



L&P GLOBAL BERHAD
Registration No. 202101028085 (1428385-M)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

L&P GLOBAL BERHAD

Registration No.: 202101028085 (1428385-M)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾⁽²⁾

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | | 31.03.2023 RM'000 | 31.03.2022 ⁽²⁾ RM'000 | 31.03.2023 RM'000 | 31.03.2022 ⁽²⁾ RM'000 |
| Revenue | A9 | 37,934 | N/A | 37,934 | N/A |
| Cost of sales | | <u>(29,898)</u> | <u>N/A</u> | <u>(29,898)</u> | <u>N/A</u> |
| Gross profit | | 8,036 | N/A | 8,036 | N/A |
| Other income | | 510 | N/A | 510 | N/A |
| Administrative expenses | | (2,279) | N/A | (2,279) | N/A |
| Selling and distribution expenses | | <u>(827)</u> | <u>N/A</u> | <u>(827)</u> | <u>N/A</u> |
| Operating profit | | 5,440 | N/A | 5,440 | N/A |
| Finance costs | | <u>(375)</u> | <u>N/A</u> | <u>(375)</u> | <u>N/A</u> |
| Profit before tax | B12 | 5,065 | N/A | 5,065 | N/A |
| Tax expense | B5 | <u>(998)</u> | <u>N/A</u> | <u>(998)</u> | <u>N/A</u> |
| Profit after tax | | 4,067 | N/A | 4,067 | N/A |
| Foreign currency translation | | <u>121</u> | <u>N/A</u> | <u>121</u> | <u>N/A</u> |
| Total comprehensive income | | <u>4,188</u> | <u>N/A</u> | <u>4,188</u> | <u>N/A</u> |
| Profit for the period attributable to owners of the Company | | <u>4,067</u> | <u>N/A</u> | <u>4,067</u> | <u>N/A</u> |
| Total comprehensive income for the period attributable to owners of the Company | | <u>4,188</u> | <u>N/A</u> | <u>4,188</u> | <u>N/A</u> |
| Earnings per ordinary share attributable to owners of the Company | | | | | |
| Basic (sen) | B11 | <u>0.73</u> | <u>N/A</u> | <u>0.73</u> | <u>N/A</u> |
| Diluted (sen) | B11 | <u>0.71</u> | <u>N/A</u> | <u>0.71</u> | <u>N/A</u> |

Notes:-

N/A Not applicable

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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- (2) This is the third interim financial report announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the preceding year corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

| | Note | Unaudited As at 31.03.2023 RM'000 | Audited As at 31.12.2022 RM'000 |
|---|------|---|---------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 17,815 | 17,244 |
| Right-of-use assets | | 28,715 | 29,292 |
| Deferred tax assets | | 48 | 47 |
| Other receivables | | 403 | 399 |
| | | 46,981 | 46,982 |
| Current assets | | | |
| Inventories | | 11,796 | 19,110 |
| Trade and other receivables | | 33,529 | 63,214 ⁽³⁾ |
| Current tax assets | | 1,814 | 1,418 |
| Cash and bank balances | | 34,770 | 6,665 |
| | | 81,909 | 90,407 |
| TOTAL ASSETS | | 128,890 | 137,389 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | | 73,465 | 73,465 |
| Reserves | | 12,857 | 8,533 |
| Total Equity Attributable to Owners of the Company | | 86,322 | 81,998 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | B8 | 28,083 | 29,569 |
| Lease liabilities | | 1,207 | 1,562 |
| Deferred tax liabilities | | 1,304 | 1,304 |
| Total Non-current liabilities | | 30,594 | 32,435 |
| Current liabilities | | | |
| Trade and other payables | | 6,884 | 7,761 |
| Borrowings | B8 | 2,099 | 12,601 |
| Lease liabilities | | 1,583 | 1,616 |
| Current tax liabilities | | 1,408 | 978 |
| Total Current Liabilities | | 11,974 | 22,956 |
| TOTAL LIABILITIES | | 42,568 | 55,391 |
| TOTAL EQUITY AND LIABILITIES | | 128,890 | 137,389 |
| Net assets per ordinary share (RM) ⁽²⁾ | | 0.15 | 0.15 |

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Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's issued share capital of 560,000,000 ordinary shares at the end of the reporting quarter/year.
- (3) Trade and other receivables as at 31 December 2022 included an amount of RM32.97 million being net proceeds receivable from its Initial Public Offering ("**IPO**").

