



LUSTER INDUSTRIES BHD

198601006973 (156148-P)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2024**

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Unaudited as at 30-Jun-24 RM'000	Audited as at 31-Dec-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	130,537	129,645
Investment properties	5,377	5,431
Right-of-use assets	867	511
Other investments	32,684	29,960
Deferred tax assets	91	91
Trade receivables	491	205
Other receivables, deposits and prepayments	4,719	2,295
	<u>174,766</u>	<u>168,138</u>
Current assets		
Inventory properties	176,030	168,294
Inventories	24,454	24,625
Trade receivables	43,929	29,622
Other receivables, deposits and prepayments	20,714	22,659
Contract assets	-	874
Contract costs	38,308	43,012
Current tax assets	1,370	1,177
Other investments	10,058	9,968
Fixed deposit with licensed banks	11,512	21,520
Cash and bank balances	71,769	50,690
	<u>398,144</u>	<u>372,441</u>
TOTAL ASSETS	<u>572,910</u>	<u>540,579</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	262,275	312,275
Other reserves	32,635	(25,841)
	<u>294,910</u>	<u>286,434</u>
Non-controlling interests	3,686	1,889
Total equity	<u>298,596</u>	<u>288,323</u>
Non-current liabilities		
Borrowings	34,302	35,001
Lease liabilities	551	314
Trade payables	1,243	624
Other payables and accruals	84,204	81,912
Deferred taxation	1,940	1,938
	<u>122,240</u>	<u>119,789</u>
Current liabilities		
Trade payables	22,594	20,254
Other payables and accruals	43,205	35,101
Borrowings	37,000	24,153
Lease liabilities	342	218
Contract liabilities	48,727	52,179
Current tax liabilities	206	562
	<u>152,074</u>	<u>132,467</u>
Total liabilities	<u>274,314</u>	<u>252,256</u>
TOTAL EQUITY AND LIABILITIES	<u>572,910</u>	<u>540,579</u>
Net assets per share (RM)	0.10	0.10

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

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Revenue	39,109	38,420	75,094	77,885
Cost of sales	<u>(32,270)</u>	<u>(32,159)</u>	<u>(62,190)</u>	<u>(65,685)</u>
Gross profit	6,839	6,261	12,904	12,200
Other income	664	1,572	1,922	2,437
Administrative expenses	(4,026)	(4,527)	(7,802)	(9,330)
Selling and distribution expenses	<u>(254)</u>	<u>(242)</u>	<u>(467)</u>	<u>(522)</u>
Results from operating activities	3,223	3,064	6,557	4,785
Finance costs	<u>(496)</u>	<u>(549)</u>	<u>(953)</u>	<u>(1,091)</u>
Profit before tax	2,727	2,515	5,604	3,694
Tax expense	<u>(207)</u>	<u>(89)</u>	<u>(491)</u>	<u>(215)</u>
Profit for the period	2,520	2,426	5,113	3,479
Other comprehensive (expense)/ income:				
Foreign currency translation differences for foreign operation	(1)	371	190	411
Net fair value changes of financial assets measured at FVTOCI	<u>4,539</u>	1,816	<u>2,724</u>	<u>5,447</u>
Total comprehensive income for the period	7,058	4,613	8,027	9,337
Profit attributable to:				
Owners of the parent	2,891	2,185	5,571	2,990
Non-controlling interests	<u>(371)</u>	241	<u>(458)</u>	489
	2,520	2,426	5,113	3,479
Total comprehensive (expense)/ income attributable to:				
Owners of the parent	7,430	4,353	6,099	8,827
Non-controlling interests	<u>(372)</u>	260	<u>(448)</u>	510
	7,058	4,613	5,651	9,337
Basic earnings per ordinary share (sen)	<u>0.10</u>	0.07	<u>0.18</u>	0.10
Diluted earnings per ordinary share (sen)	<u>NA</u>	NA	<u>NA</u>	NA

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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 2024

	----- Attributable to owners of the parent -----									
	----- 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)/ Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 1 January 2024	312,275	689	-	-	8,420	(2,376)	(32,574)	286,434	1,889	288,323
Total comprehensive income for the period	-	181	-	-	-	2,724	5,571	8,476	(448)	8,028
<i>Transactions with owners :</i>										
Capital reduction	(50,000)	-	-	-	-	-	50,000	-	-	-
Increase of shares pursuant to non-controlling interests	-	-	-	-	-	-	-	-	2,245	2,245
Total transactions with owners	(50,000)	-	-	-	-	-	50,000	-	2,245	2,245
As at 30 June 2024	262,275	870	-	-	8,420	348	22,997	294,910	3,686	298,596
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

