



# **LUSTER INDUSTRIES BHD**

198601006973 (156148-P)  
(Incorporated in Malaysia)

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

**LUSTER INDUSTRIES BHD.**  
**Company No. 198601006973 (156148-P)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	<b>Unaudited as at 30-Sep-23 RM'000</b>	<b>Audited as at 31-Dec-22 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	128,362	127,177
Right-of-use assets	176	820
Other investments	40,855	27,237
Deferred tax assets	27	27
Trade receivables	1,182	659
Other receivables, deposits and prepayments	4,692	2,195
	<b>175,294</b>	<b>158,115</b>
<b>Current assets</b>		
Inventory properties	162,540	159,652
Inventories	29,744	32,177
Trade receivables	34,923	48,680
Other receivables, deposits and prepayments	20,910	25,412
Contract assets	896	-
Contract costs	44,740	51,483
Current tax assets	1,143	875
Other investments	9,459	9,429
Fixed deposit with licensed banks	21,264	5,483
Cash and bank balances	58,494	64,870
	<b>384,113</b>	<b>398,061</b>
	<b>559,407</b>	<b>556,176</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	312,275	312,270
Other reserves	(13,863)	(30,953)
	<b>298,412</b>	<b>281,317</b>
Non-controlling interests	3,135	2,655
<b>Total equity</b>	<b>301,547</b>	<b>283,972</b>
<b>Non-current liabilities</b>		
Borrowings	36,111	37,670
Lease liabilities	71	195
Trade payables	1,573	900
Other payables and accruals	79,519	79,095
Deferred taxation	824	824
	<b>118,098</b>	<b>118,684</b>
<b>Current liabilities</b>		
Trade payables	20,851	21,469
Other payables and accruals	35,177	34,676
Borrowings	28,722	30,929
Lease liabilities	256	648
Contract liabilities	54,756	65,659
Current tax liabilities	-	139
	<b>139,762</b>	<b>153,520</b>
<b>Total liabilities</b>	<b>257,860</b>	<b>272,204</b>
	<b>559,407</b>	<b>556,176</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>559,407</b>	<b>556,176</b>
<b>Net assets per share (RM)</b>	<b>0.10</b>	<b>0.09</b>

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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Revenue	33,137	39,206	111,022	120,158
Cost of sales	<u>(28,824)</u>	<u>(35,590)</u>	<u>(94,509)</u>	<u>(104,308)</u>
<b>Gross profit</b>	<b>4,313</b>	<b>3,616</b>	<b>16,513</b>	<b>15,850</b>
Other income	474	2,586	2,911	5,281
Administrative expenses	(3,830)	(4,914)	(13,160)	(12,924)
Selling and distribution expenses	<u>(263)</u>	<u>(316)</u>	<u>(785)</u>	<u>(1,079)</u>
<b>Results from operating activities</b>	<b>694</b>	<b>972</b>	<b>5,479</b>	<b>7,128</b>
Finance costs	<u>(570)</u>	<u>(396)</u>	<u>(1,661)</u>	<u>(1,108)</u>
<b>Profit before tax</b>	<b>124</b>	<b>576</b>	<b>3,818</b>	<b>6,020</b>
Tax expense	<u>(105)</u>	<u>(451)</u>	<u>(320)</u>	<u>(990)</u>
<b>Profit for the period</b>	<b>19</b>	<b>125</b>	<b>3,498</b>	<b>5,030</b>
<b>Other comprehensive (expense)/ income:</b>				
Foreign currency translation differences for foreign operation	39	340	450	704
Net fair value changes of financial assets measured at FVTOCI	<u>13,618</u>	<u>(5,099)</u>	<u>19,066</u>	<u>(5,099)</u>
<b>Total comprehensive (expense)/ income for the period</b>	<b><u>13,676</u></b>	<b><u>(4,634)</u></b>	<b><u>23,014</u></b>	<b><u>635</u></b>
<b>Profit attributable to:</b>				
Owners of the parent	55	1,003	3,045	6,938
Non-controlling interests	<u>(36)</u>	<u>(878)</u>	<u>453</u>	<u>(1,908)</u>
	<u>19</u>	<u>125</u>	<u>3,498</u>	<u>5,030</u>
<b>Total comprehensive (expense)/ income attributable to:</b>				
Owners of the parent	13,710	(3,773)	22,538	2,511
Non-controlling interests	<u>(34)</u>	<u>(861)</u>	<u>476</u>	<u>(1,873)</u>
	<u>13,676</u>	<u>(4,634)</u>	<u>23,014</u>	<u>638</u>
Basic earning per ordinary share (sen)	<u>0.00</u>	<u>0.03</u>	<u>0.10</u>	<u>0.23</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 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	-	427	-	-	-	13,618	3,045	17,090	476	17,566
<i>Transactions with owners :</i>										
Issuance of shares pursuant to the exercise of warrants	5	-	-	-	-	-	-	5	-	5
Acquisition of interest in subsidiary	-	-	-	-	-	-	-	-	4	4
Transfer of warrants reserve upon lapse of Warrant B	-	-	(10,125)	10,125	-	-	-	-	-	-
Total transactions with owners	5	-	(10,125)	10,125	-	-	-	5	4	9
As at 30 September 2023	<b>312,275</b>	<b>833</b>	<b>-</b>	<b>-</b>	<b>8,420</b>	<b>8,519</b>	<b>(31,635)</b>	<b>298,412</b>	<b>3,135</b>	<b>301,547</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	-	668	-	-	-	-	1,839	2,507	(1,873)	634
<i>Transactions with owners :</i>										
Issuance of shares pursuant to the exercise of warrants interests	12,965	-	-	-	-	-	-	12,965	-	12,965
Transfer of warrants reserve upon exercised	-	-	(12,491)	12,491	-	-	-	-	49	49
Total transactions with owners	12,965	-	(12,491)	12,491	-	-	-	12,965	49	13,014
As at 30 September 2022	<b>312,270</b>	<b>755</b>	<b>10,125</b>	<b>(10,125)</b>	<b>8,420</b>	<b>-</b>	<b>(15,928)</b>	<b>305,517</b>	<b>2,259</b>	<b>307,776</b>