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

| | Note | Non-Distributable | | | Equity-settled employee benefits reserve RM'000 | Distributable | |
|--|------|-------------------------|--------------------------|--|--|-----------------------------|------------------------|
| | | Share Capital RM'000 | Merger Reserve RM'000 | Exchange translation reserve RM'000 | | Retained Earnings RM'000 | Total Equity RM'000 |
| Balance as at 1 January 2023 (Audited) | | 73,465 | (33,653) | 306 | - | 41,880 | 81,998 |
| Profit for financial period | | - | - | - | - | 4,067 | 4,067 |
| Other comprehensive income, net of tax | | - | - | 121 | - | - | 121 |
| Recognition of equity-settled share-based payments pursuant to ESOS ⁽²⁾ | | - | - | - | 136 | - | 136 |
| Balance as at 31 March 2023 (Unaudited) | | 73,465 | (33,653) | 427 | 136 | 45,947 | 86,322 |

Notes:-

(1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

(2) ESOS – Employees’ Share Option Scheme

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾⁽²⁾

| | Cumulative Quarter | |
|---|---------------------------|----------------------------------|
| | 31.03.2023 | 31.03.2022 ⁽²⁾ |
| Note | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 5,065 | N/A |
| Adjustment for:- | | |
| Depreciation of: | | |
| - property, plant and equipment | 373 | N/A |
| - right-of-use assets | 522 | N/A |
| Finance costs | 375 | N/A |
| Interest income | (235) | N/A |
| Gain on disposal of property, plant and equipment | (23) | N/A |
| Equity-settled share-based payments | 136 | N/A |
| Unrealised gain on foreign exchange | (111) | N/A |
| Operating profit before working capital changes | 6,102 | N/A |
| Changes in working capital:- | | |
| Inventories | 7,333 | N/A |
| Receivables | (3,097) | N/A |
| Payables | (900) | N/A |
| Cash generated from operations | 9,438 | N/A |
| Income tax paid, net of refund | (947) | N/A |
| Interest received | 235 | N/A |
| Interest paid | (323) | N/A |
| Net cash from operating activities | 8,403 | N/A |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (876) | N/A |
| Placement of fixed deposits more than 3 months | (19,000) | N/A |
| Proceeds from disposal of property, plant and equipment | 24 | N/A |
| Net cash used in investing activities | (19,852) | N/A |

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

| | Cumulative Quarter | |
|---|---------------------------|----------------------------------|
| | 31.03.2023 | 31.03.2022 ⁽²⁾ |
| Note | RM'000 | RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of shares | 32,971 | N/A |
| Repayment of bankers' acceptance | (5,962) | N/A |
| Repayment of term loans | (6,026) | N/A |
| Repayment of lease liabilities | (450) | N/A |
| Changes in fixed deposits pledged to licensed banks | 118 | N/A |
| Net cash from financing activities | 20,651 | N/A |
| Net changes in cash and cash equivalents | 9,202 | N/A |
| Effects of exchange rates changes | (11) | N/A |
| Cash and cash equivalents at the beginning of financial period | 3,571 | N/A |
| Cash and cash equivalents at the end of financial period | 12,762 | N/A |
| Represented by:- | | |
| Cash and bank balances | 12,762 | N/A |
| Deposits with financial institutions | 22,008 | N/A |
| As per statement of financial position | 34,770 | N/A |
| Less: | | |
| Placement of fixed deposits more than 3 months | (22,008) | N/A |
| Cash and cash equivalents as per consolidated statement of cash flows | 12,762 | N/A |

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING****A1. Basic of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of Listing Requirements of Bursa Securities.

