



LUSTER INDUSTRIES BHD

198601006973 (156148-P)
(Incorporated in Malaysia)

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

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

	Unaudited as at 30-Sep-24 RM'000	Audited as at 31-Dec-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	129,472	129,645
Investment properties	5,349	5,431
Right-of-use assets	744	511
Other investments	31,776	29,960
Deferred tax assets	91	91
Trade receivables	491	205
Other receivables, deposits and prepayments	4,122	2,295
	<u>172,045</u>	<u>168,138</u>
Current assets		
Inventory properties	176,494	168,294
Inventories	26,493	24,625
Trade receivables	41,131	29,622
Other receivables, deposits and prepayments	19,158	22,659
Contract assets	1,584	874
Contract costs	37,083	43,012
Current tax assets	1,239	1,177
Other investments	10,156	9,968
Fixed deposit with licensed banks	9,148	21,520
Cash and bank balances	72,893	50,690
	<u>395,379</u>	<u>372,441</u>
TOTAL ASSETS	<u>567,424</u>	<u>540,579</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	262,275	312,275
Treasury share	(1,938)	-
Other reserves	28,583	(25,841)
	<u>288,920</u>	<u>286,434</u>
Non-controlling interests	2,707	1,889
Total equity	<u>291,627</u>	<u>288,323</u>
Non-current liabilities		
Borrowings	33,528	35,001
Lease liabilities	462	314
Trade payables	1,075	624
Other payables and accruals	83,587	81,912
Deferred taxation	1,940	1,938
	<u>120,592</u>	<u>119,789</u>
Current liabilities		
Trade payables	22,190	20,254
Other payables and accruals	41,835	35,101
Borrowings	44,733	24,153
Lease liabilities	309	218
Contract liabilities	45,530	52,179
Current tax liabilities	608	562
	<u>155,205</u>	<u>132,467</u>
Total liabilities	<u>275,797</u>	<u>252,256</u>
TOTAL EQUITY AND LIABILITIES	<u>567,424</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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER TO DATE	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Revenue	36,954	33,137	112,048	111,022
Cost of sales	<u>(31,133)</u>	<u>(28,824)</u>	<u>(93,323)</u>	<u>(94,509)</u>
Gross profit	5,821	4,313	18,725	16,513
Other income	436	474	2,358	2,911
Administrative expenses	(7,712)	(3,830)	(15,514)	(13,160)
Selling and distribution expenses	<u>(193)</u>	<u>(263)</u>	<u>(660)</u>	<u>(785)</u>
Results from operating activities	(1,648)	694	4,909	5,479
Finance costs	<u>(521)</u>	<u>(570)</u>	<u>(1,474)</u>	<u>(1,661)</u>
(Loss)/Profit before tax	(2,169)	124	3,435	3,818
Tax expense	<u>(1,100)</u>	<u>(105)</u>	<u>(1,591)</u>	<u>(320)</u>
(Loss)/Profit for the period	(3,269)	19	1,844	3,498
Other comprehensive (expense)/ income:				
Foreign currency translation differences for foreign operation	(853)	39	(663)	450
Net fair value changes of financial assets measured at FVTOCI	<u>(908)</u>	11,802	<u>1,816</u>	<u>8,519</u>
Total comprehensive (loss)/income for the period	<u>(5,030)</u>	11,860	<u>2,997</u>	<u>12,467</u>
(Loss)/Profit attributable to:				
Owners of the parent	(2,333)	55	3,238	3,045
Non-controlling interests	<u>(936)</u>	<u>(36)</u>	<u>(1,394)</u>	<u>453</u>
	<u>(3,269)</u>	19	<u>1,844</u>	<u>3,498</u>
Total comprehensive (loss)/ income attributable to:				
Owners of the parent	(4,051)	11,894	2,048	11,991
Non-controlling interests	<u>(979)</u>	<u>(34)</u>	<u>(1,427)</u>	<u>476</u>
	<u>(5,030)</u>	11,860	<u>621</u>	<u>12,467</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(0.08)</u>	-	<u>0.11</u>	<u>0.10</u>
Diluted earnings per ordinary share (sen)	<u>NA</u>	NA	<u>NA</u>	NA

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

LUSTER INDUSTRIES BHD.
Company No. 198601006973 (156148-P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024

	----- Attributable to owners of the parent -----						Fair Value Adjustment Reserve	(Accumulated losses)/ Retained profits	Total	Non- controlling interests	Total equity
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Discount on shares RM'000	Capital reserve 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	-	-	(630)	-	-	-	1,816	3,238	4,424	(1,427)	2,997
Purchase of treasury shares	-	(1,938)	-	-	-	-	-	-	(1,938)	-	(1,938)
<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)	(1,938)	-	-	-	-	-	50,000	(1,938)	2,245	307
As at 30 September 2024	262,275	(1,938)	59	-	-	8,420	(560)	20,664	288,920	2,707	291,627
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 September 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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024

