordinary share (sen)	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>
Diluted earnings per ordinary share (sen)	<u>0.07</u>	NA	<u>0.07</u>	NA

The accompanying 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 3 MONTHS PERIOD ENDED 31 MARCH 2021

	----- Attributable to owners of the parent -----								
	----- Non-distributable -----							Non- controlling interests RM'000	Total equity RM'000
	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		
As at 1 January 2021	299,299	(72)	22,618	(22,618)	8,420	(26,236)	281,411	1,084	282,495
Total comprehensive income for the period	-	132	-	-	-	2,438	2,570	468	3,038
<i>Transactions with owners :</i>									
Issuance of shares pursuant to exercise of warrants	6						6		6
Acquisition of interest in subsidiary							-	2,700	2,700
Total transactions with owners	6	-	-	-	-	-	6	2,700	2,706
As at 31 March 2021	299,305	60	22,618	(22,618)	8,420	(23,798)	283,987	4,252	288,239
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	-	256	-	-	-	1,718	1,974	18	1,992
<i>Transactions with owners :</i>									
Acquisition of interest in subsidiary							-	115	115
Total transactions with owners	-	-	-	-	-	-	-	115	115
As at 30 March 2020	207,829	277	22,618	(22,618)	8,420	(30,482)	186,044	291	186,335

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 3 MONTHS PERIOD ENDED 31 MARCH 2021

	31-Mar-21 RM'000	30-Mar-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,916	2,769
Adjustments for:		
Accretion of interest	45	4
Depreciation	1,059	1,154
Depreciation of right-of-use assets	79	65
Gain on disposal of property, plant and equipment	(6)	-
Impairment on inventories	23	83
Interest expense	158	151
Interest income	(306)	(34)
Unrealised gain on foreign exchange	(341)	(486)
Operating profit before working capital changes	<u>4,627</u>	<u>3,706</u>
Changes in:		
Inventory properties	(539)	(63)
Inventories	150	(3,675)
Receivables	(1,427)	(15,334)
Contract assets	(1,321)	(4,410)
Contract costs	613	1,976
Payables	(4,967)	13,478
Contract liabilities	528	100
Cash from operations	<u>(2,336)</u>	<u>(4,222)</u>
Income tax paid	(741)	(795)
Interest paid	<u>(158)</u>	<u>(151)</u>
Net cash used in operating activities	<u>(3,235)</u>	<u>(5,168)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	1,600	115
Acquisition of Right of use	(412)	-
Interest received	306	34
Proceeds from disposal of property, plant and equipment	6	-
Purchase of property, plant and equipment	(14,156)	(1,169)
Net cash used in investing activities	<u>(12,656)</u>	<u>(1,020)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers' acceptance	6,791	1,325
Net changes in revolving credit	2,000	2,000
Net changes in term loan	(110)	(95)
Payment of lease liabilities	317	(150)
Proceed from issuance of shares pursuant to exercise of warrants	6	-
Repayment of finance lease liabilities	(38)	(69)
Net cash from financing activities	<u>8,966</u>	<u>3,011</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(6,925)</u>	<u>(3,177)</u>
Effects of foreign exchange rates changes	149	(147)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>100,636</u>	<u>22,557</u>
CASH AND CASH EQUIVALENTS AT END	<u>93,860</u>	<u>19,233</u>
Represented by:		
Fixed deposits with licensed banks	4,408	4,013
Cash and bank balances	89,452	15,220
	<u>93,860</u>	<u>19,233</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 2020.

2. Significant accounting policies

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 June 2020

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions

Effective for annual period beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

Effective for annual period beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual period beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual period beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

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 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.

3. Auditors' qualification of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 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.

