



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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

**L&P GLOBAL BERHAD**

Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	A9	43,916	37,741	167,038	150,541
Cost of sales		<u>(33,527)</u>	<u>(28,214)</u>	<u>(128,218)</u>	<u>(117,140)</u>
<b>Gross profit</b>		10,389	9,527	38,820	33,401
Other income		317	445	2,372	1,184
(Provision)/Reversal of impairment of trade and other receivable - net		(69)	4	40	121
Administrative expenses		(2,749)	(4,268)	(11,113)	(10,933)
Selling and distribution expenses		<u>(814)</u>	<u>(702)</u>	<u>(3,349)</u>	<u>(3,024)</u>
<b>Operating profit</b>		7,074	5,006	26,770	20,749
Finance costs		<u>(838)</u>	<u>(371)</u>	<u>(1,746)</u>	<u>(1,460)</u>
<b>Profit before tax</b>	B13	6,236	4,635	25,024	19,289
Tax expense	B5	<u>(1,249)</u>	<u>(1,320)</u>	<u>(4,340)</u>	<u>(4,553)</u>
<b>Profit after tax</b>		4,987	3,315	20,684	14,736
Foreign currency translation		<u>(200)</u>	<u>(354)</u>	<u>153</u>	<u>147</u>
<b>Total comprehensive income</b>		<u>4,787</u>	<u>2,961</u>	<u>20,837</u>	<u>14,883</u>
Profit for the period attributable to owners of the Company		<u>4,987</u>	<u>3,315</u>	<u>20,684</u>	<u>14,736</u>
Total comprehensive income for the period attributable to owners of of the Company		<u>4,787</u>	<u>2,961</u>	<u>20,837</u>	<u>14,883</u>
Earnings per ordinary share attributable to owners of the Company					
Basic (sen)	B12	<u>0.89</u>	<u>0.59</u>	<u>3.69</u>	<u>2.63</u>
Diluted (sen)	B12	<u>0.87</u>	<u>0.58</u>	<u>3.62</u>	<u>2.58</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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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		25,038	17,244
Right-of-use assets		28,988	29,292
Deferred tax assets		5	47
Other receivables		405	399
		54,436	46,982
<b>Current assets</b>			
Inventories		11,895	19,110
Trade and other receivables		36,418	63,214 <sup>(3)</sup>
Current tax assets		666	1,418
Cash and bank balances		40,212	6,665
		89,191	90,407
<b>TOTAL ASSETS</b>		143,627	137,389
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		73,465	73,465
Reserves		27,114	8,533
<b>Total Equity Attributable to Owners of the Company</b>		100,579	81,998
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	B8	27,123	29,569
Lease liabilities		2,666	1,562
Deferred tax liabilities		1,637	1,304
<b>Total Non-current liabilities</b>		31,426	32,435
<b>Current liabilities</b>			
Trade and other payables		7,732	7,761
Borrowings	B8	1,945	12,601
Lease liabilities		999	1,616
Current tax liabilities		946	978
<b>Total Current Liabilities</b>		11,622	22,956
<b>TOTAL LIABILITIES</b>		43,048	55,391
<b>TOTAL EQUITY AND LIABILITIES</b>		143,627	137,389
Net assets per ordinary share (RM) <sup>(2)</sup>		0.18	0.15

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31 DECEMBER 2023**

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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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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2023**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 year		-	-	-	-	20,684	20,684
Other comprehensive income, net of tax		-	-	153	-	-	153
Dividend	A8					(2,800)	(2,800)
Recognition of equity-settled share-based payments pursuant to ESOS <sup>(2)</sup>		-	-	-	544	-	544
<b>Balance as at 31 December 2023 (Unaudited)</b>		<b>73,465</b>	<b>(33,653)</b>	<b>459</b>	<b>544</b>	<b>59,764</b>	<b>100,579</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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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
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	<b>Cumulative Quarter</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	25,024	19,289
Adjustment for:-		
Depreciation of:		
- property, plant and equipment	1,663	1,405
- right-of-use assets	2,034	1,907
Finance costs	1,775	1,460
Interest income	(1,231)	(77)
Gain on lease termination	(6)	(2)
Loss/(Gain) on disposal of property, plant and equipment	22	(21)
Provision of impairment loss	138	178
Reversal of impairment loss	(178)	(299)
Equity-settled share-based payments	544	-
Unrealised loss on foreign exchange	443	784
<b>Operating profit before working capital changes</b>	<b>30,228</b>	<b>24,624</b>
Changes in working capital:-		
Inventories	7,255	683
Receivables	(6,456)	(1,251)
Payables	19	(498)
<b>Cash generated from operations</b>	<b>31,046</b>	<b>23,558</b>
Income tax paid, net of refund	(3,215)	(3,798)
Interest received	1,231	77
Interest paid	(1,543)	(1,199)
<b>Net cash from operating activities</b>	<b>27,519</b>	<b>18,638</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,245)	(2,767)
Purchase of right-of-use assets	(2,152)	(3,641)
Placement of fixed deposits more than 3 months	(15,040)	(2,976)
Proceeds from disposal of property, plant and equipment	133	26
<b>Net cash used in investing activities</b>	<b>(26,304)</b>	<b>(9,358)</b>

