



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2021**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Unaudited as at 30-Sep-21 RM'000	Audited as at 31-Dec-20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	86,546	51,664
Right-of-use assets	423	238
Goodwill on consolidation	6,446	6,446
Intangible assets	1,100	-
Deferred tax assets	3,039	3,039
Trade receivables	5,999	2,724
Other receivables, deposits and prepayments	12,457	12,374
	<u>116,010</u>	<u>76,485</u>
Current assets		
Inventory properties	46,564	43,691
Inventories	26,724	18,970
Trade receivables	82,771	91,209
Contract assets	34,384	1,934
Contract costs	117	1,258
Other receivables, deposits and prepayments	59,371	19,381
Current tax assets	389	740
Fixed deposit with licensed banks	6,202	24,922
Cash and bank balances	70,173	76,247
	<u>326,695</u>	<u>278,352</u>
	<u>442,705</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	(12,888)	(17,888)
	<u>286,417</u>	<u>281,411</u>
Non-controlling interests	4,929	1,084
Total equity	<u>291,346</u>	<u>282,495</u>
Non-current liabilities		
Borrowings	5,473	1,837
Lease liabilities	315	83
Trade payables	4,702	2,262
Deferred taxation	1,239	1,239
	<u>11,729</u>	<u>5,421</u>
Current liabilities		
Trade payables	28,628	38,517
Other payables and accruals	17,121	15,168
Borrowings	11,061	11,554
Lease liabilities	167	166
Contract liabilities	52,206	1,177
Current tax liabilities	2,127	339
	<u>111,310</u>	<u>66,921</u>
Total liabilities	<u>123,039</u>	<u>72,342</u>
	<u>414,385</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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2021

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Sep-21 RM'000	30-Sep-20 RM'000	30-Sep-21 RM'000	30-Sep-20 RM'000
Revenue	35,044	51,628	109,210	135,274
Cost of sales	<u>(29,234)</u>	<u>(43,510)</u>	<u>(89,584)</u>	<u>(115,674)</u>
Gross profit	5,810	8,118	19,626	19,600
Other income	764	90	1,755	906
Administrative expenses	<u>(3,356)</u>	<u>(4,145)</u>	<u>(10,925)</u>	<u>(12,137)</u>
Selling and distribution expenses	<u>(309)</u>	<u>(310)</u>	<u>(917)</u>	<u>(696)</u>
Results from operating activities	2,909	3,753	9,539	7,673
Finance costs	<u>(183)</u>	<u>(228)</u>	<u>(549)</u>	<u>(628)</u>
Profit before tax	2,726	3,525	8,990	7,045
Tax expense	<u>(542)</u>	<u>(741)</u>	<u>(3,085)</u>	<u>(2,307)</u>
Profit for the period	2,184	2,784	5,905	4,738
Other comprehensive income:				
Foreign currency translation differences for foreign operation	<u>52</u>	<u>(177)</u>	<u>200</u>	<u>60</u>
Total comprehensive income for the period	2,236	2,607	6,105	4,798
Profit attributable to:				
Owners of the parent	1,785	2,782	4,810	4,733
Non-controlling interests	<u>399</u>	<u>2</u>	<u>1,095</u>	<u>5</u>
	2,184	2,784	5,905	4,738
Total comprehensive income attributable to:				
Owners of the parent	1,834	2,614	5,000	4,790
Non-controlling interests	<u>402</u>	<u>(7)</u>	<u>1,105</u>	<u>8</u>
	2,236	2,607	6,105	4,798
Basic earning per ordinary share (sen)	<u>0.06</u>	<u>0.13</u>	<u>0.17</u>	<u>0.22</u>
Diluted earnings per ordinary share (sen)	<u>0.05</u>	<u>0.10</u>	<u>0.14</u>	<u>0.17</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 2021

	----- Attributable to owners of the parent -----							Non- controlling interests	Total equity
	Foreign currency translation reserve		Discount on shares		Capital reserve		Accumulated losses		
	Share capital RM'000	RM'000	Warrant reserve RM'000	RM'000	RM'000	RM'000	Total RM'000	RM'000	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	-	190	-	-	-	4,810	5,000	1,105	6,105
<i>Transactions with owners :</i>									
Issuance of shares pursuant to exercise of warrants	6						6		6
Acquisition of interest in subsidiary							-	2,740	2,740
Total transactions with owners	6	-	-	-	-	-	6	2,740	2,746
As at 30 September 2021	299,305	118	22,618	(22,618)	8,420	(21,426)	286,417	4,929	291,346
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	-	57	-	-	-	4,733	4,790	9	4,799
<i>Transactions with owners :</i>									
Issuance of shares pursuant to placement	4,880						4,880		4,880
Acquisition of interest in subsidiary							-	605	605
Total transactions with owners	4,880	-	-	-	-	-	4,880	605	5,485
As at 30 September 2020	212,709	78	22,618	(22,618)	8,420	(27,467)	193,740	772	194,512

