



# **LUSTER INDUSTRIES BHD**

(156148-P)

(Incorporated in Malaysia)

## **INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

**LUSTER INDUSTRIES BHD.**  
**Company No. 156148-P**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Unaudited as at 31-Mar-23 RM'000	Audited as at 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	127,352	127,177
Right-of-use assets	651	820
Other investments	30,868	27,237
Deferred tax assets	27	27
Trade receivables	2,739	659
Other receivables, deposits and prepayments	4,417	2,195
	<u>166,054</u>	<u>158,115</u>
<b>Current assets</b>		
Inventory properties	161,016	159,652
Inventories	32,993	32,177
Trade receivables	45,531	48,680
Other receivables, deposits and prepayments	21,782	25,412
Contract costs	46,743	51,483
Current tax assets	1,035	875
Other investments	9,375	9,429
Fixed deposit with licensed banks	18,511	5,483
Cash and bank balances	55,926	64,870
	<u>392,912</u>	<u>398,061</u>
	<u>558,966</u>	<u>556,176</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	312,270	312,270
Other reserves	(26,479)	(30,953)
	<u>285,791</u>	<u>281,317</u>
Non-controlling interests	2,905	2,655
<b>Total equity</b>	<u>288,696</u>	<u>283,972</u>
<b>Non-current liabilities</b>		
Borrowings	37,304	37,670
Lease liabilities	387	195
Trade payables	2,931	900
Other payables and accruals	79,531	79,095
Deferred taxation	824	824
	<u>120,977</u>	<u>118,684</u>
<b>Current liabilities</b>		
Trade payables	20,548	21,469
Other payables and accruals	35,739	34,676
Borrowings	31,508	30,929
Lease liabilities	331	648
Contract liabilities	61,037	65,659
Current tax liabilities	130	139
	<u>149,293</u>	<u>153,520</u>
<b>Total liabilities</b>	<u>270,270</u>	<u>272,204</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>558,966</u>	<u>556,176</u>
<b>Net assets per share (RM)</b>	<b>0.09</b>	<b>0.09</b>

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 2023**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	31-Mar-23 RM'000	31-Mar-22 RM'000	31-Mar-23 RM'000	31-Mar-22 RM'000
Revenue	39,465	41,598	39,465	41,598
Cost of sales	<u>(33,526)</u>	<u>(35,146)</u>	<u>(33,526)</u>	<u>(35,146)</u>
<b>Gross profit</b>	<b>5,939</b>	<b>6,452</b>	<b>5,939</b>	<b>6,452</b>
Other income	<b>865</b>	<b>616</b>	<b>865</b>	<b>616</b>
Administrative expenses	<b>(4,803)</b>	<b>(4,283)</b>	<b>(4,803)</b>	<b>(4,283)</b>
Selling and distribution expenses	<u>(280)</u>	<u>(253)</u>	<u>(280)</u>	<u>(253)</u>
<b>Results from operating activities</b>	<b>1,721</b>	<b>2,532</b>	<b>1,721</b>	<b>2,532</b>
Finance costs	<u>(542)</u>	<u>(276)</u>	<u>(542)</u>	<u>(276)</u>
<b>Profit before tax</b>	<b>1,179</b>	<b>2,256</b>	<b>1,179</b>	<b>2,256</b>
Tax expense	<u>(126)</u>	<u>(303)</u>	<u>(126)</u>	<u>(303)</u>
<b>Profit for the period</b>	<b>1,053</b>	<b>1,953</b>	<b>1,053</b>	<b>1,953</b>
<b>Other comprehensive (expense)/ income:</b>				
Foreign currency translation differences for foreign operation	<b>40</b>	<b>61</b>	<b>40</b>	<b>61</b>
Net fair value changes of financial assets measured at FVTOCI	<u>3,631</u>	<u>(7,037)</u>	<u>3,631</u>	<u>(7,037)</u>
<b>Total comprehensive (expense)/ income for the period</b>	<b>4,724</b>	<b>(5,023)</b>	<b>4,724</b>	<b>(5,023)</b>
<b>Profit attributable to:</b>				
Owners of the parent	<b>805</b>	<b>2,587</b>	<b>805</b>	<b>2,587</b>
Non-controlling interests	<u>248</u>	<u>(634)</u>	<u>248</u>	<u>(634)</u>
	<b>1,053</b>	<b>1,953</b>	<b>1,053</b>	<b>1,953</b>
<b>Total comprehensive (expense)/ income attributable to:</b>				
Owners of the parent	<b>4,474</b>	<b>(4,392)</b>	<b>4,474</b>	<b>(4,392)</b>
Non-controlling interests	<u>250</u>	<u>(631)</u>	<u>250</u>	<u>(631)</u>
	<b>4,724</b>	<b>(5,023)</b>	<b>4,724</b>	<b>(5,023)</b>
Basic earning per ordinary share (sen)	<u>0.03</u>	<u>0.09</u>	<u>0.03</u>	<u>0.09</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	<u>0.09</u>	<u>NA</u>	<u>0.09</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 3 MONTHS PERIOD ENDED 31 MARCH 2023**