	3 months ended 31.03.21 RM'000	3 months ended 31.03.20 RM'000
Segment Revenue		
Manufacturing	33,785	28,549
Property development & construction	7,003	18,347
Gaming & leisure	1,159	1,318
Gloves & healthcare	1,964	-
Others	68	151
Total revenue including inter-segment sales	<u>43,979</u>	<u>48,365</u>
Elimination of inter-segment sales	<u>(68)</u>	<u>(151)</u>
Total revenue to external customers	<u>43,911</u>	<u>48,214</u>
Segment Results		
Manufacturing	421	(1,517)
Property development & construction	1,598	4,323
Gaming & leisure	54	112
Gloves & healthcare	1,940	-
Others	(115)	(598)
Total results	<u>3,898</u>	<u>2,320</u>
Elimination	<u>18</u>	<u>449</u>
Profit before tax	<u>3,916</u>	<u>2,769</u>
Tax	<u>(1,017)</u>	<u>(1,047)</u>
Profit for the period	<u>2,899</u>	<u>1,722</u>
	As at 31.03.21 RM'000	As at 31.03.20 RM'000
Segment Assets		
Manufacturing	182,840	161,932
Property development & construction	142,587	130,428
Gaming & leisure	6,813	6,521
Gloves & healthcare	23,822	-
Others	310,844	198,352
Total assets before elimination	<u>666,906</u>	<u>497,233</u>
Elimination	<u>(300,805)</u>	<u>(234,006)</u>
Total assets	<u>366,101</u>	<u>263,227</u>
Segment Assets by Locations		
Malaysia	359,288	256,707
Cambodia	6,813	6,520
Total assets	<u>366,101</u>	<u>263,227</u>

	As at 31.03.21 RM'000	As at 31.03.20 RM'000
Segment Liabilities		
Manufacturing	88,975	56,616
Property development & construction	77,161	71,050
Gaming & leisure	812	406
Gloves & healthcare	19,866	-
Others	18,094	15,636
Total liabilities before elimination	<u>204,908</u>	<u>143,708</u>
Elimination	<u>(127,046)</u>	<u>(66,816)</u>
Total liabilities	<u>77,862</u>	<u>76,892</u>
Segment Liabilities by Locations		
Malaysia	77,050	76,485
Cambodia	812	407
Total liabilities	<u>77,862</u>	<u>76,892</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 2020.

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		
	(Unaudited) 31.03.21 RM'000	(Unaudited) 31.03.20 RM'000	Changes %
Revenue	43,911	48,214	(8.92)
Results from operating activities	4,074	2,920	39.52
Profit before tax (“PBT”)	3,916	2,769	41.42
Profit after tax	2,899	1,722	68.35
Profit attributable to owners of the parent	2,438	1,718	41.91

The revenue and profit before tax recorded by the Group was RM43.9 million and RM3.9 million respectively in current quarter under review as compared to RM48.2 million and RM2.8 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 RM7.0 million in current quarter under review as compared to RM18.3 million in previous year corresponding quarter was mainly due to lower billing towards the completion stage of the on-going housing project in Daerah Seberang Perai Utara. The PBT recorded for the property development and construction segment was RM1.6 million in current quarter under review as compared to RM4.3 million in previous year corresponding quarter due to the lower sales recognised.

The revenue recorded in manufacturing segment was RM33.8 million in current quarter under review as compared to RM28.5 million in previous year corresponding quarter. This was mainly due to the increase in sales of the hygiene and pest control and OEM audio products in current quarter under review. The PBT for the current quarter under review has increased by RM1.9 million to RM0.4 million from a loss of RM1.5 million in the previous year corresponding quarter mainly due to the recovery of sales from the existing manufacturing activities. The losses in previous year corresponding quarter were mainly due to the global outbreak of the pandemic which resulted in the delay in the shipment of customers’ orders.

Before the start of the glove manufacturing, the Group had started the trading of gloves. The revenue and PBT recorded was RM2.0 million and the RM1.9 million respectively.

The gaming & leisure segment recorded a revenue of RM1.2 million in current quarter under review as compared to RM1.3 million in previous year corresponding quarter. The gaming & leisure segment had recorded a PBT of RM0.1 million in both current quarter under review and previous year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 3 months Ended		Changes %
	(Unaudited) 31.03.21 RM'000	(Unaudited) 31.03.20 RM'000	
Revenue	43,911	48,214	(8.92)
Results from operating activities	4,074	2,920	39.52
Profit before tax	3,916	2,769	41.42
Profit after tax	2,899	1,722	68.35
Profit attributable to owners of the parent	2,438	1,718	41.91

The revenue recorded was RM43.9 million in current reporting period as compared to RM48.2 million in previous year corresponding period. The PBT in current reporting period was RM3.9 million as compared to RM2.8 million in previous year corresponding period.

