

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has only perused the contents of the proposed new shareholders’ mandate of recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities has not perused the contents of this Circular in relation to the proposed renewal shareholders’ mandate of recurrent related party transactions of a revenue or trading nature.

Bursa Securities has not perused the contents of this Circular in relation to the proposed share buy-back authority prior to its issuance as it is exempt document pursuant to provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF AND NEW SHAREHOLDERS’ MANDATE”)

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES (“PROPOSED SHARE BUY-BACK”)

The above proposals will be tabled as special business at the 37th Annual General Meeting (“AGM”) of the Company.

Notice of the AGM to be held at Room The Lounge, Ground Floor, Park Avenue Hotel, E-1 Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman on Thursday, 30 May 2024 at 10.00 a.m. together with the Proxy Form are sent together with this circular. The Proxy Form should be completed and lodged at the Company’s Registered Office at 51-8-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 24 hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy.....: Wednesday , 29 May 2024 at 10.00 a.m.
Date and time of the AGM: Thursday, 30 May 2024 at 10.00 a.m.

This Circular is dated 30 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016 as amended, modified or re-enacted from time to time
AC	:	Audit Committee of LIB
AGM	:	Annual General Meeting of the Company
Annual Report 2023	:	Annual Report for the Financial year ended 31 December 2023
Board	:	The Board of Directors of LIB
Bursa Securities	:	Bursa Malaysia Securities Berhad 200301033577 (635998-W)
Circular	:	This circular to shareholders of LIB dated 30 April 2024
Code	:	The Malaysian Code on Take-overs and Mergers 2016 (as amended from time to time and includes any re-enactment thereof)
Director(s)	:	This shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of LIB, its subsidiary or holding company; or chief executive of LIB, its subsidiary or holding company
EPS	:	Earnings per share
Estimated Value	:	Estimated value of the Recurrent Related Party Transaction(s) to be entered by the Company and/or its subsidiaries with the Related Party(ies) from the date of the forthcoming AGM up to the date of the following AGM
GDW	:	GDW Mengkuang Sdn Bhd 200901026564 (869666-H)
GSB	:	Glovmaster Sdn Bhd 202001034059 (1390380-A)
Glomaxes	:	Glomaxes Latex Glove Manufacturer Sdn Bhd 201401026888 (1102978-W)
FTSB	:	Fortune Tac Sdn Bhd 202001029512 (1385832-H)
LESB	:	LFE Engineering Sdn Bhd 197501004141 (25875-K)
LCB	:	LFE Corporation Berhad 200201011680 (579343-A)
LIB or the Company	:	Luster Industries Bhd 198601006973 (156148-P)
LIB Group or the Group	:	LIB and its subsidiaries
Listing Requirements	:	Bursa Securities Main Market Listing Requirements
LPD	:	18 April 2024, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (continued)

- Market Day : A day which Bursa Malaysia Berhad is open for trading in securities
- Major Shareholder : A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: -
- 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation
- including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder as defined above (or any other corporation which is its subsidiary or holding company). For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act
- NA : Net assets
- Person Connected : In relation to a director, major shareholder, a member of the management team, means such person who falls under any one of the following categories:
- (a) a family member of the director, major shareholder or management team member, which family means such person who falls within any one of the following categories: -
- (i) spouse;
(ii) parent;
(iii) child including an adopted child and step-child;
(iv) brother or sister; and
(v) spouse of the person referred to in subparagraph (iii) and (iv) above;
- (b) a trustee of a trust (other than a trustee for a share scheme for employee or pension scheme) under which the director, major shareholder, management team member, or a family member of the director, major shareholder or management team member, is the sole beneficiary;
- (c) a partner of the director, major shareholder, management team member, or a partner of a person connected with that director, major shareholder or management team member;
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (e) a person in accordance with whose directions, instructions or wishes the director, major shareholder, or management team member is accustomed or is under an obligation, whether formal or informal, to act;

DEFINITIONS (continued)

- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (g) a body corporate or its directors whose directions, instructions or wishes the director, major shareholder or management team member is accustomed or under an obligation, whether formal or informal, to act;
- (h) a body corporate in which the director, major shareholder, or management team member, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) a body corporate which is a related corporation.

PN	:	Practice Note of the Listing Requirements
Proposed Shareholders' Mandate	:	Proposed renewal of and new shareholders' mandate for the Group's RRPT(s) as set out in Section 2.4 of the Circular with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements
Proposed Share Buy-Back	:	Proposed renewal of share buy-back authority for Ewein to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company
Purchased Shares	:	Shares purchased by LIB pursuant to the Proposed Share Buy-Back
Recurrent Related Party(ies) Transaction(s) or RRPT(s)	:	Recurrent Related Party Transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group
Related Party or Related Parties	:	A director, major shareholder or person(s) connected with such director or major shareholder as defined under the Listing Requirements
RM and sen	:	Ringgit Malaysia and sen respectively
Rule	:	any prevailing rules and regulations issued by the relevant authorities
Shares	:	Ordinary shares
Treasury Shares	:	Share(s) purchased and retained as treasury shares by the Company under the share buy-back mandate and pursuant to Section 127 (4)(b) of the Act

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

DEFINITIONS (continued)

LETTER TO THE SHAREHOLDERS CONTAINING:**PART A: PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

	Page
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	
2.1.1 PARAGRAPH 10.09(2) OF THE LISTING REQUIREMENTS AND PN12	2
2.1.2 DEFINITIONS	3
2.2 THE PRINCIPAL BUSINESS ACTIVITY OF LIB GROUP	3
2.3 THE PRINCIPAL ACTIVITIES OF THE OTHER TRANSACTING PARTIES	5
2.4 NATURE OF RRPT AND CLASS OF RELATED PARTIES	6
2.5 AMOUNT DUE AND OWING BY RELATED PARTIES	9
2.6 GUIDELINES AND REVIEW PROCEDURES	9
2.7 VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE	10
2.8 DISCLOSURE IN ANNUAL REPORT	10
3. STATEMENT BY AUDIT COMMITTEE	11
4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE	
4.1 RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE	11
4.2 BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE	11
5. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE	12
6. APPROVAL REQUIRED	12
7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST	12
8. DIRECTORS' RECOMMENDATION	13
9. ANNUAL GENERAL MEETING	13
10. FURTHER INFORMATION	13
APPENDIX I - FURTHER INFORMATION	
1. DIRECTORS' RESPONSIBILITY STATEMENT	14
2. MATERIAL CONTRACTS	14
3. MATERIAL LITIGATION	14
4. DOCUMENTS AVAILABLE FOR INSPECTION	15

