



VISION

Shaping Sustainable Global Supply Chains in Logistics and Packaging

MISSION

- Optimising raw materials through product innovations to reduce wastage
- Creating solutions to move what matters
- Providing an integrated packaging, storage and circular logistics to maximize product lifetime

CORE VALUES

- Responsible
- Innovative
- Quality
- Efficiency

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Enclosed Proxy Form

CORPORATE INFORMATION

ABOUT US

Listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 3 January 2023, L&P Global Berhad (“Company” or “L&P Global”), together with its subsidiaries (“Group”), is a Malaysia-based leading integrated industrial packaging solutions provider with operations in Malaysia and Vietnam.

Our solutions are integral parts of supply chain management that enable optimal use of industrial packaging through cost-effective and efficient movement of goods throughout the supply chain, inventory management and space usage. Our integrated industrial packaging solutions comprise the following:

- (a) Design and manufacturing of wooden industrial packaging products;
- (b) Provision of packing services;
- (c) Provision of circular supply services; and
- (d) Trading as value added services.

Our customers are predominantly multinational corporations in renewable energy, electronics/semiconductor, and medical/ pharmaceutical.

L&P Global Berhad is committed in our vision of creating a greener world through our business. Our goal is to make sustainable supply chain management a commonplace in the industry. To achieve this, we have taken proactive steps by implementing circular economy practices into our operations. Through our relentless pursuit of sustainability, we are determined to turn our goal into a reality and pave the way towards a sustainable future.

2022 MILESTONE

27 January 2022	■ Berjayapak International Holdings Sdn Bhd changed the name to L&P Global Sdn Bhd
22 March 2022	■ L&P Global Sdn Bhd converted to a public limited company
25 July 2022	■ Completed acquisition of premises located at Perai, Penang which has a total built-up area of approximately 80,000 sq ft
28 July 2022	■ Completed acquisition of premises located at Kulim, Kedah which has a built-up area of approximately 65,000 sq ft
9 November 2022	■ Completed acquisition of Berjayapak Sdn Bhd (“BSB”) and BSB subsequently became a wholly owned subsidiary of L&P Global
13 December 2022	■ Launched L&P Global prospectus in conjunction with its Initial Public Offering (“IPO”)
29 December 2022	■ Issued a total of 113,000,000 new ordinary shares at an issue price of RM0.30 per share in conjunction with its IPO
	■ Established Employee Share Option Scheme (“ESOS”)
3 January 2023	■ Listed its entire issued share capital of RM74,353,509 comprising 560,000,000 ordinary shares on the ACE Market of Bursa Securities
	■ Offered 11,200,000 share options under ESOS to eligible persons with an exercise price of RM0.30 per share

CORPORATE INFORMATION (Cont'd)

BOARD OF DIRECTORS

Ooi Hooi Kiang
Non-Independent Non-Executive Chairperson

Phoon Yee Min
Independent Non-Executive Director

Ooi Lay Pheng
Executive Director / Chief Executive Officer

Dato' Seri Lee Kah Choon
Independent Non-Executive Director

Ong Kah Hong
Executive Director / Chief Operating Officer

Dato' Mohamed Amin Bin Mohd Kassim
Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Seri Lee Kah Choon
Chairman

Dato' Mohamed Amin Bin Mohd Kassim
Member

Phoon Yee Min
Member

REMUNERATION COMMITTEE

Dato' Mohamed Amin Bin Mohd Kassim
Chairman

Dato' Seri Lee Kah Choon
Member

Phoon Yee Min
Member

AUDIT AND RISK MANAGEMENT COMMITTEE

Phoon Yee Min
Chairperson

Dato' Seri Lee Kah Choon
Member

Dato' Mohamed Amin Bin Mohd Kassim
Member

COMPANY SECRETARIES

Tai Yit Chan
SSM PC No. 202008001023
(MAICSA 7009143)

Ong Tze-En
SSM PC No. 202008003397
(MAICSA 7026537)

Lau Yoke Leng
SSM PC No. 202008003368
(MAICSA 7034778)

REGISTERED OFFICE

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang, Malaysia
Telephone No. : (04) 229 4390
Facsimile No. : (04) 226 5860

HEAD OFFICE

1328, Jalan Sungai Baong
Furniture Industrial Estate
14200 Sungai Bakap
Pulau Pinang, Malaysia
Telephone No. : (04) 582 9980
Email : info@lpglobalbhd.com
Website : www.lpglobalbhd.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Telephone No. : (03) 7890 4700
Facsimili No. : (03) 7890 4670

AUDITORS

BDO PLT
(201906000013(LLP001825-LCA) &
AF 0206)
51-21-F, Menara BHL
Jalan Sultan Ahmad Shah 10050
Pulau Pinang
Telephone No. : (04) 222 0288
Facsimile No. : (04) 222 0299

PRINCIPAL BANKERS

Hong Leong Islamic Bank Berhad
Alliance Islamic Bank Berhad
CIMB Islamic Bank Berhad

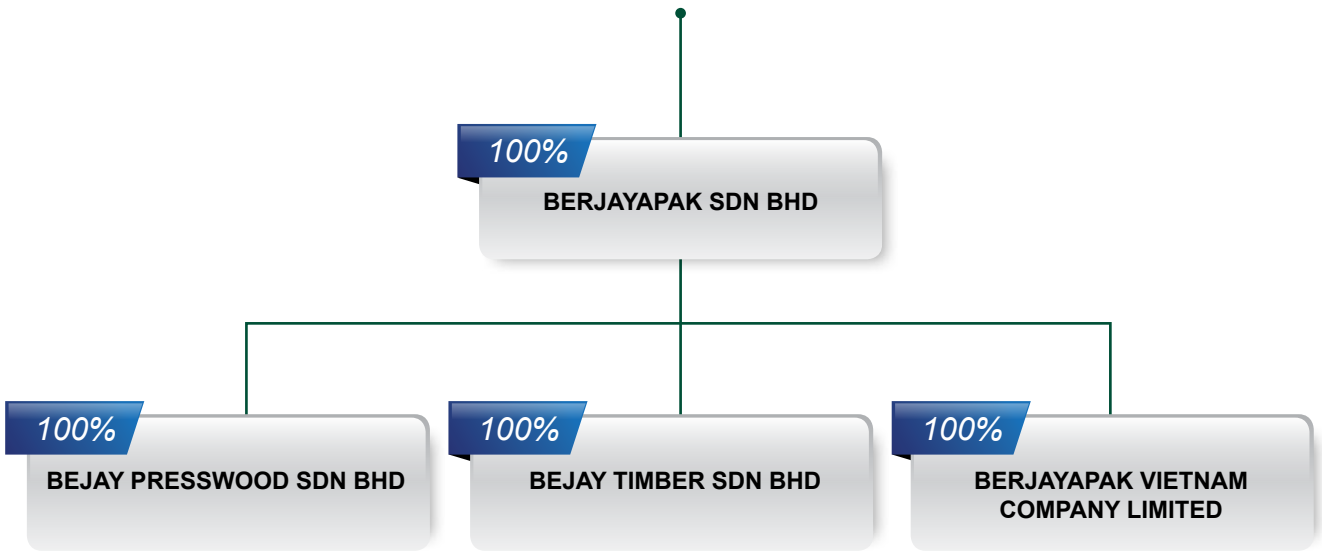
STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock name : L&PBHD
Stock code : 0268

WEBSITE

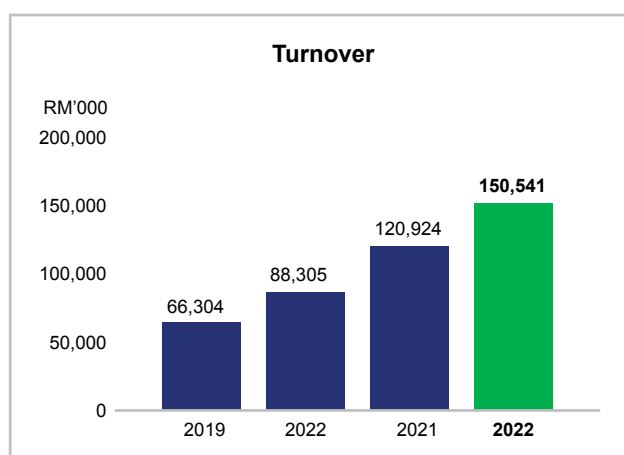
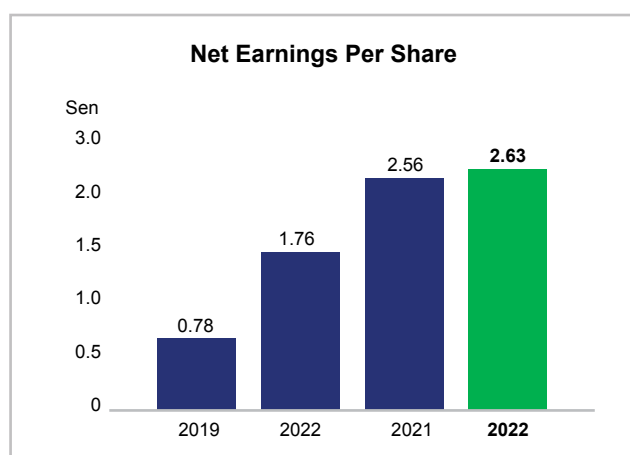
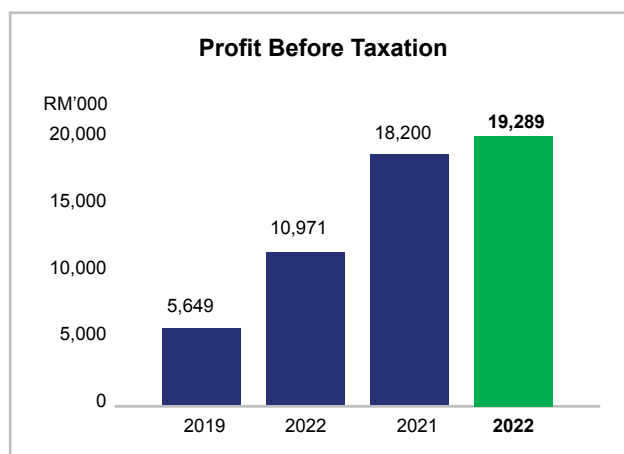
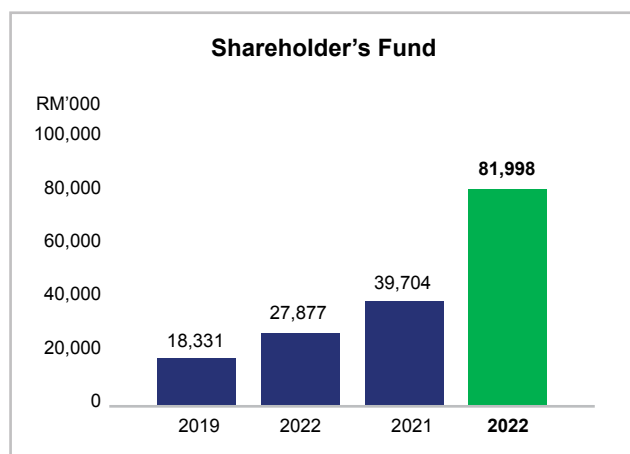
www.lpglobalbhd.com

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

Year Ended 31 December	2019 ⁽¹⁾ RM'000	2020 ⁽¹⁾ RM'000	2021 ⁽¹⁾ RM'000	2022 RM'000
Turnover	66,304	88,305	120,924	150,541
Profit Before Taxation	5,649	10,971	18,200	19,289
Profit After Taxation	4,393	9,852	14,330	14,736
Profit Attributable to Shareholders	4,393	9,852	14,330	14,736
As at 31 December				
Total Assets Employed	42,648	57,309	74,104	137,389
Shareholder's Fund	18,331	27,877	39,704	81,998
Net Earnings Per Share (Sen) ⁽²⁾	0.78 ⁽²⁾	1.76 ⁽²⁾	2.56 ⁽²⁾	2.63
Net Tangible Assets Per Share (RM) ⁽²⁾	0.03 ⁽²⁾	0.05 ⁽²⁾	0.07 ⁽²⁾	0.15



⁽¹⁾ L&P Global completed the acquisition of Berjayapak Sdn. Bhd. in November 2022. The Group presented the comparative financial information as if the business combination had taken place before the start of the earliest period presented in the financial statement. The basis of preparation should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Company dated 13 December 2022.

⁽²⁾ Calculated based on the Company's issued share capital of 560,000,000 ordinary shares upon listing on the ACE Market of Bursa Malaysia Securities Berhad.

PROFILE OF DIRECTORS



Ooi Hooi Kiang, is our Group's Chairperson and Non-Independent Non-Executive Director and was first appointed to the Board on 1 January 2022.

Ms Ooi has more than 29 years of working experience in a wide range of industries such as auditing, brokerage institutions, property development, mining and manufacturing, including cross border working experience in Abu Dhabi, Singapore, Korea, Vietnam and Russia encompassing finance operations, accounting, financial management, corporate finance, tax planning and merger & acquisition.

Ms Ooi currently serves as Director/Principal Consultant – Corporate Strategies of WCoach Sdn Bhd which provides advisory services. She was the Group Chief Financial Officer (“**CFO**”) and overseeing finance division of PG Automotive Holdings Pte Ltd (“**PGA**”) since November 2018 to January 2022. Prior to joining PGA, she was the CFO of Anchor Resources Limited, a company listed on Singapore Stock Exchange from 2014 to 2018. Ms Ooi started her career with Coopers & Lybrand LLP (now known as PricewaterhouseCoopers) in 1995 as an Audit Assistant. Her other notable past working experience include assuming the role of Senior Corporate Finance Manager of Olympia Industries Berhad and CFO of JWPK Sdn. Bhd. in 2012 and 2013 respectively and holding senior positions in several local brokerage institutions and foreign company.

Ms Ooi currently utilises her commercial experience in supporting and delivering the Group's strategy in non-executive roles. She is an Independent and Non-Executive Director of Greatech Technology Berhad since 20 August 2018, and an Independent Non-Executive Director of Ge Shen Corporations Berhad, both listed on the Main Market of Bursa Securities.

Ms Ooi holds a Master in Accounting from University of Florida, USA and is a member of the Malaysian Institute of Accountants.

PROFILE OF DIRECTORS (Cont'd)



Ooi Lay Pheng is our Executive Director / CEO. She was appointed to our Board on 30 August 2021 and has been helming the Group’s strategic direction and business development since 2017.

Ms. Ooi graduated from Wichita State University, USA with a Bachelor of Business Administration degree and a Master of Arts in Economics in 1994 and 1996, respectively.

She was previously recruited by a healthcare company based in Australia to set up a company branch in Kuala Lumpur and to develop and coordinate healthcare programs between medical centres in the Klang Valley. She then joined another healthcare company as an International Patient Care Centre Manager where she was the liaison for overseas healthcare representatives while facilitating marketing activities and healthcare companies.

A woman with many passions, she has freelanced as a cake decorating instructor and even started up a baking and cake decorating curriculum at an international school in Kuala Lumpur. In addition, she has also served as an event coordinator and group facilitator at a Non-Governmental Organisation (“**NGO**”) where she mentored young children and teenagers through value based and character building programs.

As CEO of our Group, she formulates short and long-term business plans in line with our strategic goals, focusing on business expansion in new products, acquiring new customers and new market development. She formulates circular economy system into the business models that contributes to revenue generation, risk reduction and cost savings. The sustainability initiatives help the company create, deliver and capture values while minimising environment and social costs.

She was awarded Women Entrepreneur of the Year, 2021 from EY Entrepreneur of the Year.

PROFILE OF DIRECTORS (Cont'd)



Ong Kah Hong, a Malaysian, is our Executive Director/ Chief Operating Officer. He was appointed to our Board on 30 August 2021.

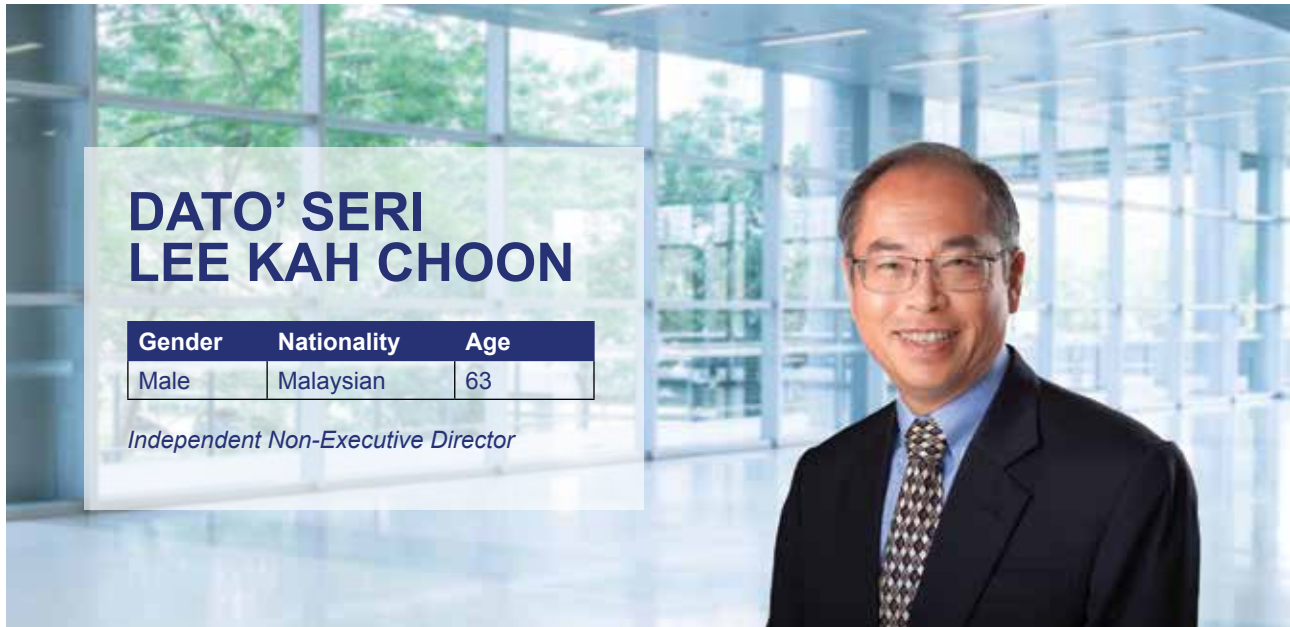
Mr. Ong graduated from the University of Windsor, Canada with a Bachelor of Arts major in Mathematics in 1983.

He started his career as a Production Control Officer at Hitachi Semiconductor (M) Sdn Bhd, (“**Hitachi**”), a multinational semiconductor company and was involved in production control and material planning and scheduling of manufacturing operations. He was subsequently promoted to the position of Deputy Manager of Production Control in 1999. He was responsible for the management, direction and control of production and material planning and scheduling for all manufacturing operations. He also assisted in the development of long-term production plans as well as managed the security and utilisation of the company’s inventory.

He left Hitachi in 2000 and joined SR Technology Sdn Bhd (“**SR Technology**”) as the General Manager, where he oversaw the operations of the plant as well as coordinated different departments to ensure efficient operation.

He joined our Group since 2003. Rising up the ranks from Material Manager to General Manager and subsequently promoted to the position of Chief Operating Officer in 2021, where he leads and oversees the business operations, including logistics and warehouse, production planning, facilities and engineering. He has played a key role in contributing to the growth and development of our Group’s business operations.

PROFILE OF DIRECTORS (Cont'd)



Dato' Seri Lee Kah Choon, a Malaysian, is our Independent Non-Executive Director. He was appointed to our Board on 1 January 2022. He serves as Chairman of the Nomination Committee and member of Audit and Risk Management Committee and Remuneration Committee of the Company.

Dato' Seri Lee Kah Choon sits on companies listed on Bursa Malaysia as well as private companies. Industries covered by these companies/corporations include: manufacturing, packaging, logistics, research/ design/development of electrical & electronics equipments, trading, food production, tourism, township and property development, wealth management and startups mentoring.

Dato' Seri Lee is currently the Independent Non-Executive Chairman of Federal Oats Mills Sdn Bhd and Aemulus Holdings Bhd, a company listed on the ACE Market of Bursa Securities, Independent Non-Executive Director of L&P Global Berhad and Natingate Holdings Berhad, both being companies listed on the ACE Market of Bursa Securities.

He is also a Director of Invest-in-Penang Berhad, Penang Development Corporation and Penang Hill Corporation. Dato' Seri Lee is actively involved in deciding the policy direction of these government linked corporations for the State of Penang.

Additionally, Dato' Seri Lee Kah Choon is a member of the Investment Committee of Areca Capital, a licensed fund manager for individuals, corporations and institutions.

He is also a Distinguished Adjunct Researcher of Penang Institute, the Penang state think tank for economic and social development. Dato Seri Lee writes regularly on subjects covering investment and economic development.

Being a former member of the federal legislature & the state local council, Dato' Seri Lee has an in-depth understanding of the inner workings of the public sector.

In addition to being the Municipal Councillor for Seberang Perai from 1997 to 1999, he was also a member of Parliament for the Jelutong Constituency from 1999 to 2008. Currently, he is the Special Investment Advisor to the Chief Minister of Penang.

Dato' Seri Lee is a Barrister at Law of Middle Temple & a Certified Financial Planner. He graduated with a Bachelor of Laws from Southampton University, United Kingdom in 1985 and a Master of Arts in Law and Practice from City University London in 1987. He was admitted as an advocate and solicitor of the High Court of Malaya in 1987.

PROFILE OF DIRECTORS (Cont'd)



Dato' Mohamed Amin Bin Mohd Kassim is our Independent Non-Executive Director. He was appointed to our Board on 1 January 2022. He serves as Chairman of the Remuneration Committee and member of Audit and Risk Management Committee and Nomination Committee of the Company.

He completed the Degree awarded by the Chartered Institute of Logistics and Transport ("**CILT**"), United Kingdom in 1975. He was elected as a Chartered Member of CILT in 2008 and subsequently as a Chartered Fellow in 2018, he is currently the Chairman of CILT Malaysia, Selangor section.

He has accumulated extensive experience in the shipping and logistics industry which include the setting up of oversea branches for a shipping agency in Tokyo, Los Angeles and Bremen, as well as coordinating contract agreements from government ministries and agencies. He was also the General Manager at two shipping agencies, responsible for managing and expanding the business.

Prior to retirement, he was the Deputy Managing Director for Century Logistics Holdings Berhad (now known as CJ Century Logistics Holdings Berhad) and contributed to its successful listing on the Second Board of the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) for 19 years.

He has been an active speaker in symposiums and seminars in the field of value-added logistics and supply chain management. He has also contributed to the writing of the Industrial Master Plan for Malaysia in 2007.

PROFILE OF DIRECTORS (Cont'd)



Phoon Yee Min is our Independent Non-Executive Director. She was appointed to our Board on 1 January 2022. She serves as Chairperson of the Audit and Risk Management Committee and member of Nomination Committee and Remuneration Committee of the Company.

