



LUSTER INDUSTRIES BHD

198601006973 (156148-P)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2023**

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Unaudited as at 30-Jun-23 RM'000	Audited as at 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	127,035	127,177
Right-of-use assets	557	820
Other investments	29,052	27,237
Deferred tax assets	27	27
Trade receivables	2,739	659
Other receivables, deposits and prepayments	4,665	2,195
	164,075	158,115
Current assets		
Inventory properties	161,239	159,652
Inventories	30,551	32,177
Trade receivables	42,825	48,680
Other receivables, deposits and prepayments	20,231	25,412
Contract costs	46,941	51,483
Current tax assets	1,204	875
Other investments	9,421	9,429
Fixed deposit with licensed banks	18,625	5,483
Cash and bank balances	59,107	64,870
	390,144	398,061
	554,219	556,176
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	312,275	312,270
Other reserves	(25,757)	(30,953)
	286,518	281,317
Non-controlling interests	3,165	2,655
Total equity	289,683	283,972
Non-current liabilities		
Borrowings	36,803	37,670
Lease liabilities	68	195
Trade payables	2,772	900
Other payables and accruals	79,511	79,095
Deferred taxation	824	824
	119,978	118,684
Current liabilities		
Trade payables	22,146	21,469
Other payables and accruals	34,327	34,676
Borrowings	30,190	30,929
Lease liabilities	601	648
Contract liabilities	57,170	65,659
Current tax liabilities	124	139
	144,558	153,520
Total liabilities	264,536	272,204
TOTAL EQUITY AND LIABILITIES	554,219	556,176
Net assets per share (RM)	0.09	0.09

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2023

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Jun-23 RM'000	30-Jun-22 RM'000	30-Jun-23 RM'000	30-Jun-22 RM'000
Revenue	38,420	39,354	77,885	80,952
Cost of sales	<u>(32,159)</u>	<u>(33,572)</u>	<u>(65,685)</u>	<u>(68,718)</u>
Gross profit	6,261	5,782	12,200	12,234
Other income	1,572	2,079	2,437	2,695
Administrative expenses	(4,527)	(3,727)	(9,330)	(8,010)
Selling and distribution expenses	<u>(242)</u>	<u>(510)</u>	<u>(522)</u>	<u>(763)</u>
Results from operating activities	3,064	3,624	4,785	6,156
Finance costs	<u>(549)</u>	<u>(436)</u>	<u>(1,091)</u>	<u>(712)</u>
Profit before tax	2,515	3,188	3,694	5,444
Tax expense	<u>(89)</u>	<u>(236)</u>	<u>(215)</u>	<u>(539)</u>
Profit for the period	2,426	2,952	3,479	4,905
Other comprehensive (expense)/ income:				
Foreign currency translation differences for foreign operation	371	303	411	364
Net fair value changes of financial assets measured at FVTOCI	<u>1,816</u>	<u>(2,602)</u>	<u>5,447</u>	<u>(9,639)</u>
Total comprehensive (expense)/ income for the period	4,613	653	9,337	(4,370)
Profit attributable to:				
Owners of the parent	2,185	3,348	2,990	5,935
Non-controlling interests	<u>241</u>	<u>(396)</u>	<u>489</u>	<u>(1,030)</u>
	2,426	2,952	3,479	4,905
Total comprehensive (expense)/ income attributable to:				
Owners of the parent	4,372	1,034	8,827	(3,358)
Non-controlling interests	<u>241</u>	<u>(381)</u>	<u>510</u>	<u>(1,012)</u>
	4,613	653	9,337	(4,370)
Basic earning per ordinary share (sen)	<u>0.07</u>	<u>0.11</u>	<u>0.10</u>	<u>0.20</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	<u>0.11</u>	<u>NA</u>	<u>0.20</u>

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2023

	----- Attributable to owners of the parent -----							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	----- Non-distributable -----									
	Share capital RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Discount on shares RM'000	Capital reserve RM'000	Fair Value Adjustment Reserve RM'000	Accumulated losses 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	-	390	-	-	-	1,816	2,990	5,196	510	5,706
<i>Transactions with owners :</i>										
Issuance of shares pursuant to the exercise of warrants	5	-	-	-	-	-	-	5	-	5
As at 30 June 2023	312,275	796	10,125	(10,125)	8,420	(3,283)	(31,690)	286,518	3,165	289,683
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 30 June 2022	299,700	145	22,504	(22,504)	8,420	(7,037)	(15,180)	286,048	3,501	289,549

The accompany notes form an integral part of this interim financial report.