	30-Sep-24 RM'000	30-Sep-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,435	3,818
Adjustments for:		
Accretion of interest	29	49
Depreciation	2,567	2,697
Depreciation of right-of-use assets	311	502
Gain on disposal of property, plant and equipment	(16)	(37)
Property, plant and equipment written off	-	43
(Reversal of)/impairment loss on inventories	59	(527)
Interest expense	1,474	1,661
Interest income	(1,098)	(1,244)
Unrealised loss/(gain) on foreign exchange	3,593	(987)
Operating profit before working capital changes	<u>10,354</u>	<u>5,975</u>
Changes in:		
Inventory properties	(8,200)	(2,888)
Inventories	(1,927)	2,960
Receivables	(13,186)	16,152
Contract assets	(710)	(896)
Contract costs	5,929	6,743
Payables	10,973	834
Contract liabilities	(6,649)	(10,903)
Cash generated in operations	<u>(3,416)</u>	<u>17,977</u>
Income tax paid	(1,605)	(727)
Interest paid	<u>(1,474)</u>	<u>(1,661)</u>
Net cash generated from/(used in) operating activities	<u>(6,495)</u>	<u>15,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary by non-controlling interest	2,246	4
Acquisition of Right of use assets	(533)	(82)
Interest received	1,098	1,244
Proceeds from disposal of property, plant and equipment	16	54
Purchase of property, plant and equipment	(2,320)	(3,930)
Reversal of right of use asset	-	230
Net cash generated from/(used in) investing activities	<u>507</u>	<u>(2,480)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fair value gain from other investments	(188)	(30)
Net changes in bankers' acceptance	18,668	(1,961)
Net changes in revolving credit	2,000	-
Net changes in term loan	(1,631)	(1,856)
Net changes in lease liabilities	213	(572)
Net changes in finance lease liabilities	(262)	(252)
Net changes in share margin financing	332	303
Proceed from issuance of shares pursuant to exercise of warrants	-	5
Purchase of treasury shares	(1,938)	-
Net cash generated from/(used in) financing activities	<u>17,194</u>	<u>(4,363)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>11,206</u>	<u>8,746</u>
Effects of foreign exchange rates changes	<u>(1,375)</u>	<u>659</u>
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>71,161</u>	<u>69,304</u>
CASH AND CASH EQUIVALENTS AT END	<u>80,992</u>	<u>78,709</u>
Represented by:		
Fixed deposits with licensed banks	8,099	20,215
Cash and bank balances	<u>72,893</u>	<u>58,494</u>
	<u>80,992</u>	<u>78,709</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 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

During the current financial year to date, the Company repurchased 29,375,400 ordinary shares from the open market for a total consideration of RM 1,937,901. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2024, the number of treasury shares held was 29,375,400 ordinary shares. The highest and the lowest price per share purchased were at RM0.070 and RM0.065 respectively.

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.

	9 Months ended 30.09.24 RM'000	9 Months ended 30.09.23 RM'000
Segment Revenue		
Manufacturing	94,783	95,020
Property development & construction	8,607	3,472
Gaming & leisure	1,301	1,987
Glove & healthcare	7,357	10,543
Total revenue to external customers	<u>112,048</u>	<u>111,022</u>
Segment Results		
Manufacturing	6,639	5,331
Property development & construction	(1,538)	(1,267)
Gaming & leisure	(41)	229
Glove & healthcare	(509)	1,120
Others	(1,116)	(1,595)
Profit before tax	<u>3,435</u>	<u>3,818</u>
Tax	(1,591)	(320)
Profit for the period	<u>1,844</u>	<u>3,498</u>
	As at 30.09.24 RM'000	As at 30.09.23 RM'000
Segment Assets		
Manufacturing	166,442	147,851
Property development & construction	227,617	198,558
Gaming & leisure	6,272	7,248
Glove & healthcare	142,907	151,493
Others	311,960	315,266
Total assets before elimination	<u>855,198</u>	<u>820,416</u>
Elimination	(287,774)	(261,009)
Total assets	<u>567,424</u>	<u>559,407</u>
Segment Assets by Locations		
Malaysia	561,152	552,159
Cambodia	6,272	7,248
Total assets	<u>567,424</u>	<u>559,407</u>