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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2021

	30-Sep-21 RM'000	30-Sep-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,990	7,045
Adjustments for:		
Accretion of interest	138	17
Depreciation	3,164	3,490
Depreciation of right-of-use assets	239	185
Gain on disposal of property, plant and equipment	(6)	-
Impairment on inventories	14	56
Interest expense	549	628
Interest income	(736)	(180)
Unrealised (gain)/loss on foreign exchange	(540)	691
Operating profit before working capital changes	<u>11,812</u>	<u>11,932</u>
Changes in:		
Inventory properties	(2,873)	(2,092)
Inventories	(7,768)	(2,430)
Receivables	(34,484)	(20,179)
Contract assets	(32,450)	(1,962)
Contract costs	1,141	2,279
Payables	(5,755)	11,049
Contract liabilities	<u>51,029</u>	<u>393</u>
Cash used in operations	(19,348)	(1,010)
Income tax paid	(946)	(1,742)
Interest paid	<u>(549)</u>	<u>(628)</u>
Net cash used in operating activities	<u>(20,843)</u>	<u>(3,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	1,640	605
Acquisition of Right of use	(418)	(78)
Interest received	736	180
Proceeds from disposal of property, plant and equipment	6	-
Purchase of property, plant and equipment	<u>(37,727)</u>	<u>(2,512)</u>
Net cash used in investing activities	<u>(35,763)</u>	<u>(1,805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers' acceptance	435	3,266
Net changes in revolving credit	(2,000)	2,000
Net changes in term loan	4,541	(292)
Net changes in lease liabilities	94	(387)
Net changes in finance lease liabilities	(175)	(96)
Proceed from issuance of shares pursuant to placement	-	4,880
Proceed from issuance of shares pursuant to exercise of warrants	<u>6</u>	<u>-</u>
Net cash from financing activities	<u>2,901</u>	<u>9,371</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(53,705)</u>	<u>4,186</u>
Effects of foreign exchange rates changes	591	(729)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>100,636</u>	<u>22,557</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>47,522</u></u>	<u><u>26,014</u></u>
Represented by:		
Fixed deposits with licensed banks	5,669	4,084
Cash and bank balances	<u>70,173</u>	<u>21,930</u>
	<u><u>75,842</u></u>	<u><u>26,014</u></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 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 30.09.21 RM'000	9 months ended 30.09.20 RM'000
Segment Revenue		
Manufacturing	86,000	87,896
Property development & construction	14,398	43,688
Gaming & leisure	3,292	3,690
Glove & healthcare	5,520	-
Others	203	264
Total revenue including inter-segment sales	<u>109,413</u>	<u>135,538</u>
Elimination of inter-segment sales	<u>(203)</u>	<u>(264)</u>
Total revenue to external customers	<u>109,210</u>	<u>135,274</u>
Segment Results		
Manufacturing	589	(1,358)
Property development & construction	4,100	9,372
Gaming & leisure	181	174
Glove & healthcare	4,409	-
Others	(496)	1,356
Total results	<u>8,783</u>	<u>9,544</u>
Elimination	<u>207</u>	<u>(2,499)</u>
Profit before tax	<u>8,990</u>	<u>7,045</u>
Tax	<u>(3,085)</u>	<u>(2,307)</u>
Profit for the period	<u>5,905</u>	<u>4,738</u>
	As at 30.09.21 RM'000	As at 30.09.20 RM'000
Segment Assets		
Manufacturing	158,589	136,565
Property development & construction	143,422	142,688
Gaming & leisure	6,888	6,541
Glove & healthcare	100,713	-
Others	311,287	222,602
Total assets before elimination	<u>720,899</u>	<u>508,396</u>
Elimination	<u>(306,514)</u>	<u>(237,428)</u>
Total assets	<u>414,385</u>	<u>270,968</u>
Segment Assets by Locations		
Malaysia	407,497	264,427
Cambodia	6,888	6,541
Total assets	<u>414,385</u>	<u>270,968</u>

