



LUSTER INDUSTRIES BHD

(156148-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2022**

LUSTER INDUSTRIES BHD.
Company No. 156148-P
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Unaudited as at 30-Jun-22 RM'000	Audited as at 31-Dec-21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	113,551	105,091
Right-of-use assets	1,127	1,444
Other investments	22,697	-
Goodwill on consolidation	6,446	6,446
Deferred tax assets	1,986	1,986
Trade receivables	2,739	2,779
Other receivables, deposits and prepayments	15,126	12,777
	<u>163,672</u>	<u>130,523</u>
Current assets		
Inventory properties	163,585	126,228
Inventories	34,972	26,008
Trade receivables	74,508	93,471
Other receivables, deposits and prepayments	32,448	36,708
Contract assets	2,263	2,342
Contract costs	53,978	34,584
Current tax assets	318	295
Fixed deposit with licensed banks	5,913	1,844
Cash and bank balances	58,233	57,992
	<u>426,218</u>	<u>379,472</u>
TOTAL ASSETS	<u>589,890</u>	<u>509,995</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	312,270	299,305
Other reserves	(12,618)	(9,260)
	<u>299,652</u>	<u>290,045</u>
Non-controlling interests	3,120	4,083
Total equity	<u>302,772</u>	<u>294,128</u>
Non-current liabilities		
Borrowings	9,705	8,623
Lease liabilities	888	758
Trade payables	2,886	2,269
Other payables and accruals	76,428	76,015
Deferred taxation	625	625
	<u>90,532</u>	<u>88,290</u>
Current liabilities		
Trade payables	29,627	36,760
Other payables and accruals	59,722	20,827
Borrowings	33,588	11,936
Lease liabilities	304	711
Contract liabilities	71,409	55,130
Current tax liabilities	1,936	2,213
	<u>196,586</u>	<u>127,577</u>
Total liabilities	<u>287,118</u>	<u>215,867</u>
TOTAL EQUITY AND LIABILITIES	<u>589,890</u>	<u>509,995</u>
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 6 MONTHS PERIOD ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
Revenue	39,354	30,255	80,952	74,166
Cost of sales	<u>(33,572)</u>	<u>(24,009)</u>	<u>(68,718)</u>	<u>(60,350)</u>
Gross profit	5,782	6,246	12,234	13,816
Other income	2,079	401	2,695	991
Administrative expenses	(3,727)	(3,760)	(8,010)	(7,569)
Selling and distribution expenses	<u>(510)</u>	<u>(331)</u>	<u>(763)</u>	<u>(608)</u>
Results from operating activities	3,624	2,556	6,156	6,630
Finance costs	<u>(436)</u>	<u>(208)</u>	<u>(712)</u>	<u>(366)</u>
Profit before tax	3,188	2,348	5,444	6,264
Tax expense	<u>(236)</u>	<u>(1,526)</u>	<u>(539)</u>	<u>(2,543)</u>
Profit for the period	2,952	822	4,905	3,721
Other comprehensive income:				
Foreign currency translation differences for foreign operation	303	9	364	148
Net fair value changes of financial assets measured at FVTOCI	<u>(2,602)</u>	<u>-</u>	<u>(9,639)</u>	<u>-</u>
Total comprehensive income for the period	653	831	(4,370)	3,869
Profit attributable to:				
Owners of the parent	3,348	587	5,935	3,025
Non-controlling interests	<u>(396)</u>	<u>235</u>	<u>(1,030)</u>	<u>696</u>
	2,952	822	4,905	3,721
Total comprehensive income attributable to:				
Owners of the parent	1,034	596	(3,358)	3,166
Non-controlling interests	<u>(381)</u>	<u>235</u>	<u>(1,012)</u>	<u>703</u>
	653	831	(4,370)	3,869
Basic earning per ordinary share (sen)	<u>0.11</u>	<u>0.02</u>	<u>0.20</u>	<u>0.10</u>
Diluted earnings per ordinary share (sen)	<u>0.11</u>	<u>0.02</u>	<u>0.20</u>	<u>0.09</u>

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 6 MONTHS PERIOD ENDED 30 JUNE 2022

