

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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LUSTER INDUSTRIES BHD.

Registration No. 198601006973 (156148-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF LUSTER INDUSTRIES BHD. ("LUSTER" OR THE "COMPANY") OF RM50.0 MILLION PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("PROPOSED CAPITAL REDUCTION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The extraordinary general meeting of Luster ("**EGM**") 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 Tuesday, 28 November 2023 at 11.00 a.m., or any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

If you decide to appoint a proxy(ies) to participate and vote on your behalf at the EGM, the Form of Proxy must be completed and lodged at the Company's Registered Office, at 51-8-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang not less than 24 hours before the time and date indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 27 November 2023 at 11.00 a.m.

Date and time of the EGM : Tuesday, 28 November 2023 at 11.00 a.m.

This Circular is dated 03 November 2023

DEFINITIONS

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

"Act"	: Companies Act 2016
"Board"	: Board of Directors of Luster
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"Circular"	: This circular to shareholders of Luster dated 03 November 2023 in relation to the Proposed Capital Reduction
"Court"	: The High Court of Malaya
"EGM"	: Extraordinary general meeting of the Company
"EPS"	: Earnings per share
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 23 October 2023, being the latest practicable date prior to the printing and despatch of this Circular
"Luster" or the "Company"	: Luster Industries Bhd.
"Luster Group" or the "Group"	: Luster and its subsidiaries, collectively
"Luster Share(s)" or "Share(s)"	: Ordinary share(s) in Luster
"NA"	: Net assets attributable to the owners of Luster
"Proposed Capital Reduction"	: Proposed reduction of the issued share capital of Luster of RM50.0 million pursuant to Section 117 of the Act
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"UOBKH" or the "Adviser"	: UOB Kay Hian Securities (M) Sdn Bhd

All references to **"you"** in this Circular are made to shareholders who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating 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 day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Capital Reduction. You are advised to read this Circular in its entirety for further details of the Proposed Capital Reduction and not to rely solely on this Executive Summary in forming a decision on the Proposed Capital Reduction before voting at the EGM.

Key information	Description	Reference to Circular
Summary	The Proposed Capital Reduction entails the reduction of RM50.0 million of the issued share capital of the Company pursuant to Section 117 of the Act.	Section 2
Rationale and justification	The Proposed Capital Reduction will eliminate Luster's accumulated losses via the reduction and cancellation of the current issued share capital of the Company.	Section 3
Approvals required	The Proposed Capital Reduction is subject to the approval of the shareholders of Luster at the EGM to be convened.	Section 5
Inter-conditionality	The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.	Section 6
Interested parties	None of the Directors, major shareholders, chief executive of Luster and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Capital Reduction.	Section 7
Board's recommendation	The Board recommends that you vote in favour of the resolution pertaining to the Proposed Capital Reduction at the EGM.	Section 8



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

Registered Office

51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang
Malaysia

03 November 2023

Board of Directors

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

To: The shareholders of Luster

Dear Sir/ Madam,

PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

On 9 October 2023, UOBKH had, on behalf of the Board, announced that the Company proposes to undertake a reduction of the issued share capital of Luster pursuant to Section 117 of the Act.

Further details of the Proposed Capital Reduction are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of the issued share capital of Luster pursuant to Section 117 of the Act, via the cancellation of the Company's paid-up share capital, which is substantially unrepresented by available assets of RM50.0 million. The corresponding credit of RM50.0 million arising from the Proposed Capital Reduction will be utilised to eliminate the accumulated losses of the Company while the balance, if any, will be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Listing Requirements, as well as the Company's Constitution.

As at the LPD, the total issued share capital of Luster is RM312,275,331.77 comprising of 3,022,674,412 Luster Shares, which represents the Company's share capital value of RM0.10 per Share. As at the LPD, the Company does not retain any treasury shares and does not have any outstanding convertible securities.