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

The interim financial statements should be read in conjunction with the audited financial statement for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the audited financial statement for the financial year ended 31 December 2022 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but have not been early adopted by the Group:

| Title | Effective Date |
|--|-----------------------|
| <i>Lease Liability in a Sales and Leaseback (Amendments to MFRS 16 Leases)</i> | 1 January 2024 |
| <i>Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)</i> | 1 January 2024 |
| <i>Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)</i> | 1 January 2024 |
| <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)</i> | Deferred |

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

A3. Auditors’ Report on Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the current financial quarter under review have not been materially affected by any seasonal or cyclical factors.

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A5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items or incidence which may or has substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material effect on the results of the current financial quarter under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

There was no dividend has been declared or paid during the current financial quarter under review.

A9. Segmental Reporting

The Group is principally involved in provision of integrated industrial packaging solutions. Its operating segments are presented based on the geographical location of its customers. The Executive Directors assess the performance of the reportable segments based on their profit before taxation.

The accounting policies of the reportable segments are the same as the accounting policies of the Group.

Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

Transaction between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****A9. Segmental Reporting (Continue)**

| 1 January 2023 to 31 March 2023 | Malaysia RM'000 | Vietnam RM'000 | Total RM'000 |
|---|----------------------------|---------------------------|-------------------------|
| Revenue from external customers | 31,136 | 6,798 | 37,934 |
| Inter-segment revenue | - | - | - |
| Total revenue | <u>31,136</u> | <u>6,798</u> | <u>37,934</u> |
| Interest income | 235 | * | 235 |
| Finance costs | <u>(358)</u> | <u>(17)</u> | <u>(375)</u> |
| Net finance costs | <u>(123)</u> | <u>(17)</u> | <u>(140)</u> |
| Segment profit before income tax | 3,033 | 2,032 | 5,065 |
| Other material non-cash items: | | | |
| Depreciation of property, plant and equipment | (346) | (27) | (373) |
| Depreciation of right-of-use assets | <u>(344)</u> | <u>(178)</u> | <u>(522)</u> |
| Segment assets | 113,901 | 13,127 | 127,028 |
| Current tax assets | | | 1,814 |
| Deferred tax assets | | | <u>48</u> |
| | | | <u>128,890</u> |
| Segment liabilities | 36,938 | 2,918 | 39,856 |
| Deferred tax liabilities | | | 1,304 |
| Current tax liabilities | | | <u>1,408</u> |
| | | | <u>42,568</u> |
| Additions to capital expenditures | <u>870</u> | <u>6</u> | <u>876</u> |

Notes:-

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter presented as no interim financial report was prepared for the comparative financial period concerned.

* Less than RM1,000

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****A10. Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment during the current financial quarter under review.

A11. Material Subsequent Events

There are no other material events subsequent to the end of the current reporting quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current period under review.

A13. Contingent Liabilities

| | <u>Unaudited</u> As at 31.03.2023 RM'000 | <u>Audited</u> As at 31.12.2022 RM'000 |
|---|---|---|
| Unsecured | | |
| Corporate guarantee given to a bank for credit facilities granted to Berjayapak Sdn Bhd ("BSB") | 90,750 | 90,750 |

The corporate guarantee is given to financial institution as one of the securities in relation to banking facility granted to BSB.

The Group designates corporate guarantee given to bank for credit facility granted to BSB as insurance contract as defined in MFRS 4 *Insurance Contracts*. The Group recognises this insurance contract as recognised insurance liability when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

The Directors are of the view that the chance for the financial institution to call upon the corporate guarantee is remote. Accordingly, the Directors have estimated the financial impact of the guarantee as at 31 March 2023 to be insignificant.

A14. Related Party Transactions Disclosures

There were no related party transactions during the current financial quarter under review.