DEFINITIONS (continued)

LETTER TO THE SHAREHOLDERS**PART B: PROPOSED SHARE BUY-BACK AUTHORITY**

	PAGE
1. INTRODUCTION	16
2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	16
3. RETAINED PROFITS	17
4. SOURCE OF FUNDING	17
5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM	18
6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	19
7. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK	19
8. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK RELATING TO THE RULES ON TAKEOVERS, MERGER AND COMULSORY ACQUISITIONS	21
9. PURCHASE, RESOLE, TRANSFER AND CANCELLATION MADE BY THE COMPANY OF ITS OWN SHARES IN THE RECEDING 12 MONTHS	21
10. PROPOSED INTENTION OF THE DIRECTORS TO DEAL WITH THE SHARES PURCHASED	22
11. PUBLIC SHAREHOLDING SPREAD	22
12. DIRECTORS STATEMENT	22
13. DIRECTORS RECOMMEDATION	22
14. HISTORICAL SHARE PRICES	22
15. RESONSIBILITY STATEMENT	23
16. DOCUMENTS AVAILABLE FOR INSPECTION	23
17. FURTHER INFORMATION	23
18. THE 37 TH AGM	23
NOTICE OF AGM AND FORM OF PROXY	24-30



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

Registered Office:
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Date: 30 April 2024

Board of Directors:

Mr Chuah Chong Ewe (Managing Director)
Mr. Chuah Chong San (Executive Director)
Mr Liang Wooi Gee (Executive Director)
Mr Phuah Cheng Peng (Executive Director)
Mr Wee Song He, Wilson (Executive Director)
Encik Ahmad Kamal Bin S. Awab (Independent Non-Executive Director)
Ms Lee Lean Suan (Independent Non-Executive Director)
Mr Nah Ren Ren (Independent Non-Executive Director)

To: The Shareholders of LIB

Dear Sir/Madam

PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's AGM held on 29 May 2023, shareholders had approved a mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature with the related parties, which are necessary for the day-to-day operations of the Group and are carried out in the ordinary course of business and are on normal commercial terms which are not more favorable to the related parties than those generally available to the public and not detrimental to the minority shareholders.

On 9 April 2024, the Company made announcement to Bursa Securities that the Company would be seeking its shareholders' approval for the Proposed Shareholders' Mandate to enable the Group to enter into various RRPTs pursuant to Paragraph 10.09(2) of the Listing Requirements and PN12 at the forthcoming AGM, to be held on 30 May 2024.

The transactions concluded for the last financial year ended 31 December 2023 are incorporated in the 2023 Annual Report on pages 112 to 113.

The Proposed Shareholders' Mandate will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming AGM and is subject to annual renewal. In this respect, the Proposed Shareholders' Mandate shall only continue to be in force until: -

- i) the conclusion of the next AGM of the Company following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by ordinary resolutions passed at the meeting, the authority is renewed;
- ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

The purpose of this Circular is to provide shareholders with details pertaining to the Proposed Shareholders' Mandate, to set your Board of Directors' recommendation thereon and to seek the shareholders approval for the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM. The notice of 37th AGM together with the Form of Proxy are send together with this Circular.

SHAREHOLDERS OF LIB ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDIX I CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1.1 Paragraph 10.09(2) of the Listing Requirements and PN12

Pursuant to Paragraph 10.09(2) of the Listing Requirements and PN12, a listed issuer may seek a shareholders' mandate from its shareholders in respect of RRPT subject to the following: -

- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed below:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more,

whichever is the higher;

- (iii) The contents of the circular to shareholders by the listed issuer for purposes of the shareholders' mandate includes the information as may be prescribed by Bursa Securities.
- (iv) In a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.1.2 Definitions

i) Related Party Transactions

Related party transaction is defined in Paragraph 10.02(k) of the Listing Requirements. It reads as follows: -

“Transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party.”

Transactions within the meaning of “Related Party Transactions” exclude transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.

ii) RRPT of a Revenue or Trading Nature

This is specifically spelt out in the Listing Requirements and PN12 of the Listing Requirements.

“Recurrent related party transactions”

This involves transactions that are:-

- recurrent;
- of a revenue or trading nature; and
- necessary for its day-to-day operations.

It is stated in Paragraph 3.1.1 of PN12 of the Listing Requirements that in this respect, the frequency or regularity of the transaction has to be considered. A transaction which has been made or will be made by the listed issuer at least once in 3 years in the course of its business will be considered recurrent.

“Revenue nature necessary for day to day operations”

With reference to Paragraph 3.1.2 of PN12 of the Listing Requirements, a related party transaction of a revenue nature which is necessary for day to day operations must either contribute directly or indirectly to the generation of revenue for the listed issuer.

“In the ordinary course of business”

It is clearly stated in Paragraph 3.1.3 of PN12 of the Listing Requirements that a related party transaction is in the ordinary course of business, if it is a transaction which would reasonably be expected to be carried out by the listed issuer given the type of business the listed issuer is involved in. The fact that the transaction is envisaged in the memorandum of association of the listed issuer will not be a conclusive factor of determination.

iii) Related Parties

Related parties are defined under Paragraph 1.01 of the Listing Requirements as follows:-

- a director;
- major shareholder; or
- person connected with such director or major shareholder.