For illustrative purposes, the pro forma effects of the Proposed Capital Reduction, based on the latest audited and unaudited consolidated statements of financial position as at 31 December 2022 and 30 June 2023, respectively, are set out below:-

	Audited as at 31 December 2022		Unaudited as at 30 June 2023	
	Company RM'000	Group RM'000	Company RM'000	Group RM'000
Accumulated losses	(30,988)	(34,680)	(31,447)	(31,690)
Add: Credit arising from the Proposed Capital Reduction	50,000	50,000	50,000	50,000
(Less) Estimated expenses for the Proposed Capital Reduction	(100)	(100)	(100)	(100)
Resultant retained earnings	18,912	15,220	18,453	18,210

The accumulated losses were primarily attributable to historical net impairment losses on investments in subsidiaries of the Company, suffered by the Group from the FYE 31 December 2021 to the FYE 31 December 2022 amounting to approximately RM42.1 million. These losses were primarily due to the following subsidiaries:-

- FYE 31 December 2021**
- RM14.2 million impairment loss on Exzone Plastics Manufacturers Sdn Bhd
- FYE 31 December 2022**
- RM15.7 million impairment loss on Winco Precision Engineering (Melaka) Sdn Bhd
 - RM8.9 million impairment loss on Luster Manufacturing Sdn Bhd

The Proposed Capital Reduction of RM50.0 million was determined by the Board to pare down the existing share capital value of RM0.10 per Share to RM0.09, to more accurately reflect the latest audited NA per Share of the Group of RM0.09 as at 31 December 2022 attributable to the shareholders. The Board has also taken into consideration, amongst others, the unaudited accumulated losses of the Company and the Group of approximately RM31.4 million and RM31.7 million, respectively, as at the FPE 30 June 2023. Any resultant credit thereof serves as additional credit buffer for the Group, which will be utilised to set off against unexpected future losses that may arise from adverse developments in the regulatory, political, social and economic conditions in the countries/ industries where the Group operates, which in turn could unfavourably affect its operations and financial results.

Furthermore, the resultant retained earnings will improve the Group's credibility with its customers, financiers, suppliers and investors, and will also enhance the Company's ability to declare and pay dividends out of its retained earnings in the future, as and when appropriate, and when the Company returns to profitability. For the avoidance of doubt, the Company may only pay dividends from its future profits and not from the resultant credit arising from the Proposed Capital Reduction.

Under Section 117 of the Act, the Company may reduce its share capital by passing a special resolution that is supported by a solvency statement made by all the Directors. Following which, the Company is required to notify the Director General of the Inland Revenue Board of Malaysia and the Companies Commission of Malaysia of the outcome, as well as advertise a notice of the Proposed Capital Reduction in relevant newspapers within 7 days of the special resolution's passage.

Pursuant to Section 119 of the Act, the Proposed Capital Reduction will become effective when the Companies Commission of Malaysia has recorded the requisite information lodged in the appropriate register, after obtaining shareholders' approval at the EGM to be convened and provided that no objections are made by creditors of the Group. Thereafter, an immediate announcement will be made on the effective date of the Proposed Capital Reduction.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will eliminate Luster's accumulated losses through the reduction and cancellation of the Company's current issued share capital. This action aims to more accurately reflect the value of Luster Group's underlying assets made available to the shareholders, as the existing share capital value of RM0.10 per Share will be pared down to RM0.09 upon completion, which also represents the latest audited NA per Share of the Group of RM0.09 as at 31 December 2022.

As stated in **Section 2** of this Circular, the Company's accumulated losses were mainly attributed to historical net impairment losses on investments in subsidiaries suffered from the FYE 31 December 2021 to the FYE 31 December 2022. As such, the Proposed Capital Reduction can assist in reversing the Company's loss-making position to demonstrate a more favourable financial position. By eliminating these losses, the Company can present a healthier financial profile to its bankers, customers, suppliers, investors, and other stakeholders, potentially instilling confidence in them with the resultant retained earnings.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

4.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company as it does not involve any issuance of new Shares. The pro forma effects of the Proposed Capital Reduction on the issued share capital of the Company are set out below:-

	No. of shares	RM
Issued share capital as at the LPD	3,022,674,412	312,275,331.77
Reduction of the issued share capital pursuant to the Proposed Capital Reduction	-	(50,000,000.00)
Resultant share capital	3,022,674,412	262,275,331.77

4.2 NA, NA per Share and gearing level

Based on the latest audited consolidated financial statements of the Group for the FYE 31 December 2022, the pro forma effects of the Proposed Capital Reduction on the NA and gearing level of the Group are set out below:-