	As at 30.09.24 RM'000	As at 30.09.23 RM'000
Segment Liabilities		
Manufacturing	57,106	41,798
Property development & construction	162,536	136,966
Gaming & leisure	427	275
Glove & healthcare	94,883	101,002
Others	<u>7,770</u>	<u>6,428</u>
Total liabilities before elimination	322,722	286,469
Elimination	<u>(46,925)</u>	<u>(28,609)</u>
Total liabilities	<u>275,797</u>	<u>257,860</u>
Segment Liabilities by Locations		
Malaysia	275,370	257,585
Cambodia	<u>427</u>	<u>275</u>
Total liabilities	<u>275,797</u>	<u>257,860</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)	
	30.09.24	30.09.23	%
	RM'000	RM'000	
Revenue	36,954	33,137	11.52
Results from operating activities	(1,648)	694	(337.46)
(Loss)/Profit before tax ("LBT"/"PBT")	(2,169)	124	(1,849.19)
(Loss)/Profit after taxation	(3,269)	19	(17,305.26)
(Loss)/Profit attributable to owners of the parent	(2,333)	55	(4,341.82)

The revenue and LBT recorded by the Group were RM37.0 million and RM2.2 million respectively in current quarter under review as compared to revenue and PBT of RM33.1 million and RM0.1 million respectively in previous year corresponding quarter.

The revenue and LBT recorded in manufacturing segment was RM30.3 million and RM0.3 million respectively in current quarter under review as compared to revenue and PBT of RM28.5 million and RM0.6 million respectively in previous year corresponding quarter. Although revenue has increased, the weakening of the USD against the RM resulted in a loss in the manufacturing segment due to a realised foreign exchange loss of RM0.9 million and an unrealised foreign exchange loss of RM3.1 million incurred during the current quarter.

The property development & construction segment recorded a revenue and LBT of RM4.0 million and RM0.5 million respectively in current quarter under review as compared to RM1.6 million and RM0.2 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 and the recognition of revenue from the stages of completion of construction work in Cybersouth for the development of landed terrace houses and townhouses. However, the LBT is primarily attributed to the costs associated to the continuous marketing and promotional activities to sell these houses.

The revenue and LBT recorded in glove & healthcare segment was RM2.2 million and RM0.9 million respectively in current quarter under review as compared to revenue and PBT of RM 2.4 million and RM0.2 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 LBT is primarily due to an unrealised loss on foreign exchange of RM0.9 million. Additionally, as part of the Group's preparation for commencing operations, necessary resources have been gradually allocated, resulting in increased overhead costs, such as labour expenses.

The gaming & leisure segment had recorded a revenue and PBT of RM0.4 million and RM0.1 million respectively in current quarter under review as compared to RM0.6 million and RM38 thousand respectively in previous year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

	Cumulative Quarter		Changes
	9 Months Ended		
	(Unaudited)	(Unaudited)	
	30.09.24	30.09.23	%
	RM'000	RM'000	
Revenue	112,048	111,022	0.92
Results from operating activities	4,909	5,479	(10.40)
Profit before tax ("PBT")	3,435	3,818	(10.03)
Profit after taxation	1,844	3,498	(47.28)
Profit attributable to owners of the parent	3,238	3,045	6.34

The revenue recorded was RM112.0 million in current reporting period as compared to RM111.0 million in previous year corresponding period. The PBT in current reporting period was RM3.4 million as compared to RM3.8 million in previous year corresponding period.

The revenue and PBT in manufacturing segment were RM94.8 million and RM6.6 million respectively in current reporting period as compared to RM95.0 million and RM5.3 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 LBT of RM7.4 million and RM0.5 million was recorded in the current reporting period as compared to the revenue and PBT of RM10.5 million and RM1.1 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). The LBT is mainly attributed to an unrealised foreign exchange loss of RM0.9 million. Furthermore, in preparation for commencing operations, the Group has gradually allocated necessary resources, leading to higher overhead costs, including labour expenses.

The property segment had recorded revenue of RM8.6 million in current reporting period as compared to RM3.5 million in previous year corresponding period. This

segment had recorded a LBT of RM1.5 million in current reporting period as compared to RM1.3 million in previous year corresponding period. The revenue increase is primarily driven by the higher number of houses sold in the Pengkalan Hulu project and the revenue recognition from the completion stages of construction work in Cybersouth for the development of landed terrace houses and townhouses. However, the LBT is mainly attributed to the costs associated with ongoing marketing and promotional activities aimed at selling the houses in the Pengkalan Hulu project.

