



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**L&P GLOBAL BERHAD**

Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)(2)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		30.06.2023 RM'000	30.06.2022 <sup>(2)</sup> RM'000	30.06.2023 RM'000	30.06.2022 <sup>(2)</sup> RM'000
Revenue	A9	39,590	N/A	77,524	N/A
Cost of sales		<u>(30,170)</u>	<u>N/A</u>	<u>(60,068)</u>	<u>N/A</u>
<b>Gross profit</b>		9,420	N/A	17,456	N/A
Other income		1,013	N/A	1,523	N/A
Reversal of impairment losses/ (impairment losses) on trade receivables		109	N/A	109	N/A
Administrative expenses		(2,716)	N/A	(4,995)	N/A
Selling and distribution expenses		<u>(838)</u>	<u>N/A</u>	<u>(1,665)</u>	<u>N/A</u>
<b>Operating profit</b>		6,988	N/A	12,428	N/A
Finance costs		(262)	N/A	(637)	N/A
<b>Profit before tax</b>	B13	6,726	N/A	11,791	N/A
Tax expense	B5	<u>(1,485)</u>	<u>N/A</u>	<u>(2,483)</u>	<u>N/A</u>
<b>Profit after tax</b>		5,241	N/A	9,308	N/A
Foreign currency translation		<u>540</u>	<u>N/A</u>	<u>661</u>	<u>N/A</u>
<b>Total comprehensive income</b>		<u>5,781</u>	<u>N/A</u>	<u>9,969</u>	<u>N/A</u>
Profit for the period attributable to owners of the Company		<u>5,241</u>	<u>N/A</u>	<u>9,308</u>	<u>N/A</u>
Total comprehensive income for the period attributable to owners of of the Company		<u>5,781</u>	<u>N/A</u>	<u>9,969</u>	<u>N/A</u>
Earnings per ordinary share attributable to owners of the Company					
Basic (sen)	B12	<u>0.94</u>	<u>N/A</u>	<u>1.66</u>	<u>N/A</u>
Diluted (sen)	B12	<u>0.92</u>	<u>N/A</u>	<u>1.63</u>	<u>N/A</u>

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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.
- (2) This is the fourth 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 SECOND QUARTER ENDED 30 JUNE 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	Unaudited As at 30.06.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		18,608	17,244
Right-of-use assets		28,223	29,292
Deferred tax assets		50	47
Other receivables		424	399
		47,305	46,982
<b>Current assets</b>			
Inventories		12,565	19,110
Trade and other receivables		37,045	63,214 <sup>(3)</sup>
Current tax assets		2,393	1,418
Cash and bank balances		35,769	6,665
		87,772	90,407
<b>TOTAL ASSETS</b>		135,077	137,389
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		73,465	73,465
Reserves		18,774	8,533
<b>Total Equity Attributable to Owners of the Company</b>		92,239	81,998
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	B8	27,495	29,569
Lease liabilities		1,067	1,562
Deferred tax liabilities		1,304	1,304
<b>Total Non-current liabilities</b>		29,866	32,435
<b>Current liabilities</b>			
Trade and other payables		6,547	7,761
Borrowings	B8	2,184	12,601
Lease liabilities		1,348	1,616
Current tax liabilities		2,893	978
<b>Total Current Liabilities</b>		12,972	22,956
<b>TOTAL LIABILITIES</b>		42,838	55,391
<b>TOTAL EQUITY AND LIABILITIES</b>		135,077	137,389
Net assets per ordinary share (RM) <sup>(2)</sup>		0.16	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 IPO.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

	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		-	-	-	-	9,308	9,308
Other comprehensive income, net of tax		-	-	661	-	-	661
Recognition of equity-settled share-based payments pursuant to ESOS <sup>(2)</sup>		-	-	-	272	-	272
<b>Balance as at 30 June 2023 (Unaudited)</b>		<b>73,465</b>	<b>(33,653)</b>	<b>967</b>	<b>272</b>	<b>51,188</b>	<b>92,239</b>

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 SECOND QUARTER ENDED 30 JUNE 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)(2)</sup>**