	Audited as at 31 December 2022 RM'000	As at the LPD^{*1} RM'000	After the Proposed Capital Reduction RM'000
Share capital	312,270	312,275	262,275 ^{*2}
Other reserves	3,726	3,726	3,726
Retained earnings/ (Accumulated losses)	(34,680)	(34,680)	15,220 ^{*3}
Shareholders' funds/ NA	281,316	281,321	281,221
No. of shares in issue ('000)	3,022,624	3,022,674	3,022,674
NA per share (RM)	0.09	0.09	0.09
Total borrowings (RM'000)	68,599	68,599	68,599
Gearing level (times)	0.24	0.24	0.24

Notes:-

^{*1} From 1 January 2023 up to the LPD, the share capital increased by RM5,000 after adjusting for the issuance of 50,000 Shares pursuant to the conversion of warrants at an exercise price of RM0.10 each

^{*2} After cancellation of RM50.0 million from the share capital of the Company

^{*3} After deducting estimated expenses pertaining to the Proposed Capital Reduction of RM100,000

4.3 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the consolidated earnings and EPS of Luster Group for the FYE 31 December 2023.

4.4 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the approval of the shareholders of Luster at the EGM to be convened.

For the avoidance of doubt, the Proposed Capital Reduction is not subject to the approval of the Court, pursuant to Section 117 of the Act.

6. INTER-CONDITIONALITY

The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of Luster and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Capital Reduction.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and financial effects of the Proposed Capital Reduction, is of the opinion that it is in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Capital Reduction at the EGM.

9. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR COMPLETION

Barring any unforeseen circumstances, and subject to all required approvals being obtained, the tentative timetable in relation to the Proposed Capital Reduction is as follows:-

Indicative timeframe	Events
November 2023	<ul style="list-style-type: none">• Convening of the EGM for the Proposed Capital Reduction
January 2024	<ul style="list-style-type: none">• Lodgement of documents to the Companies Commission of Malaysia• Completion of the Proposed Capital Reduction

10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Capital Reduction, there are no other corporate exercises which have been announced but are pending completion as at the LPD.

11. EGM

The EGM, the notice of which is enclosed in this Circular, 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 Tuesday, 28 November 2023 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Capital Reduction.

If you are unable to attend, participate, speak and vote at the EGM, you may appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, the Form of Proxy must be lodged at the Company's Registered Office at 51-8-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang not less than twenty-four (24) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
LUSTER INDUSTRIES BHD.

CHUAH CHONG EWE
Managing Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained 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.

2. CONSENT

UOBKH, being the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Adviser to the Company for the Proposed Capital Reduction.

4. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the LPD:-

- i. The Company had on 11 January 2022 entered into a conditional share subscription agreement with Aimflex Berhad ("**Aimflex**") (formerly known as I-Stone Group Berhad), in which Luster would subscribe to an aggregate amount of 81,576,707 new ordinary shares ("**Subscription Share**") in Aimflex at an issue price of RM0.1267 per Subscription Share to be fully satisfied in cash consideration of RM10.3 million. The share subscription was completed on 1 June 2022;
- ii. The Company had on 21 January 2022 entered into a form for transfer of securities with Dato' (Dr.) Ts. Awang Daud Bin Awang Putera ("**Vendor**") for the acquisition of 100,000,000 Aimflex shares held by the Vendor, representing approximately 8.169% equity interest in Aimflex, for a total consideration of RM22.0 million at RM0.22 per Aimflex share. The transfer was completed on 21 January 2022; and
- iii. On 1 March 2022, Luster Ara Sdn Bhd ("**LA**"), a 50.1%-owned subsidiary of Luster, had entered into a sale and purchase agreement with Sime Darby Brunsfield Damansara Sdn Bhd ("**SDB**") to acquire all that piece of freehold land held under Geran 323682, Lot 81117, Mukim Damansara, Daerah Petaling, Negeri Selangor with an area measuring approximately 9,544 sq metres for a total cash consideration of RM35.0 million. The transaction was completed following LA obtaining approval from the Economic Planning Unit of the Prime Minister's Department of Malaysia on 5 August 2022.