2.2 The principal business activity of LIB Group

The principal activities of LIB consist of investment holding and the provision of management services to its subsidiaries, whilst the principal activities of its subsidiaries are as follows: -

Subsidiary companies of LIB	Interest held (%)	Principal activities
Luster Manufacturing Sdn Bhd	100	Investment holding
Exzone Industries Sdn Bhd	100	Dormant
Exzone Precision Engineering Sdn Bhd	100	Manufacturing of precision plastic parts and components and sub-assembly of plastic parts and products
Exzone Plastics Manufacturers Sdn Bhd	100	Dormant
Winco Precision Engineering (Melaka) Sdn Bhd	100	Precision engineering work and manufacturing of die-casting components
Winco Precision Technologies Sdn Bhd	80	Dormant
Pan Cambodian Lottery Corporation Limited	95	Lottery operator in Cambodia
Luster Construction Sdn Bhd	100	Construction of properties
Pembinaan LSP Jaya Sdn Bhd	100	Property construction and development
Jade Classic Sdn Bhd	51	Property development
Glovmaster Sdn Bhd	56	Manufacturing, sales and distribution of latex examination gloves
Luster Ara Sdn Bhd	50.1	Property development
Luster Technologies Malaysia Sdn Bhd	60	Manufacturing of carbon fibre for thermoplastic compounding applications and distribution of aerosol canning and bottle spraying products and chemical products

Subsidiary of Glovmaster Sdn Bhd	Interest held (%)	Principal activities
Linpower Resources Sdn Bhd	100	Dormant
Glovconcept Sdn Bhd	60	Provision of engineering, procurement, construction and commissioning of glove related system

Subsidiary of Exzone Plastics Manufacturers Sdn Bhd	Interest held (%)	Principal activities
Imetron (M) Sdn Bhd	100	Dormant

Subsidiary of Luster Manufacturing Sdn Bhd	Interest held (%)	Principal activities
Luster Venture Sdn Bhd	100	Property construction
Luster Hijauan Home Sdn Bhd*	100	Dormant

Subsidiary of Exzone Precision Engineering Sdn Bhd	Interest held (%)	Principal activities
TSI Zone (Malaysia) Sdn Bhd	60	Dormant

Associate company of Winco Precision Engineering (Melaka) Sdn Bhd	Interest held (%)	Principal activities
Winco Precision Technologies Sdn Bhd	20	Dormant

*Application for strike off from the register of Companies Commission of Malaysia submitted on 29 December 2023

2.3 The principal activities of the other transacting parties

The principal activities of the other related transacting parties which are not part of LIB Group that are involved in the RRPT with the LIB Group are set out below: -

Other transacting parties	Principal activities
GDW Mengkuang Sdn Bhd	Property development
Glomaxes Latex Glove Manufacturer Sdn Bhd	Manufacture of rubber gloves
LFE Engineering Sdn Bhd	Provision of specialized electrical and mechanical engineering services and maintenance work, project management consultancy services

2.4 Nature of RRPT and Class of Related Parties

(I) The details of the nature and estimated annual value of the RRPT in respect of which LIB Group is seeking renewal mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:-

Related Party with whom the Group is transacting	Nature of Transactions	Companies within the Group involved in RRPT	Estimated value as disclosed in the Circular to Shareholders dated 27 April 2023 (“Estimated Value”)	Actual value transacted (“Actual Value”)^	Estimated value from forthcoming AGM to next AGM@	Interested Related Party*	Relationship
Provider		Recipient	(RM)	(RM)	(RM)		
GDW	Incurring expenses pursuant to project financing, management & construction agreement	Luster Venture Sdn Bhd	3,500,000	5,965,190	15,000,000	Phuah Cheng Peng	<ul style="list-style-type: none"> i) Phuah Cheng Peng is a director of Luster Venture Sdn Bhd. and LIB. He is also a substantial shareholder of LIB holding 8.1% equity interest. ii) Phuah Cheng Peng is a director and substantial shareholder of GDW holding 25% equity interest. iii) His spouse, Ooi Seok Hua holds 0.02% equity interest in LIB.
Glomaxes	Selling examination gloves, natural rubber, nitrile butadiene rubber, chemicals and or materials services utilities in relation to glove production	GSB	20,000,000	2,379	20,000,000	Yee Voon Hon	<ul style="list-style-type: none"> i) Yee Voon Hon is a director of GSB, FTSB and Glomaxes. FTSB holds 44% equity interest in GSB. ii) Yee Voon Hon is also a major shareholder holding 59.5% equity interest in FTSB and 30% equity interest in Glomaxes. iii) Yee Kwek Keong (“YKK”) and Yap Kwee Heong (“YKH”) are parents of Yee Voon Hon. YKK and YKH are directors of Glomaxes and each of them hold 20% equity interest in Glomaxes.

Related Party with whom the Group is transacting	Nature of Transactions	Companies within the Group involved in RRPT	Estimated value as disclosed in the Circular to Shareholders dated 27 April 2023 (“Estimated Value”)	Actual value transacted (“Actual Value”)^	Estimated value from forthcoming AGM to next AGM@	Interested Related Party*	Relationship
Provider		Recipient	(RM)	(RM)	(RM)		
Glomaxes	Purchasing examination gloves, natural rubber, nitrile butadiene rubber and chemicals	GSB	20,000,000	-	20,000,000	Yee Voon Hon	<p>i) Yee Voon Hon is a director of GSB, FTSB and Glomaxes. FTSB holds 44% equity interest in GSB.</p> <p>ii) Yee Voon Hon is also a major shareholder holding 58% equity interest in FTSB and 30% equity interest in Glomaxes.</p> <p>iii) Yee Kwek Keong (“YKK”) and Yap Kwee Heong (“YKH”) are parents of Yee Voon Hon. YKK and YKH are directors of Glomaxes and each of them hold 20% equity interest in Glomaxes.</p>

(II) The details of the nature and estimated annual value of the RRPT in respect of which LIB Group is seeking new mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:-

Related Party with whom the Group is transacting	Nature of Transactions	Companies within the Group involved in RRPT	Estimated value as disclosed in the Circular to Shareholders dated 27 April 2023 ("Estimated Value")	Actual value transacted ("Actual Value")^	Estimated value from forthcoming AGM to next AGM@	Interested Related Party*	Relationship
Provider		Recipient	(RM)	(RM)	(RM)		
LESB	Engagement of contracts in relation to civil and structural, mechanical and electrical, and any other construction works.	Jade Classic Sdn Bhd	-	-	12,000,000	Chuah Chong Ewe	<ul style="list-style-type: none"> i) Chuah Chong Ewe is a director of Jade Classic Sdn Bhd and LIB. He is also a substantial shareholder of LIB holding 9.7% equity interest. ii) Chuah Chong Ewe is a director and substantial shareholder of LCB, and LESB is 100% owned by LCB. He is holding 3.8% direct interest and 10.5 deemed interest. iii) He also holding 5.4% deemed interest in LIB.
LESB	Engagement of contracts in relation to civil and structural, mechanical and electrical, and any other construction works.	Luster Ara Sdn Bhd	-	-	30,000,000	Chuah Chong Ewe	<ul style="list-style-type: none"> i) Chuah Chong Ewe is a director of Luster Ara Sdn Bhd and LIB. He is also a substantial shareholder of LIB holding 9.7% equity interest. ii) Chuah Chong Ewe is a director and substantial shareholder of LCB, and LESB is 100% owned by LCB. He is holding 3.8% direct interest and 10.5 deemed interest. iii) He also holding 5.4% deemed interest in LIB.

