

L&P GLOBAL BERHAD (“L&P GLOBAL” OR “COMPANY”)

(I) PROPOSED TRANSFER; AND

(II) PROPOSED AMENDMENTS,

COLLECTIVELY REFERRED TO AS THE “PROPOSALS”.

1. INTRODUCTION

On behalf of the Board of Directors of L&P Global (“**Board**”), Alliance Islamic Bank Berhad (“**AIS**”) wishes to announce that the Company proposes to undertake the following:

- (i) proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Proposed Transfer**”); and
- (ii) proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Transfer (“**Proposed Amendments**”),

collectively referred to as the “**Proposals**”.

Further details on the Proposals are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Transfer

The Proposed Transfer entails the transfer of the listing of and quotation for the entire issued share capital of L&P Global from the ACE Market to the Main Market of Bursa Securities.

As at 9 June 2023, being the latest practicable date prior to the date of this announcement (“**LPD**”), the issued share capital of L&P Global is RM73,464,999 comprising 560,000,000 ordinary shares of L&P Global (“**L&P Global Shares**”).

L&P Global and its subsidiaries (“**L&P Global Group**” or “**Group**”) have met the requirements for the Proposed Transfer as set out in the Equity Guidelines issued by the Securities Commission Malaysia (“**SC**”) (“**Equity Guidelines**”), which include, amongst others, the following:

(i) Profit requirements

L&P Global is seeking the transfer of listing from the ACE Market to the Main Market of Bursa Securities based on the profit requirements pursuant to Part II, Paragraph 5.02(a)(i) of the Equity Guidelines.

L&P Global has recorded an audited consolidated profit after tax attributable to owners of the Company (“**PAT**”) of approximately RM14.74 million for the most recent financial year ended (“**FYE**”) 31 December 2022 and an aggregate combined/consolidated PAT of approximately RM38.92 million for the past three FYEs 31 December 2020 to 2022. The audited combined/consolidated PAT of L&P Global for the past three FYEs 31 December 2020 to 2022 are as set out below:

	Audited FYE 31 December			Aggregate
	2020	2021	2022	
	RM'000	RM'000	RM'000	
PAT	9,852	14,330	14,736	38,918

Accordingly, L&P Global has met the profit requirements prescribed under Part II, Paragraph 5.02(a)(i) and 8.01(a) of the Equity Guidelines based on its audited combined/consolidated financial statements with an:

- (a) aggregate after-tax profit of at least RM20.0 million for the past three to five full financial years; and
- (b) after-tax profit for the most recent financial year of at least RM6.0 million.

(ii) Healthy financial position

Pursuant to Part II, Paragraph 8.03 the Equity Guidelines, a corporation seeking a transfer of listing from the ACE Market to the Main Market of Bursa Securities must comply with the healthy financial position requirements in Part II, Paragraph 5.08 of the Equity Guidelines with:

- (a) sufficient level of working capital for at least twelve (12) months from the date of this announcement;
- (b) positive cash flow from operating activities over the profit track record period based on the audited financial statements; and
- (c) no accumulated losses based on latest audited financial statements.

The Group's financial position based on the audited consolidated statement of financial position as at 31 December 2022 and unaudited consolidated statements of financial position as at 31 March 2023 are set out as follows:

	Audited as at 31 December 2022 RM'000	Unaudited as at 31 March 2023 RM'000
Net assets	81,998	86,322
Current assets	90,407	81,909
Current liabilities	22,957	11,974
Cash and bank balances	6,665	34,770
Borrowings	45,348	32,972
Current ratio (times)	3.94	6.84
Gearing (times)	0.55	0.38

As at 31 December 2022, the current assets of the Group stood at approximately RM90.41 million while its current liabilities stood at approximately RM22.96 million, representing a current ratio of 3.94 times, which reflects its ability to meet short-term obligations. In addition, the Group has cash and bank balances of approximately RM6.67 million as at 31 December 2022. The borrowings of the Group as at 31 December 2022 was RM45.35 million.

The financial position of the Group has further improved after the listing of L&P Global on 3 January 2023. As at 31 March 2023, the current assets of the Group stood at approximately RM81.91 million while its current liabilities stood at approximately RM11.97 million, representing a current ratio of 6.84 times. The Group has cash and bank balances of approximately RM34.77 million as at 31 March 2023. The borrowings of the Group as at 31 March 2023 was RM32.97 million.