	<b>Cumulative Quarter</b>	
	<b>30.06.2023</b>	<b>30.06.2022 <sup>(2)</sup></b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,791	N/A
Adjustment for:-		
Depreciation of:		
- property, plant and equipment	751	N/A
- right-of-use assets	1,050	N/A
Finance costs	637	N/A
Interest income	(652)	N/A
Gain on disposal of property, plant and equipment	(20)	N/A
Equity-settled share-based payments	272	N/A
Unrealised gain on foreign exchange	(414)	N/A
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	13,415	N/A
Changes in working capital:-		
Inventories	6,669	N/A
Receivables	(6,167)	N/A
Payables	(1,352)	N/A
	<hr/>	<hr/>
<b>Cash generated from operations</b>	12,565	N/A
Income tax paid, net of refund	(1,429)	N/A
Interest received	652	N/A
Interest paid	(540)	N/A
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	11,248	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,032)	N/A
Placement of fixed deposits more than 3 months	(24,132)	N/A
Proceeds from disposal of property, plant and equipment	28	N/A
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(26,136)	N/A

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	<b>Cumulative Quarter</b>	
	<b>30.06.2023</b>	<b>31.03.2022 <sup>(2)</sup></b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of shares	32,971	N/A
Repayment of bankers' acceptance	(5,961)	N/A
Repayment of term loans	(6,530)	N/A
Repayment of lease liabilities	(908)	N/A
Changes in fixed deposits pledged to licensed banks	118	N/A
<b>Net cash from financing activities</b>	<b>19,690</b>	<b>N/A</b>
Net changes in cash and cash equivalents	4,802	N/A
Effects of exchange rates changes	96	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	8,469	N/A
<b>Represented by:-</b>		
Cash and bank balances	8,469	N/A
Deposits with financial institutions	27,300	N/A
As per statement of financial position	35,769	N/A
<b>Less:</b>		
Placement of fixed deposits more than 3 months	(27,300)	N/A
Cash and cash equivalents as per consolidated statement of cash flows	8,469	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 fourth 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 SECOND QUARTER ENDED 30 JUNE 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 fourth 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 adoption of the following new MFRSs and amendments to MFRSs that have been issued by the MASB:

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	1 January 2023
<i>International Tax Reform-Pillar Two Model Rule</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	2 June 2023

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

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**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.

**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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<b>1 April 2023 to 30 June 2023</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	32,357	7,233	39,590
Inter-segment revenue	-	-	-
Total revenue	<u>32,357</u>	<u>7,233</u>	<u>39,590</u>
Interest income	268	149	417
Finance costs	<u>(247)</u>	<u>(15)</u>	<u>(262)</u>
Net finance income	<u>21</u>	<u>134</u>	<u>155</u>
Segment profit before income tax	4,413	2,313	6,726
<b>Other material non-cash items:</b>			
Depreciation of property, plant and equipment	(352)	(26)	(378)
Depreciation of right-of-use assets	(344)	(184)	(528)
Reversal of impairment of trade and other receivable - net	<u>109</u>	<u>-</u>	<u>109</u>
Additions to capital expenditures	<u>1,156</u>	<u>-</u>	<u>1,156</u>

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023****A9. Segmental Reporting (Continue)**

<b>1 January 2023 to 30 June 2023</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	63,493	14,031	77,524
Inter-segment revenue	-	-	-
Total revenue	<u>63,493</u>	<u>14,031</u>	<u>77,524</u>
Interest income	503	149	652
Finance costs	<u>(605)</u>	<u>(32)</u>	<u>(637)</u>
Net finance income/(costs)	<u>(102)</u>	<u>117</u>	<u>15</u>
Segment profit before income tax	7,446	4,345	11,791
<b>Other material non-cash items:</b>			
Depreciation of property, plant and equipment	(698)	(53)	(751)
Depreciation of right-of-use assets	(688)	(362)	(1,050)
Reversal of impairment of trade and other receivable - net	<u>109</u>	<u>-</u>	<u>109</u>
Segment assets	120,828	11,806	132,634
Income tax assets	13	2,430	<u>2,443</u>
			<u>135,077</u>
Segment liabilities	35,717	2,924	38,641
Income tax liabilities	3,959	238	<u>4,197</u>
			<u>42,838</u>
Additions to capital expenditures	<u>2,026</u>	<u>6</u>	<u>2,032</u>

Note:-

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

**A11. Material Subsequent Events**

On 7 August 2023, BSB had entered into a Sale and Purchase Agreement with Indahpura Jaya Development Sdn. Bhd. for the acquisition of the Kulai Branch, which consists of a piece of land held under Lot 58876, Kawasan Perindustrian Indahpura, Negeri Johor measuring approximately 2,166 square meters in area together with single storey detached factory with double storey office bearing the assessment address No.3386, Jalan Pekeliling Tanjung 27/2, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor for a purchase consideration of RM4,000,000.