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 2024

	30-Jun-24 RM'000	30-Jun-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,604	3,694
Adjustments for:		
Accretion of interest	19	31
Depreciation	1,465	1,856
Depreciation of right-of-use assets	229	352
Gain on disposal of property, plant and equipment	(13)	(28)
Property, plant and equipment written off	-	43
(Reversal of)/impairment loss on inventories	30	(472)
Interest expense	953	1,091
Interest income	(676)	(718)
Unrealised gain on foreign exchange	(342)	(1,307)
Operating profit before working capital changes	7,269	4,542
Changes in:		
Inventory properties	(7,736)	(1,587)
Inventories	141	2,098
Receivables	(14,815)	7,689
Contract assets	1,577	-
Contract costs	4,001	4,542
Payables	13,323	2,502
Contract liabilities	(3,452)	(8,489)
Cash generated in operations	308	11,297
Income tax paid	(1,038)	(559)
Interest paid	(953)	(1,091)
Net cash generated from/(used in) operating activities	(1,683)	9,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	2,246	-
Acquisition of Right of use assets	(585)	(82)
Interest received	676	718
Investment in Financial Assets measured at FVTOCI	-	1
Proceeds from disposal of property, plant and equipment	13	45
Purchase of property, plant and equipment	(2,300)	(1,762)
Net cash generated from/(used in) investing activities	50	(1,080)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fair value (gain)/loss from other investments	(90)	8
Net changes in bankers' acceptance	13,151	(397)
Net changes in term loan	(1,085)	(1,097)
Net changes in lease liabilities	342	(212)
Net changes in finance lease liabilities	(136)	(311)
Net changes in share margin financing	219	198
Proceed from issuance of shares pursuant to exercise of warrants	-	5
Net cash generated from/(used in) financing activities	12,401	(1,806)
NET DECREASE IN CASH AND CASH EQUIVALENTS	10,768	6,761
Effects of foreign exchange rates changes	303	618
CASH AND CASH EQUIVALENTS AT BEGINNING	71,161	69,304
CASH AND CASH EQUIVALENTS AT END	82,232	76,683
Represented by:		
Fixed deposits with licensed banks	10,463	17,576
Cash and bank balances	71,769	59,107
	82,232	76,683

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 2023.

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 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

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

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 2023 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.

	6 Months ended 30.06.24 RM'000	6 Months ended 30.06.23 RM'000
Segment Revenue		
Manufacturing	64,532	66,485
Property development & construction	4,582	1,878
Gaming & leisure	859	1,355
Glove & healthcare	5,121	8,167
Total revenue to external customers	<u>75,094</u>	<u>77,885</u>
Segment Results		
Manufacturing	6,967	4,732
Property development & construction	(999)	(1,113)
Gaming & leisure	(116)	191
Glove & healthcare	358	968
Others	(606)	(1,084)
Profit before tax	5,604	3,694
Tax	(491)	(215)
Profit for the period	<u>5,113</u>	<u>3,479</u>
	As at 30.06.24 RM'000	As at 30.06.23 RM'000
Segment Assets		
Manufacturing	163,689	150,999
Property development & construction	227,153	196,574
Gaming & leisure	7,256	7,306
Glove & healthcare	145,970	153,617
Others	314,835	303,433
Total assets before elimination	858,903	811,929
Elimination	(285,993)	(257,710)
Total assets	<u>572,910</u>	<u>554,219</u>
Segment Assets by Locations		
Malaysia	565,654	546,913
Cambodia	7,256	7,306
Total assets	<u>572,910</u>	<u>554,219</u>

	As at 30.06.24 RM'000	As at 30.06.23 RM'000
Segment Liabilities		
Manufacturing	53,046	45,496
Property development & construction	161,543	134,826
Gaming & leisure	574	328
Glove & healthcare	96,704	103,007
Others	<u>7,623</u>	<u>6,217</u>
Total liabilities before elimination	319,490	289,874
Elimination	<u>(45,176)</u>	<u>(25,338)</u>
Total liabilities	<u>274,314</u>	<u>264,536</u>
Segment Liabilities by Locations		
Malaysia	273,740	264,208
Cambodia	<u>574</u>	<u>328</u>
Total liabilities	<u>274,314</u>	<u>264,536</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 2023.

