



LUSTER INDUSTRIES BHD

198601006973 (156148-P)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023**

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Unaudited as at 31-Dec-23 RM'000	Audited as at 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	134,580	127,177
Right-of-use assets	226	820
Other investments	29,960	27,237
Deferred tax assets	295	27
Trade receivables	325	659
Other receivables, deposits and prepayments	4,590	2,195
	169,976	158,115
Current assets		
Inventory properties	165,748	159,652
Inventories	24,960	32,177
Trade receivables	29,506	48,680
Other receivables, deposits and prepayments	20,073	25,412
Contract assets	755	-
Contract costs	42,470	51,483
Current tax assets	1,186	875
Other investments	9,845	9,429
Fixed deposit with licensed banks	21,745	5,483
Cash and bank balances	50,814	64,870
	367,102	398,061
TOTAL ASSETS	537,078	556,176
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	312,275	312,270
Other reserves	(25,696)	(30,953)
	286,579	281,317
Non-controlling interests	2,167	2,655
Total equity	288,746	283,972
Non-current liabilities		
Borrowings	35,476	37,670
Lease liabilities	139	195
Trade payables	1,152	900
Other payables and accruals	79,528	79,095
Deferred taxation	1,734	824
	118,029	118,684
Current liabilities		
Trade payables	17,462	21,469
Other payables and accruals	34,946	34,676
Borrowings	23,751	30,929
Lease liabilities	100	648
Contract liabilities	53,473	65,659
Current tax liabilities	571	139
	130,303	153,520
Total liabilities	248,332	272,204
TOTAL EQUITY AND LIABILITIES	537,078	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 12 MONTHS PERIOD ENDED 31 DECEMBER 2023

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	31-Dec-23 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-22 RM'000
Revenue	29,978	38,589	141,000	158,747
Cost of sales	<u>(25,123)</u>	<u>(35,635)</u>	<u>(119,632)</u>	<u>(139,943)</u>
Gross profit	4,855	2,954	21,368	18,804
Other income	1,013	(6,112)	3,924	(831)
Administrative expenses	(4,683)	(16,875)	(17,843)	(29,799)
Selling and distribution expenses	<u>(340)</u>	<u>(288)</u>	<u>(1,125)</u>	<u>(1,367)</u>
Results from operating activities	845	(20,321)	6,324	(13,193)
Finance costs	<u>(474)</u>	<u>(523)</u>	<u>(2,135)</u>	<u>(1,631)</u>
Profit/(loss) before tax	371	(20,844)	4,189	(14,824)
Tax expense	<u>(2,125)</u>	<u>(2,565)</u>	<u>(2,445)</u>	<u>(3,555)</u>
Profit/(loss) for the period	(1,754)	(23,409)	1,744	(18,379)
Other comprehensive (expense)/ income:				
Foreign currency translation differences for foreign operation	(152)	(368)	298	336
Net fair value changes of financial assets measured at FVTOCI	<u>(21,442)</u>	<u>(5,099)</u>	<u>2,723</u>	<u>(5,099)</u>
Total comprehensive (expense)/ income for the period	(23,348)	(28,876)	4,765	(23,142)
Profit/(loss) attributable to:				
Owners of the parent	(794)	(23,624)	2,251	(16,686)
Non-controlling interests	<u>(960)</u>	<u>215</u>	<u>(507)</u>	<u>(1,693)</u>
	(1,754)	(23,409)	1,744	(18,379)
Total comprehensive (expense)/ income attributable to:				
Owners of the parent	(22,380)	(29,073)	5,256	(21,463)
Non-controlling interests	<u>(968)</u>	<u>197</u>	<u>(491)</u>	<u>(1,676)</u>
	(23,348)	(28,876)	4,765	(23,139)
Basic (loss)/earnings per ordinary share (sen)	<u>(0.03)</u>	<u>(0.80)</u>	<u>0.07</u>	<u>(0.56)</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The accompanying 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 12 MONTHS PERIOD ENDED 31 DECEMBER 2023

	----- Attributable to owners of the parent -----							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	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	-	283	-	-	-	2,723	2,251	5,257	(492)	4,765
<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 31 December 2023	312,275	689	-	-	8,420	(2,376)	(32,429)	286,579	2,167	288,746
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	-	319	-	-	-	(5,099)	(16,913)	(21,693)	(1,676)	(23,369)
<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	-	-	-	-	248	248
Total transactions with owners	12,965	-	(12,491)	12,491	-	-	-	12,965	248	13,213
As at 31 December 2022	312,270	406	10,125	(10,125)	8,420	(5,099)	(34,680)	281,317	2,655	283,972

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 12 MONTHS PERIOD ENDED 31 DECEMBER 2023