	As at 30.09.21 RM'000	As at 30.09.20 RM'000
Segment Liabilities		
Manufacturing	64,705	49,269
Property development & construction	76,883	78,524
Gaming & leisure	699	574
Glove & healthcare	94,716	-
Others	18,920	17,370
Total liabilities before elimination	<u>255,923</u>	<u>145,737</u>
Elimination	<u>(132,884)</u>	<u>(69,281)</u>
Total liabilities	<u>123,039</u>	<u>76,456</u>
Segment Liabilities by Locations		
Malaysia	122,339	75,882
Cambodia	700	574
Total liabilities	<u>123,039</u>	<u>76,456</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	<u>3,710</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) 30.09.21 RM'000	(Unaudited) 30.09.20 RM'000	
	Revenue	35,044	
Results from operating activities	2,909	3,753	(22.49)
Profit before tax (“PBT”)	2,726	3,525	(22.67)
Profit after tax	2,184	2,784	(21.55)
Profit attributable to owners of the parent	1,785	2,782	(35.84)

The revenue and PBT recorded by the Group were RM35.0 million and RM2.7 million respectively in current quarter under review as compared to RM51.6 million and RM3.5 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 RM3.5 million in current quarter under review as compared to RM13.7 million in previous year corresponding quarter. This 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 RM1.3 million in current quarter under review as compared to RM2.9 million in previous year corresponding quarter due to the lower sales recognised.

The revenue recorded in manufacturing segment was RM28.9 million in current quarter under review as compared to RM36.7 million in previous year corresponding quarter. The higher revenue recorded in previous year corresponding quarter was mainly due to the higher sales of the OEM audio products after the easing of the Movement Control Order (“MCO”). The manufacturing segment recorded a PBT of RM0.3 million in the current quarter under review as compared to PBT of RM0.9 million in the previous year corresponding quarter mainly due to higher revenue recorded.

The Group continued the activity in trading of gloves before the start of the glove manufacturing. The revenue and PBT recorded was RM1.5 million and RM1.1 million respectively.

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

The gaming & leisure segment had recorded a PBT of RM0.1 million in both current quarter and in previous year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 9 months Ended		Changes %
	(Unaudited) 30.09.21 RM'000	(Unaudited) 30.09.20 RM'000	
Revenue	109,210	135,274	(19.27)
Results from operating activities	9,539	7,673	24.32
Profit before tax (“PBT”)	8,990	7,045	27.61
Profit after tax	5,905	4,738	24.63
Profit attributable to owners of the parent	4,810	4,733	1.63

The revenue recorded was RM109.2 million in current reporting period as compared to RM135.3 million in previous year corresponding period. The PBT in current reporting period was RM9.0 million as compared to RM7.0 million in previous year corresponding period.

The revenue in manufacturing segment was RM86.0 million in current reporting period as compared to RM87.9 million in previous year corresponding period. This was mainly due to the higher sales of the OEM audio products in previous year after the easing of the MCO. The PBT recorded in current period under review was RM0.6 million as compared to loss of RM1.4 million in previous year corresponding period. This was mainly due to the recovery of export sales. 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. With the cost control measures implemented, the manufacturing segment managed to make profit despite lower sales recorded.

The Group had started the trading of gloves in current reporting period. The revenue and PBT recorded was RM5.5 million and the RM4.4 million respectively.

The revenue and PBT recorded in property development and construction segment was RM14.4 million and RM4.1 million respectively in current reporting period as compared to RM43.7 million and RM9.4 million respectively in previous year corresponding period. This was mainly due to lower billing towards the completion stage of the on-going housing project in Daerah Seberang Perai Utara.

The gaming and leisure segment had recorded a revenue of RM3.3 million in current reporting period as compared to RM3.7 million previous year corresponding period. The PBT in both current period and previous year corresponding period was RM0.2 million.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		Changes %
	(Unaudited) 30.09.21 RM'000	(Unaudited) 30.06.21 RM'000	
Revenue	35,044	30,255	15.83
Results from operating activities	2,909	2,556	13.81
Profit before tax (“PBT”)	2,726	2,348	16.10
Profit after taxation	2,184	822	165.69
Profit attributable to owners of the parent	1,785	587	204.09

The revenue recorded in current quarter under review was RM35.0 million as compared to a revenue of RM30.3 million in previous quarter. The PBT was RM2.7 million in current quarter under review as compared to RM2.3 million in previous quarter.

The revenue recorded in the manufacturing segment was RM28.9 million in current quarter under review as compared to RM23.3 million in previous quarter mainly due to the implementation of the National Recovery Plan whereby the operations were restricted to 60% in previous quarter. The manufacturing segment recorded a PBT of RM0.3 million in current quarter under review as compared to a loss of RM0.1 million in previous quarter. This was mainly due to lower sales generated in previous quarter.

The glove and healthcare segment recorded revenue and PBT recorded of RM1.5 million and RM1.1 million respectively in current quarter as compared RM2.0 million and the RM1.3 million respectively in previous quarter.