	----- Attributable to owners of the parent -----							Total	Non-controlling interests	Total equity
	----- Non-distributable -----									
	Share capital	Foreign currency translation reserve	Warrant reserve	Discount on shares	Capital reserve	Fair Value Adjustment Reserve	Accumulated losses	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	312,270	406	10,125	(10,125)	8,420	(5,099)	(34,680)	281,317	2,655	283,972
Total comprehensive income for the period	-	38	-	-	-	3,631	805	4,474	250	4,724
As at 31 March 2023	<b>312,270</b>	<b>444</b>	<b>10,125</b>	<b>(10,125)</b>	<b>8,420</b>	<b>(1,468)</b>	<b>(33,875)</b>	<b>285,791</b>	<b>2,905</b>	<b>288,696</b>
As at 1 January 2022	299,305	87	22,616	(22,616)	8,420	-	(17,767)	290,045	4,083	294,128
Total comprehensive expense for the period	-	58	-	-	-	(7,037)	2,587	(4,392)	(631)	(5,023)
<i>Transactions with owners :</i>										
Issuance of shares pursuant to the exercise of warrants interests	395							395		395
Transfer of warrants reserve upon exercised			(112)	112				-	49	49
Total transactions with owners	395	-	(112)	112	-	-	-	395	49	444
As at 31 March 2022	<b>299,700</b>	<b>145</b>	<b>22,504</b>	<b>(22,504)</b>	<b>8,420</b>	<b>(7,037)</b>	<b>(15,180)</b>	<b>286,048</b>	<b>3,501</b>	<b>289,549</b>

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 2023**

	31-Mar-23 RM'000	31-Mar-22 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,179	2,256
Adjustments for:		
Accretion of interest	17	61
Depreciation	957	943
Depreciation of right-of-use assets	169	194
Gain on disposal of property, plant and equipment	-	(138)
Reversal of impairment loss on inventories	(54)	-
Interest expense	542	276
Interest income	(281)	(68)
Unrealised gain on foreign exchange	(468)	(189)
Operating profit before working capital changes	<u>2,061</u>	<u>3,335</u>
Changes in:		
Inventory properties	(1,364)	(36,538)
Inventories	(762)	(521)
Receivables	3,020	19,896
Contract assets	-	454
Contract costs	4,740	(10,763)
Payables	2,597	23,694
Contract liabilities	(4,622)	9,481
Cash generated in operations	<u>5,670</u>	<u>9,038</u>
Income tax paid	(295)	(505)
Interest paid	(542)	(276)
Net cash generated from operating activities	<u>4,833</u>	<u>8,257</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of interest in subsidiary by non-controlling interest	-	49
Acquisition of Right of use assets	-	(51)
Interest received	281	68
Investment in Financial Assets measured at FVTOCI	-	(22,037)
Proceeds from disposal of property, plant and equipment	17	262
Purchase of property, plant and equipment	(1,146)	(5,243)
Net cash used in investing activities	<u>(848)</u>	<u>(26,952)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Addition in other investments	54	-
Net changes in bankers' acceptance	(3,181)	5,171
Net changes in revolving credit	4,000	4,000
Net changes in term loan	(548)	2,768
Net changes in lease liabilities	(143)	(181)
Net changes in finance lease liabilities	(154)	(402)
Net changes in share margin financing	96	-
Proceed from issuance of shares pursuant to exercise of warrants	-	395
Net cash (used)/ generated from financing activities	<u>124</u>	<u>11,751</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>4,109</u>	<u>(6,944)</u>
<b>Effects of foreign exchange rates changes</b>	<u>(25)</u>	<u>164</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<u>69,304</u>	<u>59,303</u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><b>73,388</b></u>	<u><b>52,523</b></u>
<b>Represented by:</b>		
Fixed deposits with licensed banks	17,462	4,330
Cash and bank balances	55,926	48,193
	<u><b>73,388</b></u>	<u><b>52,523</b></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 2022.