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2023

	30-Jun-23 RM'000	30-Jun-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,694	5,444
Adjustments for:		
Accretion of interest	31	113
Depreciation	1,856	1,882
Depreciation of right-of-use assets	352	383
Gain on disposal of property, plant and equipment	(28)	(321)
Property, plant and equipment written off	43	-
(Reversal of)/ impairment loss on inventories	(472)	50
Interest expense	1,091	712
Interest income	(718)	(174)
Unrealised gain on foreign exchange	(1,307)	(1,272)
Operating profit before working capital changes	4,542	6,817
Changes in:		
Inventory properties	(1,587)	(37,357)
Inventories	2,098	(9,014)
Receivables	7,689	22,010
Contract assets	-	79
Contract costs	4,542	(19,394)
Payables	2,502	32,657
Contract liabilities	(8,489)	16,279
Cash generated in operations	11,297	12,077
Income tax paid	(559)	(842)
Interest paid	(1,091)	(712)
Net cash generated from operating activities	9,647	10,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	-	49
Acquisition of Right of use assets	(82)	(51)
Interest received	718	174
Investment in Financial Assets measured at FVTOCI	1	(32,336)
Proceeds from disposal of property, plant and equipment	45	937
Purchase of property, plant and equipment	(1,762)	(10,949)
Net cash used in investing activities	(1,080)	(42,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Addition in other investments	8	-
Net changes in bankers' acceptance	(397)	11,308
Net changes in revolving credit	-	4,000
Net changes in term loan	(1,097)	2,227
Net changes in lease liabilities	(212)	(397)
Net changes in finance lease liabilities	(311)	(166)
Net changes in share margin financing	198	5,365
Proceed from issuance of shares pursuant to exercise of warrants	5	12,965
Net cash (used)/ generated from financing activities	(1,806)	35,302
NET DECREASE IN CASH AND CASH EQUIVALENTS	6,761	3,649
Effects of foreign exchange rates changes	618	661
CASH AND CASH EQUIVALENTS AT BEGINNING	69,304	59,303
CASH AND CASH EQUIVALENTS AT END	76,683	63,613
Represented by:		
Fixed deposits with licensed banks	17,576	5,380
Cash and bank balances	59,107	58,233
	76,683	63,613

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.

	12 Months ended 30.06.23 RM'000	12 Months ended 30.06.22 RM'000
Segment Revenue		
Manufacturing	66,485	77,743
Property development & construction	1,878	1,047
Gaming & leisure	1,355	2,162
Glove & healthcare	8,167	-
Total revenue to external customers	<u>77,885</u>	<u>80,952</u>
Segment Results		
Manufacturing	4,732	8,262
Property development & construction	(1,113)	(39)
Gaming & leisure	191	339
Glove & healthcare	968	(1,652)
Others	(1,084)	(1,466)
Profit before tax	3,694	5,444
Tax	(215)	(539)
Profit for the period	<u>3,479</u>	<u>4,905</u>
	As at 30.06.23 RM'000	As at 30.06.22 RM'000
Segment Assets		
Manufacturing	150,999	160,599
Property development & construction	196,574	224,257
Gaming & leisure	7,306	7,915
Glove & healthcare	153,617	155,116
Others	303,433	282,267
Total assets before elimination	811,929	830,154
Elimination	(257,710)	(240,264)
Total assets	<u>554,219</u>	<u>589,890</u>
Segment Assets by Locations		
Malaysia	546,913	581,975
Cambodia	7,306	7,915
Total assets	<u>554,219</u>	<u>589,890</u>

	As at 30.06.23 RM'000	As at 30.06.22 RM'000
Segment Liabilities		
Manufacturing	45,496	42,040
Property development & construction	134,826	149,639
Gaming & leisure	328	1,280
Glove & healthcare	103,007	151,766
Others	<u>6,217</u>	<u>(6,892)</u>
Total liabilities before elimination	289,874	337,833
Elimination	<u>(25,338)</u>	<u>(50,715)</u>
Total liabilities	<u>264,536</u>	<u>287,118</u>
Segment Liabilities by Locations		
Malaysia	264,208	286,500
Cambodia	<u>328</u>	<u>618</u>
Total liabilities	<u>264,536</u>	<u>287,118</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

	Individual Quarter 3 Months Ended		
	(Unaudited) 30.06.23 RM'000	(Unaudited) 30.06.22 RM'000	Changes %
Revenue	38,420	39,354	(2.37)
Results from operating activities	3,064	3,624	(15.45)
Profit before tax (“PBT”)	2,515	3,188	(21.11)
Profit after taxation	2,426	2,952	(17.82)
Profit attributable to owners of the parent	2,185	3,348	(34.74)

The revenue and PBT recorded by the Group were RM38.4 million and RM2.5 million respectively in current quarter under review as compared to RM39.6 million and RM3.2 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 RM34.1 million from RM37.9 million, and the PBT decreased to RM2.8 million from RM4.4 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 RM0.3 million in the current quarter under review as compared to revenue of RM0.4 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 RM0.5 million in current quarter under review as compared to a PBT 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 RM3.4 million and RM0.6 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 RM0.7 million was recorded.

The gaming & leisure segment had recorded a revenue and PBT of RM0.6 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

	Cumulative Quarter		Changes
	12 Months Ended		
	(Unaudited)	(Unaudited)	
	30.06.23	30.06.22	
	RM'000	RM'000	%
Revenue	77,885	80,952	(3.79)
Results from operating activities	4,785	6,156	(22.27)
Profit before tax (“PBT”)	3,694	5,444	(32.15)
Profit after taxation	3,479	4,905	(29.07)
Profit attributable to owners of the parent	2,990	5,935	(49.62)

The revenue recorded was RM77.9 million in current reporting period as compared to RM81.0 million in previous year corresponding period. The PBT in current reporting period was RM3.7 million as compared to RM5.4 million in previous year corresponding period.