Notes:

The RRPT covered by this Proposed Shareholders' Mandate are in compliance with the Listing Requirements and PN12.

^ The actual value transacted of RRPT from the date on which the existing mandate was obtained up to the LPD.

@ From the date of forthcoming AGM up to date of the next AGM. The estimated value for mandate is based on management forecast of projects that have been undertaken and anticipated projects to be secured. The estimated value is subject to changes.

* The direct and indirect shareholdings of these interested related parties (if any) are set out in Section 7 below. Accordingly, these interested related parties will abstain from voting in respect of their direct or indirect shareholdings in LIB at the forthcoming AGM on the Proposed Shareholders' Mandate.

2.5 Amount Due and Owing By Related Parties

As at 31 December 2023 and LPD, there is no outstanding amount due under the RRPT which exceeded the credit term.

2.6 Guidelines and Review Procedures

The LIB Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on an arm's length basis and on normal commercial transaction prices and terms which are generally not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:-

(i) Methods for Determination of Transaction Price

- i. The transaction prices and the terms and conditions are determined by current market forces under similar commercial terms and normal trade practices for transactions with third parties.
- ii. The Group shall ensure that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- iii. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Group's pricing for the products/services to be supplied/provided and/or purchased/received will be determined in accordance with the Group's usual business practices and policies, which are on terms not more favourable to the related parties than those extended to third parties/public and not to the detriment of minority shareholders of the Company.

(ii) Thresholds for Approval of RRPT

There are no specific thresholds for the approval of RRPT within the Group. All the RRPT will be monitored by the management and reviewed by the Audit Committee and approved by the Board of Directors. If the RRPT has not obtained the shareholders' mandate or has exceeded the shareholders' mandate whereby, an announcement shall be made to Bursa Securities.

(iii) Monitoring of RRPT

- (a) A list of related parties shall be circulated within the Group from time to time for reference and at the same time, the related party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (b) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (c) Records will be maintained by the Company for Audit Committee's review in order to capture all RRPT which are entered pursuant to the shareholders' mandate.
- (d) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (e) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (f) The Board and the Audit Committee shall have overall responsibility for the determination of review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board and the Audit Committee respectively in respect of the said transaction.

- (g) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated in Section 2.6(i) of this Circular are inadequate and to ensure that:-

- (i) the RRPT will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures. The Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested director, interested major shareholder or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions.

2.7 Validity period of the Proposed Shareholders' Mandate

If approved at the forthcoming AGM, the Proposed Shareholders' Mandate will take effect from the passing of the Proposed Ordinary Resolution relating thereto at the forthcoming AGM and will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- (iii) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting;

whichever is earlier.

In view of the foregoing, the Board will seek your approval for the Proposed Shareholders' Mandate at the forthcoming AGM, and at each subsequent AGM subject to satisfactory review by the Audit Committee of its continued application to the RRPT.

Transactions with any related parties, which do not fall within the ambit of the Proposed Shareholders' Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

2.8 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report 2023 and in the Annual Reports for subsequent financial years that the Proposed Shareholders' Mandate continue in force in accordance with Paragraph 3.1.5 of PN12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year pursuant to the Proposed Shareholder Mandate based on the following information:-

- (i) the type of RRPT made; and
- (ii) the names of the related parties involved in each type of the RRPT made and their relationship with the Company.

3. STATEMENT BY AUDIT COMMITTEE

The Audit Committee of the Company has seen and reviewed the procedure mentioned in section 2.6 above and is of the view that:-

- (i) The procedures and processes are sufficient to ensure that the RRPT are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (ii) The Group have in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

4.1 Rationale for the Proposed Shareholders' Mandate

The rationale for the Proposed Shareholders' Mandate is to enable LIB Group to obtain general mandate from its shareholders for the RRPT. On the whole, the RRPT are considered by the Directors of LIB to be beneficial to the LIB Group as they constitute recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations of LIB Group, and which contribute to the generation of their turnover.

It is envisaged that in the normal course of business of LIB Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time.

Some of these RRPT may be time-sensitive and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPT.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing administrative time and cost associated with the convening of such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to LIB Group.

4.2 Benefits of the Proposed Shareholders' Mandate

Some of the benefits to be derived from the Proposed Shareholders' Mandate of these RRPTs are:-

- (i) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (ii) facilitate transactions with Related Parties which are in the ordinary course of business of LIB Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (iii) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (iv) eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the LIB Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

5. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any significant effect on the share capital, shareholdings of major shareholders and earnings or NA of the Group for the financial year ending 31 December 2024.

6. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is conditional upon the approval of the shareholders of LIB being obtained at the forthcoming AGM.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

As at LPD, the direct and indirect shareholdings of the Directors of the Company and its subsidiaries who have interest, direct or indirect, in the Proposed Shareholders' Mandate are as below: -

	Direct		Indirect	
	Number	%	Number	%
<u>Director of the Company :</u>				
Phuah Cheng Peng				
Shares	245,614,500	8.13	-	-
Via spouse - Ooi Seok Hua				
Shares	-	-	500,000	0.02
Chuah Chong Ewe				
Shares	293,545,000	9.71	-	-
Via Triumphant View Sdn Bhd				
Shares	-	-	97,550,000	3.23
Via Resolute Accomplishment Sdn Bhd				
Shares	-	-	65,473,551	2.17
<u>Director of GSB :</u>				
Yee Voon Hon				
Shares	67,379,851	2.23	-	-
Via spouse – Lee Yee Wan				
Shares	-	-	50,000,000	1.65

Note: Total number of Shares = 3,022,674,412 ordinary shares

The abovenamed Directors being the Director who are interested in the Proposed Shareholders' Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPT involving them as comprised in the Proposed Shareholders' Mandate at the relevant Board meetings and shall also abstain from voting in respect of their direct and indirect shareholdings (if any) in the Company at the forthcoming AGM on the resolution approving the RRPT involving them as comprised in the Proposed Shareholders' Mandate.