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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	30-Sep-23 RM'000	30-Sep-22 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,818	6,020
Adjustments for:		
Accretion of interest	49	62
Depreciation	2,697	2,833
Depreciation of right-of-use assets	502	582
Gain on disposal of property, plant and equipment	(37)	(398)
Property, plant and equipment written off	43	-
Reversal of impairment loss on inventories	(527)	(25)
Interest expense	1,661	1,108
Interest income	(1,244)	(321)
Unrealised gain on foreign exchange	(987)	(1,961)
Operating profit before working capital changes	5,975	7,900
Changes in:		
Inventory properties	(2,888)	(37,351)
Inventories	2,960	(9,461)
Receivables	16,152	44,241
Contract assets	(896)	331
Contract costs	6,743	(21,158)
Payables	834	35,738
Contract liabilities	(10,903)	16,299
Cash generated in operations	17,977	36,539
Income tax paid	(727)	(3,602)
Interest paid	(1,661)	(1,108)
Net cash generated from operating activities	15,589	31,829
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of interest in subsidiary by non-controlling interest	4	49
Acquisition of Right of use assets	(82)	(104)
Interest received	1,244	321
Investment in Financial Assets measured at FVTOCI	-	(32,336)
Proceeds from disposal of property, plant and equipment	54	1,015
Purchase of property, plant and equipment	(3,930)	(22,273)
Reversal of right of use asset	230	-
Net cash used in investing activities	(2,480)	(53,328)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Addition in other investments	(30)	-
Net changes in bankers' acceptance	(1,961)	11,590
Net changes in term loan	(1,856)	1,683
Net changes in lease liabilities	(572)	(438)
Net changes in finance lease liabilities	(252)	(261)
Net changes in share margin financing	303	5,454
Proceed from issuance of shares pursuant to exercise of warrants	5	12,965
Net cash (used)/ generated from financing activities	(4,363)	30,993
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	8,746	9,494
<b>Effects of foreign exchange rates changes</b>	659	1,322
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	69,304	59,303
<b>CASH AND CASH EQUIVALENTS AT END</b>	78,709	70,119
<b>Represented by:</b>		
Fixed deposits with licensed banks	20,215	5,475
Cash and bank balances	58,494	64,644
	78,709	70,119

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>9 Months ended 30.09.23 RM'000</b>	<b>9 Months ended 30.09.22 RM'000</b>
<b>Segment Revenue</b>		
Manufacturing	95,020	114,847
Property development & construction	3,472	2,250
Gaming & leisure	1,987	3,061
Glove & healthcare	10,543	-
Total revenue to external customers	<u>111,022</u>	<u>120,158</u>
<b>Segment Results</b>		
Manufacturing	5,331	11,958
Property development & construction	(1,267)	(1,104)
Gaming & leisure	229	464
Glove & healthcare	1,120	(3,318)
Others	(1,595)	(1,980)
Profit before tax	3,818	6,020
Tax	(320)	(990)
Profit for the period	<u>3,498</u>	<u>5,030</u>
	<b>As at 30.09.23 RM'000</b>	<b>As at 30.09.22 RM'000</b>
<b>Segment Assets</b>		
Manufacturing	147,851	161,103
Property development & construction	198,558	222,915
Gaming & leisure	7,248	7,480
Glove & healthcare	151,493	160,331
Others	315,266	302,399
Total assets before elimination	820,416	854,228
Elimination	(261,009)	(261,859)
Total assets	<u>559,407</u>	<u>592,369</u>
<b>Segment Assets by Locations</b>		
Malaysia	552,159	584,889
Cambodia	7,248	7,480
Total assets	<u>559,407</u>	<u>592,369</u>