	31-Dec-23 RM'000	31-Dec-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	4,189	(14,824)
Adjustments for:		
Accretion of interest	37	87
Bad debts written off	812	-
Depreciation	3,728	3,818
Depreciation of right-of-use assets	596	739
Gain on disposal of property, plant and equipment	(28)	(336)
Goodwill written off	-	6,446
Property, plant and equipment written off	43	-
(Reversal of)/impairment loss on inventories	(527)	3,524
Impairment loss on property, plant and equipment	-	314
Impairment loss receivables	-	6,787
Interest expense	2,135	1,631
Interest income	(1,299)	(647)
Unrealised (gain)/loss on foreign exchange	(534)	125
Operating profit before working capital changes	<u>9,152</u>	<u>7,664</u>
Changes in:		
Inventory properties	(6,096)	(33,424)
Inventories	7,744	(9,693)
Receivables	22,083	61,737
Contract assets	(755)	2,342
Contract costs	9,013	(17,476)
Payables	(3,111)	786
Contract liabilities	<u>(12,186)</u>	<u>10,528</u>
Cash generated in operations	25,844	22,464
Income tax paid	(1,682)	(4,014)
Interest paid	<u>(2,135)</u>	<u>(1,631)</u>
Net cash generated from operating activities	22,027	16,819
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	4	249
Acquisition of Right of use assets	(295)	(1,079)
Interest received	1,299	647
Investment in Financial Assets measured at FVTOCI	-	(32,336)
Proceeds from disposal of property, plant and equipment	62	1,766
Purchase of property, plant and equipment	(11,199)	(25,428)
Reversal of right of use asset	299	976
Net cash used in investing activities	(9,830)	(55,205)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fair value gain from other investments	(416)	-
Net changes in bankers' acceptance	(6,991)	11,946
Net changes in term loan	(2,395)	28,750
Net changes in lease liabilities	(647)	(722)
Net changes in finance lease liabilities	(397)	(677)
Net changes in share margin financing	411	5,549
Proceed from issuance of shares pursuant to exercise of warrants	5	12,965
Net cash (used)/ generated from financing activities	<u>(10,430)</u>	<u>57,811</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,767	19,425
Effects of foreign exchange rates changes	439	521
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>69,304</u>	<u>59,303</u>
CASH AND CASH EQUIVALENTS AT END	<u>71,510</u>	<u>79,249</u>
Represented by:		
Fixed deposits with licensed banks	20,696	4,400
Cash and bank balances	50,814	74,849
	<u>71,510</u>	<u>79,249</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 cyclical factors**

The operations of the Group are subjected to seasonal orders throughout the financial year.

5. **Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. **Changes in accounting estimates**

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter and financial period to date results.

7. **Changes in debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review and financial year to date.

8. **Dividend paid**

No dividend was paid during the current quarter under review.

9. **Segmental information**

Segmental information is presented in respect of the Group's business segments.

	12 Months ended 31.12.23 RM'000	12 Months ended 31.12.22 RM'000
Segment Revenue		
Manufacturing	119,878	143,762
Property development & construction	5,364	4,156
Gaming & leisure	2,559	3,677
Glove & healthcare	13,199	7,145
Others	-	7
Total revenue to external customers	<u>141,000</u>	<u>158,747</u>
Segment Results		
Manufacturing	4,988	10,510
Property development & construction	(1,256)	(8,413)
Gaming & leisure	201	491
Glove & healthcare	1,201	(2,951)
Others	(945)	(14,461)
Profit/(loss) before tax	<u>4,189</u>	<u>(14,824)</u>
Tax	(2,445)	(3,555)
Profit/(loss) for the period	<u>1,744</u>	<u>(18,379)</u>
	As at 31.12.23 RM'000	As at 31.12.22 RM'000
Segment Assets		
Manufacturing	135,754	146,248
Property development & construction	205,502	196,686
Gaming & leisure	6,939	6,976
Glove & healthcare	149,017	159,952
Others	303,893	325,021
Total assets before elimination	<u>801,105</u>	<u>834,883</u>
Elimination	(264,027)	(277,893)
Total assets	<u>537,078</u>	<u>556,990</u>
Segment Assets by Locations		
Malaysia	530,139	550,014
Cambodia	6,939	6,976
Total assets	<u>537,078</u>	<u>556,990</u>