Save for the Directors and/or major shareholder and persons connected to him as set out above, no other Director or major shareholder of the Group and persons connected to them has any interest, direct or indirect, in the Proposed Shareholders Mandate. Where the persons connected with a Director and/or major shareholder of the Group has any interest, direct or indirect, in the Proposed Shareholders' Mandate, the Director and/or major shareholder concerned will also abstain from voting in respect of his direct or indirect shareholdings in the Company at the forthcoming AGM on the resolution approving the RRPT involving the relevant director and/or major shareholder or persons connected to them in the Proposed Shareholders' Mandate.

The abovenamed Director and/or major shareholder who is interested in the Proposed Shareholders' Mandate has undertaken that they will also ensure that these persons connected to them will abstain from voting in respect of his direct and indirect shareholdings in the Company, if any, at the forthcoming AGM on the resolution deliberating or approving the RRPT involving their interests which are comprised in the Proposed Shareholders' Mandate.

8. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposed Shareholders' Mandate and deliberated on the same, the Directors save for Mr Phuah Cheng Peng are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

With the exception of Mr Phuah Cheng Peng who is interested in the Proposed Shareholders' Mandate in the manner disclosed in the table in Section 2.4 of this Circular, and have therefore abstained from making any recommendation in respect of the RRPT in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

9. THE 37th AGM

The 37th AGM, will be held at Room The Lounge, Ground Floor, Park Avenue Hotel, E-1 Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman on Monday, 30 May 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, *inter alia*, the ordinary resolution pertaining to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the 37th AGM, you are requested to complete, sign and return the Proxy Form enclosed, in accordance with the instruction contained therein as soon as possible so as to arrive at the Registered Office of the Company not less than twenty-four (24) hours before the time set for the forthcoming AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I contained in this Circular for further information.

Yours faithfully
For and behalf of the Board of
LUSTER INDUSTRIES BHD

LEE LEAN SUAN
Independent Non-Executive Director

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of LIB and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

As at the LPD, there are no material contracts or agreements (not being contracts entered into in the ordinary course of business) which have been entered into by the LIB Group during the two (2) years preceding the date of this Circular.

3. MATERIAL LITIGATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings, pending or threatened, against the Group, except for the following:

- (i) Luster Industries Bhd. vs. Citi-Champ International Limited (“Citi-Champ”), How Soong Khong, Yap Yoke Chuan, Yap Kean Kok and Yew Ding Wei (“2nd to 5th Defendants”)

On 8 June 2016, the Company received an invitation from a sale agent to bid for 100% equity interest in SS Ventures Ltd. (“SS Ventures”), a company held by Citi-Champ. In response to the invitation, the Company placed a refundable earnest deposit of RM3,000,000 to a legal firm acting as stakeholder for Citi-Champ to express its interest to participate in the bid. The Company paid another refundable earnest deposit of RM3,000,000 to the same legal firm, following the Company’s decision to proceed with the final bid for a 10% equity stake in SS Ventures.

On 5 July 2016, the Company signed a Memorandum of Understanding (“MOU”) with Citi-Champ whereby it was stated that New Harvest Asia Investment Limited (“New Harvest”), a wholly-owned subsidiary of Citi-Champ, is in the process of acquiring the entire equity interest in SS Ventures. The objective of the MOU is to record the understanding relating to the proposed disposal by Citi-Champ and acquisition by the Company of certain percentage of Citi-Champ’s shares in New Harvest for a certain purchase consideration (Proposed Acquisition) to be determined later, subject to a definitive Share Sale Agreement and Shareholders Agreement (if required/applicable) to be entered into between the Company and Citi-Champ. The parties shall endeavour to finalise and mutually agree on the details of the Proposed Acquisition within 6 months from the date of the MOU.

On 1 December 2016, the Company’s appointed solicitors wrote to Citi-Champ to inform that the Company has decided to withdraw its interest in SS Ventures and demanded for a full refund of the refundable earnest deposits of RM6,000,000 as there was no progress to the transfer of equity interest in SS Ventures to New Harvest.

Citi-Champ refused to make the refund, claiming that the first deposit of RM3,000,000 had been forfeited and that with regards to the second deposit of RM3,000,000, they had incurred a sum of RM4,850,400 to assist the Company in the due diligence/legal verification on SS Ventures, and would claim the difference of RM1,850,400 should the Company insist to claim the refund from them.

On 13 June 2017, the Company had through its solicitors filed a Statement of Claim at the High Court of Malaya at Shah Alam to pursue legal actions against Citi-Champ and the 2nd to 5th Defendants. The claim includes the refund of the total sum of RM6 million to the Company, general damages, exemplary damages and interests on the claim. On 19 June 2017, the Company filed an application for mareva injunction against the 2nd to 5th Defendants. On 31 October 2017, the High Court dismissed the application for mareva injunction, and also dismissed the erinford injunction application made immediately upon the dismissal of the mareva injunction application. On even date, the Company appealed to the Court of Appeal against the High Court's decision in dismissing the mareva injunction application. On 3 November 2017, the Company applied for an erinford injunction pending disposal of its appeal. On 19 December 2017, the Court of Appeal granted an erinford injunction.

On 13 March 2018, the Court of Appeal allowed the Company's appeal and granted a mareva injunction against the respondents. On 14 March 2018, the High Court dismissed the third parties' application to strike out the third party notice by the 5th defendant with costs of RM5,000. The third parties' appeal to the Court of Appeal has also been dismissed on 1 October 2018. On 24 October 2018, the High Court dismissed the third parties' application to strike out the third party notice by the 2nd to 4th defendants with no order as to costs.