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)	%
	30.06.24	30.06.23	
	RM'000	RM'000	
Revenue	39,109	38,420	1.79
Results from operating activities	3,223	3,064	5.19
Profit before tax (“PBT”)	2,727	2,515	8.43
Profit after taxation	2,520	2,426	3.87
Profit attributable to owners of the parent	2,891	2,185	32.31

The revenue and PBT recorded by the Group were RM39.1 million and RM2.7 million respectively in current quarter under review as compared to RM38.4 million and RM2.5 million respectively in previous year corresponding quarter.

The revenue and PBT recorded in manufacturing segment was RM33.2 million and RM3.7 million respectively in current quarter under review as compared to RM34.1 million and RM2.8 million respectively in previous year corresponding quarter. The improvement in the PBT for the current quarter under review as compared to the previous year corresponding quarter was mainly due to the continuous cost improvement program put in place and the higher revenue recorded in the OEM segment which yield a better margin.

The property development & construction segment recorded a revenue and LBT of RM2.9 million and RM0.7 million respectively in current quarter under review as compared to RM0.3 million and RM0.5 million respectively in previous year corresponding quarter. The revenue increase is mainly due to the higher number of houses sold in the Pengkalan Hulu project. However, the loss before tax (“LBT”) is primarily attributed to the costs associated to the continuous marketing and promotional activities to sell these houses.

The revenue and PBT recorded in glove & healthcare segment was RM2.6 million and RM22 thousand respectively in current quarter under review as compared to RM3.4 million and RM0.6 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). In preparation of commencing operations, the Group has gradually allocated the

necessary resources, which has led to increased overhead costs, such as labour expenses, resulting in a lower PBT for the current quarter.

The gaming & leisure segment had recorded a revenue and LBT of RM0.4 million and RM37 thousand respectively in current quarter under review as compared to revenue and PBT of RM0.6 million and RM0.1 million respectively in previous year corresponding quarter. The LBT is mainly due to license fees incurred for business operations.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter		Changes %
	6 Months Ended		
	(Unaudited) 30.06.24 RM'000	(Unaudited) 30.06.23 RM'000	
Revenue	75,094	77,885	(3.58)
Results from operating activities	6,557	4,785	37.03
Profit before tax ("PBT")	5,604	3,694	51.71
Profit after taxation	5,113	3,479	46.97
Profit attributable to owners of the parent	5,571	2,990	86.32

The revenue recorded was RM75.1 million in current reporting period as compared to RM77.9 million in previous year corresponding period. The PBT in current reporting period was RM5.6 million as compared to RM3.7 million in previous year corresponding period.

The revenue and PBT in manufacturing segment were RM64.5 million and RM7.0 million respectively in current reporting period as compared to RM66.5 million and RM4.7 million respectively in previous year corresponding period. The increase in PBT mainly due to the continuous cost improvement initiatives aimed at aligning with the current production levels and the higher revenue recorded in the OEM segment which yield a better margin.

For glove & healthcare segment, a revenue and PBT of RM5.1 million and RM0.4 million was recorded in the current reporting period as compared to RM8.2 million and RM1.0 million respectively in previous year corresponding period. The revenue for both periods resulted from the progressive completion of glove production lines in the United States of America (USA). In preparation for commencing operations, the Group's gradual allocation of necessary resources has led to higher overhead costs, including labour expenses, which in turn has resulted in a lower PBT for the current reporting period.

The property segment had recorded revenue of RM4.6 million in current reporting period as compared to RM1.9 million in previous year corresponding period. This segment had recorded a LBT of RM1.0 million in current reporting period as compared

to RM1.1 million in previous year corresponding period. The increase in revenue is mainly due to the higher number of houses sold in the Pengkalan Hulu project and the LBT is primarily due to the marketing and promotional expenses incurred to support these sales.

In the current period under review, the gaming & leisure segment recorded a revenue of RM0.9 million as compared to RM1.4 million in the corresponding period of the previous year. The segment also recorded a LBT of RM0.1 million in the current quarter as compared to PBT of RM0.2 million in the previous year's corresponding period. The LBT primarily arises from the license fees required for conducting business operations.

Variation of results against preceding quarter

	Individual Quarter		
	3 Months Ended		
	(Unaudited) 30.06.24 RM'000	(Unaudited) 31.03.24 RM'000	Changes %
Revenue	39,109	35,985	8.68
Results from operating activities	3,223	3,334	3.33
Profit before tax ("PBT")	2,727	2,877	5.21
Profit after taxation	2,520	2,593	2.82
Profit attributable to owners of the parent	2,891	2,680	(7.87)

The revenue recorded in current quarter under review was RM39.1 million as compared to a revenue of RM36.0 million in previous quarter. The PBT recorded was RM2.7 million in current quarter under review as compared to RM2.9 million in previous quarter.