	----- Attributable to owners of the parent -----								
	----- Non-distributable -----						Total RM'000	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			
As at 1 January 2022	299,305	87	22,616	(22,616)	8,420	(17,767)	290,045	4,083	294,128
Total comprehensive income for the period	-	346	-	-	-	(3,704)	(3,358)	(1,012)	(4,370)
<i>Transactions with owners :</i>									
Issuance of shares pursuant to the exercise of warrants	12,965						12,965		12,965
Increase of shares pursuant to non-controlling interests							-	49	49
Transfer of warrants reserve upon exercised			(12,491)	12,491			-		-
Total transactions with owners	12,965	-	(12,491)	12,491	-	-	12,965	49	13,014
As at 30 June 2022	312,270	433	10,125	(10,125)	8,420	(21,471)	299,652	3,120	302,772
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	-	140	-	-	-	3,025	3,165	703	3,868
<i>Transactions with owners :</i>									
Issuance of shares pursuant to the exercise of warrants	6						6		6
Increase of shares pursuant to non-controlling interests							-	2,740	2,740
Total transactions with owners	6	-	-	-	-	-	6	2,740	2,746
As at 30 June 2021	299,305	68	22,618	(22,618)	8,420	(23,211)	284,582	4,527	289,109

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 2022

	30-Jun-22 RM'000	30-Jun-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,444	6,264
Adjustments for:		
Accretion of interest	113	92
Depreciation	1,882	2,115
Depreciation of right-of-use assets	383	158
Gain on disposal of property, plant and equipment	(321)	(6)
Impairment loss on inventories	50	14
Interest expense	712	366
Interest income	(174)	(479)
Unrealised gain on foreign exchange	(1,272)	(248)
Operating profit before working capital changes	<u>6,817</u>	<u>8,276</u>
Changes in:		
Inventory properties	(37,357)	(823)
Inventories	(9,014)	(5,790)
Receivables	22,010	7,599
Contract assets	79	(3,216)
Contract costs	(19,394)	944
Payables	32,657	38,946
Contract liabilities	<u>16,279</u>	<u>1,222</u>
Cash used in operations	12,077	47,158
Income tax paid	(842)	(1,382)
Interest paid	<u>(712)</u>	<u>(366)</u>
Net cash generated from/ (used in) operating activities	10,523	45,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	49	1,640
Acquisition of Right of use	(51)	(415)
Interest received	174	479
Investment in Financial Assets measured at FVTOCI	(32,336)	-
Proceeds from disposal of property, plant and equipment	937	6
Purchase of property, plant and equipment	<u>(10,949)</u>	<u>(28,895)</u>
Net cash used in investing activities	(42,176)	(27,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers' acceptance	11,308	3,769
Net changes in revolving credit	4,000	(2,000)
Net changes in term loan	2,227	4,776
Net changes in lease liabilities	(397)	200
Net changes in finance lease liabilities	(166)	(90)
Net changes in share margin financing	5,365	-
Proceed from issuance of shares pursuant to exercise of warrants	<u>12,965</u>	<u>6</u>
Net cash generated from financing activities	35,302	6,661
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	3,649	24,886
Effects of foreign exchange rates changes	661	339
CASH AND CASH EQUIVALENTS AT BEGINNING	59,303	100,636
CASH AND CASH EQUIVALENTS AT END	<u>63,613</u>	<u>125,861</u>
Represented by:		
Fixed deposits with licensed banks	5,380	5,465
Cash and bank balances	<u>58,233</u>	<u>120,396</u>
	<u>63,613</u>	<u>125,861</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 2021.

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 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 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

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

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2021 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 30.06.22 RM'000	6 Months ended 30.06.21 RM'000
Segment Revenue		
Manufacturing	77,743	57,062
Property development & construction	1,047	10,878
Gaming & leisure	2,162	2,215
Glove & healthcare	-	4,011
Others	-	135
Total revenue including inter-segment sales	<u>80,952</u>	<u>74,301</u>
Elimination of inter-segment sales	-	(135)
Total revenue to external customers	<u>80,952</u>	<u>74,166</u>
Segment Results		
Manufacturing	8,262	290
Property development & construction	(39)	2,794
Gaming & leisure	339	95
Glove & healthcare	(1,652)	3,274
Others	(1,466)	(234)
Total results	<u>5,444</u>	<u>6,219</u>
Elimination	-	45
Profit before tax	<u>5,444</u>	<u>6,264</u>
Tax	(539)	(2,543)
Profit for the period	<u>4,905</u>	<u>3,721</u>
	As at 30.06.22 RM'000	As at 30.06.21 RM'000
Segment Assets		
Manufacturing	160,599	167,033
Property development & construction	224,257	139,728
Gaming & leisure	7,915	6,799
Glove & healthcare	155,116	94,780
Others	282,267	311,570
Total assets before elimination	<u>830,154</u>	<u>719,910</u>
Elimination	(240,264)	(309,801)
Total assets	<u>589,890</u>	<u>410,109</u>
Segment Assets by Locations		
Malaysia	581,975	403,310
Cambodia	7,915	6,799
Total assets	<u>589,890</u>	<u>410,109</u>

	As at 30.06.22 RM'000	As at 30.06.21 RM'000
Segment Liabilities		
Manufacturing	42,040	73,420
Property development & construction	149,639	74,172
Gaming & leisure	1,280	749
Glove & healthcare	151,766	89,730
Others	<u>(6,892)</u>	<u>18,940</u>
Total liabilities before elimination	337,833	257,011
Elimination	<u>(50,715)</u>	<u>(136,011)</u>
Total liabilities	<u>287,118</u>	<u>121,000</u>
Segment Liabilities by Locations		
Malaysia	286,500	120,251
Cambodia	<u>618</u>	<u>749</u>
Total liabilities	<u>287,118</u>	<u>121,000</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 2021.