A15. Capital Commitments

| | <u>Unaudited</u> As at 31.03.2023 RM'000 | <u>Audited</u> As at 31.12.2022 RM'000 |
|--|---|---|
| Capital expenditure in respect of purchase of property, plant and equipment and right-of-use assets: | | |
| - contracted but not provided for | 322 | 839 |

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKETING LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

The Group's revenue by business activities for the quarter and year ended 31 March 2023 is as follows:

| | <u>Individual Quarter</u> | | <u>Cumulative Quarter</u> | |
|------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| | 31.03.2023 | 31.03.2022⁽¹⁾ | 31.03.2023 | 31.03.2022⁽¹⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Boxes and Crates | 24,604 | N/A | 24,604 | N/A |
| Pallets | 12,245 | N/A | 12,245 | N/A |
| Circular Supply | | | | |
| Services | 364 | N/A | 364 | N/A |
| Trading | 721 | N/A | 721 | N/A |
| | <u>37,934</u> | <u>N/A</u> | <u>37,934</u> | <u>N/A</u> |

For the current financial quarter under review, the Group registered revenue of RM37.93 million and Gross Profit ("GP") of RM8.04 million. GP margin declined slightly to 21.18% as compared to 22.19% for financial year ended 2022 ("FYE 2022"), mainly due to reduction in revenue contribution from boxes and crates which command higher profit margin, to 64.86% for the current quarter under review (FYE 2022: 70.86%).

For the financial quarter under review, the Group recognised an equity-settled share-based payment of RM0.13 million arising from the grant of share options to eligible persons under the Company's Employee Share Option Scheme. The Group recorded Profit Before Tax ("PBT") and Profit After Tax ("PAT") of RM5.07 million and RM4.07 million for the current financial quarter ended 31 March 2023. PBT margin and PAT margin has improved to 13.35% and 10.72% respectively as compared to 12.81% and 9.79% for FYE 2022. After taking into consideration of the one-off expenses of RM2.73 million incurred for IPO in FYE 2022, the PBT margin and PAT margin for the current financial period under review decreased by 1.28% and 0.88% respectively as compared to the adjusted PBT margin (14.63%) and PAT margin (11.60%) for FYE 2022, which was mainly due to the decrease in GP margin as discussed above.

Notes:

N/A – Not Applicable

- (1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter presented as no interim financial report was prepared for the comparative financial period concerned.

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| Description | Current Quarter | Immediate Preceding Quarter | Changes |
|-------------------|-----------------|--------------------------------|---------|
| | 31 March 2023 | 31 December 2022 | |
| | RM'000 | RM'000 | % |
| Revenue | 37,934 | 37,741 | 0.51 |
| Gross Profit | 8,036 | 9,526 | (15.64) |
| Profit Before Tax | 5,065 | 4,635 | 9.28 |

There was no significant change in revenue as compared to the immediate preceding quarter ended 31 December 2022 (“Q4 2022”). However, GP for the current quarter under review reduced by RM1.49 million to RM8.04 million (Q4 2022: RM9.53 million) and GP margin diluted to 21.18% (Q4 2022: 25.24%) mainly due to:

- (a) reduce in revenue from boxes and crates which command higher profit margin, by RM4.05 million to RM24.60 million (Q4 2022: RM28.65 million). This was mainly attributed to:
 - (i) the deferment of orders from one of our major customers due to the customer’s machineries breakdown and facilities upgrade; and
 - (ii) slowdown in demand from the electronics / semiconductor industry.
- (iii) weakening of USD against MYR of which revenue denominated in USD accounted for 42.88% of total revenue during the current quarter under review, (Q4 2022: 49.15%). Average MYR/USD for the quarter ended 31 March 2023 was RM4.3732/USD1.00 as compared to RM4.6189/USD1.00 for Q4 2022.