FURTHER INFORMATION (CONT'D)

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of the Group:-

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**") for the following claims:-

- a. A declaration that the 2nd, 3rd and 4th Defendants had breached their fiduciary duties as directors of the Company;
- b. A declaration that the 5th Defendant had breached his duties as stakeholder by releasing the stakeholder sums totalling RM6 million to the 1st Defendant;
- c. An order that the 1st, 2nd, 3rd, 4th and 5th Defendants do jointly and severally pay the sum of RM6 million to the Company;
- d. General damages against the 2nd, 3rd and 4th Defendants for breach of fiduciary duties;
- e. General damages against the 2nd, 3rd and 4th Defendants for misrepresentation;
- f. General damages against the 5th Defendant for breach of stakeholder's duties;
- g. Exemplary damages against all the Defendants;
- h. Interest on (c) above at 5% per annum calculated from 1/12/2016 until full realisation;
- i. Interest on (d), (e), (f) and (g) above at 5% per annum calculated from the date of filing of this action until full realisation;
- j. Costs on indemnity basis; and
- k. Further or other relief deemed fit and proper by the High Court.

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 was dismissed by the Court of Appeal on 15 March 2023. Subsequent to the dismissal, on 18 April 2023, 2nd and 3rd Defendants had 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 had 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.

FURTHER INFORMATION (CONT'D)

6. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

7. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 51-8-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, Malaysia during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. the Constitution of Luster;
- ii. the audited consolidated financial statements of Luster Group for the past 2 financial years up to the FYE 31 December 2022 and the latest unaudited consolidated financial statements for the 6-month FPE 30 June 2023;
- iii. the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** hereinabove, respectively;
- iv. the material contracts referred to in **Section 4** hereinabove; and
- v. the relevant cause papers in respect of the material litigation referred to in **Section 5** hereinabove.



LUSTER INDUSTRIES BHD.

Registration No. 198601006973 (156148-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Luster Industries Bhd. ("**Luster**" or the "**Company**"), which 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 Tuesday, 28 November 2023 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the resolution as set out in this notice.

SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF LUSTER OF RM50.0 MILLION PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED CAPITAL REDUCTION")

"THAT, subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby given to the Company to reduce the share capital of the Company by way of cancellation of the issued share capital of RM50.0 million and for the credit arising from such cancellation to be utilised towards offsetting the accumulated losses of the Company;

THAT, the surplus credit that is in excess of what is required towards offsetting the accumulated losses of the Company after the elimination of the Company's accumulated losses pursuant to the Proposed Capital Reduction, if any, shall be credited to the retained earnings account of the Company which may be utilised in such manner as the Board of Directors of Luster ("**Board**") deems fit, as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") as well as the Company's constitution;

AND THAT, the Board be and is hereby authorised and empowered to take all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Capital Reduction, with full powers to assent to or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Capital Reduction."

By Order of the Board,
LUSTER INDUSTRIES BHD.

WONG YEE LIN (MIA15898)
SSM Practicing No: 201908001793

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

Penang
03 November 2023

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 George Town, Pulau Pinang 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 Listing Requirements, a Record of Depositors ("**ROD**") as at 20 November 2023 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 Extraordinary General Meeting is 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 Extraordinary General Meeting, and any adjournment thereof.

FORM OF PROXY



Number of Shares Held	
CDS Account No.	

LUSTER INDUSTRIES BHD.
Registration No. 198601006973 (156148-P)

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____ being a member/members **LUSTER INDUSTRIES BHD.** ("Luster" or the "Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company which 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 Tuesday, 28 November 2023 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the Resolution as set out hereunder.

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the EGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the EGM as my/ our proxy			

or failing him/her, the Chairman of the EGM as my/our proxy to vote for me/us on my/our behalf at the EGM of the Company and my/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolution, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTION	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
Special Resolution	Proposed Capital Reduction				

Dated this _____ day of _____ 2023

Signature / Common Seal of Shareholder

Notes:-

- 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.
- 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.
- 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.
- 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.
- The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang 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).
- 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 Listing Requirements, a Record of Depositors ("**ROD**") as at 20 November 2023 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.
- All resolutions as set out in this notice of Extraordinary General Meeting is to be voted by poll.

Fold this flap for sealing

Fold here

AFFIX
STAMP

The Company Secretaries
LUSTER INDUSTRIES BHD.
198601006973 (156148-P)
51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang, Malaysia

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