Property development & construction segment recorded a revenue and PBT of RM3.5 million and RM1.3 million respectively in current quarter under review as compared to RM3.8 million and RM1.2 million respectively in previous quarter.

The gaming & leisure segment had recorded a revenue of RM1.1 million in both current quarter under review and previous quarter. The PBT was RM86 thousand in current quarter under review as compared to RM41 thousand in previous quarter.

3. Prospects

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 the 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, barring any unforeseen circumstances, the construction of the factory building is expected to be completed at the end of Q4'2021. The production of gloves will be started in Q1'2022, however, the Group had started the marketing activities for the gloves.

For the contract to provide Engineering, Procurement, Construction and Commissioning (“EPCC”) and Glove Technology Solution Consulting in relation to gloves production line, the Group had started the delivery of certain parts of the 6 Double Former Glove Dipping Lines in November 2021. The shipment of the machine parts will be over a duration of 3 to 4 months subject to availability of the vessels. Installation on-site at United State of America is expected to be started in Q1'2022.

With the home ownership assistance provided by the Government, the Board believes that there is potential to grow the property development and construction segment and will focus in developing affordable pocket housing development.

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

With the current outbreak of the Covid-19 which may affect the financial performance of the existing business of the Group, the diversification into the gloves manufacturing and the EPCC project in USA may contribute positively to the bottom line of the Group. 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.

4. **Variance of profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued.

5. **Taxation**

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax: Based on results for the period:				
- Current tax	(542)	(708)	(2,320)	(2,274)
Under provision in prior year:				
- Current tax	-	(33)	(765)	(33)
	<u>(542)</u>	<u>(741)</u>	<u>(3,085)</u>	<u>(2,307)</u>

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		9 months Ended	
	(Unaudited) 30.09.21 RM'000	(Unaudited) 30.09.20 RM'000	(Unaudited) 30.09.21 RM'000	(Unaudited) 30.09.20 RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	1,049	1,167	3,164	3,490
Depreciation of right-of-use assets	81	58	239	185
Impairment loss on inventories	-	21	14	56
Interest expense	183	228	549	628
Interest income	(257)	(76)	(736)	(180)
Gain on disposal of property, plant and equipment	-	-	(6)	-
Realised (gain)/loss on foreign exchange	(145)	5	(85)	(575)
Rental income	(10)	(7)	(29)	(20)
Unrealised loss/(gain) on foreign exchange	(292)	443	(540)	691

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 30.09.21 RM'000	Balance as at 30.09.21 RM'000	Intended Timeframe for Utilisation
General working capital	26,278	26,278	-	Within 12 months
Expenses for the corporate exercise	43	43	-	Within 2 weeks
	26,321	26,321	-	

- 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 30.09.21 RM'000	Balance as at 30.09.21 RM'000	Intended Timeframe for Utilisation
Investment in glove business	50,000	36,538	13,462	Within 12 months
General working capital	10,105	10,105	-	Within 12 months
Expenses for the corporate exercise	164	164	-	Within 2 weeks
	60,269	46,807	13,462	

8. Borrowings and debts securities

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

	As at quarter ended 30.09.21		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	9,394	9,394
Finance lease liabilities	153	306	459
Term loan	5,320	1,361	6,681
Total	5,473	11,061	16,534

	As at quarter ended 30.09.20		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	9,885	9,885
Finance lease liabilities	209	172	381
Revolving credit	-	2,000	2,000
Term loan	1,539	403	1,942
Total	1,748	12,460	14,208

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Material litigation

There was 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 of Appeal had fixed the hearing on 29 March 2022.

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		9 months Ended	
	30.09.21	30.09.20	30.09.21	30.09.20
Income attributable to owners of the parent (RM'000)	1,785	2,782	4,810	4,733
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)	43	-	43	-
Effect of shares issued pursuant to private placement ('000)	-	61,626	-	61,626
Weighted average number of issued ordinary shares ('000)	2,892,956	2,137,661	2,892,956	2,137,661
Basic earnings per share (sen)	0.06	0.13	0.17	0.22

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 9 months Ended	
	30.09.21	30.09.20	30.09.21	30.09.20
Profit attributable to owners of the parent (RM'000)	1,785	2,782	4,810	4,733
Weighted average number of issued ordinary shares ('000)	2,892,956	2,137,661	2,892,956	2,137,661
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	441,036	441,595	441,036	441,595
- Warrants B ('000)	216,000	216,000	216,000	216,000
Adjusted weighted average number of issued ordinary shares ('000)	3,549,992	2,795,256	3,549,992	2,795,256
Diluted earnings per share (sen)	0.05	0.10	0.14	0.17

BY ORDER OF THE BOARD

Liang Wooi Gee

Deputy Managing Director

Dated this 26th day of November 2021