The manufacturing segment had recorded a revenue of RM33.8 million in current reporting period as compared to RM28.5 million in previous year corresponding period. This was mainly due to the increase in sales of the hygiene and pest control and OEM audio products in current reporting period. The PBT recorded in the current period under review was RM0.4 million as compared to loss of RM1.5 million in previous year corresponding period. This was mainly due to the recovery of sales from the existing manufacturing activities. The losses in previous year corresponding quarter were mainly due to the global outbreak of the pandemic which resulted in the delay in the shipment of customers' orders.

The Group had started the trading of gloves in current reporting period. The revenue and PBT recorded was RM2.0 million and the RM1.9 million respectively.

The revenue and PBT recorded in property development and construction segment was RM7.0 million and RM1.6 million respectively in current reporting period as compared to RM18.3 million and RM4.3 million respectively in previous year corresponding period. This was mainly due to lower billing towards the completion stage of the ongoing housing project in Daerah Seberang Perai Utara.

The gaming and leisure segment had recorded a revenue of RM1.2 million in current reporting period as compared to RM1.3 million previous year corresponding period. The PBT in both current period and previous year corresponding period was RM0.1 million.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		Changes %
	(Unaudited) 31.03.21 RM'000	(Unaudited) 31.12.20 RM'000	
	Revenue	43,911	
Results from operating activities	4,074	2,945	38.34
Profit before taxation	3,916	1,795	118.16
Profit after taxation	2,899	976	197.03
Profit attributable to owners of the parent	2,438	1,064	129.14

The revenue recorded in current quarter under review was RM43.9 million as compared to a revenue of RM43.4 million in previous quarter. The PBT was RM3.9 million in current quarter under review as compared to RM1.8 million in previous quarter.

The revenue recorded in the manufacturing segment was RM33.8 million in current quarter under review as compared to RM38.04 million in previous quarter mainly due to the lower sales of OEM audio product. The PBT recorded was RM0.4 million in current quarter under review as compared to RM2.3 million in previous quarter. This was mainly due to the reversal of provision of custom duties of RM1.2 million in previous quarter. Included in current quarter under review was the initial overheads incurred on a project with our joint venture partner. The production and sales of this project will start in May 2021.

The Group had started the trading of gloves in current quarter under review. The revenue and PBT recorded was RM2.0 million and the RM1.9 million respectively.

Property development & construction segment recorded a revenue of RM7.0 million in current quarter under review as compared to RM8.7 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 RM1.6 million in current quarter under review as compare to RM0.2 million in previous quarter. This was mainly due to the provision of unwinding discount of RM1.1 million on the deposits paid to joint venture partner in the preceding quarter, which will be recovered within 3 years from the date of rescission of joint venture agreement between the Group and the joint venture partner for a development project.

The gaming & leisure segment had recorded a revenue of RM1.2 million in current quarter under review as compared to RM1.1 million in previous quarter. The gaming & leisure segment recorded a PBT of RM0.1 million in current quarter under review as compared to a loss of RM0.6 thousand in previous quarter.

3. Prospects

The outbreak of Covid-19 had drag down the global demand; however, the pandemic has indeed brought prevalence to certain industries especially the healthcare product. The Group will remain prudent in all its operations and looking for new business opportunities to adapt in the change of big market and maintain its competitiveness.

During this Covid-19 pandemic, the manufacturing segment will continue to further improve on productivity and cost structure in order to better position itself in the current competitive and uncertain market situation. All the projects that we have embarked on will be on-going.

As for the glove manufacturing, the construction of the factory building as well as the high speed double former dipping production lines have started and, barring any unforeseen circumstances, is expected to be completed by Q3 of 2021. The Group has started to place order for the raw materials for the glove manufacturing and the marketing activities for the gloves have also been carried out.

On 12 April 2021, the Group entered into an agreement with a US company to provide Engineering, Procurement, Construction and Commissioning (“EPCC”) as well as Glove Technology Solution Consulting in relation to gloves production line. This marks the Group’s maiden foray into North America. Luster is also among the first Malaysian companies to offer EPCC works for a glove manufacturing plant in US.