Despite the recognition of an equity-settled share-based payments of RM0.13 million arising from share options granted, PBT for the current quarter under review increased by RM0.43 million to RM5.07 million (Q4 2022: RM4.64 million) mainly due to the RM1.47 million one-off expenses incurred on IPO for Q4 2022.

Excluding such one-off expenses, the Group’s adjusted PBT for Q4 2022 would have been RM6.11 million (16.18%). PBT margin for the current financial quarter under review decreased by 2.81% to 13.37% as compared to the adjusted PBT margin for Q4 2022 mainly due to the decrease in GP margin as discussed above.

B3. Prospects of the Group

Barring any unforeseen impacts that may arise from the uncertain global economy affected by geopolitical tension, persistent inflationary pressure, recent collapse of certain banks in the United States and possibility of economic recession, the Board of Directors is cautiously optimistic about the growth prospects of the Group after taking into consideration our competitive strengths and business strategies.

Over the next three years, as disclosed in Sections 6.8 of the Company’s Prospectus dated 13 December 2022, the Group will focus on expanding our business and operations in Malaysia namely Perai, Penang; Kulim, Kedah; Kulai / Senai2, Johor; Klang Valley; and Singapore.

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With the increase in production capacity, the Group is well-positioned to capture opportunities arising from the expected increasing demand from existing customers as well as new customers when the electronics / semiconductor industry pick up the momentum again. The Group believed that the US-China trade tension is expected to drive multinational companies (“MNCs”) in setting up manufacturing facilities in Malaysia and Vietnam, which will be beneficial for L&P Group’s business growth in these 2 markets.

Nevertheless, the Group will continue its marketing efforts in Vietnam to secure new customers and will expand its operations in Vietnam when substantial additional orders are secured.

B4. Variance of Actual Profits from Forecast Profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. Tax Expense

| | <u>Individual Quarter</u> | | <u>Cumulative Period</u> | |
|------------------------|---------------------------|----------------------------------|--------------------------|----------------------------------|
| | 31.03.2023 | 31.03.2022 ⁽¹⁾ | 31.03.2023 | 31.03.2022 ⁽¹⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Tax expense | | | | |
| - Current period | 998 | N/A | 998 | N/A |
| Effective tax rate (%) | 19.70 | N/A | 19.70 | N/A |
| Statutory tax rate (%) | 24.00 | N/A | 24.00 | N/A |

The Group’s effective tax rates were lower than the statutory tax rate of 24%, which was mainly due to taxable income generated from Berjayapak Vietnam Company Limited (“BV”) is entitled for a 50% corporate tax exemption as an incentive for investment in industrial zone. Under such incentive, BV is exempted from corporate income tax (“CIT”) for the first 2 years of operation (2019-2020) and entitled for a 50% of corporate tax exemption in the 4 succeeding years of operation (2021-2024).

Notes:

N/A – Not Applicable

(1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter presented as no interim financial report was prepared for the comparative financial period concerned.

B6. Status of Corporate Proposals

There were no corporate proposals announced by the Company but not completed as at the date of this unaudited interim financial report.

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****B7. Utilisation of Proceeds from IPO**

As at the date of this interim financial report, the status of utilisation of proceeds of RM33.90 million raised from the IPO is as follows:

| Purpose | Proposed utilisation | | Actual utilisation RM'000 | Balance to utilise RM'000 | Estimated timeframe for utilisation upon listing |
|----------------------------|----------------------|---------------|------------------------------|------------------------------|--|
| | RM'000 | % | | | |
| Capital expenditure | 10,000 | 29.50 | - | 10,000 | Within 36 months |
| Business expansion | 2,000 | 5.90 | - | 2,000 | Within 36 months |
| Repayment of borrowings | 5,000 | 14.75 | 5,000 | - | Within 6 months |
| Working capital | 13,000 | 38.35 | 13,000 | - | Within 12 months |
| Estimated listing expenses | 3,900 | 11.50 | 3,900 | - | Within 3 months |
| Total | 33,900 | 100.00 | 21,900 | 12,000 | |

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2022.