#### 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 2023**

MFRS 17 Insurance Contracts and 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: 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 for annual period beginning on or after 1 January 2024**

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

##### **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 and amendments to MFRSs 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 2022 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.

	<b>12 Months ended 31.03.23 RM'000</b>	<b>12 Months ended 31.03.22 RM'000</b>
<b>Segment Revenue</b>		
Manufacturing	32,418	39,849
Property development & construction	1,535	639
Gaming & leisure	719	1,110
Glove & healthcare	4,792	-
Total revenue to external customers	<u>39,464</u>	<u>41,598</u>
<b>Segment Results</b>		
Manufacturing	1,943	3,912
Property development & construction	(644)	(98)
Gaming & leisure	119	174
Glove & healthcare	390	(937)
Others	(629)	(795)
Profit before tax	1,179	2,256
Tax	(126)	(303)
Profit for the period	<u>1,053</u>	<u>1,953</u>
	<b>As at 31.03.23 RM'000</b>	<b>As at 31.03.22 RM'000</b>
<b>Segment Assets</b>		
Manufacturing	151,387	149,587
Property development & construction	198,308	231,433
Gaming & leisure	6,995	6,926
Glove & healthcare	154,613	137,677
Others	305,462	273,237
Total assets before elimination	816,765	798,860
Elimination	(257,799)	(248,677)
Total assets	<u>558,966</u>	<u>550,183</u>
<b>Segment Assets by Locations</b>		
Malaysia	551,971	543,257
Cambodia	6,995	6,926
Total assets	<u>558,966</u>	<u>550,183</u>



	<b>As at 31.03.23 RM'000</b>	<b>As at 31.03.22 RM'000</b>
<b>Segment Liabilities</b>		
Manufacturing	47,343	35,250
Property development & construction	136,079	156,685
Gaming & leisure	377	609
Glove & healthcare	104,189	133,503
Others	<u>6,409</u>	<u>(6,451)</u>
Total liabilities before elimination	294,397	319,596
Elimination	<u>(24,127)</u>	<u>(58,962)</u>
Total liabilities	<u>270,270</u>	<u>260,634</u>
<b>Segment Liabilities by Locations</b>		
Malaysia	269,893	260,025
Cambodia	<u>377</u>	<u>609</u>
Total liabilities	<u>270,270</u>	<u>260,634</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 2022.

**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**

	<b>Individual Quarter 3 Months Ended</b>		<b>Changes</b>
	<b>(Unaudited) 31.03.23 RM'000</b>	<b>(Unaudited) 31.03.22 RM'000</b>	<b>%</b>
Revenue	39,465	41,598	(5.13)
Results from operating activities	1,721	2,532	(32.03)
Profit before tax (“PBT”)	1,179	2,256	(47.74)
Profit after taxation	1,053	1,953	(46.08)
Profit attributable to owners of the parent	805	2,587	(68.88)

The revenue and PBT recorded by the Group were RM39.5 million and RM1.2 million respectively in current quarter under review as compared to RM41.6 million and PBT of RM2.3 million respectively in previous year corresponding quarter.

Manufacturing segment experienced a decline in both revenue and PBT in current quarter as compared to the previous year corresponding period. The revenue decreased to RM32.4 million from RM39.8 million, and the PBT decreased to RM1.9 million from RM3.9 million. This lower PBT can be primarily attributed to the lower revenue recorded during the current quarter.

The property development & construction segment recorded a revenue of RM1.5 million in the current quarter under review as compared to revenue of RM0.6 million in the previous year corresponding quarter. The revenue in current quarter was generated from the sales of the inventory properties of the Pengkalan Hulu project. The loss recorded in this segment was RM0.6 million in current quarter under review as compared to a loss of RM0.1 million in the previous year corresponding quarter mainly due to the marketing and promotional costs incurred to sell the houses in Pengkalan Hulu project.

The revenue and PBT recorded in glove & healthcare segment was RM4.8 million and RM0.4 million respectively in current quarter under review. The current quarter revenue was derived from the recognition by way of progressive completion of the glove production lines in the United States of America (USA). For the previous year corresponding quarter there was no revenue recorded and a loss of RM0.9 million was recorded.