	<b>As at 30.09.23 RM'000</b>	<b>As at 30.09.22 RM'000</b>
<b>Segment Liabilities</b>		
Manufacturing	41,798	38,912
Property development & construction	136,966	148,803
Gaming & leisure	275	497
Glove & healthcare	101,002	158,988
Others	6,428	9,046
Total liabilities before elimination	<u>286,469</u>	<u>356,246</u>
Elimination	<u>(28,609)</u>	<u>(71,653)</u>
Total liabilities	<u>257,860</u>	<u>284,593</u>
<b>Segment Liabilities by Locations</b>		
Malaysia	257,585	284,096
Cambodia	275	497
Total liabilities	<u>257,860</u>	<u>284,593</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>(Unaudited) 30.09.23 RM'000</b>	<b>(Unaudited) 30.09.22 RM'000</b>	<b>Changes %</b>
Revenue	33,137	39,206	(15.48)
Results from operating activities	694	972	(28.60)
Profit before tax (“PBT”)	124	576	(78.47)
Profit after taxation	19	125	(84.80)
Profit attributable to owners of the parent	55	1,003	(94.52)

The revenue and PBT recorded by the Group were RM33.1 million and RM0.1 million respectively in current quarter under review as compared to RM39.2 million and RM0.6 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 RM28.5 million from RM37.1 million, and the PBT decreased to RM0.6 million from RM3.7 million. The decline in sales is attributed to lower demand for plastic formwork and the automotive plastic parts and components as well as lower sales in machining division.

The property development & construction segment recorded a revenue of RM1.6 million in the current quarter under review as compared to revenue of RM1.2 million in the previous year corresponding quarter. The revenue in current quarter and the lower loss recorded of RM0.2 million in current quarter under review as compared to loss of RM1.1 million in the previous year corresponding quarter is due mainly to commencement of work of new phase in Taman Perda Indah.

The revenue and PBT recorded in glove & healthcare segment was RM2.4 million and RM0.2 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 the loss was RM1.7 million.

The gaming & leisure segment had recorded a revenue and PBT of RM0.6 million and RM38 thousand respectively in current quarter under review as compared to RM0.9 million and RM0.1 million respectively in previous year corresponding quarter.

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

	<b>Cumulative Quarter 9 Months Ended</b>		
	<b>(Unaudited) 30.09.23 RM'000</b>	<b>(Unaudited) 30.09.22 RM'000</b>	<b>Changes %</b>
Revenue	111,022	120,158	(7.60)
Results from operating activities	5,479	7,128	(23.13)
Profit before tax (“PBT”)	3,818	6,020	(36.58)
Profit after taxation	3,498	5,030	(30.46)
Profit attributable to owners of the parent	3,045	6,938	(56.11)

The revenue recorded was RM111.0 million in current reporting period as compared to RM120.2 million in previous year corresponding period. The PBT in current reporting period was RM3.8 million as compared to RM6.0 million in previous year corresponding period.

The revenue and PBT in manufacturing segment were RM95.0 million and RM5.3 million respectively in current reporting period as compared to RM114.8 million and RM12.0 million respectively in previous year corresponding period. The decline in revenue was mainly due to reduced demand from plastic formwork, hygiene and pest control product as well as decreased sales within the machining division.

For glove & healthcare segment, a revenue and PBT of RM10.5 million and RM1.1 million was recorded in the current reporting period as compared to a loss of RM3.3 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 RM3.5 million in current reporting period as compared to RM2.3 million in previous year corresponding period. The revenue in current quarter was generated from the commencement of work of new phase in Taman Perda Indah. This segment had recorded a loss of RM1.3 million in current reporting period as compared to loss of RM1.1 million in previous year corresponding period mainly due to the higher staff cost incurred for the new or on-going project development.

In the current period under review, the gaming & leisure segment recorded a revenue of RM2.0 million as compared to RM3.1 million in the corresponding period of the previous year. The segment also achieved a PBT of RM0.2 million in the current quarter and RM0.5 million in the previous year's corresponding period.

## 2. Variation of results against preceding quarter

	<b>Individual Quarter</b>		
	<b>3 Months Ended</b>		
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Changes</b>
	<b>30.09.23</b>	<b>30.06.23</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	33,137	38,420	(13.75)
Results from operating activities	694	3,064	77.35
Profit before tax ("PBT")	124	2,515	95.07
Profit after taxation	19	2,426	99.22
Profit attributable to owners of the parent	55	2,185	97.48

The revenue recorded in current quarter under review was RM33.1 million as compared to a revenue of RM38.4 million in previous quarter. The PBT recorded was RM0.1 million in current quarter under review as compared to RM2.5 million in previous quarter.