As for property development and construction segment, the number of property transactions might be adversely affected during the Covid-19 pandemic. However, the impact on affordable housing is expected to be minimal with the home ownership assistance provided by the Government to its citizen. 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.

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

The Board is optimistic and strongly believe that, with the strategies put in place and the competence and commitment of its human capital, the Group will be able to strengthen and grow its financial performance. With the current outbreak of the Covid-19 which may affect the financial performance of its precision plastic parts and components and sub-assembly and full assembly of plastic parts manufacturing especially for audio and lifestyle products and the property development and construction segment, the current diversification into the gloves manufacturing and the EPCC project in USA may contribute positively to the bottom line of the Group.

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		3 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.21	31.03.20	31.03.21	31.03.20
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Based on results for the period:				
- Current tax	(1,017)	(1,047)	(1,017)	(1,047)

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		3 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.21	31.03.20	31.03.21	31.03.20
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	1,059	1,154	1,059	1,154
Depreciation of right-of-use assets	79	65	79	65
Impairment loss on inventories	23	83	23	83
Interest expense	158	151	158	151
Interest income	(306)	(34)	(306)	(34)
(Gain)/loss on disposal of property, plant and equipment	(6)	-	(6)	-
Realised loss/(gain) on foreign exchange	130	114	130	114
Rental income	(9)	(7)	(9)	(7)
Unrealised loss/(gain) on foreign exchange	(341)	(486)	(341)	(486)

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:

- 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 31.03.21 RM'000	Balance as at 31.03.21 RM'000	Intended Timeframe for Utilisation
General working capital	26,278	14,875	11,403	Within 12 months
Expenses for the corporate exercise	43	43	-	Within 2 weeks
	26,321	14,918	11,403	

- 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 31.03.21 RM'000	Balance as at 31.03.21 RM'000	Intended Timeframe for Utilisation
Investment in glove business	50,000	14,864	35,136	Within 12 months
General working capital	10,105	9,629	476	Within 12 months
Expenses for the corporate exercise	164	164	-	Within 2 weeks
	60,269	24,657	35,612	

8. Borrowings and debts securities

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

	As at quarter ended 31.03.21		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	15,789	15,789
Finance lease liabilities	125	156	281
Revolving credit	-	4,000	4,000
Term loan	1,576	453	2,029
Total	1,701	20,398	22,099

	As at quarter ended 31.03.20		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	7,944	7,944
Finance lease liabilities	235	383	618
Revolving credit	-	2,000	2,000
Term loan	1,751	389	2,140
Total	1,986	10,716	12,702

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 8 June 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		3 months Ended	
	31.03.21	31.03.20	31.03.21	31.03.20
Income attributable to owners of the parent (RM'000)	2,438	1,718	2,438	1,718

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 months Ended	
	31.03.21	31.03.20	31.03.21	31.03.20
Adjusted number of issued ordinary shares ('000)	2,892,913	2,076,035	2,892,913	2,076,035
Effect of shares issued pursuant to exercise of warrants ('000)	17	-	17	-
Weighted average number of issued ordinary shares ('000)	<u>2,892,930</u>	<u>2,076,035</u>	<u>2,892,930</u>	<u>2,076,035</u>
Basic earnings per share (sen)	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 months Ended	
	31.03.21	31.03.20	31.03.21	31.03.20
Profit attributable to owners of the parent (RM'000)	<u>2,438</u>	<u>^</u>	<u>2,438</u>	<u>^</u>
Weighted average number of issued ordinary shares ('000)	2,892,930	^	2,892,930	^
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	441,045	^	441,045	^
- Warrants B ('000)	<u>216,000</u>	<u>^</u>	<u>216,000</u>	<u>^</u>
Adjusted weighted average number of issued ordinary shares ('000)	<u>3,549,975</u>	<u>^</u>	<u>3,549,975</u>	<u>^</u>
Diluted earnings per share (sen)	<u>0.07</u>	<u>^</u>	<u>0.07</u>	<u>^</u>

^ Based on the 30-days weighted average market price of share of Luster Industries Bhd. up to 31 March 2020, 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 28th day of May 2021