On 13 November 2019, judgment has been awarded by the High Court as follows:

- (i) that the 2nd to 4th Defendants had breached their fiduciary duties as directors of the Company;
- (ii) that the 5th Defendant had breached his duties as stakeholder by releasing the earnest deposits of RM6,000,000 to the 1st Defendant;
- (iii) that the 2nd to 5th Defendants do jointly and severally pay the earnest deposits of RM6,000,000, exemplary damages of RM200,000 and interest on the earnest deposits of RM6,000,000 at 5% per annum calculated from 1 December 2016 until full realisation to the Company;
- (iv) that the 2nd to 5th Defendants do jointly and severally pay the costs of RM100,000 to the Company; and
- (v) that the 2nd to 5th Defendants' claim against the third parties be dismissed with costs of RM30,000 to be paid by 2nd to 5th Defendants jointly and severally to the third parties.

The 2nd to 4th defendants and 5th defendant had appealed against the said decision on 9 December 2019 and 10 December 2019 respectively. 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 have 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 dismissed the defendants' notice of motion for leave to appeal with costs of RM30,000 to be paid to the Company.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal office hours on Monday to Friday (except public holidays) from the date of this Circular up to the date of AGM: -

- (i) the Company's Constitution;
- (ii) the audited Financial Statements of LIB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023 and
- (iii) Material contracts referred to in item 2 above.



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

Registered Office:
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Date: 30 April 2024

Board of Directors:

Mr Chuah Chong Ewe (Managing Director)
Mr. Chuah Chong San (Executive Director)
Mr Liang Wooi Gee (Executive Director)
Mr Phuah Cheng Peng (Executive Director)
Mr Wee Song He, Wilson (Executive Director)
Encik Ahmad Kamal Bin S. Awab (Independent Non-Executive Director)
Ms Lee Lean Suan (Independent Non-Executive Director)
Mr Nah Ren Ren (Independent Non-Executive Director)

To: The Shareholders of LIB

Dear Sir/Madam

PART B: PROPOSED SHARE BUY-BACK

1. INTRODUCTION

The Company had on 25 April 2024, announced to Bursa Securities the Company's intention to seek shareholders' approval for the Proposed Share Buy-Back at the forthcoming AGM to be held on 30 May 2024.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming AGM.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK.

2. RATIONALE FOR THE PROPOSED PURCHASE BY LIB OF ITS OWN ORDINARY SHARES (SHARES) REPRESENTING UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES AT ANY GIVEN POINT IN TIME (PROPOSED SHARE BUY-BACK)

The Proposed Share Buy-Back, if exercised, would potentially benefit the Company and its shareholders as follows:

- i) The Proposed Share Buy-Back would enable the Company to utilize its surplus financial resources to purchase Shares when appropriate, and at prices which the Board of Directors of the Company (the Board) view as favourable to the Company;
- ii) The Proposed Share Buy-Back would effectively reduce the number of Shares carrying voting and participation rights unless the Purchased Shares are resold on Bursa Securities or distributed as share dividends). Consequently, all else being equal, the Earnings Per Share (EPS) of the LIB Group (the Group) may be enhanced as the earnings of the Group would be divided by a reduced number of Shares; and
- iii) The Purchased Shares which will be retained as treasury shares may potentially be resold on Bursa Securities at a higher price and therefore realizing a potential gain in reserves without affecting the total number of issued shares of the Company. The treasury shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.

3. RETAINED PROFITS

Paragraph 12.10(1) of the Listing Requirements stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of its retained profits based on the latest Audited Financial Statements of the Company and the latest management accounts (where applicable) of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company, there is no retained profits recorded as at financial year ended 31 December 2023, the accumulated loss of the Company are as follows, the Company will base on the latest management accounts to ascertain the quantum of the shares to purchase:

	Accumulated Loss (RM)
Audited financial statement as at 31 December 2023	25,065,123

The Proposed Share Buy-Back will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of the Company Shares to be purchased and other relevant factors. The actual number of the Company Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

4. SOURCE OF FUNDING

The Proposed Share Buy-Back will be funded from internally generated funds. The Company has adequate resources to undertake the Proposed Share Buy-Back in view that the Company has net cash and cash equivalent balance of approximately RM11,034,794 based on the audited financial statements of LIB as at 31 December 2023. Any funds utilized by LIB for the Proposed Share Buy-Back will consequentially reduce the resources available to LIB for its operations by a corresponding amount for shares bought back.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER(S) AND PERSONS CONNECTED TO THEM

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and Major Shareholders of LIB nor persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of the treasury shares.

Based on the Register of Directors and the Register of Substantial Shareholders of LIB as at LPD and assuming that LIB implements the Proposed Share Buy-Back in full, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors, Substantial Shareholders and Person Connected to Director of LIB are as follows:

Directors

Name	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%^	No. of Shares	%^
Chuah Chong Ewe	293,545,000	9.71	163,023,551 (2)	5.39	293,545,000	10.79	163,023,551 (2)	5.99
Phuah Cheng Peng	245,614,500	8.13	500,000 (1)	0.02	245,614,500	9.03	500,000 (1)	0.02
Liang Wooi Gee	45,250,000	1.50	400 (1)	0.00	45,250,000	1.66	400 (1)	0.00
Wee Song He, Wilson	66,636,220	2.20	-	-	66,636,220	2.45	-	-
Chuah Chong San	43,200,000	1.43	-	-	66,636,220	1.59	-	-
Ahmad Kamal Bin S. Awab	-	-	-	-	-	-	-	-
Lee Lean Suan	-	-	-	-	-	-	-	-
Nah Ren Ren	-	-	-	-	-	-	-	-

Substantial Shareholders

Name	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%^	No. of Shares	%^
Chuah Chong Ewe	293,545,000	9.71	163,023,551 (2)	5.39	293,545,000	10.79	163,023,551 (2)	5.99
Phuah Cheng Peng	245,614,500	8.13	500,000 (1)	0.02	245,614,500	9.03	500,000 (1)	0.02

Notes:

(1) Deemed interested by virtue of the interest of his spouse in the Company pursuant to Section 59(1)(c) of the Companies Act 2016

(2) Deemed interest by virtue of his shareholdings of not less than 20% in Triumphant View Sdn Bhd & Resolute Accomplishment Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

* Percentage shareholding computed based on 3,022,674,412 LIB Shares in issue.