The gaming & leisure segment had recorded a revenue and PBT of RM0.7 million and RM0.1 million respectively in current quarter under review as compared to RM1.1 million and RM0.2 million respectively in previous year corresponding quarter.

### Comparison with Corresponding Financial Period To Date in Previous Year

	<b>Cumulative Quarter</b>		<b>Changes</b>
	<b>12 Months Ended</b>		
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>31.03.23</b>	<b>31.03.22</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	39,465	41,598	(5.13)
Results from operating activities	1,721	2,532	(32.03)
Profit before tax (“PBT”)	1,179	2,256	(47.74)
Profit after taxation	1,053	1,953	(46.08)
Profit attributable to owners of the parent	805	2,587	(68.88)

The revenue recorded was RM39.5 million in current reporting period as compared to RM41.6 million in previous year corresponding period. The PBT in current reporting period was RM1.2 million as compared to RM2.3 million in previous year corresponding period.

The revenue and PBT in manufacturing segment were RM32.4 million and RM1.9 million respectively in current reporting period as compared to RM39.8 million and RM3.9 million respectively in previous year corresponding period. This was mainly due to lower revenue recorded, hence, lower profit recorded in current quarter.

For glove & healthcare segment, a revenue and PBT of RM4.8 million and RM0.4 million was recorded in the current reporting period as compared to a loss of RM0.9 million in previous year corresponding period. There was no revenue recorded for the previous year corresponding period. The current period revenue was derived from the recognition by way of progressive completion of the glove production lines in the USA.

The property segment had recorded revenue of RM1.5 million in current reporting period as compared to RM0.6 million in previous year corresponding period. The revenue in current quarter was generated from the sales of the inventory properties of the Pengkalan Hulu project. This segment had recorded a loss of RM RM0.6 million in current reporting period as compared to loss of RM0.1 million in previous year corresponding period mainly due to the marketing and promotional costs incurred to sell the houses in Pengkalan Hulu project.

In the current period under review, the gaming & leisure segment recorded a revenue of RM0.7 million as compared to RM1.1 million in the corresponding period of the

previous year. The segment also achieved a PBT of RM0.1 million in the current quarter and RM0.2 million in the previous year's corresponding period.

## 2. Variation of results against preceding quarter

	<b>Individual Quarter</b>		<b>Changes</b>
	<b>3 Months Ended</b>		
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>31.03.23</b>	<b>31.12.22</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	39,465	38,589	2.27
Results from operating activities	1,721	(20,321)	108.47
Profit/ (loss) before tax ("PBT/LBT")	1,179	(20,844)	105.66
Profit/ (loss) after taxation	1,053	(23,409)	104.50
Profit/ (loss) attributable to owners of the parent	805	(23,624)	103.41

The revenue recorded in current quarter under review was RM39.5 million as compared to a revenue of RM38.6 million in previous quarter. The PBT recorded was RM1.2 million in current quarter under review as compared to loss of RM20.8 million in previous quarter.

The LBT in previous quarter was mainly due to the following reasons:-

<b>No</b>	<b>Description</b>	<b>Amount</b>
a)	Goodwill impairment	RM6.4 million
b)	Provision for the allowance for expected credit losses on amount owing in relation to a material litigation	RM5.7 million
c)	Written off inventory properties and deposit for the Pengkalan Hulu project	RM4.8 million
	<b>Total</b>	<b>RM16.9 million</b>

All the above transactions are one time off impairment exercise and do not have any current and future cash flow impact on the Group.

The Manufacturing segment had recorded a revenue of RM32.4 million in the current quarter as compared to RM28.9 million in the previous quarter mainly due to the higher sales recorded for the test instrument products. The PBT in the current quarter of RM1.9 million as compared to LBT of RM3.7 million in the previous quarter. The loss in previous quarter was mainly caused by the lower sales recorded and the provision for bonus of RM1.2 million.

The glove & healthcare segment has recorded a revenue of RM4.8 million in the current quarter under review as compared to RM7.1 million in the previous quarter. The lower revenue was mainly contributed from the lower percentage of completion

for the installation of glove production lines project in USA. The PBT recorded in this segment was RM0.4 million in current quarter as compared to PBT of RM0.3 million in previous quarter.

In the current quarter under review, the Group recorded a revenue of RM1.5 million and loss of RM0.6 million for the property development and construction segment. The revenue and LBT was RM1.9 million and RM7.3 million respectively in the previous quarter. The loss in previous quarter was mainly due to the written off of the inventory properties and a deposit for the Pengkalan Hulu project.