	As at 31.12.23 RM'000	As at 31.12.22 RM'000
Segment Liabilities		
Manufacturing	31,991	44,810
Property development & construction	143,601	133,845
Gaming & leisure	221	424
Glove & healthcare	98,863	109,828
Others	<u>6,108</u>	<u>6,365</u>
Total liabilities before elimination	280,784	295,272
Elimination	<u>(32,452)</u>	<u>(22,482)</u>
Total liabilities	<u>248,332</u>	<u>272,790</u>
Segment Liabilities by Locations		
Malaysia	248,111	272,366
Cambodia	<u>221</u>	<u>424</u>
Total liabilities	<u>248,332</u>	<u>272,790</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		Changes
	3 Months Ended		
	(Unaudited)	(Unaudited)	
	31.12.23	31.12.22	%
	RM'000	RM'000	
Revenue	29,978	38,589	(22.31)
Results from operating activities	845	(20,321)	(104.16)
Profit/(loss) before tax (“PBT”/“LBT”)	371	(20,844)	(101.78)
Loss after taxation	(1,754)	(23,409)	(92.51)
Loss attributable to owners of the parent	(794)	(23,624)	(96.64)

The revenue and PBT recorded by the Group were RM30.0 million and RM0.4 million respectively in current quarter under review as compared to RM38.6 million and LBT of RM20.8 million respectively in previous year corresponding quarter.

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

No	Description	Amount
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
	Total	RM16.9 million

The revenue and LBT recorded in manufacturing segment was RM24.9 million and RM0.3 million in current quarter under review as compared to RM28.9 million and RM1.4 million respectively in previous year corresponding quarter. The decline in sales is attributed to lower demand for plastic formwork and pest control products as well as lower sales in machining division. The improvement in the LBT for the current quarter under review as compared to the previous year corresponding quarter was mainly due to the further cost improvement program put in place to reflect the current level of production.

The property development & construction segment recorded a revenue of RM1.9 million in both current quarter under review and previous year corresponding quarter. The PBT of RM11 thousand in the current quarter under review as compared to a LBT of RM7.3 million in the previous year corresponding quarter was mainly due to written off of inventory properties and deposit of the Pengkalan Hulu project (as stated above) in previous year.

The revenue and PBT recorded in glove & healthcare segment was RM2.7 million and RM0.1 million respectively in current quarter under review as compared to RM7.1 million and RM0.3 million in the previous year corresponding quarter. The revenue for both periods was derived from the recognition by way of progressive completion of the glove production lines in the United States of America (USA).

The gaming & leisure segment had recorded a revenue and LBT of RM0.6 million and RM27 thousand respectively in current quarter under review as compared to revenue and PBT of RM0.7 million and RM27 thousand respectively in previous year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter 12 Months Ended		Changes %
	(Unaudited)	(Unaudited)	
	31.12.23 RM'000	31.12.22 RM'000	
Revenue	141,000	158,747	(11.18)
Results from operating activities	6,324	(13,193)	(147.93)
Profit/(loss) before tax ("PBT"/"LBT")	4,189	(14,824)	(128.26)
Profit/(loss) after taxation	1,744	(18,379)	(109.49)
Profit/(loss) attributable to owners of the parent	2,251	(16,686)	(113.49)

The revenue recorded was RM141.0 million in current reporting period as compared to RM158.7 million in previous year corresponding period. The PBT in current reporting period was RM4.2 million as compared to LBT of RM14.8 million in previous year corresponding period.

The LBT recorded in previous year corresponding period was mainly due to the following reasons:-

No	Description	Amount
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
	Total	RM16.9 million

The revenue and PBT in manufacturing segment were RM119.9 million and RM5.0 million respectively in current reporting period as compared to RM143.8 million and RM10.5 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 RM13.2 million and RM1.2 million was recorded in the current reporting period as compared to revenue and LBT of RM7.1 million and RM3.0 million in previous year corresponding period. The revenue was generated through the progressive completion recognition of glove production lines in the USA. The increase in PBT for current year under review was attributed mainly to the full year recognition of the revenue for the higher percentage of stage of construction and installation of USA glove production lines as compare to the revenue recognition in previous corresponding year whereby the construction and installation of the glove production lines only started in Q4 of 2022.

The property segment had recorded revenue of RM5.4 million in current reporting period as compared to RM4.2 million in previous year corresponding period. The revenue increased in current reporting period was mainly due to commencement of work of new phase in Taman Perda Indah. This segment had recorded a LBT of RM1.3 million in current reporting period as compared to RM8.4 million in previous year corresponding period. The higher LBT in previous year corresponding period was mainly due to written off of inventory properties and deposit of the Pengkalan Hulu project as stated above.

In the current period under review, the gaming & leisure segment recorded a revenue of RM2.6 million as compared to RM3.7 million in the corresponding period of the previous year. The segment also achieved a PBT of RM0.2 million in the current quarter as compared to RM0.5 million in the previous year's corresponding period.