She graduated from Universiti Sains Malaysia with a Bachelor of Accounting (Honours) in 2004. She was admitted as a Professional Member of the Institute of Internal Auditors Malaysia in 2009, a Chartered Accountant of the Malaysia Institute of Accountants in 2015 (“MIA”) and member of the Association of Chartered Certified Accountants (“ACCA”) in 2022.

She has extensive experience in the areas of providing internal audit, risk and compliance services to a wide range of companies which included public listed companies and multinationals of various industries.

She is currently a Partner of MCM International Consultancy PLT which is involved in the provision of consultancy services including internal audit and enterprise risk management services, due diligence services, business proposals, sustainability reporting, policies and procedure establishment, corporate governance and compliance services.

Presently, she is an Independent Non-Executive Director of Mi Technovation Berhad and GUH Holdings Berhad, both being companies listed on the Main Market of Bursa Securities. She is also an Independent Non-Executive Director of Coraza Integrated Technology Berhad, a company listed on the ACE Market of Bursa Securities.

Notes to Directors' Profiles:

1. Family Relationship

None of the Directors have any family relationship with any director and/or major shareholder of the Company.

2. Directors' Shareholdings

Details of Directors' shareholdings in the Company can be found in the “Analysis of Shareholdings as at 31 March 2023” section of the Annual Report.

3. Non-Conviction of Offences

None of the Directors have been convicted of any offences, other than traffic offences, if any, within the past five (5) years.

4. No Conflict of Interest

None of the Directors have any conflict of interest with the Company.

5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the Directors have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

PROFILE OF KEY SENIOR MANAGEMENT TEAM

OW CHOOI KHIM

Gender	Nationality	Age
Female	Malaysian	54

Chief Financial Officer

Ow Chooi Khim is our CFO. Her responsibilities include managing the financial matters of the company, including internal and external financial reporting, stewardship of company's assets, ownership of cash management and advise the management on strategic financial direction of the company.

She obtained a Bachelor in Accounting from the Northern University of Malaysia (Universiti Utara Malaysia) in 1994. She was qualified as a Chartered Accountant in 1997 and was admitted as a member of the Malaysia Institute of Accountants. She subsequently obtained a Master in Business Administration from the University of South Australia in 2008.

Upon graduation, she started her career at Deloitte Kassim Chan ("**Deloitte**") as an Audit Assistant in 1994 where she assisted in a wide range of audit work. She left Deloitte in 1998 as an Assistant Audit Manager to join Uchi Optoelectronic (M) Sdn Bhd ("**Uchi**") as an Accountant mainly responsible in overseeing the finance department of the company. She was promoted to the position of Head of Finance Department in 2000 where she was mainly responsible for the company's overall cashflow management and financial reporting. Subsequently, she was appointed as the Senior Finance Manager of Uchi Technologies Berhad ("**UTB**"), the holding company of Uchi, where she assisted the Managing Director in corporate risk assessment, managing the overall financial control and cashflow of the company as well as partaking in the listing exercise of UTB where UTB was listed on the Second Board of Bursa Securities in 2002 (now listed on the Main Market of Bursa Securities). She left UTB in 2019 after serving the group for 21 years to take a short career break before joining our Group in 2021 as the CFO.

TAN EE LIN

Gender	Nationality	Age
Female	Malaysian	57

Senior Business Development Manager

Tan Ee Lin is our Senior Business Development Manager. She is responsible in overseeing the account management and order fulfilment team.

She graduated with a Bachelor of Technology (Food Science and Technology) from Universiti Sains Malaysia in 1991. She also obtained a Master in Business Administration from Nottingham Trent University, United Kingdom in 2003.

She commenced her career in Highland Chocolate & Confectionery Sdn Bhd as a Food Technologist in 1991, in charge of product quality assurance. In the same year, she left the company and joined Seapack Food Sdn Bhd (now known as Sea Master Food Sdn Bhd, a subsidiary of Texchem Resources Berhad) ("**Seapack**") as a Food Technologist, responsible for product quality assurance. She was then promoted to the position of Senior Material Executive in 1995, Assistant Material Manager in 1996, Materials Manager in 1997 and Assistant Factory Manager in 1999 where she led the research and development as well as the quality assurance team.

In 2002, she left Seapack and joined Worldfish Center, a NGO involved in aquaculture and fishery, as an Associate, responsible for setting up the system and documentation for procurement. She was promoted to the position of Administration and Operation Manager in 2004 where she worked with international researchers and scientists and was involved in the implementation of ISO and quality management system (QMS).

In 2008, she joined Integrascreen (Malaysia) Sdn Bhd (now acquired by Thomson Reuters) ("**Integrascreen**") as Deputy General Manager. Her involvement in Integrascreen include finances and procurement related work, overseeing the administration and operations and employee engagement activities and establishing coaching programmes for managers. She was subsequently promoted to the position of Site Manager in 2015 where she acted as the representative for the Penang branch office and was in charge of government-related work and communications between stakeholders.

She was appointed as director in Jora Reignmakers Sdn Bhd ("**Jora**") in 2014 and became actively involved in Jora in 2018, after she left Integrascreen in the same year, as Leadership and Business Coach where she worked with the business owner based in Penang in setting goals, strategies as well as the internal operation policies for the company. In 2020, she concurrently joined The Spark Group Asia as a freelance associate (as part of a collaborative arrangement between The Spark Group Asia and Jora) where she provided business, executive and leadership coaching to clients based in the Klang Valley. Subsequently, she left Jora as well as ceased her involvement with The Spark Group Asia, and joined our Group in 2021 as the Senior Business Development Manager.

PROFILE OF KEY SENIOR MANAGEMENT TEAM (Cont'd)

NG SO YIN

Gender	Nationality	Age
Female	Malaysian	55

Senior Operations Manager

Ng So Yin is our Senior Operations Manager. Her responsibilities include overseeing production, planning, engineering and facilities and to improve productivity and profitability of our Group.

She graduated with a Bachelor of Applied Science (Hons) Major in Physics from Universiti Sains Malaysia in 1993.

She then started her career as an Industrial Engineer in Sony Electronics (M) Sdn Bhd in 1993 and later Seagate (M) Sdn Bhd (“**Seagate**”) in 1996, where her roles included planning and factory layout requirement analysis, establishing standards and key performance indicators for production, determining process cycle time and lead time. She left Seagate in 1998 and joined Advanced Micro Devices Export Sdn Bhd as a Senior Industrial Engineer, mainly in charge of capacity planning. In 2001, she rejoined Seagate (now known as Benchmark (M) Sdn Bhd) as Staff Industrial Engineer, a managerial position for similar roles.

In 2010, she joined Mattel (M) Sdn Bhd (“**Mattel**”) as Manufacturing Manager where she was responsible for managing various production areas. Subsequently in 2011, she left Mattel and joined Maica Laminates Sdn Bhd (“**Maica**”) as Industrial Engineering Manager. She was in charge of setting up the industrial engineering department in Maica. Later, she was promoted to the position of Assistant General Manager in 2012 and subsequently General Manager in 2013, mainly responsible for formulating the company’s operational strategy and was in charge of the production, planning and engineering department. She left Maica in 2018 and join Jabil Circuit Sdn Bhd as Senior Workcell Manager, where she worked closely with sourcing department and was responsible for planning, production and engineering work. In 2021, she joined our Group as the Senior Operations Manager.

ONG BEE NGOH

Gender	Nationality	Age
Female	Malaysian	51

Senior Order Fulfilment Manager

Ong Bee Ngoh is our Senior Order Fulfilment Manager and has been with our Group for 20 years since 2002.

Upon graduation in 1997, she joined Fujisash (M) Sdn Bhd (“**Fujisash**”) as a Management Trainee and was subsequently assigned to the position of Quality Assurance Section Head. During her time at Fujisash she assisted the Company in achieving the ISO 9001 Quality Management Systems. She was also responsible for documentation and data control to ensure only approved, current Quality Management System documentations are used throughout the organisation and oversaw calibration and testing activities. She left Fujisash in 2000 to join Teleplan Technology Services Sdn Bhd (“**Teleplan**”) as a Document Control Officer, where she was responsible for implementing document control activities plantwide via intranet to ensure accurate and timely distribution of information such as customer drawings throughout an organisation, as well as maintaining intranet systems for document storage and retrieval. She was also responsible for document security and the assigning of user access. Similar to her role at Fujisash, she played a key role in assisting Teleplan to achieve the ISO 9001 Quality Management Systems.

She subsequently left Teleplan to join our Group in 2002 as a Sales Administration Executive and was subsequently promoted to Senior Sales Administration Executive in 2004. During this period, she facilitated the setting up of the document control for our Group on Product Specification and Drawing prepared by our sales team as well as the development and improvisation of procedures and policies to facilitate customer orders. She was promoted to the position of Sales Manager in 2008 where she took on more responsibilities such as managing the sales team and operating the Pallet Design System software for our Group to meet the design requirements of the customers.

She was redesignated to act as our Sales and Operation Manager between 2014 to 2015 where she was instrumental in overseeing the purchase process in our Malaysia operations by overseeing the purchase, administration and operations. In 2018, she was promoted to the position of Sales Support Manager where she managed the sales operation of our Group and assisted in the setting up of the Vietnam Factory. In 2021, she was promoted to the position of Senior Order Fulfilment Manager where she takes charge of the order fulfilment resource planning and acts as an administrator to coordinate the operation process flow.

She holds a Bachelor of Arts (Honours) in Mathematics from University of Malaya in 1997.

PROFILE OF KEY SENIOR MANAGEMENT TEAM (Cont'd)

CH'NG CHUN GEET

Gender	Nationality	Age
Male	Malaysian	52

Senior Finance Manager

Ch'ng Chun Geet is our Senior Finance Manager and has been with our Group since 2001. He graduated from Bukit Mertajam High School with the Sijil Tinggi Persekolahan Malaysia (STPM) certification.

He started his career at Skelchy Su Lim & Associates as an Audit Assistant in 1995 and subsequently held the title of Senior Auditor from 1998 to 1999, where he was responsible in auditing of client's financials. In 1999 he left the firm to join Leader Video Sdn Bhd ("**Leader**"), a company that distributes, records and advertises video films, as a Finance and Administration Manager, where he directly reported to the Managing Director and the holding company. His responsibility spanned across Human Resource, Administration and Accounting matters.

He left Leader after it was dissolved and joined our Group as Finance and Administrative Manager in 2001. During this period, he was responsible for overseeing the Company's Human Resource, Administrative and Finance Departments. His responsibilities include liaising with both internal departments and external parties such as bankers, government bodies and auditors. From 2004 to 2021, he was reassigned to Finance Manager reporting to the General Manager and subsequently reporting to the CFO from 2021 onwards, with a sole focus on the finances of the Company for both Malaysia and Vietnam. Since 2021, he has been promoted to the position of Senior Finance Manager, managing the financial position of the whole group. He has been the key figure for our Group's finances and has been with our group for 21 years. He also assisted in setting up the finance department of our Vietnam operations.

Notes to Key Senior Management Team Profiles:

1. Directorship in Other Public/Public Listed Companies

None of the key senior management personnel hold directorship in any public companies and public listed companies in Malaysia.

2. Family Relationship

None of the key senior management personnel have any family relationship with any director and/or major shareholder of the Company.

3. Non-Conviction of Offences

None of the key senior management personnel have been convicted of any offences, other than traffic offences, if any, within the past five (5) years.

4. No Conflict of Interest

None of the key senior management personnel have any conflict of interest with the Company.

5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the key senior management personnel have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

CHAIRPERSON'S MESSAGE



DEAR SHAREHOLDERS,

It is an honour and privilege to deliver the inaugural Chairperson's message for L&P Global Berhad ("L&P Global"). Year 2023 marked a significant milestone achieved by L&P Global for being the first initial public offering ("IPO") on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") for the year. This has opened up the Group to a new chapter and platform to forge ahead.

FINANCIAL PERFORMANCE

L&P Global recorded a consolidated revenue and profit after taxation of approximately RM150.54 million and RM14.74 million, respectively. Core profits after tax approximated RM17.47 million after excluding the one-off IPO expenses. Undeterred by the impact of the pandemic, the Group continued to achieve commendable growth with a CAGR of approximate 20% for the last 3 financial years for both the revenue and core profits.

Besides strong profitability, the Group's financial position remained resilient. As at 31 December 2022, with the funds raised through IPO, we have net current assets of RM67.45 million and our gearing ratio shrank from 0.93 times to 0.55 times. The strengthening of financial position has strengthened our foundation to propel forward for next phase of growth.

FUTURE PROSPECTS

In 2023, the Group planned to expand our capacity to take on new customers. We take cognizant of the slowdown in worldwide economy adversely affected by ripping effects from geopolitical situations and the recent collapse in US banks and we will be cautiously optimistic in our capital investment. The planned new production facilities in Perai, Penang and Kulim, Kedah will be equipped in stages to support the operational and business expansion needs.

The listing of the Group on the ACE Market of Bursa Securities is in line with our strategies to level up the Group's image, strengthened the confidence of our stakeholders, improve the ability to attract talented individuals for business expansion, hence enhancing the Group's overall value. Our solid financial position bolstered continued growth in foreign direct investment in locations where we have operations give a positive outlook on our growth opportunities moving forward.

CHAIRPERSON'S MESSAGE (Cont'd)

STRATEGIES FOR SUSTAINABLE GROWTH

To ensure we are **sustainable over the long-term**, we MUST continuously build resilience across five key pillars.

The first pillar is **talent development**. As the saying goes, "A chain is as strong as its weakest link", we are determined to build a highly capable team determined to work towards a shared goal.

The second pillar is **financial management**. To succeed in today's challenging business environment, we must manage our financial resources well, ensuring a good reserve of cash is set aside for working capital and reinvestment to sustain growth and expansion.

The third pillar is **production capability enhancement**. To ensure we remain competitive, the latest advancements in manufacturing technologies need to be adopted as we pursue manufacturing excellence to maximize production efficiencies.

The fourth pillar is **innovative product development**. To be always at the top as the preferred supplier, we need to continue our "out-of-the-box" thinking to come up with the best cost-effective solutions for our customers.

The fifth pillar is **customer base diversification**. Continuous efforts to rationalise our customer base and seek "quality over quantity" customers who contribute meaningful volumes and values.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt thanks to the management and staff for their dedication and contribution to the Group. Special thanks to those who were involved in the IPO exercise. Your enormous effort over the last two years throughout the journey of our successful listing is commendable and appreciated.

To my fellow Directors, my sincere gratitude to your invaluable contribution and unwavering support throughout the year. I am confident we will be able to contribute significantly to the Group's strategies with our invaluable experience and network gained in the industry in the last 30 years.

Lastly, to all the shareholders, I truly appreciate your confidence in the Group. In 2023, the Group shall continue to strive to improve financial performance with better returns that will increase shareholders' value.

Thank you.

OOI HOOI KIANG

Non-Independent Non-Executive Chairperson

10 April 2023

MANAGEMENT DISCUSSION & ANALYSIS

A. OVERVIEW OF BUSINESS AND OPERATIONS

Company Profile and Principal Activities

L&P Global Berhad (“**L&P Global**” or the “**Company**”) and its subsidiaries (“**Group**”) are an integrated industrial packaging solutions provider where our solutions are integral parts of supply chain management that enable optimal use of industrial packaging products through cost-effective and efficient movement of goods throughout the supply chain, inventory management and space usage.

Our vision is shaping sustainable global supply chains in logistics and packaging while our mission are optimising raw materials through product innovations to reduce wastage, creating solutions to move what matters and providing an integrated packaging, storage and circular logistics to maximise product lifetime. We are committed in our vision of creating a greener world through our business. Our goal is to make sustainable supply chain management a commonplace in the industry. We have started to implement circular economy practices into our operations to make that goal a reality.



Our Existing Premises	Usage	Built-up Area
Sungai Bakap Factory, Penang	<ul style="list-style-type: none"> • Headquarters • Manufacturing of components • Assembly of pallets, boxes and crates • Recycling of pallets and storage 	191,000 sq ft
Perai Branch, Penang	<ul style="list-style-type: none"> • Office • Storage • Intended for assembly of boxes and crates commencing Q2 2023 	80,000 sq ft
Kulai Branch, Johor	<ul style="list-style-type: none"> • Office • Storage • Intended for assembly of boxes and crates commencing Q4 2023 	14,000 sf ft Rented properties
Kulim Branch, Kedah	<ul style="list-style-type: none"> • Intended to be used as office, assembly of boxes and crates and storage commencing Q3 2023 	65,000 sq ft
Vietnam Factory	<ul style="list-style-type: none"> • Office • Manufacturing of components • Assembly of pallets, boxes and crates • Storage 	43,000 sf ft Rented properties
Total:		393,000 sq ft

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Our Integrated Industrial Packaging Solutions

Design and manufacturing of wooden industrial packaging products

- Industrial packaging is specialised and customisable packaging that provides protection to the products packaged during storage and transportation. We are involved in the design and manufacturing of wooden industrial packaging products comprising boxes, crates and pallets where all our boxes and crates are customised products while our pallets can be customised or sold as standard products with standard dimensions.

Provision of packing services

- We provide packing services as value-added services when supplying boxes and crates to our customers, where we pack our customers' goods into our boxes and crates at our customers' premises. The goods that are packed into boxes and crates are generally high value, sensitive and large products such as machinery and equipment, which require added protection against impact due to movement.

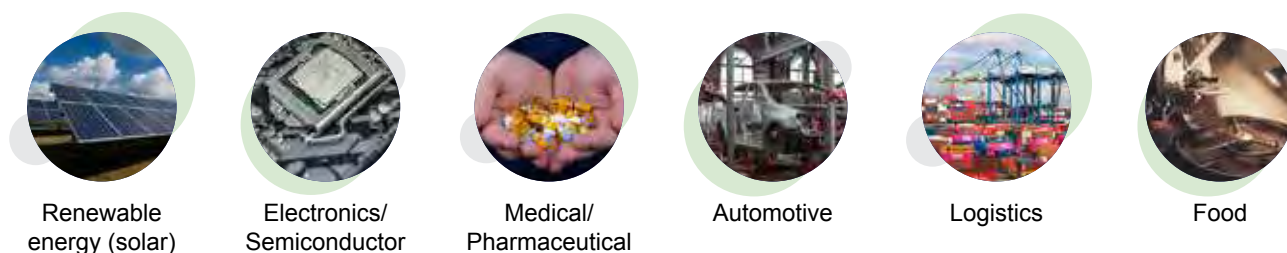
Provision of circular supply services

- We collect, repair and re-manufacture worn and broken pallets into usable recycled pallets. Repair works include replacing components or complete dismantling of the pallet to salvage any usable components. We also collect used pallets from scrap collectors.

Trading as value added services

- We source and supply related products and raw materials when requested by our existing customers as value-added services. Examples of products we trade are plastic pallets, wood materials and packaging accessories.

Industries We Serve



Key Milestones

With a rich history that dates back to 1984, when our founders established a partnership, Syarikat Perusahaan Berjaya, to manufacture industrial packaging products, our Group has come a long way since its humble beginnings as a family business. Over the course of the past 39 years, we have achieved several key milestones that have enabled us to establish ourselves as a leader in the industry. These milestones are a testament to the tireless efforts and unwavering dedication of our board of directors and senior management team, who are supported by a team of talented and committed employees. Moving forward, we remain steadfast in our commitment to delivering exceptional results, providing the highest quality products and services to our customers, and driving the continued growth and success of our Group.

Despite the unprecedented challenges posed by the ongoing COVID-19 outbreak and its profound impact on the global economy, we were able to rise to the occasion and achieve a significant milestone in the history of our Group in 2022. Specifically, we successfully launched our Prospectus in conjunction with our Initial Public Offering (“IPO”) exercise on 13 December 2022, followed by a successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 3 January 2023. This remarkable achievement reflects our Group’s remarkable resilience, adaptability, and unwavering commitment to pursuing growth opportunities in the face of adversity. As we look ahead, we will continue to prioritize the provision of top-quality services to our valued customers, while remaining prudent and relentlessly enhancing our Group’s competitiveness to achieve even more key milestones in the future.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



Prospectus launch on 13 December 2022



Listing on the ACE Market of Bursa Securities on 3 January 2023

YEAR	KEY EVENTS AND MILESTONES
1984	<ul style="list-style-type: none"> Syarikat Perusahaan Berjaya was established to venture into the manufacturing of industrial packaging products in Bukit Tengah, Penang. During the initial years of our business, our customers mainly comprised manufacturers in the rubber products, lift manufacturing, semiconductor and electrical and electronics industries. We also provide packing services to our customers who require their goods to be packed and secured into boxes and crates, and ready to be loaded and delivered.
1989	<ul style="list-style-type: none"> Berjayapak Sdn Bhd (“BSB”) was incorporated and remained dormant.
1992	<ul style="list-style-type: none"> To support the growth of our business, BSB assumed the business in the manufacturing of industrial packaging products from Syarikat Perusahaan Berjaya, a sole proprietorship, which gradually ceased operations and was discontinued on 25 June 1992.
1997 to 2004: Corporate restructuring and adoption of modern management practices	
1998	<ul style="list-style-type: none"> We expanded our manufacturing facility by purchasing and relocating to a larger factory located in Sungai Bakap, Penang which has a land area of approximately 117,000 sq ft (“Sungai Bakap Factory”).
2002	<ul style="list-style-type: none"> BSB was certified compliant with ISO 9001 by SGS United Kingdom Ltd.
2003	<ul style="list-style-type: none"> We began providing pallet recycling and repair services under our Circular Economy Project – Pallet Recycling Programme (“PRP”), to provide our customers with an alternative choice of pallets, namely recycled pallets.
2005 to 2014: Technical advancement and operations expansion	
2005	<ul style="list-style-type: none"> We installed a heat treatment chamber in Sungai Bakap Factory which allow us to treat our wood materials by removing moisture content, as well as repurpose our wood wastes by using them as feedstock in our boilers to power the heat treatment chamber. With this, we are also able to manufacture industrial packaging products that are compliant with the International Standards for Phytosanitary Measures No.15 (“ISPM 15”) inhouse (applicable to natural wood).
2007	<ul style="list-style-type: none"> We expanded our Sungai Bakap Factory with the purchase of an adjacent factory which has a land area of approximately 117,000 sq ft to increase our storage capacity in order to support the expansion of our manufacturing capacity.
2010	<ul style="list-style-type: none"> We expanded our Sungai Bakap Factory with the purchase of another adjacent factory which has a land area of approximately 54,000 sq ft to increase our storage capacity in order to support our pallet recycling activities.
2015 to present: Transformational growth: New leadership, material and manufacturing technology upgrades, local and overseas expansion	
2015	<ul style="list-style-type: none"> Invested in a design software (i.e. LoadSync software and Solidworks) for planning, visualising and designing of wooden industrial packaging products. Ooi Lay Pheng joined our Group as a Director, heading the sales and marketing, human resource, IT, quality assurance, and finance departments and was promoted to the position of Chief Executive Officer (“CEO”) in 2017.
2016	<ul style="list-style-type: none"> We began using engineered wood for the manufacturing of industrial packaging products. As engineered wood has consistent quality and dimension, lesser processing of wood materials is required, hence, reducing the amount of labour required in our factory. We purchased a radio frequency machine, an advanced drying machine to shorten the drying time of wood material.
2019	<ul style="list-style-type: none"> Berjayapak Vietnam Company Limited (“BV”) was incorporated. We rented a factory in Binh Duong, Vietnam which has a built-up area of approximately 27,000 sq ft, and began manufacturing boxes and crates to expand our market reach to potential customers in Vietnam (“Vietnam Factory 1”). We secured our first customer in Vietnam.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

YEAR	KEY EVENTS AND MILESTONES
2020	<ul style="list-style-type: none"> We rented another adjacent factory in Binh Duong, Vietnam which has a built-up area of approximately 15,000 sq ft to support the expansion of our manufacturing capacity in Vietnam (“Vietnam Factory 2”) (“Vietnam Factory 1” and “Vietnam Factory 2” collectively referred as “Vietnam Factory”).
2021	<ul style="list-style-type: none"> We rented premises in Kulai, Johor which has a built-up area of approximately 14,000 sq ft and is used for storage of boxes and crates to serve our customers in the southern region and in Singapore (“Kulai Branch”). We had entered into sale and purchase agreements to acquire two adjacent premises in Perai, Penang which has a built-up area of approximately 47,000 sq ft (“Perai Branch 1”) and 33,000 sq ft (“Perai Branch 2”), respectively (collectively, “Perai Branch”) for total cash consideration of RM14.80 million. The acquisitions were completed on July 2022.