In the current period under review, the gaming & leisure segment recorded a revenue of RM1.3 million as compared to RM2.0 million in the corresponding period of the previous year. The segment also recorded a LBT of RM41 thousand 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		Changes
	3 Months Ended		
	(Unaudited)	(Unaudited)	
	30.09.24	30.06.24	
	RM'000	RM'000	%
Revenue	36,954	39,109	(5.51)
Results from operating activities	(1,648)	3,223	(151.13)
(Loss)/Profit before tax ("LBT"/"PBT")	(2,169)	2,727	(179.54)
(Loss)/Profit after taxation	(3,269)	2,520	(229.72)
(Loss)/Profit attributable to owners of the parent	(2,333)	2,891	(180.70)

The revenue recorded in current quarter under review was RM37.0 million as compared to a revenue of RM39.1 million in previous quarter. The LBT recorded was RM2.2 million in current quarter under review as compared to PBT of RM2.7 million in previous quarter.

The Manufacturing segment had recorded a revenue and LBT of RM30.3 million and RM0.3 million respectively in the current quarter as compared to revenue and PBT of RM33.2 million and RM3.7 million respectively in the previous quarter. The lower revenue and higher LBT are primarily due to a realised foreign exchange loss of RM0.9 million and an unrealised foreign exchange loss of RM3.1 million, driven by the depreciation of the USD against the RM, which significantly affected profitability for this quarter.

The glove & healthcare segment had recorded a revenue of RM2.2 million in current quarter under review and RM2.6 million 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 LBT recorded in this segment was RM0.9 million in current quarter as compared to PBT of RM22 thousand in previous quarter. The LBT is mainly

driven by an unrealised foreign exchange loss of RM0.9 million. Moreover, in preparation for commencing operations, the Group has progressively allocated essential resources, leading to higher overhead costs, such as labor expenses.

Property development & construction segment recorded a revenue and LBT of RM4.0 million and RM0.5 million respectively in current quarter under review as compared to RM2.9 million and RM0.7 million respectively in previous quarter. The higher revenue is attributed to the recognition of revenue from the completion stages of construction work in Cybersouth for the development of landed terrace houses and townhouses. However, the LBT is primarily due to the costs incurred from ongoing marketing and promotional efforts to sell houses in the Pengkalan Hulu project.

The gaming & leisure segment had recorded a revenue and PBT of RM0.4 million and RM0.1 million respectively in current quarter as compared to revenue and LBT of RM0.4 million and RM37 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, it performed well in this quarter and is the main contributor to the revenue and positive operating cashflow of the Group. However, recent volatility in the foreign exchange market, characterised by a sharp appreciation of the RM against the USD, impacted profitability in the third quarter of 2024. Despite this, the adverse effects of foreign exchange fluctuations were expected to recover in the final quarter of 2024. The Group continues to enhance productivity and streamline production costs to maintain 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 stabilisation 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 9 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Based on results for the period:				
- Current tax	(1,091)	(86)	(1,582)	(301)
Under provision in prior year:				
- Current tax	(9)	(19)	(9)	(19)
	<u>(1,100)</u>	<u>(105)</u>	<u>(1,591)</u>	<u>(320)</u>

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

- a. Certain income and expenses which are not taxable and allowable; and
- b. Utilisation of unabsorbed capital allowances by certain subsidiaries.

6. (Loss)/Profit before taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 months Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after charging/ (crediting):				
Depreciation	1,102	841	2,567	2,697
Depreciation of right-of-use assets	82	150	311	502
(Reversal of) / impairment loss on inventories	29	(55)	59	(527)
Interest expense	521	570	1,474	1,661
Interest income	(422)	(526)	(1,098)	(1,244)
Gain on disposal of property, plant and equipment	(3)	(9)	(16)	(37)
Property, plant and equipment written off	-	-	-	43
Realised loss/(gain) on foreign exchange	897	(11)	1,358	962
Rental income	(5)	(10)	(22)	(34)
Unrealised loss/(gain) on foreign exchange	3,935	321	3,593	(987)

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 30.09.24		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
Bankers acceptance	-	34,250	34,250
Finance lease liabilities	920	432	1,352
Revolving credit	-	2,000	2,000
Share margin	-	6,292	6,292
Term loan	32,608	1,759	34,367
Total	<u>33,528</u>	<u>44,733</u>	<u>78,261</u>

	As at quarter ended 30.09.23		
	Non-Current RM'000	Current RM'000	Total RM'000
Secured			
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
Total	<u>36,111</u>	<u>28,722</u>	<u>64,833</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. **(Loss)/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		9 months Ended	
	30.09.24	30.09.23	30.09.24	30.09.23
(Loss)/Income attributable to owners of the parent (RM'000)	(2,333)	55	3,238	3,045
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)	-	23	-	23
Weighted average number of issued ordinary shares ('000)	3,022,675	3,022,648	3,022,675	3,022,648
Basic (loss)/earnings per share (sen)	(0.08)	0.00	0.11	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 November 2024