The gaming & leisure segment had recorded a revenue and PBT of RM0.7 million and RM0.1 million respectively in current quarter as compared to RM0.6 million and RM0.2 million respectively in previous quarter.

### 3. **Prospects**

The Group will continue to remain prudent in all its operations and looking for new business opportunities to adapt to the current and new market requirements and in anticipation of a more challenging and uncertain market conditions in the near future. The Group will also be taking more careful and prudence strategies to maintain its competitiveness.

The manufacturing segment of the Group performed well in this quarter and is the main contributor to the revenue and positive operating cashflow of the Group. The Group will continue to further improve on productivity and cost structures of the manufacturing segment.

While the Group is taking careful and prudence steps by maintaining minimum operation overheads on its glove manufacturing activities in Malaysia due to low average selling price of gloves, the Group focus on its ongoing project of its installation of production lines for American Nitrile Operations, LLC, in USA and Engineering, Procurement, Construction and Commissioning (“EPCC”) contract work has contributed profit to the Group.

The Board believes that the property development and construction segment has growth potential and its development projects particularly in Klang Valley are in various stages of approval by authorities. The Board is confident that once the projects launch, the projects will contribute positively to the financial of the Group.

Given the current market condition, 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		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Based on results for the period:				
- Current tax	(126)	(303)	(126)	(303)

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

- Certain income and expenses which are not taxable and allowable; and
- Utilisation 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)
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	957	943	957	943
Depreciation of right-of-use assets	169	194	169	194
Reversal of impairment loss on inventories	(54)	-	(54)	-
Interest expense	542	276	542	276
Interest income	(281)	(68)	(281)	(68)
Gain on disposal of property, plant and equipment	-	(138)	-	(138)
Realised gain/ (loss) on foreign exchange	1,020	(91)	1,020	(91)
Rental income	(12)	(9)	(12)	(9)
Unrealised loss on foreign exchange	(468)	(189)	(468)	(189)

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 31.03.23		
	Non-Current RM'000	Current RM'000	Total RM'000
<b>Secured</b>			
Bankers acceptance	-	19,391	19,391
Finance lease liabilities	1,498	517	2,015
Revolving credit	-	4,000	4,000
Share margin	-	5,645	5,645
Term loan	35,806	1,955	37,761
Total	<u>37,304</u>	<u>31,508</u>	<u>68,812</u>

  

	As at quarter ended 31.03.22		
	Non-Current RM'000	Current RM'000	Total RM'000
<b>Secured</b>			
Bankers acceptance	-	15,798	15,798
Finance lease liabilities	59	229	288
Revolving credit	-	4,000	4,000
Term loan	10,592	1,733	12,325
Total	<u>10,651</u>	<u>21,760</u>	<u>32,411</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 said appeal is dismissed by the Court of Appeal on 15 March 2023. Subsequent to the dismissal, on 14 April 2023, 2nd to 4th defendants has filed a notice of motion at the Federal Court for leave to appeal against the said Court of Appeal's decision. The said application is now fixed for case management by way of e-review on 21 July 2023 and hearing by way of zoom on 3 August 2023.

#### 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>
Income attributable to owners of the parent (RM'000)	805	2,587	805	2,587
Adjusted number of issued ordinary shares ('000)	3,022,625	2,892,969	3,022,625	2,892,969
Effect of shares issued pursuant to exercise of warrants ('000)	-	382	-	382
Weighted average number of issued ordinary shares ('000)	3,022,625	2,893,351	3,022,625	2,893,351
Basic earnings per share (sen)	0.03	0.09	0.03	0.09

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	3 Months Ended	12 Months Ended	12 Months Ended
	31.03.23	31.03.22	31.03.23	31.03.22
Profit attributable to owners of the parent (RM'000)	^	2,587	^	2,587
Weighted average number of issued ordinary shares ('000)	^	2,893,351	^	2,893,351
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	^	75,945	^	75,945
- Warrants B ('000)	^	37,488	^	37,488
Adjusted weighted average number of issued ordinary shares ('000)	^	3,006,784	^	3,006,784
Diluted earnings per share (sen)	^	0.09	^	0.09

^ Based on the 30-days weighted average market price of share of Luster Industries Bhd. up to 31 March 2023, 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

**Chuah Chong Ewe**  
Managing Director  
Dated this 29th day of May 2023