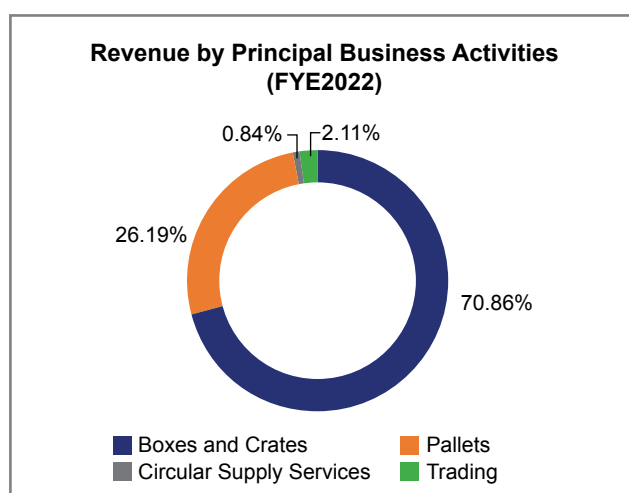
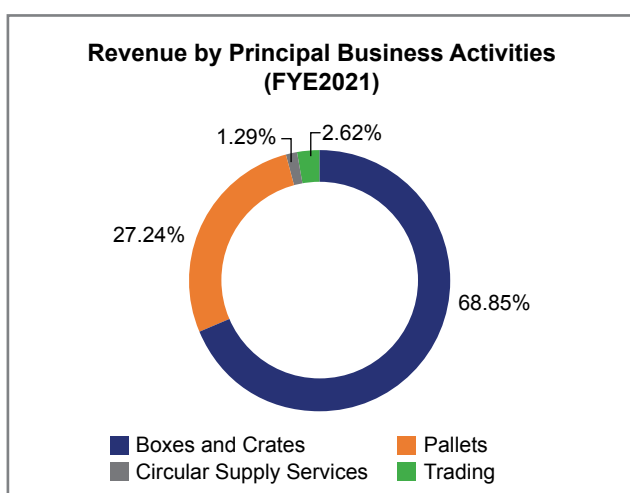
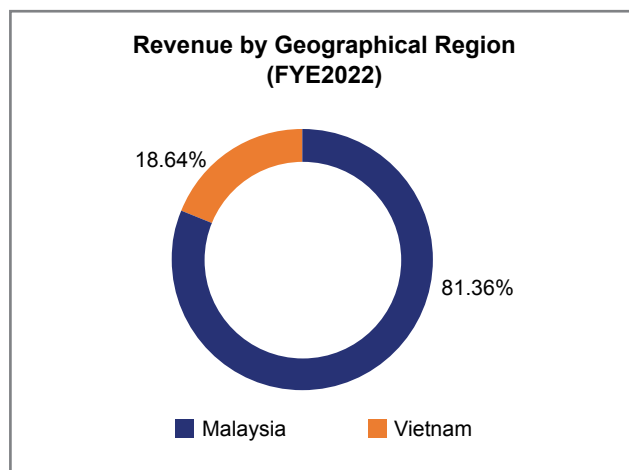
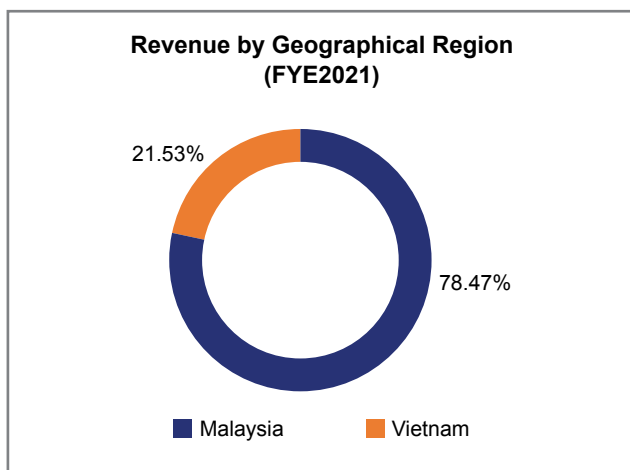
Principal Markets

Our customers operate in various industries such as renewable energy, electronics/ semiconductor, food, automotive, packaging and etc. Our operational facilities are located at Malaysia and Vietnam, covering the following principal business activities:

- Design and manufacturing of boxes and crates and provision of packing services (“**Boxes and Crates**”);
- Design and manufacturing of pallets (“**Pallets**”);
- Provision of circular supply services (“**Circular Supply Services**”); and
- Trading as value added services (“**Trading**”).

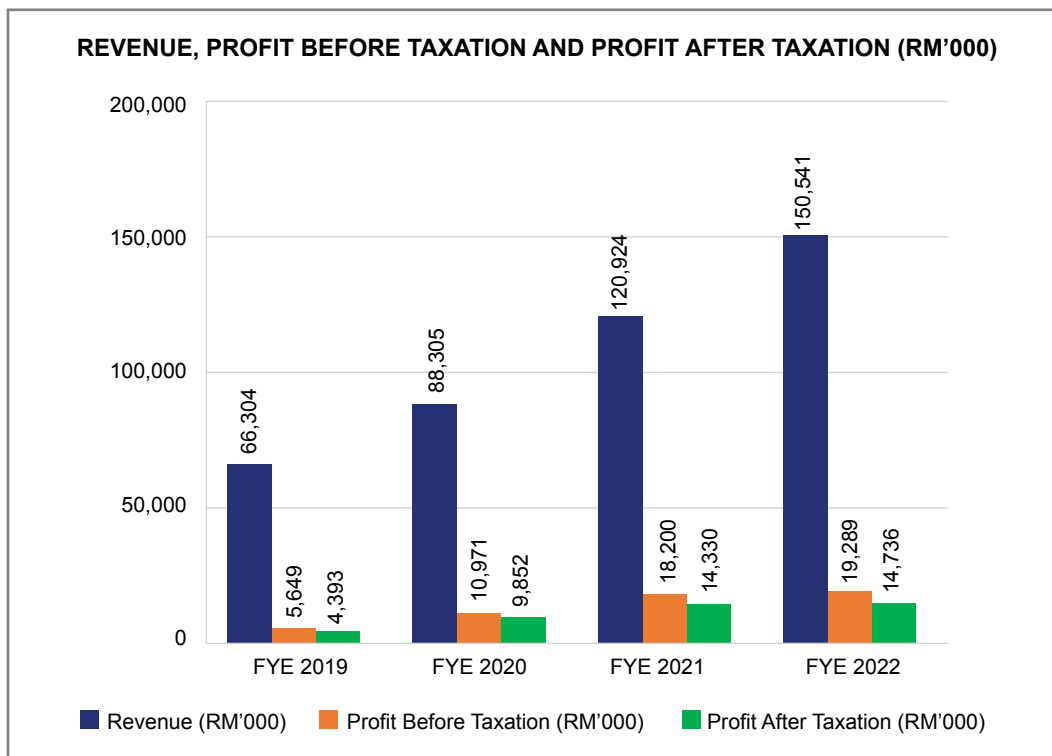
By principal business activities, our Group’s largest revenue contributor is from the boxes and crates, contributing 70.86% of our total revenue during FYE 2022 (FYE 2021: 68.85%). By geographical region, Malaysia remains our Group’s largest revenue contributor, contributing 81.36% of our total revenue during FYE 2022 (FYE 2021: 78.47%).

For the FYE 2021 and FYE 2022, the revenue by geographical region and principal business activities were shown as below:



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

B. FINANCIAL REVIEW



SOLID REVENUE GROWTH
OUR REVENUE HAS BEEN ON AN UPWARD TRAJECTORY SINCE FYE 2019 AND RECORDED THE HIGHEST REVENUE OF RM150.54 MILLION IN FYE 2022.

Our Group achieved a revenue of RM150.54 million for FYE 2022 (FYE 2021: RM120.92 million), rose significantly by 24.50% as compared with the previous financial year, of which boxes and crates and pallets contributed 70.86% (FYE 2021: 68.85%) and 26.19% (FYE 2021: 27.24%) of total revenue respectively. The increase in revenue for the FYE 2022 was mainly attributable to the increase in revenue generated from the following:

- a) increase in demand from our existing customers subsequent to their facilities expansions;
- b) additional new models allocated to the Group to cater for the requirements of different range of customers' products; and
- c) price adjustments to accommodate for the increase in cost of raw material.

Our Group's gross profit ("GP") has increased by RM4.21 million or 14.42%, from RM29.19 million in FYE 2021 to RM33.40 million in FYE 2022. However, the Group's GP margin reduced to 22.19% (FYE 2021: 24.14%) for the current financial year under review. This was mainly due to the followings:

- a) Increase in cost of raw material as a result of increase in timber price per tonne and strengthening of USD against MYR; and
- b) Increase in factory overhead as a result of:
 - increase in indirect labour cost as workforce for production support was increased as part of the Group's strategies in optimising production processes to cater for upcoming business expansion plan and expected increase in revenue; and
 - increase in depreciation expenses for Perai Branch and Kulim Branch.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

In addition, the Group's administrative expenses increased to RM10.93 million (FYE 2021: RM7.42 million) for the year under review. This was mainly due to the one-off expenses of approximately RM2.73 million incurred for IPO corporate exercise and legal fee (including stamp duty) incurred to obtain banking facilities for the acquisition of Perai Branch and Kulim Branch.

Likewise, for the financial year under review, the Group's profit before tax ("**PBT**") margin and profit after tax ("**PAT**") margin reduced to 12.81% (FYE 2021: 15.05%) and 9.79% (FYE 2021: 11.85%) respectively. Excluding the RM2.73 million one-off expenses, the Group's PBT and PAT would have been RM22.02 million (PBT Margin: 14.63%) and RM17.47 million (PAT Margin: 11.60%) respectively.

Our Group's total assets have increased to RM137.39 million in comparison to RM74.10 million in FYE 2021. This was primarily due to the increase in right-of-use assets and trade and other receivables by RM24.83 million and RM33.58 million respectively. The increase in right-of-use assets was contributed mainly from the acquisition of leasehold properties at Perai and Kulim which was completed in July 2022. The increase in trade and other receivables was mainly due to inclusion of the net proceeds receivable from our IPO. Our cash and bank balance has increased approximately by 95.60%, from RM3.41 million in FYE 2021 to RM6.66 million in FYE 2022.

Our Group's total liabilities have increased to RM55.39 million in comparison to RM34.40 million in FYE 2021. This was mainly contributed to the increase in non-current borrowings from RM10.70 million in FYE 2021 to RM29.57 million in FYE 2022.

Our financial position remained healthy with a lower gearing ratio of 0.55 times (FYE 2021: 0.63 times), primarily attributed to the substantial increase in shareholders' equity in conjunction with our IPO. The current ratio has slight decrease to 2.55 times (computed after excluding net proceeds receivable from our IPO) from 2.58 times in FYE 2021.

C. OPERATION REVIEW

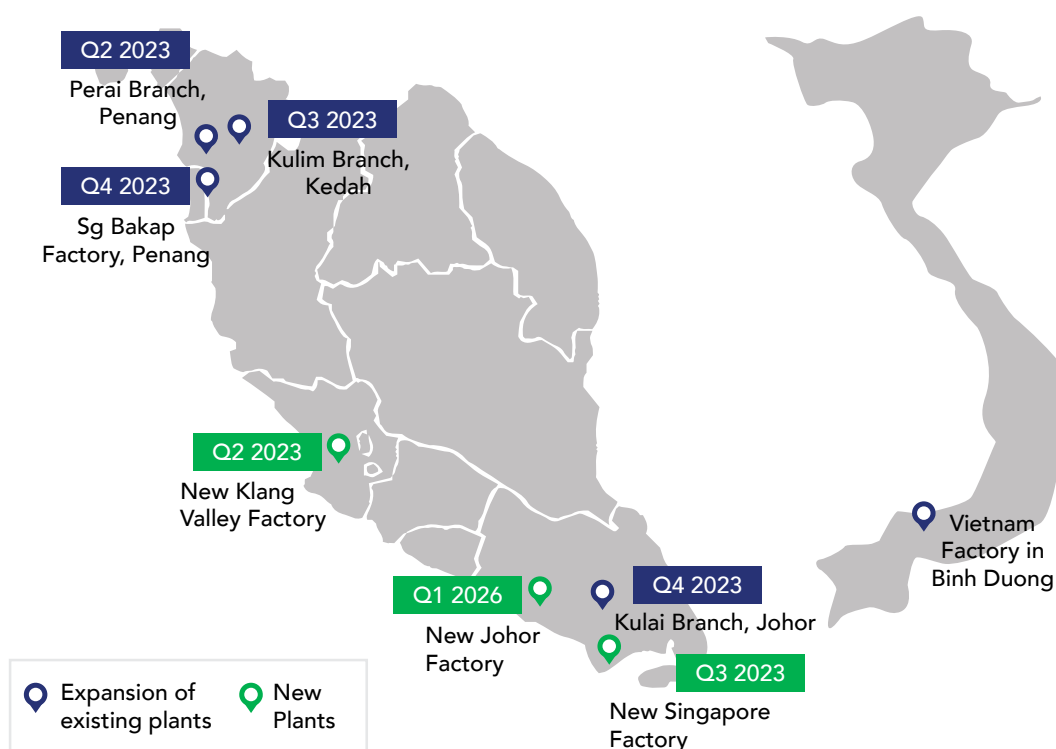
Although many countries had resumed economic activities and transitioned towards an endemic phase for the COVID-19, uncertainties still persist as COVID-19 continues to evolve globally. Moreover, tensions between Ukraine and Russia have placed significant pressure on the global economy, hindering its recovery and increasing the global inflation. We will continue to remain vigilant and conduct rigorous risk assessments during our implementation of corporate strategies to ensure seamless operations and success of our organisation.

In our ongoing efforts to manage risk and maintain financial stability, we have successfully revised the currency for billing two of our major customers in Malaysia from MYR to USD starting in May 2022, in addition to several other customers who have been billed in USD since their initial orders. This strategic move helps us to mitigate the potential impacts of fluctuating foreign exchange rates, allowing us to minimise the exposure and better manage financial risk.

Despite facing numerous challenges arising from the global economic conditions and the pandemic outbreak, we remained steadfast in our commitment to executing our corporate strategies. We are confident that our unwavering commitment to our corporate strategies will pave the way for our long-term success and growth. Moving forward, we will continue to focus in strengthening our market presence, enhancing operation efficiency and expanding circular supply services.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Strengthening Market Presence



i) Expansion in the Northern region (Perai, Penang and Kulim, Kedah)

On 25 July 2022 and 28 July 2022, we achieved a major milestone as we successfully acquired the factories for our Perai Branch and Kulim Branch respectively. We plan to relocate part of our assembly activities for boxes and crates from Sungai Bakap Factory to both branches. Additionally, we will install new assembly lines at these branches to allow ready-to-use components for boxes and crates that are manufactured at the Sungai Bakap Factory to be assembled into final products (boxes and crates) at both branches. Once fully operational, the Perai Branch and Kulim Branch will have an annual capacity of 64,800 pieces and 186,000 pieces respectively, greatly enhancing our production capabilities and enabling us to meet growing customer demand. The cost of setting up the assembly lines at both branches will be approximately RM1.23 million and RM2.09 million respectively, with assembly activities expected to begin by second quarter (“Q2”) and third quarter (“Q3”) of 2023.

The relocation of part of our assembly activities for boxes and crates from Sungai Bakap Factory to Perai Branch and Kulim Branch will free up some manufacturing space in the Sungai Bakap Factory. This additional space will be utilised to increase our annual manufacturing capacity of pallets made from natural wood and recycled pallets into 540,000 pieces (from 143,089 pieces) and pallets made from engineered wood into 720,000 pieces (from 329,885 pieces) in Sungai Bakap Factory. As we already have sufficient machinery to cater for the expansion, there will be no additional cost to be incurred for the expansion of manufacturing lines for pallets in Sungai Bakap Factory. The manufacturing of pallets from the expanded manufacturing lines in the Sungai Bakap Factory is expected to commence by fourth quarter (“Q4”) of 2023. Our Group will continue to carry out assembly activities in the Sungai Bakap Factory, based on the requirements of the respective customers.

ii) Expansion in the Southern region (Johor)

Presently, the boxes and crates that we supply to our customers in the Southern region are manufactured and assembled at the Sungai Bakap Factory. These boxes and crates will be stored at the Kulai Branch for just-in-time delivery to our customers based on their manufacturing schedules and supply chain management requirements. The cost of setting up the assembly line is approximately RM350,000 comprising purchase of new machineries and setup cost. We plan to install assembly lines at the Kulai Branch, with annual capacity of 3,600 pieces. These assembly lines will allow us to assemble final products from the ready used components that are manufactured at the Sungai Bakap Factory. We expect assembly activities at the Kulai Branch to begin by Q4 2023.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

In addition, we intend to expand our operations in Johor by constructing a new, larger factory (“**Proposed New Johor Factory**”) which will include manufacturing of components, and larger assembly and storage space. The Proposed New Johor Factory will produce boxes and crates with an annual manufacturing capacity of approximately 12,000 pieces, as well as provide packing services and facilitate our circular supply services. This expansion will allow us to meet the growing demand for industrial packaging products from our existing customers and attract new customers, thereby expanding our customer base. By closely collaborating with our existing customers to understand their business growth, we aim to leverage on the additional manufacturing capacity of the Proposed New Johor Factory to secure more sales from our customers. Considering this, we plan to acquire a piece of land around the Kulai/Senai area in Johor, located in close proximity to our existing Kulai Branch, for the planned construction of our Proposed New Johor Factory. We are currently in the process of identifying a suitable land in the Kulai/Senai area measuring approximately 130,000 sq ft. We anticipate that the land purchase will be completed by Q4 2023. Based on our initial planning, the Proposed New Johor Factory will have a built-up area of approximately 85,000 sq ft, with dedicated floor space for manufacturing activities (i.e. manufacturing of components and assembly), storage space and office space.

The cost to purchase a piece of land around the Kulai/Senai area in Johor will be approximately RM2.90 million while the cost of the planned construction will be approximately RM12.10 million. To finance part of the construction cost, we intend to allocate approximately RM10.00 million from the proceeds of the Public Issue. If there is any shortfall in the capital expenditure, we will fund it using internally generated funds and/or bank borrowings. The actual size of the Proposed New Johor Factory may be subject to change depending on the availability of the suitable location, cost involved and other relevant factors not within the control of our Group.

iii) Expansion domestically to Klang Valley and regionally to Singapore

Since the commencement of our business, we have been serving our customers in the Central region within the Klang Valley and Singapore through our operations in Penang. As we continue to expand our business domestically, including in the Klang Valley, we intend to establish our presence in the Klang Valley. Additionally, we also anticipate increasing orders from customers in Singapore and hence we also plan to establish our presence in Singapore. We engage closely with our existing customers to get insights on their business growth, and the additional manufacturing capacity in our new factories in Klang Valley and Singapore will allow us to seize opportunities to secure more sales from our customers.

We plan to set up an assembly plant and storage in the Klang Valley (“**Proposed New KV Factory**”) and Singapore (“**Proposed New Singapore Factory**”). We plan to carry out assembly works for final products comprising boxes and crates at the Proposed New KV Factory and Proposed New Singapore Factory, as well as providing packing services and facilitate our circular supply services. Our wood materials will continue to undergo heat treatment and processing (i.e. cutting, ripping, moulding and sanding) at our Sungai Bakap Factory before being delivered to our Proposed New KV Factory and Proposed New Singapore Factory for assembly and storage.

We are currently in the midst of identifying suitable factory lots to rent in light industrial area for our Proposed New KV Factory and Proposed New Singapore Factory, with estimated size of 12,000 sq ft and 8,000 sq ft respectively. The annual capacity of our Proposed New KV Factory and Proposed New Singapore Factory will be 3,600 pieces and 1,800 pieces respectively. We have allocated RM0.61 million of the gross proceeds from the Public Issue for the Proposed New KV Factory’s 24-month rental, and the estimated total cost of setting up the factory is RM0.50 million, which will be financed through internally generated funds or bank borrowings. The total cost of setting up our Proposed New Singapore Factory is estimated at RM1.50 million, which will be funded by internally generated funds and/or bank borrowings.

Enhancing Operation Efficiency

To support the expansion of our business operations, we intend to purchase the new machineries to facilitate the setting up of the Proposed New Johor Factory, Proposed New KV Factory and Proposed New Singapore Factory. The new machineries, including forklift, lorry and truck, packing truck, cutting machine, multi ripping machine and sanding machine, will be our invaluable additions to our existing machines, enabling us to ramp up our production capacity and enhance our efficiency and productivity.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

In addition, our Group also intends to purchase automation machines such as auto panel saw machine, auto nailer, auto stacker, auto turning machine, auto marking machine and conveyor for our Proposed New KV Factory and Proposed New Singapore Factory. This will allow us to reduce our reliance on manual manpower. Further, the locations of our Proposed New KV Factory and Proposed New Singapore Factory are expected to be relatively less remote as compared to Sungai Bakap Factory, and that the Proposed New KV Factory and Proposed New Singapore Factory are primarily intended to be used for assembling activities, where relatively less manpower is required. There, we believe it will be easier to hire local workers for our Proposed New KV Factory and Proposed New Singapore Factory. The purchase of these automation machines will be funded by internally generated funds.