^ Percentage shareholding computed based on 2,720,406,971 LIB Shares assuming that the Proposed Share Buy-Back is carried out in full and all the shares so purchased are held as treasury shares

6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

6.1 Potential Advantages of the Proposed Share Buy-Back

The potential advantages of the Proposed Share-Buy Back are as set out in Section 2 of the Statement.

6.2 Potential disadvantages of the Proposed Share Buy-Back

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- i) The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forego better future investment or business opportunities and/or any interest income that may be derived from the deposit of such funds in interest bearing instruments; and
- ii) The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to shareholders of LIB in the immediate future.

However, the financial resources of the Group may increase pursuant to the resale of the Purchased Shares held as treasury shares at prices higher than the purchase price. In this connection, the Board will be mindful of the interests of the Group and shareholders of LIB in implementing the Proposed Share Buy-Back and in subsequent resale of the treasury shares on Bursa Securities, if any.

7. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The material financial effects of the Proposed Share Buy-Back on the share capital, consolidated Net Tangible Assets (NTA), working capital, earnings, dividends and the substantial shareholders' shareholdings in LIB are set out below:

7.1 Share Capital

As at LPD, the total number of issued shares was 3,022,674,412 Shares. In the event that the 3,022,674,412 Shares representing 10% of the total number of issued shares of the Company are purchased and cancelled, the effect on the share capital of the Company are illustrated as follows:

	Number of Shares
Total number of issued shares as at LPD	3,022,674,412
Assumed the Shares purchased and cancelled	302,267,441
Resultant total number of issued shares	<u>2,720,406,971</u>

If the Shares so purchased are retained as treasury shares, the total number of issued shares of the Company will not be reduced but the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as treasury shares, the Section 127 of the Act prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

7.2 NTA

The effects of the Proposed Share Buy-Back on the consolidated NTA of the Group would depend on the purchase price and number of purchased Shares, the effective funding cost to LIB to finance the purchased Shares or any loss in interest income to LIB.

The Proposed Share Buy-Back will reduce the consolidated NTA per Share at the time of purchase if the purchase price exceeds the consolidated NTA per Share and conversely will increase the consolidated NTA per Share at the time of purchase if the purchase price is less than the consolidated NTA per Share.

Should the Purchased Shares be resold, the consolidated NTA will increase if the Company realizes a capital gain from the resale, and vice-versa. However, the quantum of the increase in NTA will depend on the selling prices of the purchased Shares and the number of purchased Shares resold.

7.3 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital and cash flow of the Group, the quantum of which would depend on the purchase price of the purchased Shares, the number of purchased Shares and any associated costs incurred in making the purchase.

For the purchased Shares which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

7.4 Earnings

The effects of the Proposed Share Buy-Back on the earnings of the Group would depend on the purchase price and number of Purchased Shares, the effective funding cost to LIB to finance the Purchased Shares or any loss in interest income to LIB.

Assuming the Purchased Shares would be retained as treasury shares, the reduction in the number of Shares applied in the computation of the EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the EPS for the financial year ending 31 December 2024.

Should the purchased Shares be resold, the extent of the impact to the EPS of the Group will depend on the actual selling price, the number of treasury shares resold, and any effective funding cost from the Proposed Share Buy-Back.

7.5 Dividends

Assuming the Proposed Share Buy-Back is implemented in full, dividends would be paid on the remaining total number of issued shares of LIB (excluding the Shares already purchased). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 December 2024 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by LIB in the future would depend on, *inter-alia*, the profitability and cash flow position of the Group.

7.6 Substantial Shareholders

Shares bought back by the Company under the Proposed Share Buy-Back that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 5 of this Statement for further details.

8. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK RELATING TO THE RULES ON TAKE-OVERS, MERGER AND COMPULSORY ACQUISITIONS (THE RULES)

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares purchased, retained as treasury shares, cancelled or distributed pursuant to the Proposed Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

9. PURCHASES, RESOLD, TRANSFER AND CANCELLATION MADE BY THE COMPANY OF ITS OWN SHARES IN THE PRECEDING 12 MONTHS

There was no treasury share held and the Company had not purchased, resold, transferred or cancelled any shares in the preceding 12 months.

10. PROPOSED INTENTION OF THE DIRECTORS TO DEAL WITH THE SHARES SO PURCHASED

The Proposed Share Buy-Back, if exercised, the shares shall be dealt with in the following manner:

- to cancel the shares so purchased; or
- to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- retain part of the shares so purchased as treasury shares and cancel the remainder.

11. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of LIB was 67.06%.

The Board will be mindful of the public shareholding spread requirement before making any purchases of Shares.

12. DIRECTORS' STATEMENT

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Share Buy-Back described above is in the best interest of the Company.

13. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming 37th Annual General Meeting to give effect to the Proposed Share Buy-Back.

14. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of LIB Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:

	High RM	Low RM
2023		
April	0.095	0.080
May	0.090	0.080
June	0.085	0.075
July	0.085	0.075
August	0.090	0.070
September	0.080	0.070
October	0.080	0.070
November	0.075	0.065
December	0.075	0.065
2024		
January	0.110	0.065
February	0.075	0.065
March	0.075	0.060
Last transacted market price as at LPD (being the latest practical date prior to the printing of this Statement) was RM0.065		
(Source: Bursa Malaysia)		

15. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang during normal office hours from Monday to Friday (except for public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (i) Constitution of LIB; and
- (ii) The audited consolidated financial statements of LIB for the past two (2) financial years ended 31 December 2022 and 2023 respectively.

17. FURTHER INFORMATION

There is no other information concerning the Proposed Share Buy-Back as shareholders and other professional advisers would reasonably require and expect to find in the Statement for the purpose of making informed assessment as to the merits of approving the Proposed Share Buy-Back and the extent of the risks involved in doing so.