**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>	<u>Audited</u>
	As at	As at
	30.06.2023	31.12.2022
	RM'000	RM'000
<b>Unsecured</b>		
Corporate guarantee given to a bank for credit facilities granted to BSB	<u>90,750</u>	<u>90,750</u>

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 30 June 2023 to be insignificant.

**A14. Related Party Transactions Disclosures**

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

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**A15. Capital Commitments**

	<u>Unaudited</u>	<u>Audited</u>
	As at	As at
	30.06.2023	31.12.2022
	RM'000	RM'000
Capital expenditure in respect of purchase of property, plant and equipment and right-of-use assets:		
- contracted but not provided for	<u>272</u>	<u>839</u>

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The Group's revenue by business activities for the quarter and year ended 30 June 2023 is as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Boxes and Crates	26,339	N/A	50,943	N/A
Pallets	12,010	N/A	24,254	N/A
Circular Supply				
Services	564	N/A	928	N/A
Trading	677	N/A	1,399	N/A
	<u>39,590</u>	<u>N/A</u>	<u>77,524</u>	<u>N/A</u>

For the current financial quarter under review, the Group registered revenue of RM39.59 million, of which boxes and crates and pallets contributed 66.53% and 30.34% of total revenue respectively, while for the six months period ended 30 June 2023, the Group registered revenue of RM77.52 million, of which boxes and crates and pallets contributed 65.71% and 31.29% of total revenue respectively. As compared to the financial year ended 31 December 2022, boxes and crates and pallets contributed 70.86% and 26.19% of total revenue respectively. There were no significant changes in product mix.

The Group recorded Gross Profit ("GP") of RM9.42 million for the current financial quarter under review. GP margin increased to 23.79% (FYE 2022: 22.19%) as a result of a modest decrease in average timber price per tonne. Likewise, the Group achieved a GP of RM17.46 million for the six months period ended 30 June 2023.

Despite the recognition of equity-settled share-based payment of RM0.14 million arising from the grant of share options to eligible persons under the Company's Employee Share Option Scheme and a one-off expense of RM0.26 million incurred for the Proposed Transfer (Note B6), the Group registered Profit Before Tax ("PBT") and Profit After Tax ("PAT") of RM6.73 million and RM5.24 million respectively for the financial quarter under review. PBT margin and PAT margin increased to 17.00% (FYE 2022: 12.81%) and 13.24% (FYE 2022: 9.79%). Likewise, the Group achieved PBT and PAT of RM11.79 million and RM9.31 million respectively for the six months period ended 30 June 2023.

Notes:

N/A – Not Applicable

- (1) This is the fourth 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
	30 June 2023	31 March 2023	
	RM'000	RM'000	%
Revenue	39,590	37,934	4.37
Gross Profit	9,420	8,036	17.22
Profit Before Tax	6,726	5,065	32.79

Revenue for the current financial quarter increased by RM1.74 million to RM39.59 million as compared to the immediate preceding quarter (Q1 2023: RM37.93 million). This is mainly due to increase in demand from boxes and crates from our major customers in renewable energy industry.

GP for the current quarter under review increased by RM1.38 million to RM9.42 million (Q1 2023: RM8.04 million) and GP margin increased to 23.79% (Q1 2023: 21.18%) mainly due to:

- (a) increase in revenue from boxes and crates which command higher profit margin;
- (b) strengthening of USD against MYR during the current quarter under review. Average MYR/USD for the quarter ended 30 June 2023 was RM4.4713/USD1.00 as compared to RM4.3732/USD1.00 for Q1 2023.
- (c) modest decrease in average timber price per tonne.

In addition, PBT for the current quarter under review increased by RM1.66 million to RM6.73 million (Q1 2023: RM5.07 million) due to:

- (a) increase in realised and unrealised gain on foreign exchange to RM0.46 million and RM0.41 million respectively (Q1 2023: RM0.29 million and RM0.30 million); and
- (b) increase in interest income from placement of excess fund in fixed deposits to RM0.65 million (Q1 2023: RM0.42 million).