Expanding Circular Supply Services

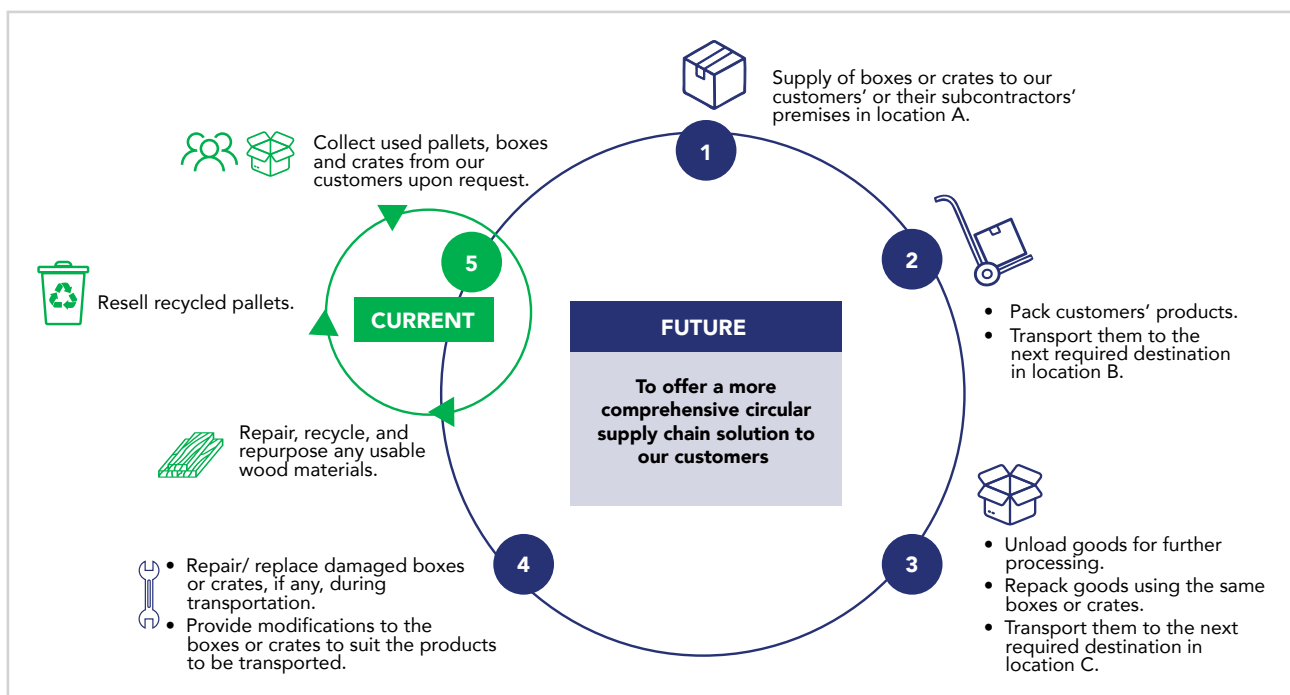
At present, our circular supply services mainly comprise the provision of pallet recycling and repair services. We may also collect used boxes and crates from our customers, upon request and recover any usable wood materials to be reused to manufacture recycled pallets.

As we look to the future, we remain dedicated to expanding our circular supply service offerings to better serve the needs of our customers and the environment. Moving forward, we intend to expand our logistics services to our customers who purchase industrial packaging products from us where we will transport our customers' products to their customers' premises, and collect and send the used industrial packaging products back to our nearest branch, before delivering the same to our Sungai Bakap Factory for reuse or recycling.

This solution is designed to allow comprehensive and convenient adoption of circular supply chain practices for our customers, and the scope of our offerings will be customised based on our customers' supply chain requirements. The fees will be charged based on the type of services required by our customer under the circular supply services. For example, pallet recycling and repair service fee, logistics fee, and unload and uncrate service fee. This will allow us to generate additional income streams by playing a bigger role in facilitating our customers' supply chain management.

Our Circular Supply Services as illustrated below:

We are actively engaging potential customers to offer our extended circular supply services. We will leverage on our existing human resources, manufacturing facilities and use our own fleet of lorries and trucks to offer our extended circular supply services. While all recycling activities are carried out at Sungai Bakap Factory, we intend to leverage on our new planned factories to cater for assembly and storage of industrial packaging products throughout Malaysia to support the growth of our extended circular supply services.



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

D. CHALLENGES & RISKS

Dependence on Major Customers

We are dependent on a few major customers, where the Group's revenue is driven by several customers. Any changes in their purchasing behaviour, such as decrease in the value of orders or switching to a competitor or worsening in their success or financial performance, could result in a material impact on our Group's results. Hence, we closely monitor our performance with all key customers and develop strong relationship with our existing customers. We also mitigate the risk by actively explore new business opportunities with potential customers through referrals from existing customers, networking session, corporate website and digital marketing. Our Group's sales and marketing activities are spearheaded by our Chief Executive Officer, Ms. Ooi Lay Pheng, who oversees the planning and execution of sales and marketing activities. She is assisted by our dedicated in-house account management/ sales and marketing team who is responsible for serving existing customers, attending enquiries from potential customers, and preparing new product proposals to existing customers and potential customers. In FYE 2022, we have successfully secured 40 new customers.

We also actively participate in trade fair, exhibitions, forum and panel discussion. By participating in these activities, we have the opportunity to introduce our products and services to new markets, build new customer relationships, network with potential customers globally and explore business opportunities with them. Moving forward, we will continue to actively participate in trade fair and exhibition to solidify our market presence. The key trade fair and exhibition that we have participated in 2022 are as below:

Year	Key Trade Fair/ Exhibition	Organiser
2022	North America and Beyond Panel Discussion (as a panellist)	National Wooden Pallet & Container Association, United States
2022	Asia Trade Week (as a panellist)	The Economist
2022	Penang Economic Summit 2022 (as a panellist)	Enterprise Asia and Penang Institute

Human Capital

Our Group is reliant on foreign workers to carry out our manufacturing works due to the labour intensive nature of the industry, as it is difficult to hire and retain local workers. The loss of our existing foreign workers without timely replacements may adversely disrupt our operations. Further, costs of foreign labour may continue to increase in the future as the Government continues to revise the relevant policies which may negatively affect our financial performance. Our Group was also affected by the hiring freeze announced by the Human Resources Minister in June 2020 as we have insufficient workforce to support our production activities during the hiring freeze period. If the hiring freeze is reimposed, we may face insufficiency of workers which may result in disruption to our operations.

In May 2022, the Government announced that approximately 150,000 applications to hire foreign workers in the construction, agriculture, plantation, manufacturing and services sectors was processed by mid-May 2022, which eased the shortage of foreign labour in these sectors. We have received an approved quota from Ministry of Human Resources on 24 May 2022 which allow us to hire an additional of up to 100 foreign workers between 24 May 2022 and 24 November 2023 for general works or as operators.

Interruptions in Our Operations

Our business is exposed to unexpected interruptions or delays caused by equipment failures, fire, environmental factors (including natural disasters), some of which may be beyond our control, which may lead to interruptions in our operations. We rely on machinery and equipment such as the heat treatment chamber, radio frequency machines, boilers and multi-ripping machine to carry out manufacturing activities in our factories. These machinery and equipment may, on occasion, be out of service due to unanticipated failures or damages sustained during operations. Further, our factories are also subject to damages due to natural disasters such as floods or storms. As we are involved in the manufacturing of industrial packaging products, one of the main raw materials to our manufacturing activities is wood. Therefore, we are subject to higher inherent risks of fires as wood is a flammable material. In addition, as our manufacturing activities are dependent on continuous supply of electricity, any major disruptions to the supply of electricity may result in interruptions to our operations. In the event of these incidents occurring, it may result in a delay in fulfilling our customers' orders which subsequently may adversely affect our reputation and financial performance. The occurrence of these unexpected events that are beyond our control may cause damage or destruction of all or part of our factory and machinery, resulting in interruptions to or prolonged suspension of our manufacturing activities. Any prolonged interruptions to our manufacturing activities will affect our ability in adhering to our manufacturing schedule, thus causing delays in the delivery of products to our customers. This could adversely impact our relationships with customers, financial performance and industry reputation.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

To manage the risk of unexpected machineries breakdown, we perform regular inspection on our machineries and procure additional units of identified critical machineries to act as backup units. To mitigate the fire risk, our fire-fighting equipment are being regularly inspected and fire insurance is procured to recover any losses resulting from fire breakout. In the event of a natural disaster, we are able to react and respond promptly as we have multiple sites to act as backup.

Global Economic Risk

The recent collapse of banks in the United States (“US”) may have significant and far-reaching consequences that can trigger a major slowdown in the global economy. The fallout from such an event might cause a chain reaction of events, including a decrease in confidence in the banking system which can lead to a reduction in credit availability and a decline in economic activity. This can have a ripple effect across the globe, affecting businesses of all sizes, leading to decreased investment, exchange rate and material price fluctuations. Furthermore, the potential rise of US interest rates may elevate the borrowing costs for businesses, resulting in a contraction of investment and a slowdown in economic growth. These can further exacerbate the economic impact of the bank’s collapse, leading to a higher risk of financial instability.

To effectively mitigate the risks associated with the current situation, we will remain vigilant and take proactive measures in our business operations. These includes closely monitoring interest rates trends and currency fluctuations. By staying informed and up-to-date on these trends, we can make informed decisions, establish risk management strategies and developing relevant contingency plans to minimise our exposure to these risks and ensure business continuity in the face of uncertainty and challenging times.

E. DIVIDEND

Our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. We will also need to obtain our shareholders’ approval for any final dividend for the year.

BSB declared a first interim single-tier dividend of approximately RM0.82 per ordinary share amounting RM5.60 million for the FYE 2022 to the registered shareholders whose names appear in the Register of Members on 31 July 2022. The payment of the said dividend was completed on 8 November 2022. The dividend represents 38.00% of the PAT which is in line with our dividend policy of between 20% to 50%. The Board do not recommend any final dividend in respect of the FYE 2022.

F. CORPORATE EXERCISE

Acquisition of BSB

On 15 March 2022, our Company entered into a conditional share sale agreement to acquire the entire issued share capital of BSB of RM6,800,000 comprising 6,800,000 ordinary shares in BSB for a total purchase consideration of RM40,453,499.10. The purchase consideration was entirely satisfied by the issuance of 446,999,990 new ordinary shares in our Company (“Share(s)”) at an issue price of RM0.0905 per Share. The purchase consideration of RM40,453,499.10 was arrived at on a willing buyer-willing seller basis and after taking into account the audited net assets of BSB as at 31 December 2021 of RM40.45 million. The acquisition of BSB was completed on 9 November 2022 and BSB subsequently became a wholly owned subsidiary of our Company.

IPO

On 29 December 2022, the Company issued a total of 113,000,000 new ordinary shares at an issue price of RM0.30 per share in conjunction with its IPO. Thereafter, the Company has on 3 January 2023 successfully listed its entire issued share capital of RM74,353,509 comprising 560,000,000 ordinary shares on the ACE Market of Bursa Securities.

EMPLOYEE SHARE OPTION SCHEME (“ESOS” or “Scheme”)

ESOS of the Company has taken effect on 29 December 2022, after obtaining all the required approval and complying with the relevant provisions of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Securities.

On 3 January 2023, the Company offered 11,200,000 share options under the Scheme to eligible persons with an exercise price of RM0.30 per share, representing 2% of the enlarged share capital of 560,000,000 ordinary shares upon listing in recognition of the employees’ contribution towards the business of the Group. This Scheme encourages employees’ participation in the Group’s equity and motivates employees toward better performance through greater productivity and loyalty.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

G. FORWARD-LOOKING STATEMENT

Outlook and Prospects

The US-China trade war remains an on-going economic conflict between US and China, whereby high tariffs and trade barriers have been imposed on selected goods traded between both countries. The escalating trade tension has affected multinational companies (“MNCs”) based in China exporting their products to the US due to the high tariffs imposed which could adversely impact their profit margins. If further barriers such as customs delays and imposition of additional regulatory and licensing requirements on US companies with manufacturing facilities in China are imposed by the Government of China, it may affect US companies operating in China. As a result, MNCs have begun to relocate their manufacturing facilities based in China to countries outside China, and MNCs that are planning to expand into the Asian region are exploring other countries in Asia, including countries within the Southeast Asia region. Malaysia and Vietnam are among the countries in Southeast Asia that are benefitting from this due to low labour costs, availability of resources and skilled labour, as well as ease of conducting business and favourable trade tariffs. The escalating US-China trade war is expected to drive MNCs in setting up manufacturing facilities in Malaysia and Vietnam, which will be beneficial for our Group's business growth in these 2 markets.

While industrial packaging made from wood and plastics can be interchangeably used for similar applications, wood is relatively less expensive and more sustainable as compared to plastics. Wood may also have higher strength durability than plastics, where the varying strengths of wooden industrial packaging can be adjusted using different types of natural wood and engineered wood, and with different thickness. Further, wooden industrial packaging has better flexibility for customised designs to cater to shipping and warehousing needs, as it does not require the use of moulds during manufacturing. Due to lower up-front cost and higher strength, wood is the most commonly used industrial packaging materials to cater to most shipping and warehousing applications, particularly in applications that do not involve contact with moist surfaces or when industrial packaging is discarded after one-time use. Further, it is estimated that approximately 90.00% of pallets worldwide are made of wood, with the remaining made of plastics and metal. The materials used for boxes and crates are primarily dependent on the type of goods carried. For example, shipping of dry goods generally uses wooden materials whereas shipping of perishable food products generally uses plastic materials. In addition, wooden pallets can be recycled, repaired and reused more than once, extending its useful lifespan. Wooden boxes and crates can also be recycled and repaired according to the needs and usage of the customer. This aids in reducing the cost incurred when manufacturing reconditioned wooden industrial packaging, thus providing cost savings to customers. When wooden industrial packaging has reached the limit of its useful lifespan, the wood can then be recycled into other products (e.g. furniture and decorative items) or to be used as biomass for power generation. Wooden industrial packaging is deemed more environmentally friendly given that wood is biodegradable, and the manufacturing process produces lower carbon emissions as compared to plastics and metal.

Our Group is well-positioned to leverage on the growth of the wooden industrial packaging industry, which is driven by the key demand factors abovementioned. In the next 3 years, our Group will steadfastly concentrate on expanding our business and operations in Malaysia and Singapore, as previously mentioned, to meet the increasing demand for our industrial packaging products amongst our existing and potential customers in the Northern Region. While our primary focus will be on Malaysia, we will continue our marketing endeavours in Vietnam to secure new customers and explore further opportunities for expanding our operations in Vietnam. We will remain vigilant and proactive in seizing any substantial additional orders that may come our way, and we are confident that our expertise and experience will enable us to thrive and succeed in both Malaysia and Vietnam. Taking cognizance of current challenging economy situation, we are committed to managing our expansion plans prudently and adaptively, ensuring a sustainable and profitable growth trajectory.

Appreciation

We would like to extend our heartfelt gratitude to our customers, shareholders, financiers, business partners, consultants and relevant authorities for their unwavering trust and confidence in our organisation. Furthermore, we would like to express our deep appreciation to our dedicated employees who have demonstrated remarkable commitment, effort, support and contribution to the Group for the improved performance in FYE 2022.

SUSTAINABILITY STATEMENT

INTRODUCTION

L&P Global Berhad (“**L&P Global**” or the “**Company**”) and its subsidiaries (“**Group**”) are pleased to present our Sustainability Statement (“**Sustainability Statement**” or the “**Statement**”) for the FYE 2022, providing an overview of our Group’s sustainability goals, initiatives and practices, highlighting our economic, environmental, and social impacts.

This Statement should be read in conjunction with other sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as well as Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Statement provides information on our Group’s annual sustainability performance and key achievements for financial reporting period from 1 January 2022 to 31 December 2022 (“**FYE 2022**”), unless stated otherwise. Where relevant, we will also include data from previous years to track year-on-year progress and provide comparative data. The scope of this Statement covers all of L&P Global’s businesses in Malaysia and Vietnam.

REPORTING FRAMEWORK

We have prepared this Statement in accordance with the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Sustainability Reporting Guide and Toolkits released by Bursa Securities. In addition, we also strongly support the United Nations Sustainability Development Goals (“**UNSDGs**”).

AVAILABILITY

This Statement is available on our Company’s website at <https://lpglobalbhd.com>.

ASSURANCE

There is no external assurance on seeking an independent evaluation of performance data published in this Statement. Regular audits/ reviews are in place in relations to the policies and procedures quoted in this Statement. This Statement is reviewed and approved by the Board.

POINT OF CONTACT

We are fully committed to listening to our stakeholders and we welcome feedback for our continuous improvement in sustainability initiatives and reporting approach. Please email us at ir@lpglobalbhd.com.

OUR COMMITMENT TO SUSTAINABILITY

Corporate sustainability starts with a company’s value system and a principles-based approach to doing business. This means operating in ways that meet fundamental responsibilities in the areas of the 3Ps – Planet (Environment), People (Social) and Profit (Economic & Governance). Responsible businesses establish the same values and principles wherever they have a presence and know that good practices in one area can only add to the value of another.

The terms of the 3Ps can be explained as below:

Planet (Environment)	People (Social)	Profit (Economic & Governance)
<ul style="list-style-type: none"> Businesses should support a precautionary approach to environmental challenges Undertake initiatives to promote greater environmental responsibility Encourage the development and diffusion of environmentally friendly technologies Reduce waste, pollution and protect future resources 	<ul style="list-style-type: none"> Businesses should support and respect the protection of internationally proclaimed human rights The elimination of all forms of forced and compulsory labour The effective abolition of child labour The elimination of discrimination in respect of employment and occupation Retain talent and provide career growth opportunities 	<ul style="list-style-type: none"> Businesses should work against corruption in all its forms, including extortion and bribery Improve efficiency, productivity and promote circular economy

SUSTAINABILITY STATEMENT (Cont'd)

OUR SUSTAINABILITY GOVERNANCE

To embed sustainability throughout our organisation, we have adopted the tone from the top approach where our sustainability governance is led by our Board of Directors. Our Board is committed to sustainability practices in our organisation and is supported by the Sustainability Working Group in overseeing the sustainability matters of the Group.

The Sustainability Working Group is led by the Chief Executive Officer (“**CEO**”), supported by the Chief Operating Officer (“**COO**”), Chief Financial Officer (“**CFO**”), Key Senior Management and respective Head of Departments. The Sustainability Working Group is responsible to undertake the process of materiality assessment, execute the sustainability initiatives and monitoring its progress.

The sustainability governance structure along with respective roles and responsibilities are illustrated in the table below:

Governance	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> review and adopt a strategic plan for the Group to ensure the sustainability of its business and Group operations and supports long-term value creation; and oversee the governance on sustainability with management, including setting strategies, priorities and targets on economic, environmental and social consideration underpinning sustainability and communication on the same (including performance against targets) to internal and external stakeholders.
Executive Director/ CEO	<ul style="list-style-type: none"> guide the Sustainability Working Group to meet its oversight responsibilities in relation to the Group’s sustainability initiatives and performance; drive the Group’s sustainability initiatives (engaging with stakeholders both internal and external in developing strategies, priorities and targets and subsequently, monitoring and reporting performance against targets) and the integration of sustainability considerations in the Group’s operations; review sustainability matters with the Sustainability Working Group; and report to the Board of Directors on sustainability matters.
Sustainability Working Group Members (Comprises COO, CFO, Key Senior Management and respective Head of Departments from relevant department function)	<ul style="list-style-type: none"> identify material sustainability matters that are relevant to our Group’s business operations; responsible for materiality assessment, identification and monitoring of initiatives/ actions, execution of initiatives/ actions and reporting; propose sustainability initiatives and measures to be implemented across our Group; implement sustainability initiatives that have been approved by our Board; conduct data gathering for sustainability reporting; and report to CEO on sustainability matters.

CORPORATE MEMBERSHIP AND ASSOCIATION

Over the years, we have contributed to the development of economic, environmental and social sustainability matters individually and collectively via business associations. We are corporate members of the following associations and organisations:

Association	Year First Joined	Current Validity Period
Penang Furniture and Timber Industry Association	1995	Lifetime membership
National Wooden Pallet & Container Association, United States	1996	January 2022 – December 2023
Malaysia Wood Industries Association	2006	Lifetime membership
Federation of Malaysia Manufacturers	2019	July 2022 – June 2023

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT

Stakeholders are essentially individuals or group that has an effect on, or is affected by our Group and our activities. We continually engage with our stakeholders through different methods and channels to understand and respond to their concerns in order to align their key priorities with our Group business strategies. The outcome of the stakeholder engagement enables us to identify upcoming market trends, anticipate challenges and align our sustainability strategy and business activities with broader interests of the economy, society and environment.

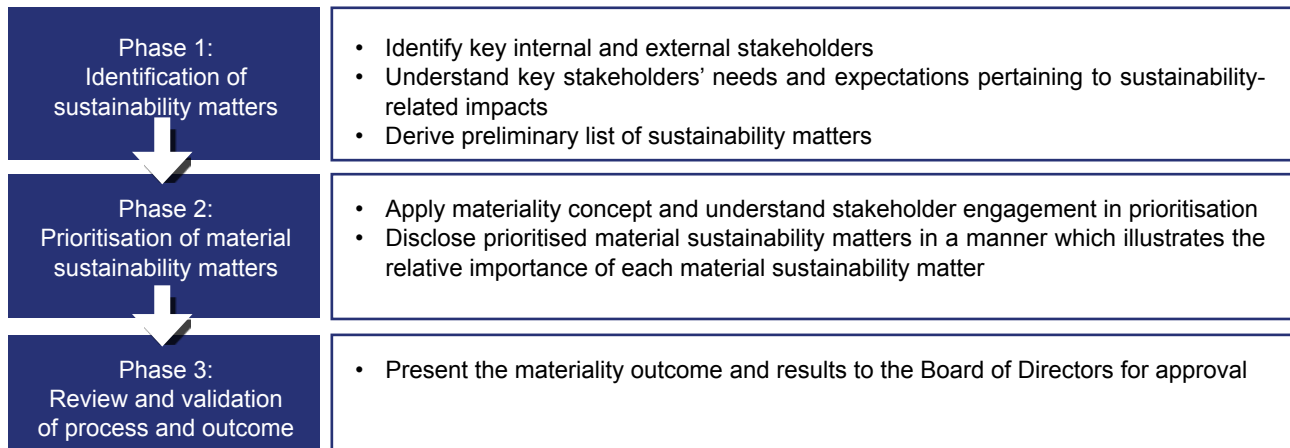
The table below summarises our key stakeholders, their sustainability concerns, areas of interest and the engagement channels.

Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Investor/ Shareholders	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Annual general meeting Quarterly and annual reporting Company's website and social media platform Roadshow/ investor briefing Whistleblowing policy 	<ul style="list-style-type: none"> As needed Quarterly Annually
Directors	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Board of Directors meetings Corporate events 	<ul style="list-style-type: none"> As needed Quarterly Annually
Management	<ul style="list-style-type: none"> Financial performance Production performance Business strategy 	<ul style="list-style-type: none"> Management meeting and reporting Corporate events 	<ul style="list-style-type: none"> As needed Monthly Quarterly Annually
Employees	<ul style="list-style-type: none"> Competitive salary and benefits package Work-life balance Occupational safety and health Diversity and equal opportunities Employee development and talent retention 	<ul style="list-style-type: none"> Employee handbook Performance appraisal Training and development Recreational activities Corporate events 	<ul style="list-style-type: none"> As needed Annually
Customers	<ul style="list-style-type: none"> Long term relationship Product quality Reliable delivery Competitive prices Customer service and responsiveness 	<ul style="list-style-type: none"> Meetings Customer feedback/ survey Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Suppliers/ vendors/ business partners	<ul style="list-style-type: none"> Strategic partnership Fair procurement practices Ethics, integrity and regulatory compliance Prompt payments within credit period Business prospects and financial stability 	<ul style="list-style-type: none"> Meetings Supplier evaluation and assessment on suitability of vendors Reinforcement of Code of Conduct & Ethics for ethical practices Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Local communities/ societies	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities in community support programmes and corporate social responsibility events 	<ul style="list-style-type: none"> As needed
Governments/ Regulatory authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Corporate governance 	<ul style="list-style-type: none"> Formal meetings Audits and site visits Consultation with authorities Participation in industry and government interest groups 	<ul style="list-style-type: none"> As needed

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT

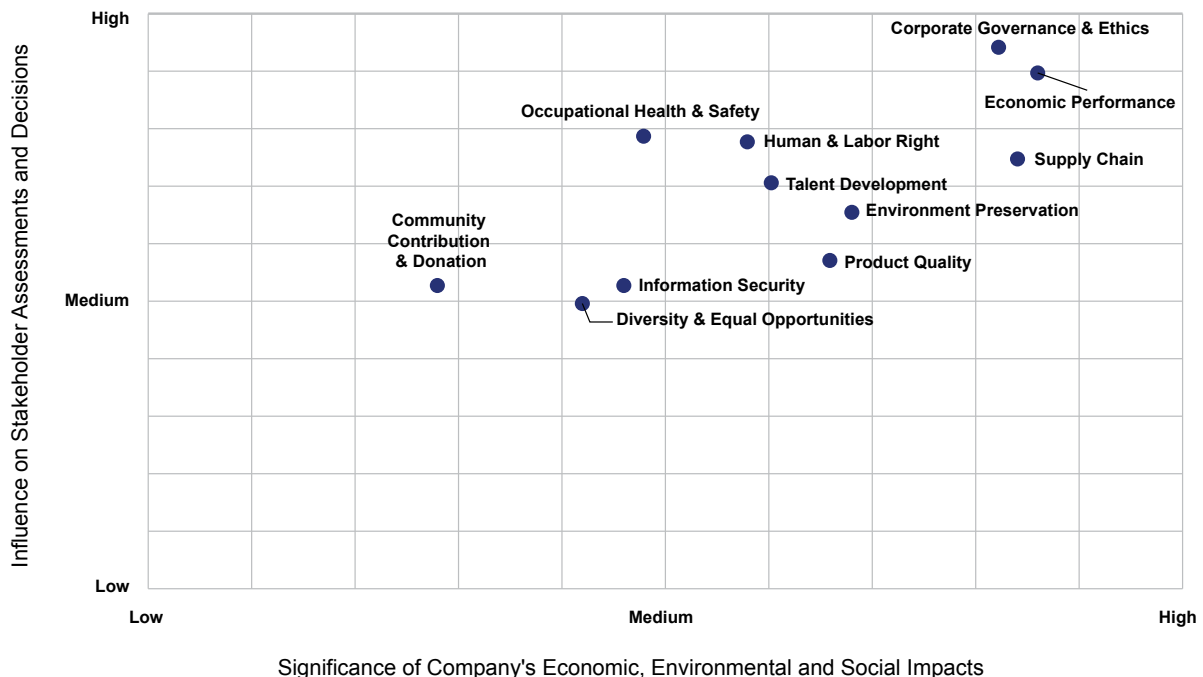
Through our materiality assessment process, we able to identify and prioritise the key risks and opportunities related to sustainability matters. Our materiality assessment process is typically made up of 3 distinctive phases as reflected in the chart below:



In FYE 2022, we conducted our first materiality assessment to identify key sustainability topics that are material to both our Group and stakeholders. We gathered inputs from our internal stakeholders such as employees and representatives from different functional groups. External stakeholders were not directly involved in the materiality assessment process, but rather represented through internal knowledge of the ongoing stakeholder dialogues.

The inputs gathered were tabulated and plotted on a materiality matrix to illustrates the relative importance of each material sustainability matter based on the importance to the Group and importance to the stakeholders.

Materiality Matrix





SUSTAINABILITY STATEMENT (Cont'd)

OUR SUSTAINABILITY GOALS

We constantly monitor our performance across our sustainability pillars - 3Ps. We align our sustainability goals and efforts with UNSDGs which are relevant to our operations.

The table below presents the overview of the sustainability goals, target and our performance for FYE 2022.

Sustainability Matters	Sustainability Goals	FYE 2022 Performance
<p>Profit (Economic & Governance)</p> <ul style="list-style-type: none"> Corporate Governance and Ethics Product Quality Supply Chain Management Economic Performance Information Security 	<ul style="list-style-type: none"> Uphold the high standard of corporate governance and ethics Deliver quality products and services which meet customers' requirements and expectations Promote local procurement Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Zero breaches of data privacy 	<ul style="list-style-type: none"> Zero case reported for non-compliance and breach of ethical issues No major customer complaints received and minimal rejection rate at 0.04% Prioritised procurement with local suppliers Revenue increased by 24.50% Zero cases reported for data breach and scam case
<p>Planet (Environmental)</p> <ul style="list-style-type: none"> Environment Preservation Environmental Compliance Energy and Climate Change Management Water Management Waste Management 	<ul style="list-style-type: none"> 100% compliance with local regulatory requirements related to environment Efficient in energy, water and waste management 	<ul style="list-style-type: none"> Zero case reported for non-compliance and breach of environmental regulations Decrease in energy intensity for electricity consumption and petrol consumption by 0.45% and 0.01% respectively. Water intensity remained low at 0.01% over the 3 years period
<p>People (Social)</p> <ul style="list-style-type: none"> Diversity and Equal Opportunities Talent Development and Retention Human and Labour Rights Occupational Health and Safety Community Contribution and Donation 	<ul style="list-style-type: none"> Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities Provide employment with development and talent retention 100% compliance to human and labour rights, zero tolerance to discrimination and harassment Provide safe and health work environment Support local communities through Corporate Social Responsibility programs 	<ul style="list-style-type: none"> 80% of key senior management and 74% of executive roles are held by female Achieved of 4,783 of total training working hours with an average of 13 hours per employee per annum Zero case reported for forced or child labour, discrimination, harassment, breach of human and labour rights No fatalities reported Donated RM8,000 to support the Women Impact Makers Conference; 2 units of hampers (total amount RM200) to support the Karnival Kemerdekaan MPKK Sungai Duri 2022; our CEO participated as panel speaker in several talks / conferences to share valuable insights

SUSTAINABILITY STATEMENT (Cont'd)

PROFIT (ECONOMIC & GOVERNANCE)

CORPORATE GOVERNANCE AND ETHICS

Code of Conduct & Ethics

Our Code of Conduct & Ethics ("Code") sets out the principles and standards of business conduct and ethics of the Group in relation to integrity, responsibility and corporate social responsibility.

The objectives of this Code are to:

- Define ethical standards in the marketplace;
- Establish integrity and ethical behaviours among all employees based on trustworthiness and values that can be accepted by general; and
- Ensure compliance with the applicable legislation, regulations and rules for administering the Group.

The principles set out in our Code are as below:

- Maintaining integrity in the marketplace
 - Product quality and safety
 - Anti-trust and competition practice
- Maintaining integrity in workplace
 - Dignity and respect in the workplace
 - Abuse of power at work
 - Environmental, health and safety
 - Discrimination and harassment
- Maintaining integrity at our group
 - Compliance with laws and regulations
 - Conflicts of interest
 - Non-public confidential information
 - Proper use of Group's assets and assets owned by others
 - Anti-bribery and anti-corruption
 - Facilitation payments and kickbacks
 - Anti-fraud
 - Gifts, entertainment and hospitality
 - Travel and sponsored travel
 - Charitable donation and sponsorship
 - Insider trading
- Maintaining integrity in our communities
 - Anti-money laundering and terrorist-related activities
 - Forced or child labour

In FYE 2022, there were no non-compliance cases and breach of the Code.

Anti-Bribery and Anti-Corruption Policy

We are committed to conduct business with honesty, integrity and ethics in all business dealings and all jurisdictions in which our Group operates in. This commitment is embodied in our Code.

Anti-bribery laws exist in most countries around the world. With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, we have established Anti-Bribery and Anti-Corruption Policy, with the following purposes:

- comply with the laws design to combat bribery and corruption in which the Group is based and operates in;
- outline the principles and behaviours required to support this commitment; and
- outline responsibilities of directors, management, employees, consultants, vendors, suppliers, contractors and any other parties acting as representatives or agents of the Group in observing and upholding the Group's position on anti-bribery and corruption.

The Anti-Bribery and Anti-Corruption Policy is applicable to directors, management, employees including trainee, intern, temporary, probation or contract staff ("Employees") and agents, consultants, contractors, vendors, suppliers, intermediaries, third party service providers or any other person associated with or acting on behalf of the Group ("Business Partners").

To ensure the effective implementation of the Anti-Bribery and Anti-Corruption Policy, we provide training and communication to all new employees pertaining to this policy during the time of induction. Head of Department is also tasked to ensure this policy and its subsequent applicable amendments is duly communicated and implemented, and that employees working for him/ her and Business Partners within his/ her responsibility are familiar with and observed the requirements included in the Anti-Bribery and Anti-Corruption Policy. In FYE 2022, we have conducted Anti-Bribery and Anti-Corruption training for our staff from clerical and administration, executive and manager levels. A copy of the Anti-Bribery and Anti-Corruption Policy is made available to all employees through our intranet. As stated in our Employee Handbook, bribery and corruption or any non-compliance or breach of Anti-Bribery and Anti-Corruption Policy is deemed as major misconduct where employee shall be served with a show cause letter and in the event such employee fails to show cause satisfactorily, such employee may be served a charge sheet requiring him/her to face an Inquiry Panel.

In addition, we have made this policy available in our Company's website so our Business Partners able to view our policy from time to time. This Policy will be communicated to the associated Business Partners at the beginning of business relationship with them and as appropriate thereafter. Business Partners are required to adhere to L&P Global's associated Business Partners Code of Conduct and this Policy at the outset of business relationship.

In FYE 2022, there were no reported incidents of corruption or breaches against Anti-Bribery Anti-Corruption Policy.

SUSTAINABILITY STATEMENT (Cont'd)

Whistleblowing Policy

We are committed to observe high business standards and strong personal ethics when discharging their duties and responsibility. It is our policy that integrity must be observed at all time and emphasis must be placed on compliance with all applicable laws and regulations. Our Board has defined the Whistleblowing Policy for our Group, which provides guidance for stakeholders (shareholders, customers and suppliers) and employees to report or provide any information that is evidence of illegal or immoral conduct or malpractices in the Group.

The Whistleblowing Policy aims to instil confidence on and assure our whistle-blowers that they will not be at risk of any form of retaliation, including but not limited to, losing their job or suffering any form of victimization, provided they raise a genuine concern.

The types of concerns can be reported through whistleblowing mechanism includes but not limited to the following:

- any unlawful act, whether criminal or a breach a civil law;
- any failure to comply with appropriate professional standards;
- fraud, blackmail, corruption or dishonesty;
- omissions or actions, which are likely to cause physical danger to any person, or to give rise to a risk of significant damage to the Group's property;
- failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Group;
- abuse of power or the use of powers and authority for any unauthorized purpose;
- discrimination in the Group employment or services;
- sexual or physical abuse of any member of employees;
- any matters or serious breach related to actions constituting fraud;
- any other matter, which cannot raised by any other procedure; and
- concealment of any or a combination of the above.

In FYE 2022, there were no whistleblowing reports being reported.

Our policies and procedures namely Code of Conduct & Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are made available on our Company's website at <https://lpglobalbhd.com>.

PRODUCT QUALITY

Our Group places emphasis on the quality of all products manufactured in our factories. We are committed to ensure that the quality control procedures that we have put in place fulfil the requirements of our customers and local authorities (i.e. customs). We continuously strive to be the supplier of choice to our customer by ascribing to the following core values:

- deliver quality products and services to meet customers' requirements at competitive cost;
- acquire innovative technology to enhance product and service solutions;
- compliance to applicable statutory and regulatory requirements; and
- continuous improvement through Lean Sigma.

Our industrial packaging products meet international standards, giving our customers the confidence and assurance to use our industrial packaging products in their global supply chain needs.



Our industrial packaging products are manufactured in-house according to the International Standards for Phytosanitary Measures No.15 ("ISPM 15") which is an international standard for regulating the movement of timber packaging and dunnage through international trade to prevent the global spread of timber pests (including fungal growth). Thus, ensuring that our industrial packaging products do not contain any timber pests, fungus or mould that may potentially damage the ecosystem of importing countries or contaminate goods that are packaged in our products.

To be compliant with the ISPM 15 standard, the natural wood used in the manufacturing of our industrial packaging products must undergo the heat treatment process and/or radio frequency process to reduce moisture content, which we carry out in-house. We are a registered and accredited heat treatment provider by the Department of Agriculture Malaysia under the Malaysian Heat Treatment Accreditation Scheme where our heat treatment facility meets the ISPM 15 standard. Pallets made from natural wood are stored in a dedicated enclosed storage under humidity and temperature-controlled environment. All our industrial packaging products that contain natural wood which have been heat treated will be applied with ISPM 15 marks. This is to ensure that timber pests are destroyed, as well as to prevent fungus or mould growth which will cause reinfestation of timber pests.

SUSTAINABILITY STATEMENT (Cont'd)

Industrial packaging products made from engineered wood are not required to undergo heat treatment process as engineered wood has undergone heat treatment process during their manufacturing process, hence, industrial packaging products made from engineered wood are exempted from the ISPM 15 certification. However, if required by our customers, which is optional, industrial packaging products made from engineered wood can also undergo additional heat treatment and be applied with ISPM 15 marks. This indicates that our industrial packaging products are compliant with the ISPM 15 standard and can be shipped globally, allowing us to capture demand for industrial packaging products in the global supply chain based on our customers' respective supply chain needs and requirements.

Further, we have established our in-house testing capability for pallets based on the methods and steps outlined in ISO 8611-1:2011, ASTM 1185-98a and GB/T 4996 in 2019. We test pallets according to the terms of ISO 8611-1:2011, ASTM 1185-98a and GB/T 4996 in 2019, and we test boxes and crates according to the transportation and handling test requirements determined by our customers. We test our industrial packaging products in terms of nominal load, maximum working load and durability comparison, to ensure that the products are sturdy for packaging goods. As a result of the establishment of our in-house testing capability, there were no major customer complaints received and minimal reject rate at 0.04% in FYE 2022.



An overview of the key internal controls for ensuring product quality is illustrated as follows:

Internal Controls	Description
Incoming supplies inspection	<ul style="list-style-type: none"> Undergo visual inspection to ensure that the supplies meet the required order specifications, quality standards (i.e. no dimensional damages, fungus or mould growth and infestation of timber pests), moisture content and density. Notify suppliers if the in-coming supplies do not meet the required order specifications and quality standards, moisture content and density. We may arrange for claims and a new batch of supplies for replacement. We generally do not return the faulty in-coming supplies to the suppliers.
Manufacturing process inspection	<ul style="list-style-type: none"> Conduct quality control checks throughout the manufacturing processes to ensure that the industrial packaging products are manufactured as per the specifications. Repair rejected industrial packaging products or completely dismantle them to salvage usable components which are to be used as components for recycled pallets. Conduct moisture content tests after heat treatment process to reduce the moisture content of the finished products. Conduct nominal load testing, maximum working load testing and durability comparison testing according to the terms of ISO 8611-1:2011, ASTM 1185-98a and GB/T 4996. Ensure that the ISPM 15 mark is marked, if required, and visually clear on the industrial packaging products.
Finished products and outgoing inspection	<ul style="list-style-type: none"> Conduct visual and mechanical inspection to ensure the industrial packaging products do not have dimensional damages, fungus or mould growth, and infestation of timber pests before packing and prior to delivery to customers' premises. Issue certificate of conformance and heat treatment certificate to customers, upon request.

Customer Satisfaction

Customer satisfaction is vital to spur the establishment of loyal customers and build brand reputation. With strong brand reputation, we able to gain trust from existing and new potential new customers. Our longstanding relationships with our existing major customers allow us to develop our reputation in the industrial packaging industry providing solutions that meet customers' requirements, and simultaneously attract new customers through referrals from existing customers.

SUSTAINABILITY STATEMENT (Cont'd)

The awards we received over the years serve as an acknowledgement of our efforts and commitment in delivering quality products and services which meet our customers' expectations. The table below sets out various awards that we have received in recent years:

Year	Award	Awarding Body
2017	Lean Creanova Award – Champion	Malaysian Timber Industry Board
2017	SME 100 Awards – Fast Moving Companies	Business Media International
2018	Golden Bull Award – Outstanding SME	Business Media International and Sphere Exhibits
2019	Lean Management – Silver	Malaysia Productivity Corporation
2019	Penang Top Achievers – Industry Excellence in Packaging	The Leaders and My Events International
2020	Asia Corporate Excellence & Sustainability Awards – Asia's Leading SMEs	MORS Group
2021	Sustainable Business Awards – Supply Chain Management	Global Initiatives



SUSTAINABILITY STATEMENT (Cont'd)

SUPPLY CHAIN MANAGEMENT

We actively engage with our suppliers to minimise any risks of non-compliance related to human rights, labour standards and environmental management across all our business value chain. We have established Business Partners Code of Conduct and we expect our suppliers abide to the principles outlined at all time. We reserve the rights to terminate the relationship with the business partner if the business partner is unable to demonstrate commitment to this code of conduct. The principles are summarised as below:

Principles	Description
Legal compliance	<ul style="list-style-type: none"> Comply with all applicable laws in the provision of products and services to our Group. We expect our business partners to implement systems and controls to promote compliance with applicable laws and the principles set in our Supplier Code of Conduct. Apply these or similar principles to the subcontractors and business partners work with in providing goods and services to us.
Bribery and corruption	<ul style="list-style-type: none"> Comply with all the anti-bribery and anti-corruption principles as aligned with our zero tolerance policy towards any form of bribery, corruption, extortion and embezzlement. Perform all business dealings transparently and these dealings shall be recorded accurately. Ensure the subsidiaries, affiliates and all other parties appointed by the business partner to conduct work for us also comply with the Requirements. Report any actual or suspected breach to us as soon as reasonably practicable and to the extent permitted by law.
Human rights	<ul style="list-style-type: none"> Conduct business in a way that respects the human rights of all people and treat them fairly, in accordance with all applicable laws. Business partners must conduct the activities with reasonable steps to identify, prevent and manage human rights impacts in the operations, controlled entities and any incidents must be reported.
No discrimination	<ul style="list-style-type: none"> Committed to equal employment opportunity and not to discriminate on the ground of race, colour, gender, national origin, sex orientation, religion, age, disability status or any other personal characteristic unrelated to job performance and will comply with all applicable employment discrimination laws.
Harassment	<ul style="list-style-type: none"> Prohibited any form of harassment, including sexual harassment and bullying of any employee on the basis of any status protected by law.
Security	<ul style="list-style-type: none"> Ensure that all necessary security arrangements are in place to protect their employees. Business partners are expected to have a management policy in place to be able to respond to emergencies timely and efficiently.
Conflicts of interest	<ul style="list-style-type: none"> Avoid any activity or association that creates or appears to create conflicts that may arise in the performance of work and in any related business decisions.
Environment	<ul style="list-style-type: none"> Comply with sustainability and all applicable environmental laws includes efficient use of resources and respect for the environment.
Health and safety	<ul style="list-style-type: none"> Comply with all applicable workplace health and safety laws including appropriate controls, training, work procedures and personal protective equipment.

We are committed to promote a fair procurement where we design our procurement processes to select and retain suppliers through a non-discriminatory bidding and tendering process. To contribute a direct positive economic impact on the communities where we operate, we also prioritise our procurement of goods and services with local suppliers who meet the standards that we require.

SUSTAINABILITY STATEMENT (Cont'd)

The proportion of our spending with local and foreign suppliers are illustrated as below:

	FYE 2020		FYE 2021		FYE 2022	
	Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers
Proportion of Spending (%)	55%	45%	47%	53%	51%	49%

ECONOMIC PERFORMANCE

The Group's strategy is based on profitable and sustainable growth, which is important to our long-term success as a public listed company. We are mindful that our economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations to the stakeholders, such as payment of salaries to our employees, to government through taxes, to shareholders through attractive returns, to suppliers through purchases, and to communities through donations, sponsorships and internship opportunities.

Despite the COVID-19 pandemic in 2021, the Group achieved another year of solid results for FYE 2022. The Group delivered another resilient financial and operational performance in FYE 2022, whereby our revenues increased by 24.50% to RM150.54 million (FYE 2021: RM120.92 million).

INFORMATION SECURITY

Information security is vital for data protection and privacy. We are committed to protecting the private information and personal data of our customers, suppliers and employees. We secure information assets and personal data of our customers, suppliers and employees through the use of integrated data protection and information security strategies.

Below are examples of our measures, protocols and practices that we have implemented to protect data privacy:

- use of firewall, anti-virus and anti-malware protection;
- use of physical security measures;
- password Policy for accessing to PCs, notebooks and servers, which requires users to periodically change the passwords;
- control over access to data information to prevent unauthorised access;
- employees sign Non-Disclosure Agreement;
- disaster Recovery Plan to ensure continuity of operations in the event of major systems failure or catastrophe; and
- scheduled backup on an external drive which is placed outside of the Company's premises.

In FYE 2022, there were no reports of major cyber security violations and no cases related to breaches of data, scam case or complaints received from external stakeholders.

SUSTAINABILITY STATEMENT (Cont'd)

PLANET (ENVIRONMENT)

ENVIRONMENTAL COMPLIANCE

We are committed to comply with all applicable environment laws and regulations, which includes the Clean Air Act 2014. Silo, the dust collector is built with filter bag to handle dust count control to prevent air pollution. We have passed Department of Environment (“DOE”) routine audit for clean air emission requirements making us in compliance with Environment Quality (Clean Air) Regulation 2014.

In FYE 2022, there were no non-compliance cases and breach of environmental regulations.



ENERGY AND CLIMATE CHANGE MANAGEMENT

The World Economic Forum in 2021 reported that leading threats to businesses today are extreme weather events, climate action failure and human-led environmental damage. Climate action failure ranks second highest both in terms of likelihood and impact in the Global Risks Perception Survey. We are aware of the global concerns on the climate change resulting from the increase in energy consumption and GHG emissions. We are committed to implement energy-efficiency projects. We plan to install solar panels on our premises to reduce our carbon footprint. We support all minor activities in our operations which do not appear significant but also can help in fighting climate change such as switching off unused lighting and electronic equipment within our premises.