The Manufacturing segment had recorded a revenue and PBT of RM33.2 million and RM3.7 million respectively in the current quarter as compared to RM31.3 million and RM3.3 million respectively in the previous quarter. The increase in revenue is mainly due to the increased demand from OEM segment in current quarter.

The glove & healthcare segment had recorded a revenue of RM2.6 million in both the current quarter under review and the previous quarter. Revenue for both periods was a result of the gradual completion of glove production lines in the United States of America (USA). The PBT recorded in this segment was RM22 thousand in current quarter as compared to PBT of RM0.3 million in previous quarter. As the Group prepares to commence operations and invests gradually in necessary resources, this has led to higher overhead costs, including labour expenses, which has resulted in a lower PBT for the current quarter.

Property development & construction segment recorded a revenue and LBT of RM2.9 million and RM0.7 million respectively in current quarter under review as

compared to RM1.7 million and RM0.3 million respectively in previous quarter. The higher revenue is mainly due to the increased number of houses sold in the Pengkalan Hulu project, whereas the LBT is primarily a result of the marketing and promotional expenses incurred to support these sales.

The gaming & leisure segment had recorded a revenue and LBT of RM0.4 million and RM37 thousand respectively in current quarter as compared to RM0.5 million and RM0.1 million respectively in previous quarter. The LBT primarily results from the necessary license fees for conducting business operations.

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, it performed well in this quarter and is the main contributor to the revenue and positive operating cashflow of the Group. 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) has been launched and received good response and shall contribute revenue and profit to the Group at the final quarter of 2024 or first quarter of 2025. In respect of high rise service apartment and retail integrated development at Ara Damansara, Selangor which are currently in the soft launch phase and have already attracted considerable customer interest, with a high likelihood of converting into sales in the near future. Overall, the strategic location of these development projects positions us favourably to capitalise on market demand and contribute positively to the Group's financial performance.

In glove & healthcare segment, the glove industry is currently experiencing an increase in demand and stabilization of the average selling price. The Board is confident that the sector are progressing towards recovery. However, the Group continue to be careful and prudent by maintaining minimal operational overheads for its glove manufacturing activities in Malaysia 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 EPCC 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 by running on the minimum turnover and overhead.

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 6 months Ended	
	(Unaudited) 30.06.24 RM'000	(Unaudited) 30.06.23 RM'000	(Unaudited) 30.06.24 RM'000	(Unaudited) 30.06.23 RM'000
Malaysian income tax: Based on results for the period:				
- Current tax	(207)	(89)	(491)	(215)

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 3 Months Ended		Cumulative Quarter 6 months Ended	
	(Unaudited) 30.06.24 RM'000	(Unaudited) 30.06.23 RM'000	(Unaudited) 30.06.24 RM'000	(Unaudited) 30.06.23 RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	943	899	1,465	1,856
Depreciation of right-of-use assets	117	183	229	352
(Reversal of) / impairment loss on inventories	19	(418)	30	(472)
Interest expense	496	549	953	1,091
Interest income	(337)	(437)	(676)	(718)
Gain on disposal of property, plant and equipment	(2)	(28)	(13)	(28)
Property, plant and equipment written off	-	43	-	43
Realised (gain)/loss on foreign exchange	296	(47)	461	973
Rental income	(7)	(12)	(17)	(24)
Unrealised gain on foreign exchange	(380)	(839)	(342)	(1,307)

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 30.06.24		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	28,732	28,732
Finance lease liabilities	1,051	427	1,478
Share margin	-	6,179	6,179
Term loan	33,251	1,662	34,913
Total	<u>34,302</u>	<u>37,000</u>	<u>71,302</u>
	As at quarter ended 30.06.23		
	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		6 months Ended	
	30.06.24	30.06.23	30.06.24	30.06.23
Income attributable to owners of the parent (RM'000)	2,891	2,185	5,571	2,990
Adjusted number of issued ordinary shares ('000)	3,022,675	3,022,625	3,022,675	3,022,625
Effect of shares issued pursuant to exercise of warrants ('000)	-	9	-	9
Weighted average number of issued ordinary shares ('000)	3,022,675	3,022,634	3,022,675	3,022,634
Basic earnings per share (sen)	0.10	0.07	0.18	0.10

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 August 2024