The revenue and PBT in manufacturing segment were RM66.5 million and RM4.7 million respectively in current reporting period as compared to RM77.7 million and RM8.3 million respectively in previous year corresponding period. This was mainly due to lower revenue recorded, hence, lower profit recorded in current reporting period.

For glove & healthcare segment, a revenue and PBT of RM8.2 million and RM1.0 million was recorded in the current reporting period as compared to a loss of RM1.7 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 RM1.9 million in current reporting period as compared to RM1.0 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 RM1.1 million in current reporting period as compared to loss of RM39 thousand 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 RM1.4 million as compared to RM2.2 million in the corresponding period of the

previous year. The segment also achieved a PBT of RM0.2 million in the current quarter and RM0.3 million in the previous year's corresponding period.

2. Variation of results against preceding quarter

	Individual Quarter		Changes
	3 Months Ended		
	(Unaudited)	(Unaudited)	
	30.06.23	31.03.23	
	RM'000	RM'000	%
Revenue	38,420	39,465	(2.65)
Results from operating activities	3,064	1,721	(78.04)
Profit before tax ("PBT")	2,515	1,179	(113.32)
Profit after taxation	2,426	1,053	(130.39)
Profit attributable to owners of the parent	2,185	805	(171.43)

The revenue recorded in current quarter under review was RM38.4 million as compared to a revenue of RM39.5 million in previous quarter. The PBT recorded was RM2.5 million in current quarter under review as compared to RM1.2 million in previous quarter.

The Manufacturing segment had recorded a revenue and PBT of RM34.1 million and RM2.8 million in the current quarter as compared to RM32.4 million and RM1.9 million in the previous quarter. This was mainly due to higher revenue recorded.

The glove & healthcare segment had recorded a revenue of RM3.4 million in the current quarter under review as compared to RM4.8 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 RM0.6 million in current quarter as compared to PBT of RM0.4 million in previous quarter.

Property development & construction segment recorded a revenue and loss of RM0.3 million and RM0.5 million respectively in current quarter under review as compared to revenue and loss of RM1.5 million and RM0.6 million respectively in previous quarter. The losses in both quarters were mainly due to the marketing and promotional costs incurred to sell the houses in Pengkalan Hulu project.

The gaming & leisure segment had recorded a revenue and PBT of RM0.6 million and RM0.1 million respectively in current quarter as compared to RM0.7 million and RM0.1 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)
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Based on results for the period:				
- Current tax	(89)	(236)	(215)	(539)

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)
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	899	939	1,856	1,882
Depreciation of right-of-use assets	183	189	352	383
(Reversal of)/ impairment loss on inventories	(418)	50	(472)	50
Interest expense	549	436	1,091	712
Interest income	(437)	(106)	(718)	(174)
Gain on disposal of property, plant and equipment	(28)	(183)	(28)	(321)
Property, plant and equipment written off	43	-	43	-
Realised (gain)/ loss on foreign exchange	(47)	(629)	973	(720)
Rental income	(12)	(21)	(24)	(30)
Unrealised gain on foreign exchange	(839)	(1,083)	(1,307)	(1,272)

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 30.06.23		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	22,176	22,176
Finance lease liabilities	1,545	313	1,858
Share margin	-	5,747	5,747
Term loan	35,258	1,954	37,212
Total	<u>36,803</u>	<u>30,190</u>	<u>66,993</u>

	As at quarter ended 30.06.22		
	Non-Current RM'000	Current RM'000	Total 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	<u>9,705</u>	<u>33,588</u>	<u>43,293</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. On 3 August 2023, the Federal Court has dismissed Mr. How Soong Khong and Ms. Yap Yoke Chuan's motion for leave to appeal with costs of RM30,000.00 to be paid to the Company.

10. **Proposed dividend**

No dividend was proposed for the current quarter under review.

11. **Earnings per share**

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
Income attributable to owners of the parent (RM'000)	2,185	3,348	2,990	5,935
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)	9	26,181	9	26,181
Weighted average number of issued ordinary shares ('000)	3,022,634	2,919,150	3,022,634	2,919,150
Basic earnings per share (sen)	0.07	0.11	0.10	0.20

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

	Individual Quarter		Cumulative Quarter	
	30.06.23	30.06.22	30.06.23	30.06.22
Profit attributable to owners of the parent (RM'000)	^	3,348	^	5,935
Weighted average number of issued ordinary shares ('000)	^	2,919,150	^	2,919,150
Adjustments for dilutive effect on exercise of:				
- Warrants A ('000)	^	-	^	-
- Warrants B ('000)	^	19,636	^	19,636
Adjusted weighted average number of issued ordinary shares ('000)	^	2,938,786	^	2,938,786
Diluted earnings per share (sen)	^	0.11	^	0.20

^ Based on the 30-days weighted average market price of share of Luster Industries Bhd. up to 30 June 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 28th day of August 2023