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.

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) 30.06.22 RM'000	(Unaudited) 30.06.21 RM'000	
	Revenue	39,354	
Results from operating activities	3,624	2,556	41.78
Profit before tax (“PBT”)	3,188	2,348	35.78
Profit after tax	2,952	822	259.12
Profit attributable to owners of the parent	3,348	587	470.36

The revenue and PBT recorded by the Group were RM39.4 million and RM3.2 million respectively in current quarter under review as compared to RM30.3 million and RM2.3 million respectively in previous year corresponding quarter.

The revenue recorded in manufacturing segment was RM37.9 million in current quarter under review as compared to RM23.3 million in previous year corresponding quarter. This was mainly due to the higher sales to the customers in the hygiene and pest control industry and construction industry. The manufacturing segment recorded a PBT of RM4.4 million in the current quarter under review as compared to loss of RM0.1 million in the previous year corresponding quarter mainly due to higher revenue recorded.

The property development & construction segment recorded revenue of RM0.4 million in current quarter as compared to RM3.9 million in previous year corresponding quarter. This was mainly due to lower billing towards the completion stage of the ongoing housing project in Daerah Seberang Perai Utara. The PBT recorded in this segment was RM0.1 million in current quarter as compared to PBT of RM1.2 million in previous year corresponding quarter mainly due to the lower sales recognised.

With the easing of the Average Selling Price (“ASP”) for gloves, the Group had put on hold the activities on trading of gloves. The resources in glove & healthcare segment were focused on the preparation for the commencement of the gloves production which was projected in second half of 2022. The overheads incurred had resulted a loss of RM0.7 million recorded in current quarter. The revenue and PBT recorded in previous year corresponding quarter were RM2.0 million and RM1.3 million. The revenue generated in the previous year was mainly generated from the trading of gloves.

The gaming & leisure segment recorded a revenue of RM1.1 million in both current quarter under review and previous year corresponding quarter respectively. The PBT recorded was RM0.2 million in current quarter as compared to RM41 thousand in previous year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 6 Months Ended		Changes %
	(Unaudited) 30.06.22 RM'000	(Unaudited) 30.06.21 RM'000	
Revenue	80,952	74,166	9.15
Results from operating activities	6,156	6,630	(7.15)
Profit before tax (“PBT”)	5,444	6,264	(13.09)
Profit after tax	4,905	3,721	31.82
Profit attributable to owners of the parent	5,935	3,025	96.20

The revenue recorded was RM81.0 million in current reporting period as compared to RM74.2 million in previous year corresponding period. The PBT in current reporting period was RM5.4 million as compared to RM6.3 million in previous year corresponding period.

The revenue in manufacturing segment was RM77.7 million in current reporting period as compared to RM57.1 million in previous year corresponding period. This was mainly due to the higher sales to the customer in the hygiene and pest control industry and construction industry hence, the higher PBT of RM8.3 million in the current period under review as compared to RM0.3 million in previous year corresponding period.

For glove & healthcare segment, the Group had put on hold the activities on trading of gloves due to the easing of the ASP for gloves. The resources were focused on the preparation for the commencement of the gloves production which was projected in second half of 2022 which resulted a loss of RM1.7 million recorded in current period. The revenue and PBT recorded in previous year corresponding period were RM4.0 million and RM3.2 million. The revenue generated in the previous year was mainly generated from the trading of gloves.

The property development and construction segment recorded revenue of RM1.0 million and loss of RM39 thousand respectively in current reporting period as compared to revenue of RM10.9 million and PBT of RM2.8 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 RM2.2 million in both current reporting period and previous year corresponding period. The PBT was RM0.3 million in current period as compared to RM0.1 million in previous year corresponding period.

2. Variation of results against preceding quarter

	Individual Quarter 3 Months Ended		Changes %
	(Unaudited) 30.06.22 RM'000	(Unaudited) 31.03.22 RM'000	
Revenue	39,354	41,598	(5.39)
Results from operating activities	3,624	2,532	43.13
Profit before tax ("PBT")	3,188	2,256	41.31
Profit after taxation	2,952	1,953	51.15
Profit attributable to owners of the parent	3,348	2,587	29.42

The revenue recorded in current quarter under review was RM39.4 million as compared to a revenue of RM41.6 million in previous quarter. The PBT was RM3.2 million in current quarter under review as compared to RM2.3 million in previous quarter.