Electricity Consumption	FYE 2020	FYE 2021	FYE 2022
Total electricity consumption (kW)	2,659,443	2,680,923	2,667,358
Revenue (RM)	88,305,412	120,924,339	150,540,584
Percentage of electricity consumption over revenue (%)	3.01%	2.22%	1.77%

Note:

a) Consumption of electricity is measured based on the quantities consumed according to the electricity bill.

SUSTAINABILITY STATEMENT (Cont'd)

Petrol Consumption	FYE 2020	FYE 2021	FYE 2022
Total petrol consumption (litre)	3,411	4,172	5,351
Total diesel consumption (litre)	191,424	190,603	223,050
Total petrol and diesel consumption (litre)	194,835	194,775	228,401
Revenue (RM)	88,305,412	120,924,339	150,540,584
Percentage of petrol and diesel consumption over revenue (%)	0.22%	0.16%	0.15%

Note:

a) Consumptions of petrol and diesel are measured based on the petrol and diesel claimed.

Scope 1, direct CO₂ emissions: emissions come from the consumption of petrol and diesel for vehicles, calculated based on the reported fuel quantities.

Scope 2, indirect CO₂ emissions: emissions come from the consumption of electricity, calculated based on the energy quantities.

Emissions Type	FYE 2020	FYE 2021	FYE 2022
Direct Emissions - Scope 1 (tCO ₂)	521	521	611
Indirect Emissions - Scope 2 (tCO ₂)	1,595	1,605	1,597
Total (tCO ₂)	2,116	2,126	2,208

Note:

- a) The GHG emission for Scope 1 is calculated using the emission factor obtained from IPCC Fifth Assessment Report, while the default emissions factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).
- b) The GHG emission for Scope 2 is calculated using the emission factor obtained from 2017 Clean Development Mechanism ("CDM") Electricity Baseline for Malaysia and Final Report on the Study and Development of Emission Factor for Vietnamese Electrical Grid in 2018.

WATER MANAGEMENT

All our operations are not located in water stressed areas and our production activities do not cause water pollution. Nevertheless, our Group is committed to contribute to better water management and protect clean water.

Water Consumption	FYE 2020	FYE 2021	FYE 2022
Total water consumption (m ³)	7,076	7,921	21,719
Revenue (RM)	88,305,412	120,924,339	150,540,584
Percentage of water consumption over revenue (%)	0.01%	0.01%	0.01%

Note:

a) Consumption of water is measured based on the quantities consumed according to the water bill.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE MANAGEMENT

Our Group is committed in adopting sustainable practices in response to the environmental issues. With the rise of the eco-conscious consumers which require companies to use more sustainable packaging, we put strong emphasis on environmental sustainability in our business where our industrial packaging products are made of wood which is a recyclable material. In recognition of our efforts in promoting sustainable practices in our business and supply chain management, we have received the “Sustainable Business Awards – Supply Chain Management, 2021” from Global Initiatives.

In 2003, we began providing pallet recycling and repair services under our Circular Economy Project – Pallet Recycling Programme (“PRP”) as part of our circular supply services. Under our PRP, we collect, repair and re-manufacture worn and broken pallets into usable recycled pallets. We ensure that the durability and strength of our recycled pallets will meet our customers’ requirements. To maximise the usage of our wood materials and reduce wastage, wood wastes produced during our manufacturing process, which are in good condition, are reused to manufacture parts or components of pallets, where suitable. The remaining wood wastes will be used as fuel for our boiler to power the heat treatment chamber. In FYE 2022, we produced a total of 79,396 pcs of recycled pallets which is equivalent to 2,233 metric tons of CO2 avoidance.



Further, as part of our business strategies and plans, we intend to expand our circular supply service offerings by extending logistics services to our customers, including, amongst others, collecting and sending the used industrial packaging products back to our nearest branch, before delivering the same to our Sungai Bakap Factory for reuse or recycling.

The following table discloses the total waste directed to disposal:

Waste Generation	FYE 2020	FYE 2021	FYE 2022
Wood waste directed to disposal (ton)	1,652	2,460	1,821

SUSTAINABILITY STATEMENT (Cont'd)

PEOPLE (SOCIAL)



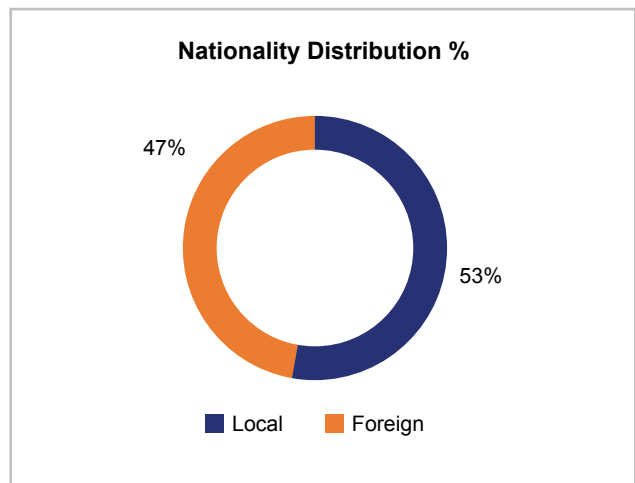
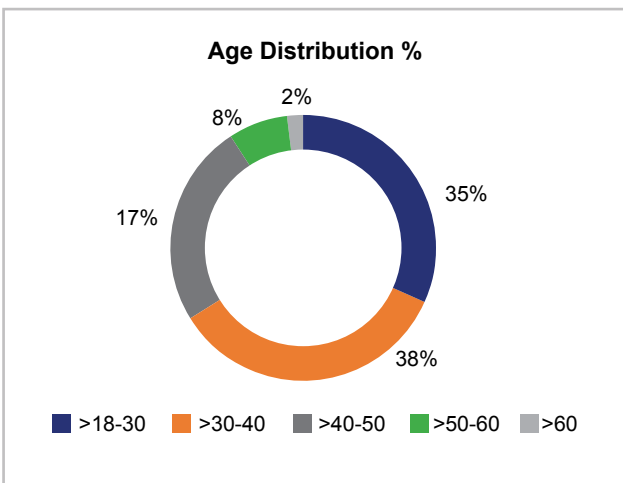
DIVERSITY AND EQUAL OPPORTUNITIES

We are committed to the prevention and elimination of discrimination and any kind of harassment in the workplace. This is translated in our Code of Conduct & Ethics where we do not tolerate discrimination against or harassment or slurs or jokes of any employee in regard to race, colour, creed, ethnic background, gender, disability, religion, age, sexual orientation, maternity as well as other individual attributes or statuses that may be protected by law.

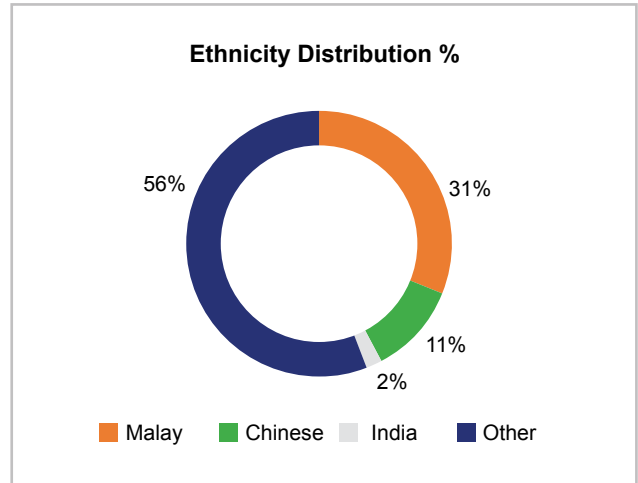
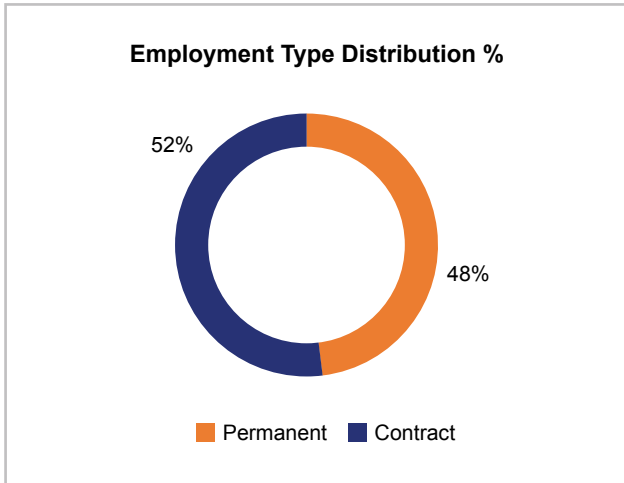
Our recruitment, employment, remuneration and advancement are justified through objective criteria such as qualifications, work performance, skills and experience. This is to ensure equal opportunity and eliminate discrimination in the workplace.

Workforce Diversity

In FYE 2022, we recorded total headcount of 363 pax. The details of our employee profile are presented as below:



SUSTAINABILITY STATEMENT (Cont'd)



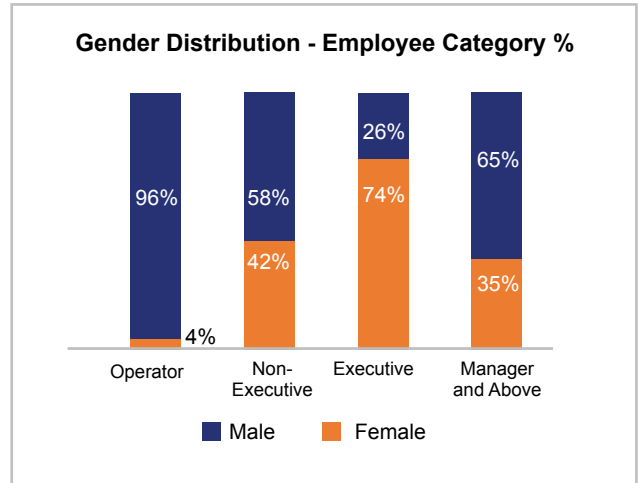
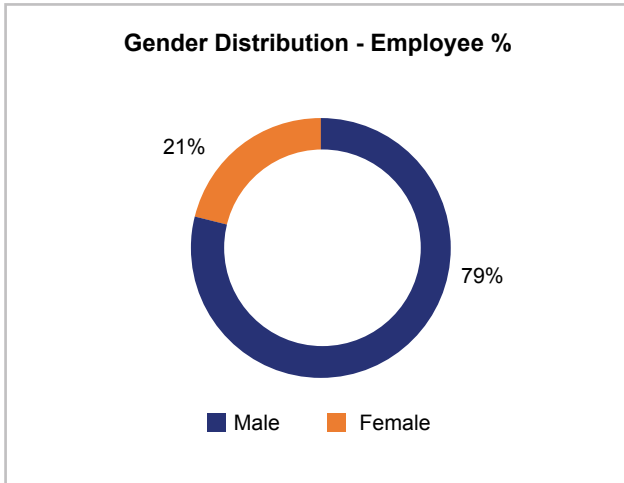
Group	Category	Number of Employees	Percentage (%)
By Age	>18-30	129	35%
	>30-40	137	38%
	>40-50	62	17%
	>50-60	29	8%
	>60	6	2%
By Nationality	Local	192	53%
	Foreign	171	47%
By Employment Type	Permanent	176	48%
	Contract	187	52%
By Ethnicity	Malay	111	31%
	Chinese	40	11%
	Indian	9	2%
	Other	203	56%

Gender Diversity

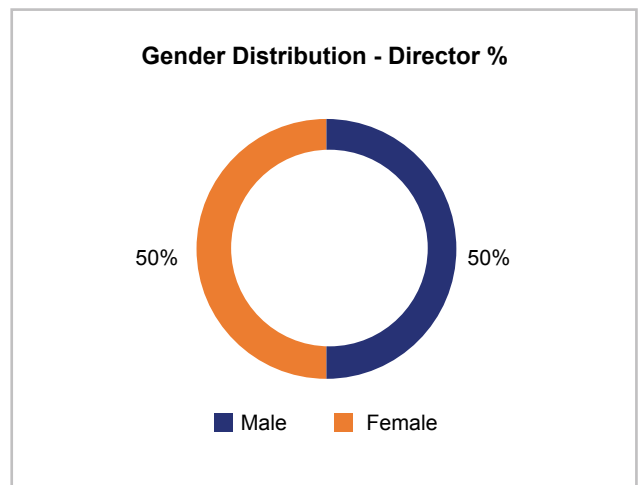
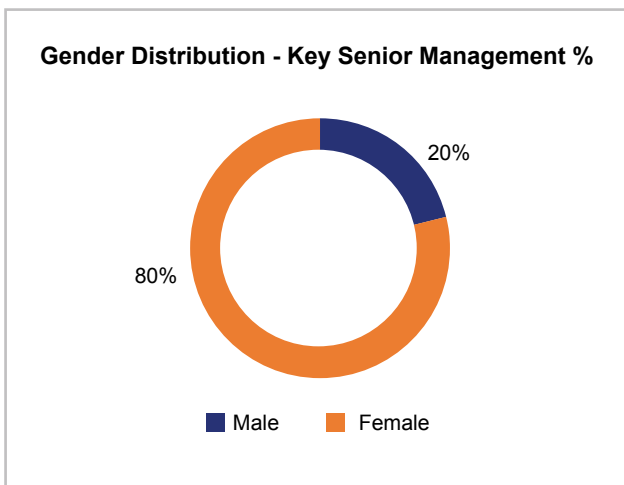
Despite our industry being known for its male-dominated nature, which is evident from the fact that the majority of our operators are male, we have taken proactive measures to promote gender diversity within our organization. More than half of our Key Senior Management and Executive roles are held by women, while half of our directors are female as well. We understand that gender diversity is an important aspect of promoting overall diversity and we are committed to fostering an inclusive work environment where all our employees feel valued and respected. As part of our commitment, we celebrated International Women’s Day in both Malaysia and Vietnam offices during FYE 2022. Through these events, we aimed to educate and raise awareness about the critical importance of women’s equality in the workplace, as we believe that a diverse workforce is key to our continued success.



SUSTAINABILITY STATEMENT (Cont'd)



Group	Category	Number	Percentage (%)
Operator	Female	8	4%
	Male	214	96%
Non-Executive	Female	35	42%
	Male	48	58%
Executive	Female	26	74%
	Male	9	26%
Manager and Above	Female	8	35%
	Male	15	65%
Total Employee	Female	77	21%
	Male	286	79%



Group	Category	Number	Percentage (%)
Key Senior Management	Female	4	80%
	Male	1	20%
Directors	Female	3	50%
	Male	3	50%

SUSTAINABILITY STATEMENT (Cont'd)



Celebration of International Women's Day at Vietnam Office



Celebration of International Women's Day at Malaysia Office

New Hire

Group	Category	Unit	FYE 2020	FYE 2021	FYE 2022
By Gender	Female	Number	11	6	28
		Percentage (%)	18.6%	11.1%	17.0%
	Male	Number	48	48	137
		Percentage (%)	81.4%	88.9%	83.0%
By Age	>18-30	Number	39	34	89
		Percentage (%)	66.1%	63.0%	53.9%
	>30-40	Number	15	14	49
		Percentage (%)	25.4%	25.9%	29.7%
	>40-50	Number	4	3	21
		Percentage (%)	6.8%	5.6%	12.7%
	>50-60	Number	0	2	6
		Percentage (%)	0.0%	3.7%	3.6%
	>60	Number	1	1	0
		Percentage (%)	1.7%	1.9%	0.0%
Total New Hire		Number	59	54	165

Overall New Hire Rate	Percentage (%)
FYE 2020	17.9%
FYE 2021	17.3%
FYE 2022	50.6%

SUSTAINABILITY STATEMENT (Cont'd)

Employee Turnover

Group	Category	Unit	FYE 2020	FYE 2021	FYE 2022	
By Gender	Female	Number	15	13	23	
		Percentage (%)	13.6%	12.6%	19.8%	
	Male	Number	95	90	93	
		Percentage (%)	86.4%	87.4%	80.2%	
By Age	>18-30	Number	50	50	57	
		Percentage (%)	45.5%	48.5%	49.1%	
	>30-40	Number	35	33	42	
		Percentage (%)	31.8%	32.0%	36.2%	
	>40-50	Number	13	10	15	
		Percentage (%)	11.8%	9.7%	12.9%	
	>50-60	Number	7	3	2	
		Percentage (%)	6.4%	2.9%	1.7%	
	>60	Number	5	7	0	
		Percentage (%)	4.5%	6.8%	0.0%	
	Total Turnover		Number	110	103	116

Overall Turnover Rate	Percentage (%)
FYE 2020	33.3%
FYE 2021	32.9%
FYE 2022	35.5%

We continue to see the under 30 years old category as consistently our largest group for both turnover and new hires as they are in the early stages of their career journey and are always looking out for new opportunities.

TALENT DEVELOPMENT AND RETENTION

Learning and development is a lifelong process. We are committed to nurturing our employees through diverse learning experiences to help them to achieve excellence in their respective fields, which in return, will improve in work productivity and efficiency. In FYE 2022, we have carried out a total of 4,783 hours of training with average 13 training hours per employee per annum.

Group	Category	FYE 2020	FYE 2021	FYE 2022
By Gender	Male	304	1,391	4,041
	Female	104	144	742
By Type	Direct	217	1,418	3,822
	Indirect	64	97	855
	General	127	20	106
Total Training Hours		408	1,535	4,783

Below we summarise the types of training and development programmes:

Training Types	Description
Orientation	<ul style="list-style-type: none"> • One time programme to welcome new employees. • The topics cover company overview, key corporate policies, overview of benefits and attendance, health and safety procedures. • Facility tour helps new employees to get acquainted with new workplace.
On-the-Job (OJT) Training	<ul style="list-style-type: none"> • Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently. • Mentoring programme drives rich learning and development for both mentees and mentors.

SUSTAINABILITY STATEMENT (Cont'd)

- Technical Skills Training
 - Job-specific training which focus on building employee’s prerequisite technical skills and competencies relevant to his role.
 - Regular training is conducted to keep abreast of latest development.
- Soft Skills Training
 - To enable our employees to work together as a team for the benefit of their own and the organisation’s success.
 - The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving and etc.
- Mandatory Training
 - All employees are required to undergo Safety and Health Training.
 - All employees are expected to discharge their respective duties in line with our standards and policies.

Employee Benefits and Welfare

We recognise that our success is driven by a committed workforce and therefore we aim to provide a conducive working environment for our employees, supporting them in pursuing reasonable standard of lifestyle and work life balance. We adhere to the local regulations on labour matters, which includes but not limited to Employment Act 1955, minimum wage law and etc.

To promote a healthy working life, we believe in providing a balanced work-life environment to all our employees to enable them to have more time for their family and/or to pursue and advance their areas of interest. In this respect we do not encourage overtime work unless it is absolutely necessary such as to meet customer’s order or regulatory deadlines. All our employees are entitled to national and state public holidays. In addition, our employees are entitled to annual leave, medical leave, marriage leave, maternity leave, paternity leave and etc. The details of employee benefits and welfare are outline as follows:

Statutory Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> • Adhere to minimum wages • Statutory contributions (EPF, SOCSO, EIS and Income Tax) • Annual salary increment • Performance bonus • Service awards • Overtime payments • National and state public holidays 	<ul style="list-style-type: none"> • Annual leave • Medical leave • Hospitalization leave • Marriage leave • Maternity leave • Paternity leave • Compassionate leave • Replacement leave 	<ul style="list-style-type: none"> • Meal allowance • Shift allowance • Attendance allowance • Outstation allowance • Phone allowance • Penang bridge toll subsidy • Marriage gift • New birth gift • Bereavement gift • GP clinic visit • Hospitalisation and surgical coverage • Recreational activities 	<ul style="list-style-type: none"> • Car park • Cafeteria • Pantry • Personal lockers • Prayer rooms



Badminton Tournament

SUSTAINABILITY STATEMENT (Cont'd)



Festive Celebration for Chinese New Year and Hari Raya Aidilfitri



Cultural Night Annual Dinner on 30 Oct 2022

HUMAN AND LABOUR RIGHTS

We are committed to complying with international standards, local laws and regulations applicable to the protection of human and labour rights. This is translated in our Code of Conduct & Ethics which clearly states that any form of forced or child labour is strictly prohibited.

Our Human Resource Department oversees all issues regarding human rights, forced and child labour and ensure protection of our employees' rights. They are tasked to make sure that our operations comply with regulations mandated by the Department of Labour and international standards. Our Human Resource staffs were also being briefed on the minimum age for hiring and they will perform age verification to avoid hiring of underage labours.

We have established whistleblowing mechanism to allow employees to report genuine cases of child labour, forced labour, discrimination, bullying and harassment. In FYE 2022, there were no cases reported for child labour, discrimination or harassment.

SUSTAINABILITY STATEMENT (Cont'd)

As part of our broader commitment to protecting human and labour rights, we are committed to complying with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSA**"), as amended by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. We are aware of the minimum housing, nurseries and accommodation criteria for employees as well as health, hospital, medical and social amenities to be provided by us to our employees. We recognise that compliance with the EMSA involves ensuring that the employee accommodation we provide is fit for human habitation in accordance with the standards set out in the Act. We understand that we shall comply with the enhanced minimum standards on accommodation for employees which include obtaining a Certificate for Accommodation ("**CFA**") from the Director General of Labour. We have complied with these standards in the past and obtained CFA for all our employee accommodation.

OCCUPATIONAL HEALTH AND SAFETY



We take foremost account of protecting the health and safety of all persons. We are committed to provide a healthy and safe workplace for all our employees. The Group ensures that all business activities are conducted in a manner that protects the health and safety of our employees, visitors, Business Partners and communities. We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational/ Safety and Health Act 1994, Factories and Machinery Act 1967, Fire Services Act 1988 and Prevention and Control of Infectious Diseases Act 1988, etc.

Our Code of Conduct & Ethics has outlined the principles in relation to safety and health manners. Our employees are taught to:

- understand the Safety and Health Manual;
- attend required environmental, safety and health training;
- learn and promote safety awareness and protect environment mindset;
- use all required safety device and protective clothing and equipment;
- understand how to properly handle any hazardous materials in our workplace;
- follow safe work practices and procedures; and
- report concerns relating to environment, health and safety even if it is outside the individual area of responsibility.

Apart from Code of Conduct & Ethics, we have also established Safety, Health and Environment Rules as below:

- wear the appropriate personal protective equipment such as safety shoes, gloves, goggles, aprons, earplugs, filter respirator when required;
- safety shoes must be worn at the production floor;
- observe all safety signs, instructions and follow correct work procedures;
- do not attempt to operate any machinery or equipment unless authorized or specifically instructed to do so;
- keep all emergency exits, fire-fighting equipment, and electrical panels clear and free of obstruction at all times;
- all chemical containers must be properly labelled and container caps must be in place at all times;
- report safety hazards and unsafe acts or conditions to Managers/ Supervisors or Safety Executive immediately for corrective action to be taken; and
- report all accidents and injuries, no matter how minor to the Supervisor immediately.