The Manufacturing segment had recorded a revenue and PBT of RM28.5 million and RM0.6 million in the current quarter as compared to RM34.1 million and RM2.8 million in the previous quarter. This was mainly due to lower sales recorded for the plastic formwork, hygiene and pest control product. Additionally, there has been a decline in sales within the machining division.

The glove & healthcare segment had recorded a revenue of RM2.4 million in the current quarter under review as compared to RM3.4 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 RM0.2 million in current quarter as compared to PBT of RM0.6 million in previous quarter.

Property development & construction segment recorded a revenue and loss of RM1.6 million and RM0.2 million respectively in current quarter under review as compared to revenue and loss of RM0.3 million and RM0.5 million respectively in previous quarter. The revenue and lower loss in current quarter resulted from commencement of work of new phase in Taman Perda Indah.

The gaming & leisure segment had recorded a revenue and PBT of RM0.6 million and RM38 thousand respectively in current quarter as compared RM0.6 million and RM0.1 million respectively in previous quarter.

### 3. **Prospects**

The Group will continue to remain prudent to maintain its competitiveness in all its existing operations while looking for new business opportunities amid more challenging and uncertain market conditions in the near future.

In the manufacturing segment, notwithstanding the decline as compared to previous year, this segment continues to exhibit reasonably good performance. The Group continue to enhance productivity and streamline production costs in maintaining competitiveness, especially in light of the prevailing geopolitical uncertainties anticipated in the near future.

In the property development and construction segment, the Board believes it has growth potential. Its development projects particularly in Cybersouth and Ara Damansara, Selangor are currently in preparation stage for soft launching which targeting first half of year 2024. Such development projects have the potential to enhance the Group's financial performance.

In glove & healthcare segment, the Group continue to be careful and prudent by maintaining minimum operation overheads on its glove manufacturing activities in Malaysia due to low average selling price of gloves while focusing on its ongoing Engineering, Procurement, Construction and Commissioning (“EPCC”) project of its installation of production lines for American Nitrile Operations, LLC, in USA. This contract work has contributed profit to the Group.

In the gaming & leisure segment, based on current market condition remain challenging and the Group shall be prudent and maintain its current position in the 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 strive 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		9 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Based on results for the period:				
- Current tax	(86)	(124)	(301)	(663)
Under provision in prior year:				
- Current tax	(19)	(327)	(19)	(327)
	<u>(105)</u>	<u>(451)</u>	<u>(320)</u>	<u>(990)</u>

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		9 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	841	951	2,697	2,833
Depreciation of right-of-use assets	150	199	502	582
Reversal of impairment loss on inventories	(55)	(75)	(527)	(25)
Interest expense	570	396	1,661	1,108
Interest income	(526)	(147)	(1,244)	(321)
Gain on disposal of property, plant and equipment	(9)	(77)	(37)	(398)
Property, plant and equipment written off	-	-	43	-
Realised (gain)/ loss on foreign exchange	(11)	(1,116)	962	(1,836)
Rental income	(10)	(24)	(34)	(54)
Unrealised (gain)/ loss on foreign exchange	321	(688)	(987)	(1,961)

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:

	<b>As at quarter ended 30.09.23</b>		
	<b>Non-Current RM'000</b>	<b>Current RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
Bankers acceptance	-	20,612	20,612
Finance lease liabilities	1,402	515	1,917
Share margin	-	5,852	5,852
Term loan	34,709	1,743	36,452
<b>Total</b>	<u>36,111</u>	<u>28,722</u>	<u>64,833</u>

	<b>As at quarter ended 30.09.22</b>		
	<b>Non-Current RM'000</b>	<b>Current RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
Bankers acceptance	-	22,217	22,217
Finance lease liabilities	270	292	562
Share margin	-	5,454	5,454
Term loan	9,105	2,136	11,241
<b>Total</b>	<u>9,375</u>	<u>30,099</u>	<u>39,474</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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30.09.23</b>	<b>30.09.22</b>	<b>30.09.23</b>	<b>30.09.22</b>
Income attributable to owners of the parent (RM'000)	55	1,003	3,045	6,938
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)	23	61,051	23	61,051
Weighted average number of issued ordinary shares ('000)	3,022,648	2,954,020	3,022,648	2,954,020
Basic earnings per share (sen)	0.00	0.03	0.10	0.23

Dilute earnings per share:

No diluted EPS was presented as there are no dilutive potential ordinary shares.



**BY ORDER OF THE BOARD**

**Chuah Chong Ewe**

Managing Director

**Dated this 28th day of November 2023**