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	Note	Cumulative Quarter	
		31.12.2023 RM'000	31.12.2022 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	A8	(2,800)	(5,600)
Net (repayment of)/drawdown from:			
- banker's acceptances		(5,961)	(54)
- term loans		(3,140)	(1,692)
- revolving credit		(4,000)	4,000
- lease liabilities		324	(2,079)
Proceeds from issuance of ordinary shares		32,971	929
Share issuance expenses		-	(889)
Changes in fixed deposits pledged to licensed banks		118	129
<b>Net cash from/(used in) financing activities</b>		<b>17,512</b>	<b>(5,256)</b>
Net changes in cash and cash equivalents		18,727	4,024
Effects of exchange rates changes		(150)	31
Cash and cash equivalents at the beginning of financial year		3,571	(484)
Cash and cash equivalents at the end of financial year		22,148	3,571
<b>Represented by:-</b>			
Cash and bank balances		22,148	3,571
Deposits with financial institutions		18,064	3,094
As per statement of financial position		40,212	6,665
Less:			
Fixed deposits pledged to licensed banks		-	(118)
Placement of fixed deposits more than 3 months		(18,064)	(2,976)
Cash and cash equivalents as per consolidated statement of cash flows		22,148	3,571

## 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.

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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2023**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING****A1. Basis 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.

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
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M

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

At the date of this interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

Amendments to MFRS 16 <i>Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards and Amendments to Standards to have a significant impact on the financial statements.



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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**

On 14 August 2023, the Company declared a first interim single-tier dividend of 0.5 sen per ordinary share amounted to RM2.80 million for the financial year ending 31 December 2023 to the registered shareholders whose names appear in the Register of Members on 29 September 2023. The payment of the said dividend was completed on 18 October 2023.

Save as disclosed above and in Note B11, there was no dividend that has been declared or recommended for payment by the Board of Directors during the financial quarter under review.

**A9. Segmental Reporting**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely provision of integrated industrial packaging solutions.

In presenting information about geographical areas, segment revenue is based on the geographical location from which the sales transactions originated.

Majority of the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets and liabilities of the Group.

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Revenue information based on the geographical location of customers are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	36,400	30,293	138,099	122,476
Vietnam	7,516	7,448	28,939	28,065
	<u>43,916</u>	<u>37,741</u>	<u>167,038</u>	<u>150,541</u>

**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**

Saved as disclosed in Note B6, 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**

There were no material contingent liabilities or contingent assets to be disclosed as at 31 December 2023.

**A14. Related Party Transactions Disclosures**

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

**A15. Capital Commitments**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	<u>511</u>	<u>839</u>

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31 DECEMBER 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 financial year ended 31 December 2023 is as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Boxes and Crates	28,122	28,648	106,632	106,668
Pallets	14,212	8,096	55,201	39,427
Circular Supply				
Services	879	332	2,604	1,261
Trading	703	665	2,601	3,185
	<u>43,916</u>	<u>37,741</u>	<u>167,038</u>	<u>150,541</u>

For the current financial quarter under review, the Group's revenue grew by 16.36% to RM43.92 million (Q4 2022: RM37.74 million), of which boxes and crates and pallets contributed 64.04% (Q4 2022: 75.91%) and 32.36% (Q4 2022: 21.46%) of total revenue respectively. Likewise, for the financial year ended 31 December 2023 ("FYE 2023"), the Group's revenue increased by 10.96% to RM167.04 million (FYE 2022: RM150.54 million), of which boxes and crates and pallets contributed 63.84% (FYE 2022: 70.86%) and 33.04% (FYE 2022: 26.19%) of total revenue respectively. The increase in sales was mainly attributed to the increased in the sales of pallets as a result of increased in demand from existing and new customers in the renewable energy industry.