SUSTAINABILITY STATEMENT (Cont'd)

In FYE 2022, there have been no fatalities reported.

Our Emergency Response Team (“ERT”) is always ready to respond to emergencies. We ensure they are trained to respond and provide assistance during emergencies. In FYE 2022, we sent out ERT to a full day training on fire safety at the Balai Bomba Sungai Bakap.



We also provide our employees various training on safety procedures to ensure they are equipped with relevant skills they need to carry out work safety and keep abreast with current relevant regulatory requirements.

Below summarises the number of staffs trained on health and safety standards:

	FYE 2020	FYE 2021	FYE 2022
Number of staffs trained on health and safety standards	41	240	182

During the financial year, we conducted our annual fire drill exercise to test our emergency protocols, ensure our employees are familiar with evacuation procedures, the location of fire exits and the proper use of fire-fighting equipment such as fire extinguishers.

COMMUNITY CONTRIBUTION AND DONATION

We recognise the importance of giving back to the communities we operate in. In FYE 2022, we have shown our supports in local community events and we have made contributions and donations, as summarised below:

- **Women Impact Makers Conference**

We have donated RM8,000 to support the Women Impact Makers Conference held from 19 July to 22 July 2022, as a Gold Sponsor to empower women in Penang. This platform is in collaboration with Penang Women Development Cooperation which is supported by Penang State Government. During the conference, our CEO was one of the panel speakers for forum discussion “How to Swim with Sharks” to share the challenges that women face in a male-dominated workplace.

- **ISUC Plaza Series 4 (National Day Edition): Managing Supply Chain Sustainability: Reassures the Challenges when Achieving Green Credentials**

On 30 August 2022, our CEO participated in a talk titled “Managing Supply Chain Sustainability: Reassures the Challenges when Achieving Green Credentials” hosted by Asia Pacific University of Technology and Innovation, to empower the community with sustainability and knowledge.

SUSTAINABILITY STATEMENT (Cont'd)



- Karnival Kemerdekaan MPKK Sungai Duri 2022**

On 31 August 2022, we have donated 2 hampers which cost RM200 in total to support the surrounding community for Merdeka Celebration. During this event, we have also set up career booth to promote jobs and offer employment to the local communities.



- Penang Economic Summit 2022**

On 20 October 2022, our CEO was one of the all women panel speakers in a talk titled “The Future of Manufacturing” at the Penang Economic Summit 2022. The panel had a discussion about the future of manufacturing and supply chain management in Malaysia, specifically during the post-pandemic world and among the increased awareness in the importance of becoming more sustainable in the industry.

- ESG and Purpose: The keys to unlocking long-term value**

On 2 November 2022, our CEO was invited as one of the speakers at EY’s panel discussion titled “ESG and Purpose: The keys to unlocking long-term value” during the annual EY Entrepreneur of the Year Malaysia event. The panel led the conversation on how corporations can integrate their Environment, Social and Governance commitments to become a more sustainable entity for the future and how they can communicate that purpose to all stakeholders. Our CEO was also honored with the title of EY Women Entrepreneur of The Year 2021 Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of L&P Global Berhad (“**Company**” or “**L&P Global**”) is committed to ensure that the highest standards of corporate governance are observed throughout L&P Global and its subsidiaries (“**the Group**”) so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of safeguarding shareholders’ investment, enhancing shareholders value as well as the interests of other stakeholders.

The Company has been listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 3 January 2023. The ensuing paragraphs summarising the Company’s corporate governance practices for the financial year ended 31 December 2022 (“**FYE 2022**”) with reference to the application of the Principles set out in the Malaysian Code on Corporate Governance (“**MCCG**”):

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Corporate Governance Overview Statement (“**CG Statement**”) is prepared in compliance with Rule 15.25 of ACE Market Listing Requirements (“**AMLR**”) of Bursa Securities and shall be read together with the Corporate Governance Report (“**CG Report**”) of the Company, which provides details on how the Company has applied each practice as set out in MCCG for FYE 2022. The CG Report is available on the Company’s website at www.lpglobalbhd.com and the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Charter

The Board has approved and adopted the Board Charter on 10 June 2022. The Board Charter is intended to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the roles and responsibilities of the Board, Board Committees and the requirements of Directors in carrying out their roles and responsibilities and in discharging their fiduciary duties towards the company as well as the Board’s operating practices.

The Board Charter is subject to review and update by the Board from time to time to ensure it remain consistent with the Board’s objectives and kept up-to-date with changes in regulations and governance practices.

The Board Charter is available on the Company’s website at www.lpglobalbhd.com in line with Practice 2.1 of the MCCG.

The Responsibilities of the Board and the Management

The Board explicitly assumes the following principal duties and responsibilities as follows:

- to review and adopt a strategic plan for the Company, and ensure that the Company’s strategic plan supports long term value creation;
- together with management, establish policies to promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
- to identify principal risks, set the risk appetite within which the Board expects the management to operate and ensure the implementation of appropriate risk management systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
- to review the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- to ensure that all members of the Board and the Management team are of sufficient calibre and oversee succession planning, including appointing, training, fixing the compensation and where appropriate, replacing Board members and Senior Management;
- to oversee the conduct of the Group’s business and evaluate whether the businesses are being properly managed; and
- to ensure that the Company has in place procedures to enable effective communication with the stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Whilst, the Management is responsible to:

- recommend the Company's corporate strategy to the Board for approval and upon approval, implement the corporate strategy;
- assume day-to-day responsibility for the Company's compliance with relevant laws and regulations and its compliance framework;
- achieve the performance targets set by the Board;
- develop, implement and manage the Company's risk management and internal controls framework;
- develop, implement and update the Company's policies, procedures and systems;
- be alert to relevant trends in the industry and the Company's operating environment;
- provide sufficient and relevant information to the Board to enable the Board to effectively discharge their responsibilities;
- act as a conduit between the Board and the Company; and
- manage the Company's human, physical and financial resources to achieve the Company's objectives.

In general, all decisions that would materially impact on the strategy, direction, values and financial standing of the Group, or decisions that may potentially create material conflict of interest with related parties, decisions that may be prone to fraud risk, and decisions in high value transactions are reserved exclusively for the Board. None of the members of the Board has unfettered powers of decision.

To assist in the execution of Board's duties, powers and authority and, facilitates effective decision making, the Board has established the following committees on 10 June 2022, each with delegated responsibilities and duties:

- Audit and Risk Management Committee ("**ARMC**");
- Remuneration Committee ("**RC**"); and
- Nominating Committee ("**NC**").

These Committees oversee the broad strategic areas within the Group such as audit and finance, risk, remuneration, sustainability and ethics, Board renewals and related matters. Each of these committees has its own written Terms of Reference ("**TOR**"), which are reviewed on a regular basis by each Committee and the Board, to ensure its effectiveness. The Committees report to, and their actions are reviewed by, the Board. The Chairman and members of each Committee are nominated by the Board with each Committee comprising at least three Independent Non-Executive Directors.

Separation of Position of the Chairperson of the Board and Chief Executive Officer ("CEO")

There is clear division of responsibilities between the Chairperson and the CEO where the position of Chairperson and CEO are held by separate individual who are not related to each other are formally documented in the Board Charter of the Company to ensure a good balance of power and authority between the Chairperson and the CEO.

The Chairperson, Ms. Ooi Hooi Kiang, a Non-Independent Non-Executive Director is responsible for effective functioning of the Board while the CEO, Ms. Ooi Lay Pheng assumes executive responsibility for the Group's business and executing corporate strategies and policies, as approved by the Board.

The role of individual Board member is stipulated in the Board Charter. The role of the Independent Non-Executive Director is particularly important as they provide robust and independent view, advice and true and fair judgement which take into account the long-term interest, not only of the Group but also of shareholders, employees and other stakeholders of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Qualified and Competent Company Secretaries

The Board acquires corporate secretarial services from a professional secretarial firm to assist the Board in discharging its duties and responsibilities.

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations and corporate governance matters. The Company Secretaries also ensure that the Board and Board Committee meetings are properly convened and all deliberations and decisions are properly recorded and kept, and subsequently communicated to the relevant management for necessary action. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.

The Board has separate and independent access to the advice and services of the Company Secretaries.

Board Meetings

The Board met four times in the FYE 2022. A formal time schedule was pre-determined in advance. The agenda and board papers for each meeting were circulated at least one week in advance before each meeting to the Board members to enable the Directors to review the papers in preparation for the meeting and to obtain further explanations, where necessary, in order to be briefed properly before the meeting. In addition to the Group performance discussed in the meeting, the Board also review and deliberate on the key activities and strategy of the Group, including annual budget, capital assets investments, key policies and procedures, financial performance and to endorse the release of the quarterly financial results.

At each quarterly Board meeting, CEO, Chief Operating Officer (“**COO**”) and Chief Financial Officer (“**CFO**”) will provide the quarterly reports on the Group's performance and financial results and address queries from the Directors. Other Management personnel may be invited to attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board. To keep the Board members abreast of the Group's business, Directors are also updated by the CEO of any significant developments or events relating to the Company. The Board also has unrestricted access to Management and employees of the Group to acquire timely and accurate information, if necessary in the furtherance of their duties.

All decisions of the Board were duly recorded in the Board's minutes and circulated. All Directors fulfilled the requirement of Bursa Securities in relation to their attendance at the Board meetings.

Number of Board of Directors' meetings and number of attendances for each Director for the FYE 2022 are as follows:

No.	Directors	Attendance
1.	Ooi Hooi Kiang	4/4
2.	Dato' Seri Lee Kah Choon	4/4
3.	Dato' Mohamed Amin Bin Mohd Kassim	3/4
4.	Phoon Yee Min	4/4
5.	Ooi Lay Pheng	4/4
6.	Ong Kah Hong	4/4

Access to Information and Meeting Materials

The Board has unrestricted access to the management and employees of the Company to acquire timely and accurate information, if necessary in the furtherance of their duties, which is not only quantitative but also other information deemed necessary such as information on customer satisfaction, products and services qualities, market share, market reaction and environmental performance.

All Directors have access to the advice and services of the Company Secretaries and where necessary, seek independent professional advice at the Group's expense through an agreed procedure.

Code of Conduct & Ethics

The Board has approved and adopted the Code of Conduct & Ethics (“**Code**”) on 20 December 2022 and the Board is committed to the highest standards of ethical business conduct. The Directors, management and employees continue to adhere to the Code of the Company. The Code of the Company is available on the Company's website at www.lpglobalbhd.com in line with Practice 3.1 of the MCCG and will be reviewed by the Board as and when the need arises.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Code is formulated to enhance the standard of corporate governance and behaviour with a view to achieve the following objectives:

- To establish standard of ethical conduct for Directors, management and employees based on acceptable belief and values that one upholds; and
- To uphold the spirit of social responsibility and accountability of the Group in line with the legislation, regulations and guidelines governing it.

Whistleblowing Policy

The Board has approved and adopted Whistleblowing Policy on 27 April 2022. The Whistleblowing Policy provides a mechanism for employees of the Group and external parties to raise genuine concerns through secure and confidential disclosure channel about possible improprieties and any malpractices such as fraud, breach of legal obligations at the earliest opportunity to the Identified Senior Manager as specified in the Whistleblowing Policy of the Company. The HR Senior Manager or his designate is responsible for the administration, revision, interpretation and application of this policy. Employees making the report in good faith are protected from reprisals.

There was no incident of whistle blowing received in FYE 2022. The Whistleblowing Policy is available on the Company's website at www.lpglobalbhd.com in line with Practice 3.2 of the MCCG and will be reviewed by the Board as and when need arises.

Anti-Bribery and Anti-Corruption Policy

The Company has established an Anti-Bribery and Anti-Corruption Policy that outlines L&P Global's commitment toward its ethical business practices complying with the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. L&P Global takes zero-tolerance to corruption and bribery, and L&P Global is committed to carry out all of its business practices with transparency, accountability and integrity.

The Group communicates the Anti-Bribery and Anti-Corruption Policy to all employees and business associates to ensure good standards of ethical behaviour flow through all levels of the Group to prevent unethical practices and consequently, support the delivery of long-term sustainable success of the Group.

II. BOARD COMPOSITION

Composition of the Board

For the FYE 2022, the Board is made up of six (6) Directors, of which three (3) are Independent Non-Executive Directors, one (1) is Non-Independent Non-Executive Director and two (2) are Executive Directors. The present composition complies with Rule 15.02 of the AMLR and Practice 5.2 of the MCCG as half of its Directors are Independent Directors.

The Board has examined its size and is of the view that the current Board size is appropriate and facilitates effective decision-making, taking into consideration the scope and nature of the Company's operation.

Tenure of Independent Non-Executive Director

The Company was listed on ACE Market of Bursa Securities on 3 January 2023. None of the Independent Directors has exceeded a cumulative term of more than nine (9) years in the Company as at 31 December 2022.

Under Part 5.6 (2) of the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director or the Board to seek annual shareholders' approval with justification if the Board intends to retain an Independent Director who is beyond nine (9) years' term.

The Board through the Nomination Committee ("NC") has carried out an annual assessment of independence of all the Independent Directors. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company. The Independent Directors remain objective and independent in expressing their views and in participating in deliberations and decision makings of the Board and Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Effectiveness of the Board, Board Committee and Individual Directors

The NC was established to undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committee and each individual director and key senior management (“**KSM**”). The NC comprises exclusively of Independent Non-Executive Directors, namely:

Chairman	Dato' Seri Lee Kah Choon <i>Independent Non-Executive Director</i>
Member	Dato' Mohamed Amin Bin Mohd Kassim <i>Independent Non-Executive Director</i>
	Ms Phoon Yee Min <i>Independent Non-Executive Director</i>

The NC has adopted a formal set of TOR approved by the Board. The TOR of the NC can be found on the Company's website at www.lpglobalbhd.com.

The NC meets as and when necessary, but at least once a year. Its duties comprise of, amongst others, to review the composition of the Board and its succession planning. It leads the process for identifying and nominating, for approval by the Board, candidates to fill the Board and committee vacancies, the Board evaluation process, Director performance and recommendations for re-elections at the Annual General Meeting (“**AGM**”), and consideration of Director's independence in accordance with the MCCG.

During the financial year, the NC met once to review and recommend the Fit and Proper Policy to be approved by the Board. Following the financial year, the NC has undertaken the following activities for the FYE 2022:

- reviewed the current structure, size and composition of the Board;
- assessed the effectiveness of the Board as a whole, the various Board Committee as well as the contribution of each individual Director;
- discussed the character, experience, integrity and competence of the Directors and KSM and to ensure they have devote ample time to discharge their respective roles;
- reviewed the required mix of skills and experience and other qualities including core competences of the member of the Board;
- reviewed the level of independence of Independent Directors;
- reviewed the term of office and performance of the ARMC and its members; and
- reviewed and recommended the re-election of the Directors who were subject for retiring at the AGM of the Company.

For FYE 2022, an annual assessment of the Board, its Committees and contribution of each individual Director is carried out by the NC, with the assistance of Company Secretaries, taking the form of comprehensive evaluation questionnaires which provide all Directors with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the three (3) Board Committees, and to comment on procedures or any relevant matters.

The evaluation of the Board covers factors such as mix and composition of the Board, quality of decision making, timeliness of Board papers, internal controls, conduct of Board meetings, interactions with the Management and stakeholders and effectiveness of the Chairman.

The Board Committees are assessed based on efficiency and effectiveness of each Committee and its member's continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties. Likewise, the NC is able to assess the contribution of each individual Director to the effectiveness of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The completed evaluation forms were submitted to Company Secretaries for collation. Subsequently, consolidated responses were presented to the NC for review before being shared with the Board for discussion and are taken into accounts when the NC assesses the Board effectiveness.

The Board is satisfied with the existing Board structure, effectiveness and the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Appointment to the Board

The appointment of any additional Director is made as and when it is deemed necessary by the Board with due consideration given to the mix of skills, expertise, experience, professionalism, integrity and the ability required for discharging its duties and responsibilities effectively. The Board is assisted in this regard by the NC, who is authorised to assess and propose new nominees for the Board and further empowered to assess the existing Director on an on-going basis. The decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the NC. The Board has expectation toward its Board members in the Board Charter, amongst others, the Directors are required to commit sufficient time and energy to satisfy the requirements of the Board and Board Committee membership particularly in terms of:

- attendance and participation in Board meetings and AGM;
- preparation prior to each meeting;
- availability to Management upon request to provide advice and counsel; and
- attending continuing education programmes to update knowledge and enhances their skills.

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merits.

Diversity of Board and Senior Management

The Board recognises that board diversity is an essential element in contributing the sustainable development of the Group and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board believes that diversity in the Board and Senior Management facilitates multi perspectives which resulted in productivity, sustainability and competencies to deliver the business performance of the Company for the benefit of the shareholders over the medium to long term.

The current Board comprises of three (3) female Directors out of six (6) Board members, which represents 50% of women representation on the Board. The Company is in compliance with Rule 15.02(1)(b) of AMLR and has exceeded the prevailing requirement of Practice 5.9 of the MCGG to have at least 30% women Directors on Board. This demonstrates the Company's commitment on Board gender diversity.

The Board is satisfied that its members have the appropriate balance and mix of skill set, knowledge and experience which is relevant for the current position of the Company.

The Board did not set any specific target for women representation at the KSM level. As of the time of writing, the Company comprises of four (4) female KSM members out of five (5), which represents 80% of the KSM members are females. This is in compliance with the prevailing requirement of Guidance G5.10 of the MCGG that encourage the participation of women in decision making position to be broadened to members of senior management.

Re-election

In accordance with the Company's Constitution, 1/3 of the Board will retire by rotation at every AGM of the Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next AGM and shall then be eligible for re-election. None of the Directors has been appointed for a fixed term.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The retiring Directors at the upcoming AGM pursuant to Clause 18.2 of the Constitution are Dato' Seri Lee Kah Choon and Ms Ooi Lay Pheng.

After assessing the contributions of Dato' Seri Lee Kah Choon and Ms Ooi Lay Pheng in terms of guidance and time devoted to the Board affairs and in virtue of his and her skills and experience, the NC has recommended the re-election of Dato' Seri Lee Kah Choon and Ms Ooi Lay Pheng at the forthcoming AGM.

Directors' Training

The Directors are conscious of the importance of keeping abreast with the latest changes and developments in legal and regulatory governance, so as to update and refresh themselves on matters that may affect their performance as Directors.

Prior to the listing of the Company, all Directors were actively involved in the verification meetings. Briefing was conducted by the Legal Advisers to the Company on the laws of Malaysia in respect of the roles and responsibilities of a director of a public listed company in Malaysia during the Initial Public Offering ("IPO") process. All Board members have completed the Mandatory Accreditation Programme ("MAP") conducted by the Institute of Corporate Directors Malaysia in FYE 2022. The Company Secretaries would also inform the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company.

The trainings attended by the Directors during the FYE 2022 are as follows:

Director	Trainings
Ooi Hooi Kiang	<ul style="list-style-type: none"> MIA Webinar Series: ESG Series for Accountants and Financial Professionals-Business for Human Rights and Environment Virtual MIA International Accountants Conference 2022 Tier 2-Virtual MIA International Accountants Conference 2022
Dato' Seri Lee Kah Choon	<ul style="list-style-type: none"> The Value Investor: Lessons from The World's Top Fund Managers Institute of Corporate Directors Malaysia ("ICDM") ESG Seminar Forum on Penang's Sustained Excellence Malaysia Digital Economy Corporation Workshop on Data Centre Infrastructure Financial Planning Association of Malaysia Dynamic Solutions for High Net Worth Individuals Forum on Emerging Deep-Tech Ecosystem in Msia ESG Symposium Green Architecture Symposium Philip Capital Annual Investment Conference 2022
Dato' Mohamed Amin Bin Mohd Kassim	<ul style="list-style-type: none"> Pembangunan Sumber Manusia Berhad Train the Trainer (TTT) Programme Domain Expert for "The New Industrial Master Plan (New IMP) - Study on Logistics cluster 19th ASEAN Ports and Shipping, Conference and Exhibition in KL Bursa Malaysia Mandatory Accreditation Programme Honorarium for Mitrans International Logistics and Transport Conference (MILTC) 2022 Speakers
Phoon Yee Min	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme Supply Chain Sustainability: Advancing ESG Adoption Amongst Malaysian SMEs PowerTalk ESG Series #4 - ESG Disclosure At A Glance: Key Developments And Future Trends ICDM PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives The Association of Certified Chartered Accountants (ACCA) Evening Talk Series 2022: Young Professionals on Corporate Board is a Game Changer Pembangunan Sumber Manusia Berhad Train the Trainer (TTT) Programme Green finance skills: costs and opportunities of your transition to net zero The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees Starting & Managing Corporate Sustainability & ESG Strategy

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Director	Trainings
Ooi Lay Pheng	<ul style="list-style-type: none"> The Global Wood Packaging Forum by National Wooden Pallet and Container Association - North America and Beyond The Economist Asia Trade Week 2022 - Lessons in managing supply chain disruptions and building resiliency Women Impact Makers Conference (WIMC) 2022 - Swimming with Sharks Start Media - Circular Economy Conference- Towards a Sustainable Future Integrated Sustainability & Urban Creativity Centre (ISUC) - Managing Supply Chain Sustainability: Reassures the Challenges when Achieving Green Credentials Bursa Malaysia Mandatory Accreditation Programme Penang Economic Summit 2022 - The Future of Manufacturing – Ernst & Young (“EY”) Experian Forum - Paradoxical Leader Mindset 4&5 EY Asean ESG Panel Discussion on Sustainability - The Keys to Unlocking Long-Term Value LeadWomen X Penang Women’s Development Corporation (PWDC): Introduction to a gender equality strategy framework
Ong Kah Hong	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme The Global Wood Packaging Forum by National Wooden Pallet and Container Association - North America and Beyond

In addition, the Company Secretaries and External Auditors also update the Directors on the latest changes to the regulations, laws and accounting standards to discharge their duties as Directors of the Company.

Upon review, the Board concluded that the Directors’ trainings for the FYE 2022 were adequate.

All Directors will continue to attend such further training as may be required from time to time to keep abreast with developments in the industry as well as the current changes in law and regulations.

III REMUNERATION

Remuneration Policy

The Board has approved and adopted Remuneration Policy for Directors and KSM on 20 December 2022. The Policy is designed to align the interest of the Directors and KSM with those of shareholders, by linking reward to the Group’s and individual’s performance, therefore promoting long-term sustainability of the Company. It seeks to attract, motivate and retain key employees with competitive remuneration packages base on respective individual’s responsibilities, expertise, prevailing market conditions and relevant market benchmarks.

The Remuneration Policy is subject to review and update by the Board from time to time and is available on the Company’s website at www.lpglobalbhd.com in line with Practice 7.1 of the MCCG.