18. THE 37th AGM

The 37th AGM, will be held at Room The Lounge, Ground Floor, Park Avenue Hotel, E-1 Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman on Monday, 30 May 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, inter alia, the ordinary resolution pertaining to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the 37th AGM, you are requested to complete, sign and return the Proxy Form enclosed, in accordance with the instruction contained therein as soon as possible so as to arrive at the Registered Office of the Company not less than twenty-four (24) hours before the time set for the forthcoming AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

Yours faithfully
For and behalf of the Board of
LUSTER INDUSTRIES BHD

CHUAH CHONG EWE
Managing Director



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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting (“AGM”) of the Company will be held at Room The Lounge, Ground Floor, Park Avenue Hotel, E-1, Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia on Thursday, 30 May 2024 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. | To approve the payment of Directors’ fees and Directors’ benefits amounting to RM500,000.00 for the financial year ending 31 December 2024. | Ordinary Resolution 1 |
| 3. | To re-elect the following Directors who retire pursuant to the Company's Constitution:-

(a) Mr Liang Wooi Gee (Article 95)

(b) Encik Ahmad Kamal Bin S. Awab (Article 95)

(c) Mr Nah Ren Ren (Article 102) | Ordinary Resolution 2
Ordinary Resolution 3
Ordinary Resolution 4 |
| 4. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

As Special Business :

To consider and if thought fit, to pass with or without modifications the following resolution:-

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS

- | | | |
|----|--|------------------------------|
| 5. | “THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (the “Act”) and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being. | Ordinary Resolution 6 |
|----|--|------------------------------|

THAT pursuant to Section 85(1) of the Act be read together with Article 57 of the Company's Constitution, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

"THAT approval be and is hereby given to the Company and/or subsidiary companies (the "Group") to enter into all arrangements and/or transactions as specified in Section 2.4 of the Circular to Shareholders of the Company dated 30 April 2024 (the "Circular"), involving the interests of directors, major shareholders or persons connected with such directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.4 of the Circular, provided that such arrangements and/or transactions are:-

**Ordinary
Resolution 7**

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to be detriment of the minority shareholders of the Company.

(the "Shareholders' Mandate")

THAT the Shareholders' Mandate shall take effect from this resolution and shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340 (2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

And THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

7. **AUTHORITY TO PURCHASE ITS OWN SHARES**

**Ordinary
Resolution 8**

"That subject to the Companies Act 2016, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

- i. The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;
- ii. Paragraph 12.10(1) of the Listing Requirements stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of its retained profits based on the latest Audited Financial Statements of the Company and the latest management accounts (where applicable) of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company, the accumulated loss of the Company are as follows, there is no retained profits recorded as at financial year ended 31 December 2023,

	Accumulated Loss (RM)
Audited financial statement as at 31 December 2023	25,065,123

The Proposed Share Buy-Back will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of the Company Shares to be purchased and other relevant factors. The actual number of the Company Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

- iii. The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- iv. Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
 - to cancel the shares so purchased; or

- to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- retain part of the shares so purchased as treasury shares and cancel the remainder.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluation, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Act, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals.

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board,

WONG YEE LIN (MIA15898)
SSM Practicing No: 201908001793

HING POE PYNG (MAICSA 7053526)
SSM Practicing No: 202008001322
 Joint Company Secretaries

Date: 30 April 2024

Notes:

1. A member entitled to attend and vote is entitled to appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy are specified.
3. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69(2) of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 20.05.2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
7. All resolutions as set out in this notice of 37th Annual General Meeting are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for 2024 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

Explanatory Note on Special Business

Ordinary Resolution 6 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and Waiver of Pre-emptive Rights

The proposed Ordinary Resolution 6 is for the purpose of granting a renewed general mandate (the "Mandate") and waiver of pre-emptive rights under Section 85(1) of the Act read together with Article 57 of the Company's Constitution, if passed, will give authority to the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier and will exclude the shareholders' pre-emptive rights over all new shares to be issued under the Mandate.

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors at the 36th AGM held on 29 May 2023 and which will lapse at the conclusion of the 37th AGM.

Pursuant to Section 85(1) of the Act be read together with Article 57 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

<u>Section 85(1) of the Act</u> Pre-Emptive Rights to New Shares	<u>Article 57 of the Company's Constitution</u> Issue of New Shares to Members
Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.	Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of whatever kind shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Ordinary Resolution 7 – Proposed Renewal of Shareholders’ Mandate (“Proposed Shareholders’ Mandate”)

The proposed Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions under the Proposed Shareholders’ Mandate pursuant to the provisions of the Main Market Listing Requirements of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed Shareholders’ Mandate is subject to renewal on an annual basis. Please refer to Part A of the Circular and Statement to Shareholders dated 30 April 2024 for further information.

Ordinary Resolution 8 – Authority to Purchase its own Shares

The proposed Resolution 8, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders’ approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.

Proxy Form



LUSTER INDUSTRIES BHD.198601006973 (156148-P)
(Incorporated in Malaysia)

No. of Shares held	CDS Account No.

	Shareholder	Proxy 1	Proxy 2
Name			
NRIC/Passport/Company No.			
Phone No.			
Email Address			
Address			
Proportion of shareholdings (%)			

Or failing him, the Chairman of the Meeting as * my / our proxy to vote for * me / us on * my / our behalf at the 37th Annual General Meeting of the Company to be held at Room The Lounge, Ground Floor, Park Avenue Hotel, E-1, Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia on Thursday, 30 May 2024 at 10.00 a.m. and any adjournment thereof.

NO.	RESOLUTIONS	For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees and Directors' benefits amounting to RM500,000.00 for the financial year ending 31 December 2024.		
Ordinary Resolution 2	To re-elect Mr. Liang Wooi Gee who retires pursuant to Article 95 of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Encik Ahmad Kamal Bin S. Awab who retires pursuant to Article 95 of the Company's Constitution.		
Ordinary Resolution 4	To re-elect Mr. Nah Ren Ren who retires pursuant to Article 102 of the Company's Constitution.		
Ordinary Resolution 5	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To authorise Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 Waiver of Pre-emptive Rights		
Ordinary Resolution 7	To approve the Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	To approve the authority to purchase company's own shares		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he thinks fit.

Signed this day of, 2024.

.....
Signature of
Member(s)/Common Seal

Notes:

1. A member entitled to attend and vote is entitled to appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy are specified.
3. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69(2) of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 20.05.2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
7. All resolutions as set out in this notice of 37th Annual General Meeting are to be voted by poll.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.