**B3. Prospects of the Group**

Due to the unexpected change in global economic slowdown, the Group will prioritise its expansion plans for the existing Sungai Bakap Factory, Perai Branch and Kulai Branch over the other new factories as per its current business strategies. In conjunction with that, the Company has also extended the timeline of its expansion plan for some of the branches in Malaysia and on 28 July 2023 announced the variation to the utilisation of proceeds raised from the IPO.

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 escalating 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.



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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.

Barring any unforeseen impacts that may arise from the uncertain global economy affected by geopolitical tension, persistent inflationary pressure and possibility of economic recession, the Board of Directors is cautiously optimistic of the Group's financial performance for the year ending 31 December 2023.

**B4. Variance of Actual Profits from Forecast Profits**

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

**B5. Tax Expense**

	Individual Quarter		Cumulative Period	
	30.06.2023	30.06.2022 <sup>(1)</sup>	30.06.2023	30.06.2022 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current period	1,485	N/A	2,483	N/A
Effective tax rate (%)	22.08	N/A	21.06	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 incentive for investment in industrial zone. Under such incentive, BV is exempted from corporate income tax ("CIT") for 2 years from the first year generating taxable income (2019-2020) and reduced 50% of CIT in the 4 succeeding years (2021-2024).

Notes:

N/A – Not Applicable

(1) This is the fourth 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**

Saved as disclosed below, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

On 13 June 2023, on behalf of the Board of Directors of L&P Global ("Board"), Alliance Islamic Bank Berhad ("AIS") announced that the Company proposed to undertake the following:

(i) proposed transfer of the listing and quotation of the entire issued share capital of the Company from the ACE Market to Main Market of Bursa Securities ("**Proposed Transfer**"); and

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**B6. Status of Corporate Proposals (continue)**

- (ii) proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Transfer (“**Proposed Amendments**”).

The application to the Securities Commission Malaysia (“**SC**”) in relation to the Proposed Transfer is expected to be made within three (3) months from the date of announcement.

**B7. Utilisation of Proceeds from IPO**

On 28 July 2023, the Board of Directors of L&P Global Berhad (“**Board**”) announced that the Board had resolved to approve the variation to the utilisation of RM8.00 million of the proceeds raised from its IPO exercise, which had been earmarked for part payment of the construction cost for a new factory in Johor (“**Proposed New Johor Factory**”) (“**Capex Variation**”).

As at the date of this interim report, the status of utilisation of the IPO proceeds and the details of the variation to the utilisation of the IPO proceeds is set out below:

Purpose	Utilisation of IPO Proceeds				Actual utilisation RM'000	Balance to utilise RM'000	Estimated timeframe for utilisation upon listing
	Original		Revised				
	RM'000	%	RM'000	%			
Capital expenditure							
- Proposed New Johor Factory	10,000	29.50	2,000	5.90	-	2,000	Within 36 months
- Capex Variation <sup>(1)</sup>	-		8,000	23.60	-	8,000	Within 36 months
Business expansion	2,000	5.90	2,000	5.90	-	2,000	Within 36 months
Repayment of borrowings	5,000	14.75	5,000	14.75	5,000	-	-
Working capital	13,000	38.35	13,000	38.35	13,000	-	-
Estimated listing expenses	3,900	11.50	3,900	11.50	3,900	-	-
Total	33,900	100.00	33,900	100.00	21,900	12,000	

Note:

- (1) The details of Capex Variation are as follows:

Capex Variation	RM'000
Acquisition of Kulai Branch (inclusive of legal fees and stamp duty)	4,020
Renovation cost for Kulai Branch and Sungai Bakap Factory	830
Machineries, equipment and system costs for Kulai Branch, Perai Branch and Sungai Bakap Factory	2,540
Motor Vehicle for Sungai Bakap Factory	610
Total	8,000

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The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2022 and the announcement on variation of utilisation dated 28 July 2023.