The revenue recorded in the manufacturing segment was RM37.9 million in current quarter under review as compared to RM39.8 million in previous quarter mainly due to lower sales to customers in hygiene and pest control industry. The PBT recorded was RM4.4 million in current quarter as compared to RM3.9 million in previous quarter.

The glove & healthcare segment had recorded a loss of RM0.7 million in current quarter under review as compared to RM0.9 million in previous quarter.

Property development & construction segment recorded a revenue and PBT of RM0.4 million and RM0.1 million respectively in current quarter under review as compared to revenue and loss of RM0.6 million and RM0.1 million respectively in previous quarter.

The gaming & leisure segment had recorded a revenue and PBT of RM1.1 million and RM0.2 million in both current quarter under review and 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.

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.

The investment in Aimflex Berhad (“Aimflex”) allows the sharing of customer bases and create business opportunities to promote and embrace the digital revolution in accordance to the introduction of Industry 4.0. Aimflex’s automation and engineering solutions may help to streamline the Group’s manufacturing and business processes. This will further enhance the profitability of the manufacturing segment. Aimflex’s business and profit has grown since the inception of our investment.

For the glove & healthcare segment, the Group will commence the gloves production projected in second half of 2022. As for the Engineering, Procurement, Construction and Commissioning (“EPCC”) contract and Glove Technology Solution Consulting in relation to gloves production line, all the machine parts of the 6 Double Former Glove Dipping Lines will be completely delivered in Q3’22. The installation on-site at United State of America has commenced in the beginning of FYE 2022 and two production lines are expected to be completed in 2022.

The Board believes that there is potential to grow the property development and construction segment and will focus in developing pocket housing development and/or affordable housing development.

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.

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 6 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax: Based on results for the period:				
- Current tax	(236)	(761)	(539)	(1,778)
Under provision in prior year:				
- Current tax	-	(765)	-	(765)
	<u>(236)</u>	<u>(1,526)</u>	<u>(539)</u>	<u>(2,543)</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		6 Months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	939	1,056	1,882	2,115
Depreciation of right-of-use assets	189	79	383	158
Impairment loss on inventories	50	(9)	50	14
Interest expense	436	208	712	366
Interest income	(106)	(173)	(174)	(479)
Gain on disposal of property, plant and equipment	(183)	-	(321)	(6)
Realised (gain)/ loss on foreign exchange	(629)	(70)	(720)	60
Rental income	(21)	(10)	(30)	(19)
Unrealised gain on foreign exchange	(1,083)	93	(1,272)	(248)

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

There were no corporate proposals announced or not completed as at the date of this report.

8. Borrowings and debts securities

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

	As at quarter ended 30.06.22		
	Non-Current	Current	Total
	RM'000	RM'000	RM'000
Secured			
Bankers acceptance	-	21,935	21,935
Finance lease liabilities	54	154	208
Revolving credit	-	4,000	4,000
Share margin	-	5,365	5,365
Term loan	9,651	2,134	11,785
Total	9,705	33,588	43,293

	As at quarter ended 30.06.21		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	12,718	12,718
Finance lease liabilities	202	342	544
Term loan	5,563	1,352	6,915
Total	<u>5,765</u>	<u>14,412</u>	<u>20,177</u>

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 28 October 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 3 Months Ended	Cumulative Quarter 6 Months Ended
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	30.06.22	30.06.21	30.06.22	30.06.21
Income attributable to owners of the parent (RM'000)	3,348	587	5,935	3,025
Adjusted number of issued ordinary shares ('000)	2,892,969	2,892,913	2,892,969	2,892,913
Effect of shares issued pursuant to exercise of warrants ('000)	26,181	37	26,181	37
Weighted average number of issued ordinary shares ('000)	2,919,150	2,892,950	2,919,150	2,892,950
Basic earnings per share (sen)	0.11	0.02	0.20	0.10

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 6 Months Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
Profit attributable to owners of the parent (RM'000)	3,348	587	5,935	3,025
Weighted average number of issued ordinary shares ('000)	2,919,150	2,892,950	2,919,150	2,892,950
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	-	441,036	-	441,036
- Warrants B ('000)	19,636	216,000	19,636	216,000
Adjusted weighted average number of issued ordinary shares ('000)	2,938,786	3,549,986	2,938,786	3,549,986
Diluted earnings per share (sen)	0.11	0.02	0.20	0.09

BY ORDER OF THE BOARD

Liang Wooi Gee
Deputy Managing Director
Dated this 29th day of August 2022