The Group Gross Profit ("GP") for the current financial quarter under review increased by 9.02% to RM10.39 million (Q4 2022: RM9.53 million). However, GP margin decreased to 23.66% (Q4 2022: 25.24%) mainly due to increase in revenue contribution from pallets to RM14.21 million (Q4 2022: RM8.10 million) which command lower profit margin. For the FYE 2023, the Group registered a GP of RM38.82 million and GP margin increased to 23.24% (FYE 2022: RM33.40 million, 22.19%) as a result of increase in revenue and a modest decrease in average timber price per tonne.

The Group's Profit Before Tax ("PBT") increased to RM6.24 million for the financial quarter under review (Q4 2022: RM4.64 million) and RM25.02 million for the FYE 2023 (FYE 2022: RM19.29 million) despite the recognition of equity-settled share-based payment arising from the grant of share options to eligible persons under the Company's Employee Share Option Scheme of RM0.13 million and RM0.54 million respectively for the financial quarter under review and for the FYE 2023 (Q4 2022 & FYE 2022: nil). PBT margin increased to 14.20% for the financial quarter under review (Q4 2022: 12.28%) and 14.98% for the FYE 2023 (FYE 2022: 12.81%).

The Profit After Tax ("PAT") for the financial quarter under review and FYE 2023 increased to RM4.99 million (Q4 2022: RM3.32 million) and RM20.68 million (FYE 2022: RM14.74 million) respectively. PAT margin for the FYE 2023 improved to 12.38% (FYE 2022: 9.79%) mainly due to higher GP recorded for FYE 2023 and overprovision of taxation amounted to RM1.20 million for the FYE 2022.

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Description	Current Quarter	Immediate Preceding Quarter	Changes
	31 December 2023	30 September 2023	
	RM'000	RM'000	%
Revenue	43,916	45,598	(3.69)
Gross Profit	10,389	10,975	(5.34)
Profit Before Tax	6,236	6,997	(10.88)

Revenue for the current financial quarter decreased by RM1.68 million to RM43.92 million as compared to the immediate preceding quarter (Q3 2023: RM45.60 million). This was mainly due to slowdown in demand from our customers in the renewable energy industry as customers scheduled vacation shutdown.

Likewise, GP for the current quarter under review decreased by RM0.59 million to RM10.39 million (Q3 2023: RM10.98 million). There was no significant change in GP margin (Q4 2023: 23.66% ; Q3 2023: 24.07%).

However, the Group registered PBT of RM6.24 million for the current financial quarter under review (Q3 2023: RM7.00 million) and PBT margin reduced to 14.20% (Q3 2023: 15.34%) mainly due to the recognition of unrealised loss on foreign exchange of RM0.67 million (Q3 2023: RM0.19 million) and an adjustment to recognise the term loan interest of RM0.41 million for the financial period ended 30 September 2023.

**B3. Prospects of the Group**

The global economy remains challenging in the face of challenges posed by inflation, price volatility, and fluctuations in interest rates stems from various factors including geopolitical tensions, trade disputes, policy changes among others.

Given the prevailing economic uncertainty, the Group adopted cautious approach by focusing on strengthening and optimizing current operations. This involves maximizing efficiency, increasing production capacity and enhancing the capabilities of established facilities. By prioritizing existing facilities, the Group aims to navigate challenges while maintaining its ability to anticipate and respond to changes in demand and market dynamics. This allowing the Group to reassess market conditions, adjust the strategies to prioritize key projects or address specific business needs in response to changing economic conditions.

In addition, the Group persistently carries on its marketing efforts to establish strong presence and build relationships with customers. These relationships are foundational for establishing trust, understanding market dynamics and positioning the Group to seize emerging opportunities as they arise.

The Group will monitor closely the evolving global economic landscape, foreign exchange and interest rate risk, in order to mitigate any adverse impact to the Group's performance. At the same time, the Group maintains its dedication to expanding current business operations and uncovering new opportunities. This reflects a proactive attitude towards growth and innovation, emphasizing the pursuit of future revenue streams and market expansion.

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By prioritizing financial stability, flexibility and strategic growth initiatives, the Groups aims to sustain profitability and deliver value to shareholders despite the challenges posed by unprecedented time.

**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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current period	1,249	1,320	4,340	4,553
Effective tax rate (%)	20.03	28.48	17.34	23.60
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The Group's effective tax rates were lower than the statutory tax rate of 24%, which was mainly due to overprovision of tax payable amount to RM1.20 million for financial year ended 2022 reflected in previous financial quarter. Without the impact of this RM1.20 million, the Group's effective tax rates for the FYE 2023 will be 22.14% (FYE 2022: 23.60%).