B8. Loans and Borrowings

The Group's loans and borrowings were as follows:

| <u>Secured</u> | As at 31.03.23 | As at 31.12.22 |
|----------------------------|----------------|----------------|
| | RM'000 | RM'000 |
| Current | | |
| Bank overdrafts | - | - |
| Bankers' acceptance in MYR | - | 2,334 |
| Bankers' acceptance in USD | - | 3,628 |
| Revolving credits | - | 4,000 |
| Term loans | 2,099 | 2,639 |
| Total | 2,099 | 12,601 |
| Non-current | | |
| Term loans | 28,083 | 29,569 |

B9. Material Litigation

There was no material litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B10. Proposed Dividend

In accordance to the Company's Dividend Policy, the Board as it deems fit will recommend a dividend of 20% - 50% of the profit attributable to the owners of the Company.

During the financial quarter under review, no dividend has been declared or recommended for payment in respect of the financial year ending 2023 by the Board.

L&P GLOBAL BERHAD

Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****B11. Earnings Per Share (“EPS”)**

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|----------------------------------|---------------------------|----------------------------------|
| | 31.03.2023 | 31.03.2022 ⁽¹⁾ | 31.03.2023 | 31.03.2022 ⁽¹⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period attributable to owners of the Company | 4,067 | N/A | 4,067 | N/A |
| Number of ordinary shares ('000) | 560,000 | N/A | 560,000 | N/A |
| Basic EPS (sen) | 0.73 | N/A | 0.73 | N/A |

Basic earnings per share is calculated based on the consolidated profit attributable to owners of the Company divided by 560,000,000 ordinary shares in issue as at 31 March 2023.

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|----------------------------------|---------------------------|----------------------------------|
| | 31.03.2023 | 31.03.2022 ⁽¹⁾ | 31.03.2023 | 31.03.2022 ⁽¹⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period attributable to owners of the Company | 4,067 | N/A | 4,067 | N/A |
| Number of ordinary shares ('000) | 560,000 | N/A | 560,000 | N/A |
| Effect of dilution of ESOS | 11,200 | N/A | 11,200 | N/A |
| Adjusted number of ordinary shares ('000) | 571,200 | N/A | 57,1200 | N/A |
| Diluted EPS (sen) | 0.71 | N/A | 0.71 | N/A |

Diluted earnings per ordinary shares is calculated by dividing the profit attributable to owners of the Company by number of ordinary shares outstanding during the financial quarter ended adjusted for the effects of dilutive potential ordinary shares.

Notes:

N/A – Not Applicable

(1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter presented as no interim financial report was prepared for the comparative financial period concerned.

L&P GLOBAL BERHAD

Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023****B12. Notes to Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

Profit before tax for the period has been arrived at after (crediting) / charging:

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | 31.03.2023 RM'000 | 31.03.2022 ⁽¹⁾ RM'000 | 31.03.2023 RM'000 | 31.03.2022 ⁽¹⁾ RM'000 |
| Depreciation of: | | | | |
| - property, plant and equipment | 373 | N/A | 373 | N/A |
| - right-of-use assets | 522 | N/A | 522 | N/A |
| Interest expenses: | | | | |
| -bank charges | 7 | N/A | 7 | N/A |
| -lease liabilities | 52 | N/A | 52 | N/A |
| -revolving credit | 11 | N/A | 11 | N/A |
| -term loans | 305 | N/A | 305 | N/A |
| Gain on disposal of property, plant and equipment | (23) | N/A | (23) | N/A |
| Gain on foreign exchange | | | | |
| - Realised | (164) | N/A | (164) | N/A |
| - Unrealised | (111) | N/A | (111) | N/A |
| Interest Income | (235) | N/A | (235) | N/A |

Notes:-

N/A – Not Applicable

- (1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year corresponding quarter presented as no interim financial report was prepared for the comparative financial period concerned.

BY ORDER OF THE BOARD
L&P GLOBAL BERHAD
24/5/2023