**B8. Loans and Borrowings**

The Group's loans and borrowings were as follows:

<u>Secured</u>	<u>As at 30.06.23</u>	<u>As at 31.12.22</u>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
Bankers' acceptance in MYR	-	2,334
Bankers' acceptance in USD	-	3,628
Revolving credits	-	4,000
Term loans	2,184	2,639
<b>Total</b>	<b>2,184</b>	<b>12,601</b>
<b>Non-current</b>		
Term loans	27,495	29,569

**B9. Financial Instrument**

As of 30 June 2023, the foreign currency forward contracts, which the Group had entered into to sell and remain outstanding is USD610,000 at approximately RM4.5345 per United States Dollar. The settlement will complete in November 2023.

As of 30 June 2023, the outstanding forward contracts are as follows:

<u>Type of Derivatives</u>	<u>Contract Value</u>	<u>Notional Value</u>	<u>Fair Value Loss</u>
	USD'000	RM'000	RM'000
Foreign Currency Forward Contracts	610	2,766	89
- Less than 1 year			

Summary of the losses arising from the fair value changes of financial assets was as follow:

<u>Type of Financial Assets</u>	<u>Cumulative 3 months ended 30 June 2023</u>
	RM'000
Foreign Currency Forward Contracts	
- Unrealised loss	89

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**B9. Financial Instrument (continue)**

The above foreign currency forward contracts were entered into by the Group to minimize its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities. Hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed the net exposure value. The cash requirement for settling these foreign currency forward contracts is solely from the Group's working capital. These derivatives and their underlying exposures will be monitored on an on-going basis.

Foreign Currency Forward Contracts are stated at fair value, which is equivalent to the marking of the Foreign Currency Forward Contracts to market, using prevailing market rate. Foreign Currency Forward Contracts with positive market values (unrealised gain) are included under current assets and Foreign Currency Forward Contracts with negative market values (unrealised losses) are included under current liabilities in the statement of financial position.

**B10. 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.

**B11. Proposed Dividend**

As of the date of this announcement, the Board of Directors declared an interim single tier dividend of 0.5 Sen per ordinary share in respect of the financial year ending 31 December 2023 to be paid on 18 October 2023 to the shareholders of the Company whose name appear in the Record of Depositors on 29 September 2023.

This is equivalent to 30% of the basic earnings per share for the six months period ended 30 June 2023 of 1.66 Sen (Note B12) and is in accordance to the Company's Dividend Policy to distribute a dividend of 20% - 50% of the profit attributable to the owners of the Company.

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	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period attributable to owners of the Company	<u>5,241</u>	<u>N/A</u>	<u>9,308</u>	<u>N/A</u>
Number of ordinary shares ('000)	<u>560,000</u>	<u>N/A</u>	<u>560,000</u>	<u>N/A</u>
Basic EPS (sen)	<u>0.94</u>	<u>N/A</u>	<u>1.66</u>	<u>N/A</u>

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 30 June 2023.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period attributable to owners of the Company	<u>5,241</u>	<u>N/A</u>	<u>9,308</u>	<u>N/A</u>
Number of ordinary shares ('000)	<u>560,000</u>	<u>N/A</u>	<u>560,000</u>	<u>N/A</u>
Effect of dilution of ESOS	<u>11,200</u>	<u>N/A</u>	<u>11,200</u>	<u>N/A</u>
Adjusted number of ordinary shares ('000)	<u>571,200</u>	<u>N/A</u>	<u>571,200</u>	<u>N/A</u>
Diluted EPS (sen)	<u>0.92</u>	<u>N/A</u>	<u>1.63</u>	<u>N/A</u>

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>	<b>30.06.2023</b>	<b>30.06.2022<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of:				
- property, plant and equipment	378	N/A	751	N/A
- right-of-use assets	528	N/A	1,050	N/A
Interest expenses:				
-bank charges	5	N/A	12	N/A
-lease liabilities	46	N/A	98	N/A
-revolving credit	-	N/A	11	N/A
-term loans	211	N/A	516	N/A
Loss/(Gain) on disposal of property, plant and equipment	3	N/A	(20)	N/A
Loss/(Gain) on foreign exchange				
- Realised	(294)	N/A	(458)	N/A
- Unrealised	(303)	N/A	(414)	N/A
Interest Income	(417)	N/A	(652)	N/A

Notes:-

N/A – Not Applicable

- (1) This is the fourth 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**  
**14/8/2023**