Variation of results against preceding quarter

	Individual Quarter		
	3 Months Ended		
	(Unaudited)	(Unaudited)	Changes
	31.12.23	30.09.23	
	RM'000	RM'000	%
Revenue	29,978	33,137	(9.53)
Results from operating activities	845	694	(21.76)
Profit before tax ("PBT")	371	124	(199.19)
(Loss)/profit after taxation	(1,754)	19	9,331.58
(Loss)/profit attributable to owners of the parent	(794)	55	1,543.64

The revenue recorded in current quarter under review was RM30.0 million as compared

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

The Manufacturing segment had recorded a revenue and LBT of RM24.9 million and RM0.3 million in the current quarter as compared to revenue and PBT RM28.5 million and RM0.6 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 RM2.7 million in the current quarter under review as compared to RM2.4 million in the previous quarter. The higher revenue was mainly contributed from the higher percentage of stage of construction and installation of glove production lines project in USA. The PBT recorded in this segment was RM0.1 million in current quarter as compared to PBT of RM0.2 million in previous quarter.

Property development & construction segment recorded a revenue and PBT of RM1.9 million and RM11 thousand respectively in current quarter under review as compared to revenue and LBT of RM1.6 million and RM0.2 million respectively in previous quarter. The higher revenue resulted from continual development of new phase in Taman Perda Indah.

The gaming & leisure segment had recorded a revenue and LBT of RM0.6 million and RM29 thousand respectively in current quarter as compared to revenue and PBT of RM0.6 million and RM38 thousand respectively in previous quarter.

3. Prospects

The Group will continue to remain cautious to maintain its competitiveness in all its existing operations particularly on further cost improvement while looking for new business opportunities in the near future.

In the manufacturing segment, notwithstanding the decline as compared to previous year, this segment particularly plastic injection manufacturing continues to exhibit reasonably good performance. The Group continue to enhance productivity and streamline production costs in maintaining competitiveness.

In the property development and construction segment, the Board believes it has a good prospect to grow. Its development projects particularly in Cybersouth (landed terrace houses and townhouses development) and Ara Damansara, Selangor (high rise service apartment and retail integrated development) 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, it remain challenging and the Group shall be prudent and maintain its current position in the segment.

The Board is cautiously optimistic and believe that, the financial performance of the Group will improve with the competence and commitment of its human capital as well as right strategies put in place.

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 12 months Ended	
	(Unaudited) 31.12.23 RM'000	(Unaudited) 31.12.22 RM'000	(Unaudited) 31.12.23 RM'000	(Unaudited) 31.12.22 RM'000
Malaysian income tax: Based on results for the period:				
- Current tax	(1,492)	(668)	(1,793)	(1,330)
- Deferred tax	(642)	(2,200)	(642)	(2,200)
(Under)/ over provision in prior year:				
- Current tax	9	303	(10)	(25)
	<u>(2,125)</u>	<u>(2,565)</u>	<u>(2,445)</u>	<u>(3,555)</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/(loss) before taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.12.23	31.12.22	31.12.23	31.12.22
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/ (crediting):				
Bad debts write off	812	-	812	-
Depreciation	645	985	3,342	2,833
Depreciation of right-of-use assets	94	157	596	582
Goodwill written off	-	6,446	-	6,446
Impairment loss on property, plant and equipment	-	314	-	314
Impairment loss on receivables	-	6,787	-	6,787
(Reversal of) / impairment loss on inventories	-	3,549	(527)	3,524
Interest expense	474	523	2,135	1,631
Interest income	(55)	(326)	(1,299)	(647)
(Gain)/loss on disposal of property, plant and equipment	-	62	(28)	(336)
Property, plant and equipment written off	-	-	43	-
Realised (gain)/ loss on foreign exchange	152	1,478	1,125	(2,443)
Rental income	(21)	(21)	(45)	(75)
Unrealised (gain)/ loss on foreign exchange	773	(607)	(534)	125

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 31.12.23		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	15,582	15,582
Finance lease liabilities	1,303	469	1,772
Share margin	-	5,959	5,959
Term loan	34,173	1,741	35,914
Total	<u>35,476</u>	<u>23,751</u>	<u>59,227</u>

	As at quarter ended 31.12.22		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	22,573	22,573
Finance lease liabilities	1,614	555	2,169
Share margin	-	5,549	5,549
Term loan	36,454	1,854	38,308
Total	<u>38,068</u>	<u>30,531</u>	<u>68,599</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	
	31.12.23	31.12.22	31.12.23	31.12.22
(Loss)/income attributable to owners of the parent (RM'000)	(794)	(23,624)	2,251	(16,686)
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)	30	78,343	30	78,343
Weighted average number of issued ordinary shares ('000)	3,022,654	2,971,312	3,022,654	2,971,312
Basic (loss)/earnings per share (sen)	(0.03)	(0.80)	0.07	(0.56)

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 February 2024