L&P Global Group is in healthy financial position with no accumulated losses based on latest audited consolidated statement of financial position as at 31 December 2022. The Group's retained profits as at 31 December 2022 was RM41.88 million.

Further, L&P Global Group has recorded positive net cash from operating activities in the past three FYEs 31 December 2020 to 2022 and the 3-month financial period ended ("FPE") 31 March 2023, as set out below:

	Audited FYE 31 December			Unaudited
	2020	2021	2022	FPE 31 March
	RM'000	RM'000	RM'000	2023
				RM'000
Net cash from operating activities	2,371	4,523	18,638	8,403

The Board is of the view that, after taking into account its cash flow position and gearing level as well as the current banking facilities available to the Group, its working capital would be sufficient for its existing and foreseeable requirements for at least twelve (12) months from the date of this announcement.

Based on the above, the Group has a healthy financial position with:

- (a) sufficient working capital for at least twelve (12) months from the date of this announcement.
- (b) positive cash flow from operating activities over the profit track record years based on the Group's combined/audited consolidated financial statements; and
- (c) no accumulated losses based on latest audited consolidated financial statements.

Additionally, the Group has also met the following requirements for the Proposed Transfer:

(i) Public shareholding spread

The Main Market Listing Requirements ("Listing Requirements") requires at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.

Based on the Record of Depositors of L&P Global as at the LPD, approximately 28.72% of the issued share capital of the Company (excluding treasury shares) is held by 1794 public shareholders holding not less than 100 L&P Global Shares each.

Accordingly, L&P Global has met the public shareholding spread requirement.

(ii) Bumiputera equity requirement

L&P Global has met the Bumiputera equity requirement when it was listed on ACE Market of Bursa Securities on 3 January 2023 by allocating 15.00% of its enlarged issued share capital to Bumiputera investors.

2.2 Proposed Amendments

The Company proposes to amend its Constitution to ensure compliance with certain provisions of the Listing Requirements pursuant to the Proposed Transfer.

The details of the Proposed Amendments will be set out in the circular to shareholders of the Company which will be issued in due course.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Transfer

The Proposed Transfer will mark another major milestone for L&P Global subsequent to its listing on the ACE Market of Bursa Securities on 3 January 2023. The Proposed Transfer signifies the financial strength of L&P Global Group as it has met the profit track record requirements for a transfer to the Main Market of Bursa Securities.

The Board believes that the Proposed Transfer will enhance the Company's credibility, prestige and reputation, and accord the Company with greater recognition and acceptance amongst investors, including institutional investors while reflecting L&P Global Group's current scale of operations. This will in turn enhance the attractiveness and marketability of L&P Global Shares.

Further, the Proposed Transfer is also expected to enhance the confidence of L&P Global Group's customers, suppliers, business associates, employees and shareholders, through its profile as a company listed on the Main Market of Bursa Securities.

3.2 Proposed Amendments

The Proposed Amendments is necessary to facilitate the Proposed Transfer.

4. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company, as well as the net assets, gearing, earnings and earnings per share of L&P Global Group.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) the SC, for the Proposed Transfer;
- (ii) Equity Compliance Unit of the SC, for the resultant equity structure after the Proposed Transfer;
- (iii) Bursa Securities, for the Proposed Transfer;
- (iv) the shareholders of L&P Global, for the Proposed Amendments at an extraordinary general meeting of the Company to be convened; and
- (v) any other relevant authorities, if required.

The Proposals are inter-conditional upon each other.

The Proposed Amendments will only take effect from the date L&P Global is transferred from the ACE Market to the Main Market of Bursa Securities pursuant to the Proposed Transfer.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposals.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

8. ADVISER

AIS has been appointed as the Principal Adviser for the Proposals.

9. ESTIMATED TIMEFRAME FOR THE COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the second half of 2023.

10. APPLICATION TO THE AUTHORITIES

The application to the SC in relation to the Proposed Transfer is expected to be made within three (3) months from the date of this announcement.

This announcement is dated 13 June 2023.