**B6. Status of Corporate Proposals**

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

The Proposed Amendment had been approved by the shareholders of L&P Global at the Extraordinary General Meeting held on 25 September 2023.

The SC and Bursa Securities had, via its letter dated 17 January 2024 and 26 January 2024 respectively, approved the Proposed Transfer. Subsequently, the listing of and quotation for the entire issued share capital of L&P Global has been transferred from the ACE Market to the Main Market of Bursa Securities with effect from 9.00 a.m. on Friday, 2 February 2024, marking the completion of the Transfer.

There were no corporate proposals undertaken but not completed as at the date of this interim financial report.

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31 DECEMBER 2023**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 of 21 February 2024, 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	Balance to utilise	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	-		8,000 <sup>(1)</sup>	23.60	5,276	2,724	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	-	-
<b>Total</b>	<b>33,900</b>	<b>100.00</b>	<b>33,900</b>	<b>100.00</b>	<b>27,176</b>	<b>6,724</b>	

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
<b>Total</b>	<b>8,000</b>

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.

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The Group's loans and borrowings were as follows:

<u>Secured</u>	<u>As at 31.12.23</u>	<u>As at 31.12.22</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>Current</b>		
Bankers' acceptance in MYR	-	2,334
Bankers' acceptance in USD	-	3,628
Revolving credits	-	4,000
Term loans	1,945	2,639
<b>Total</b>	<b>1,945</b>	<b>12,601</b>
<b>Non-current</b>		
Term loans	27,123	29,569

**B9. Financial Instrument**

As of 31 December 2023, the foreign currency forward contracts, which the Group had entered into to sell and remain outstanding is USD750,000 at approximately RM4.6756 per United States Dollar ("USD"). The settlement will complete in June 2024.

As of 31 December 2023, the outstanding forward contracts are as follows:

<u>Type of Derivatives</u>	<u>Contract Value</u>	<u>Notional Value</u>	<u>Fair Value Gain</u>
	<u>USD'000</u>	<u>RM'000</u>	<u>RM'000</u>
Foreign Currency Forward Contracts			
- Less than 1 year	750	3,507	81

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

<u>Type of Financial Assets</u>	<u>Cumulative 12 months ended</u>
	<u>31 December 2023</u>
	<u>RM'000</u>
Foreign Currency Forward Contracts	
- Unrealised gain	81

The above foreign currency forward contracts were entered into by the Group to minimise 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.

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**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 a final single tier dividend of 0.80 sen per ordinary share in respect of the FYE 31 December 2023 to be paid on 18 April 2024 to the shareholders of the Company whose name appear in the Record of Depositors on 29 March 2024.

This, together with the first interim single tier dividend of 0.50 sen per ordinary share declared on 14 August 2023 (Note A8), amounting to a total dividend declared of 1.30 sen per ordinary share for the FYE 31 December 2023, which is equivalent to 35.23% of the basic earnings per share of 3.69 sen (Note B12).

This 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>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period/ year attributable to owners of the Company	4,987	3,315	20,684	14,736
Number of ordinary shares ('000)	560,000	560,000	560,000	560,000
Basic EPS (sen)	0.89	0.59	3.69	2.63

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 December 2023.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period/ year attributable to owners of the Company	4,987	3,315	20,684	14,736
Number of ordinary shares ('000)	560,000	560,000	560,000	560,000
Effect of dilution of ESOS	11,200	11,200	11,200	11,200
Adjusted number of ordinary shares ('000)	571,200	571,200	571,200	571,200
Diluted EPS (sen)	0.87	0.58	3.62	2.58

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.

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

	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Depreciation of:				
- property, plant and equipment	477	352	1,663	1,405
- right-of-use assets	469	529	2,034	1,907
Interest expenses:				
-bankers' acceptance	-	60	-	533
-bank overdrafts	-	-	-	63
-lease liabilities	70	59	232	261
-revolving credit	-	30	11	30
-term loans	768	222	1,503	573
Gain on lease termination	-	-	(6)	(2)
Loss/(Gain) on disposal of property, plant and equipment	-	(22)	22	(21)
Provision of impairment loss	69	-	138	178
Reversal of impairment loss	-	(4)	(178)	(299)
Loss/(Gain) on foreign exchange				
- Realised	(285)	(409)	(1,125)	(1,084)
- Unrealised	668	810	443	784
Interest Income	(252)	(14)	(1,231)	(77)

**BY ORDER OF THE BOARD**  
**L&P GLOBAL BERHAD**  
**27/02/2024**