The remuneration package of Executive Directors and KSM comprises fixed cash component of salary, fringe benefits, variable performance incentives and statutory contributions. Variable performance incentives are tied to the performance of the Group and the individual’s ability to achieve their respective performance targets.

As approved by the shareholders at the Company’s AGM in FYE 2022, all Non-Executive Directors are paid fixed directors’ fee of RM1,000 per month for serving as a member of the Board and a meeting allowance of RM1,500 for attending each Board and Board Committee meeting. The Executive Directors are not entitled to any meeting allowance.

The remuneration of the Company’s Independent Non-Executive Directors is appropriate to the level of contribution, considering factors such as effort and time spent, responsibilities undertaken, and are benchmarked against prevailing market practices. The director fees of the Independent Non-Executive Directors are subject to approval by shareholders at each AGM thereby ensuring that their independence is not compromised. Each of the Independent Non-Executive Directors should abstain from deliberating and voting on decision in respect of his or her own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Remuneration Committee (“RC”)

The Board has established the RC to review and makes recommendations on matters relating to performance and remuneration for the Executive Directors and KSM of the Group. The RC comprises exclusively of Independent Non-Executive Directors of the Company, namely:

Chairman	Dato' Mohamed Amin Bin Mohd Kassim <i>Independent Non-Executive Director</i>
Member	Dato' Seri Lee Kah Choon <i>Independent Non-Executive Director</i>
	Ms Phoon Yee Min <i>Independent Non-Executive Director</i>

The RC has adopted a formal set of TOR approved by the Board. The TOR of the RC can be found on the Company's website at www.lpglobalbhd.com.

The RC meets as and when necessary, but at least once a year. There is a formal and transparent procedure for developing and setting remuneration packages of Executive Directors and KSM. None of the Executive Directors are involved in deciding their own remuneration.

The RC has full authority to engage any external professional advisors, as and when the need arises, on matters relating to remuneration at the cost of the Company. No external professional advisors engaged by the Company in the FYE2022.

Following FYE2022, the RC has undertaken the following activities for FYE 2022:

- reviewed and discussed the Key Result Areas (“KRA”) for KSM for the FYE 2022 for reward purposes;
- reviewed and assessed the remuneration packages for the Executive Directors and KSM; and
- recommended to the Board the Directors' Fees and benefits payable to the Board for shareholders' approval at the forthcoming AGM of the Company.

Directors' Remuneration

The Directors' remuneration received from the Company and the Group for the FYE 2022 is presented in the table below:

Category	Fee RM'000	Meeting Allowance RM'000	Salary, Bonus & Incentive RM'000	Other Emoluments RM'000	Total RM'000
COMPANY					
Non-Executive Director					
Ooi Hooi Kiang	12	6	–	–	18
Dato' Seri Lee Kah Choon	12	6	–	–	18
Dato' Mohamed Amin Bin Mohd Kassim	12	5	–	–	17
Phoon Yee Min	12	6	–	–	18
GROUP					
Executive Director					
Ooi Lay Pheng	–	–	348	60	408
Ong Kah Hong	–	–	288	28	316
Non-Executive Director					
Ooi Hooi Kiang	132	6	–	–	138
Dato' Seri Lee Kah Choon	12	6	–	–	18
Dato' Mohamed Amin Bin Mohd Kassim	12	5	–	–	17
Phoon Yee Min	12	6	–	–	18

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

KSM's Remuneration

Although the MCCG recommends full disclosure by the Company of the remuneration of its KSM on named basis, the Company is of the view that it is not in its best interest to disclose details of remuneration due to the confidentiality and sensitive nature of such information.

As an alternative, the remuneration of KSM of the Group for the FYE 2022 is disclosed in aggregate basis in band width of RM50,000 as follows:

Range of Aggregate Remuneration	No. of KSM
RM150,001 to RM200,000	2
RM200,001 to RM250,000	2
RM250,001 to RM300,000	1

The performance of KSM is evaluated on an annual basis and measured against the targets sets for the year. The remuneration packages are reviewed annually and adjustments to their remuneration are made based on not only their individual performance and contributions in the preceding year, but also the Company's performance.

Employee Share Option Scheme ("ESOS" or "Scheme") Committee

ESOS of the Company has taken effect on 29 December 2022, after obtaining all the required approvals and complying with the relevant provisions of the AMLR. The objective of the ESOS is primarily to serve as a long-term incentive plan to reward eligible persons and to align their interest with the corporate goals and objectives of the Group. The maximum number of Shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Scheme ("**Maximum ESOS Shares**").

The ESOS Committee was established on 19 December 2022 and was empowered to act, execute, enter into any transactions pertaining thereto for and on behalf of the Company in such manner deemed fit by it and in accordance with the By-laws of ESOS, regulations and guidelines in force from time to time.

In conjunction with our listing on the ACE Market of Bursa Securities on 3 January 2023, the Company offered 11,200,000 share options under the Scheme to eligible persons with an exercise price of RM0.30 per share, representing two percent (2%) of the enlarged share capital of 560,000,000 ordinary shares upon listing ("**First Tranche of ESOS**"). Under the First Tranche of ESOS, 5,200,000 and 2,600,000 share options were granted to Directors and KSM respectively, which in aggregate represents 13.93% of the Maximum ESOS Shares as of 31 March 2023. Detail of the share options granted to Directors are as follows:

Name	Designation	No. of Share Options Granted
Ooi Hooi Kiang	Non-Independent Non-Executive Chairperson	800,000
Ooi Lay Pheng	Executive Director / CEO	2,000,000
Ong Kah Hong	Executive Director / COO	1,500,000
Dato' Seri Lee Kah Choon	Independent Non-Executive Director	300,000
Dato' Mohamed Amin Bin Mohd Kassim	Independent Non-Executive Director	300,000
Phoon Yee Min	Independent Non-Executive Director	300,000
Total		5,200,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The vesting period for the First Tranche of ESOS is as follows:

Vesting Period	Share Options
3 July 2024 to 28 December 2027	2,240,000
3 July 2025 to 28 December 2027	3,360,000
3 July 2026 to 28 December 2027	5,600,000
Total	11,200,000

The Scheme, upon implementation, shall continue to be in force for a period of five (5) years and may be extended or renewed for a period of five (5) years or such shorter period, at the sole and absolute discretion of the Board upon the recommendation of the ESOS Committee.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”)

The Board has established an ARMC, which report to the Board on all matters requiring audit of the Company. The ARMC comprises wholly of three (3) Independent Non-Executive Directors and chaired by Ms. Phoon Yee Min, who is a member of the Malaysian Institute of Accountants.

The composition of the ARMC is in compliance with Rule 15.10 of the AMLR and Practice 9 of the MCCG.

The ARMC has adopted a formal set of TOR approved by the Board. The TOR of the ARMC can be found on the Company’s website at www.lpglobalbhd.com.

The ARMC composition and a summary of the activities during the FYE 2022 are set out in ARMC Report contained in this Annual Report.

Deriving from the annual performance evaluation carried out by NC, the Board is satisfied that the ARMC is adequately represented by a wide range of expertise from diverse backgrounds with core competencies in corporate, business acumen and analytical, legal and financial, and were able to discharge their duties and responsibilities in an adequate and proper manner.

Former Key Audit Partner

None of the ARMC members were former key audit partners of the Company’s existing auditing firm within the three (3) years before being appointed as a member of ARMC. This policy has been formalised in the TOR of the ARMC.

Suitability, Objectivity and Independence of the External Auditors

For the financial year under review, the ARMC members met with the external auditors, BDO PLT (“BDO”) twice in the absence of the Management.

The ARMC had obtained a written assurance from BDO confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC has conducted an annual review of all the non-audit services provided by the affiliated firm of the external auditors for the FYE 2022, as disclosed on page 71 of this Annual Report, before recommending their re-nomination to the Board. The ARMC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The ARMC has also assessed and was satisfied with the competence and independence of the external auditors and had recommended the re-appointment of the external auditors for shareholders’ consideration at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for managing risks in order to limit potential adverse effects on the implementation of its strategy, financial performance and the interests of shareholders. The Board delegates oversight of the Group's risk management processes and control environment to ARMC.

The Group has in place an Enterprise Risk Management ("ERM") framework that enables the Group to identify the risks and address internal control to mitigate or eliminate the risks. These risks are prioritised based on risk appetite and risk tolerance levels that the Board has adopted. Key risks identified are discussed at the Board meeting while all other risks are managed by respective department head and reported to the Board on an exceptional basis.

ARMC Report and Statement on Risk Management & Internal Control incorporating report on risk management review, internal audit function and conclusion of the review are set out from page 66 to 70 of this annual report.

Risk Management Committee

In terms of Step-Up Practice 10.3 of the MCCG which recommends that the establishment of a stand-alone Risk Management Committee with majority of its members being independent, the Company does not intend to adopt such step-up practice for the time being. The function of Risk Management Committee is currently assumed by the ARMC.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I ENGAGEMENT WITH STAKEHOLDERS

The Board considers that effective communication with shareholders is integral to long-term growth and success of the Company. It is committed to providing timely, transparent, accurate and credible material information about the Company to its shareholders, stakeholders and investors.

The information is disseminated to stakeholders through:

- annual report prepared and issued to shareholders;
- quarterly announcements containing a summary of the financial information and affairs of the Group disclosed on Bursa Securities' website;
- public announcements on price sensitive information released via Bursa Securities' website;
- press releases and / or periodical analyst briefings on major developments of the Group; and
- company's website.

The Company maintains a corporate website at www.lpglobalbhd.com which provides all relevant information about L&P and is accessible by the public. The Group has in place Corporate Disclosure & Communication Policy which spells out guidelines and practices that it applies when communicating with shareholders and prospective investors and provides appropriate information needed to make well-informed investment decisions.

As the Company was newly listed on 3 January 2023, it currently handles its investor relations matter internally. During FYE 2022, the Company conducted dialogue sessions and meetings with investors, investment analysts, fund managers and media to ensure the Group's management strategies, corporate direction and operational developments are clear and understood. This includes analyst briefings, investor non-deal roadshows, conference calls, ad-hoc meeting and site tours in both large and small groups as well as 1-to-1 meetings with broking houses and analysts. Our KSM presented and answered the key issues of which investors were mainly concerned.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

II CONDUCT OF GENERAL MEETINGS

In compliance with Practice 13.1 of the MCCG, shareholders should receive annual reports, circular and notices of AGM, which are to be issued at least twenty-eight (28) days before the date of AGM.

The forthcoming AGM will be the 2nd AGM of the Company. In line with good CG practice, the notice of the forthcoming 2nd AGM (“**Notice of AGM**”) will be issued on 28 April 2023, which is more than 28 days prior to the AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the 2nd AGM.

The Company will commence to use electronic communications to transmit annual report and other documents such as Notice of AGM to shareholders by uploading such documents via Bursa Securities’s website at <http://www.bursamalaysia.com> and publishing on the Company’s website at <http://lpglobalbhd.com>.

The Notice of AGM is also published in the nationally circulated daily newspaper within the mandatory period and the Company’s announcements via Bursa Securities as well as the Company’s website. The Notice of AGM provides further explanation beyond the minimum content stipulated in the AMLR for the resolution proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

Shareholders’ Participation at General Meetings

The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings.

The forthcoming AGM represents the principal forum for dialogue and interaction with shareholders. The CEO and CFO will give a detailed presentation of the Group’s business overview and financial performance for the financial year ended 31 December 2022.

All Directors including Chairperson of the Board and the respective Chairman of the Board Committees, the CEO and other KSM will be present to answer any questions put to them and address concerns from shareholders. The external auditors are also present to address any shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ reports.

The Chairman will provide appropriate and sufficient time and encourage shareholders to raise questions, express opinions and give suggestions about the issues throughout the entire meeting.

The Board members and KSM will endeavour to respond to relevant questions addressed to them during the forthcoming 2nd AGM.

To have greater transparency, accuracy and efficiency in the voting process, the Company will be adopting the system of e-voting by poll at the forthcoming 2nd AGM. An independent scrutineer will be appointed to validate the votes cast and results of each resolution put to vote are announced at the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via Bursa Securities’ website after the conclusion of the AGM.

Minutes of meeting which incorporate substantial comments and queries from shareholders and responses from the Company will be available on the Company’s website after the conclusion of the AGM.

Compliance Statement

The Board is satisfied that the Company complies substantially the principles and practices set out in the MCCG as well as the AMLR for the FYE 2022.

This CG Statement is made in accordance with a resolution of the Board of Directors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) of L&P Global Berhad (“**L&P Global**”) is pleased to present the ARMC Report for the financial year ended 31 December 2022 (“**FYE 2022**”) in compliance with Rule 15.15 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

ARMC was established to serve as a committee of the Board and is guided by the terms of reference in performing their duties and discharging their responsibilities. The terms of reference of ARMC can be viewed at the Company’s website at www.lpglobalbhd.com.

The ARMC was established on 10 June 2022. The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, and the details of attendance of each member at the ARMC meetings held during the financial year are as follows:

		Number of Meetings	
		Attended	Held
Chairman:	Phoon Yee Min <i>Independent Non-Executive Director</i>	2	2
Members:	Dato’ Seri Lee Kah Choon <i>Independent Non-Executive Director</i>	1	2
	Dato’ Mohamed Amin Bin Mohd Kassim <i>Independent Non-Executive Director</i>	1	2

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the FYE 2022, the ARMC met 2 times to review the external auditors’ audit plan, the unaudited quarterly financial results for 30 September 2022 and the report on related party transactions (“**RPT**”) and recurrent RPT of revenue or trading nature. Following the financial year, the ARMC has undertaken the following activities for the FYE 2022:

- reviewed the un-audited quarterly financial results for 31 December 2022 to ensure the disclosures are in compliance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134 Interim Financial Reporting and latest requirement of application disclosure provisions in AMLR.
- reviewed the audited financial statements of the Group for the FYE 2022 which covers the financial position and performance for the year to ensure it is presented on a true and fair view and complied with all disclosures and regulatory requirements and recommended the audited financial statements to the Board for approval;

In the review of the audited financial statements of the Group and quarterly results of the Group, ARMC focuses particularly on the following areas:

- changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - significant and unusual events;
 - management judgement and estimations made on the recognition, measurement and presentation of financial statements; and
 - compliance with applicable approved accounting standards and other legal requirements.
- reviewed the results of the Group’s internal control review report and issues raised by the Internal Control Review Consultant (“**ICR Consultant**”) as well as adequacy of actions taken by the Management;
 - reviewed with the external auditors with regards to their audit planning memorandum, comprising the scope of audit, areas of audit emphasis, audit approach and timetable;
 - reviewed with the external auditors in relation to their evaluation of the system of internal controls and audit findings;
 - discussed problems and reservations arising from the audit and any other matters the auditors had wished to discuss;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

- reviewed the auditors' report;
- met with the external auditors twice without the presence of the Management to review and discuss on key issues within their duties and responsibilities. There were no major concerns raised by the external auditors at the meetings;
- reviewed the assistance given by the Group's Officers to the external auditors and the overall conduct of the audit;
- assessed the independence of the external auditors and obtained the confirmation from them stating their independence throughout the audit in accordance with all relevant professional and regulatory requirements;
- performed an evaluation on the suitability and independence of the external auditors. ARMC was satisfied with the work performed based on the firm capabilities, professional team assigned, proposed methodology, independence and timeline. Accordingly, it had affirmed the suitability and independence of the external auditors and recommended to the Board to re-appoint BDO PLT as the external auditors as well as the proposed audit fees for approval;
- provided oversight and direction to the risk management process, specifically to:
 - ensure that appropriate risk management policies, guidelines and processes are implemented;
 - consider whether response strategies (and contingency plans) to manage or mitigate material risks are appropriate and effective given the nature of the identifiable risk; and
 - evaluate the risk profile and risk tolerance of the Group.
- reviewed the ARMC Report, Corporate Governance Overview Statement, Corporate Governance Report and the Statement on Risk Management and Internal Control prior to recommending the same for Board's approval for inclusion in the Company's Annual Report;

The dates of ARMC meetings are pre-planned and communicated to the auditors in advance for them to prepare the audit planning memorandum and audit reports for presentation to the ARMC. The ARMC also noted the internal control deficiencies and/or areas of improvement identified by the ICR Consultant and action plan for corrective actions or improvement by the Management.

INTERNAL AUDIT FUNCTION

In preparation for the listing of the Company on the ACE Market of Bursa Securities ("Listing"), we had engaged Tricor Axelasia Sdn Bhd, an independent professional consulting company, as our ICR Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

Details of internal control review are set out in the Statement of Risk Management and Internal Control included in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to provide the following Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2022 pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Practice 10.2 of the Malaysian Code on Corporate Governance (“**MCCG**”). The Board is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers in making disclosures concerning main features of the Risk Management Framework and Internal Control System of the Group and is committed to fulfilling its responsibility of maintaining a sound system of risk management and internal control in the Group. The Statement outlines the nature and scope of risk management and internal control of the Group during the financial year.

Board Responsibilities

The Board recognises the importance of maintaining a sound system of internal control and the proper identification and management of risks affecting the operations of the Group in order to safeguard shareholders’ investments and other stakeholders’ interests. Accordingly, the Board affirms its overall responsibilities for the Group’s system of risk management and internal control which is vital to managing principal risk which may impede the achievement of the Group’s corporate and business objectives. These responsibilities include reviewing the adequacy and integrity of this system which covers enterprise risk management, financial, organisational, operational and compliance controls.

Given that there are inherent limitations in any system of risk management and internal control, the said system is designed to manage risks within tolerable and knowledgeable limits in an efficient manner, rather than eliminating the risk of failure to achieve business objectives of the Group. The system can therefore only provide reasonable, but not absolute assurance, against material misstatements of management and financial information, financial losses, defalcations, fraud and breaches of laws or regulations.

Risk Management Framework

Risk management is embodied in the Groups’ key business processes through the Enterprise Risk Management (“**ERM**”) Framework, which sets out amongst others, a systematic approach to identify, analyse, monitor and report key risks and the likelihood of risk occurrence as well as the magnitude of impact using a self-assessment approach. In addition, the framework outlines the significant risks that the Group is exposed to such as strategic, organisation structure, operational, processes, regulatory, people culture, technologies and reputation risks.

The individual risks identified are scored for their likelihood of occurrence and the impact thereof based on a ‘5 by 5’ risk matrix, deploying parameters established for the Group. The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated or quantified, as the case may be, in terms of likelihood of their occurrence and the impact thereof. The use of such metrics essentially articulates the Board’s risk appetite, i.e. the extent of risk the Group is prepared to take or seek in achieving its business objectives.

Details of specific risks are documented in individual risk registers, covering the risk description, root causes, risk consequences, internal controls implemented to address the root causes, Management’s assessment of the effectiveness of internal controls and the residual risk rating after considering the effects of internal controls deployed to manage the exposure.

During the financial year under review, the Executive Directors, assisted by the Management, has identified thirteen key risks in relation to strategic, operational, compliance and financial risk and the Group has evaluated the potential impact of these risks. The Management comprised the Chief Financial Officer, Key Senior Management, department heads and managers of subsidiaries. Risk register was updated and meetings were held to communicate and deliberate the issues or risks and where appropriate, the control systems and action plans were implemented and taken to ensure the continuous risk mitigation and risk management.

In order to ensure that the Groups’ ERM framework remain sound, the risk register is monitored to include emerging risk as and when necessary. This serves to ensure controls are in place and continue to operate adequately and effectively.

Internal Control System

Internal controls are important to support the function of the risk management system. The Group continually reviews and enhances its internal control procedures with the recommendations of auditors. The key features of the control framework and procedures in the Group are as follows:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

- Management organisation structure defining the management's responsibilities and hierarchical structure of reporting lines and accountability;
- Delegation and separation of responsibilities between the Board and the management and the establishment of various Board Committee and the presence of Independent Directors to overseeing the financial, compliance and operational performance of the Management;
- Standard operating procedures ("**SOP**") guiding staff members in carrying out their function effectively. This SOP covers the monitoring of nonconformity controls and risk-based action. Berjayapak Sdn Bhd and Berjayapak Vietnam Co. Ltd are ISO9001: 2020 certified. With these certifications, annual surveillance audits are conducted by independent external ISO auditors particularly to ensure compliance with ISO procedures or manual;
- Regular management review meetings to review operational and financial performance as well as formulate action plans to address any areas of concern. There is regular reporting by the Executive Directors and Key Senior Management of the Group to the Board on significant changes in business and the external environment in which the Group operates;
- Structured whistle-blowing policies and procedures are formalised in writing to enable employees of the Group to raise genuine concerns about suspected improprieties on matters of financial reporting, non-compliance with law and regulations, malpractices or unethical business conduct within the Group at the earliest opportunity and in an appropriate way without fear of reprisal and to have such concerns properly investigated. All disclosures made under the Policy will be handled with strict confidence. The Policy promotes a culture of honesty, openness and transparency within the Group;
- Code of Ethics which underlines the Group's core values in conducting business fairly, impartially and ethically;
- Anti-bribery and Anti-Corruption Policy which sets out the policies and procedures on the Group's commitment to uphold the highest legal, moral and ethical business practices. All forms of bribery and corruption are not acceptable and will not be tolerated.

Internal Audit Function

In preparation for the listing of the Company on the ACE Market of Bursa Securities ("**Listing**"), we had engaged Tricor Axelasia Sdn Bhd, an independent professional consulting company, as our Internal Control Review Consultant ("**ICR Consultant**") to review the adequacy and sufficiency of systems, procedures and controls of the Group prior to the listing on the ACE Market of Bursa Securities on 3 January 2023.

The ICR Consultant is independent of the activities and operations of the Group. The scope of work entailed the identification, assessment and reporting on the adequacy and effectiveness of internal control and risk management systems put in place by the Board and the Management of the Group. The scope of work covered the following subsidiary companies after considering the financial contribution, nature of business and types of activities:

- Berjayapak Sdn Bhd
- Bejay Presswood Sdn Bhd
- Bejay Timber Sdn Bhd; and
- Berjayapak Vietnam Co., Ltd

Key functions / processes selectively covered for the internal control review are as follows:

- Organisational governance;
- Financial management (including revenue, procurement and inventory cycles);
- Corporate liability – Anti-Bribery management system;
- Strategic management
- Human resource management;
- Information Technology General Controls;
- Business Development / Sales & Marketing;
- Health, safety and environment;
- Production management;
- Quality assurance /quality control;
- Research and product development;
- Facilities management;
- Supply chain management-procurement of goods and services; and
- Supply chain management-warehousing & logistics

ICR Consultant is a member of the Institute of Internal Auditors Malaysia. ICR Consultant utilised the internal control framework as promulgated by the Committee of Sponsoring Organisation of the Treadway Commission as a reference framework. The review procedures carried out by ICR Consultant is guided by applicable standards of the International Professional Practices Framework issued by the Institute of Internal Auditors, Inc.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

In carrying out its activities, the ICR Consultant has unrestricted access to the relevant records, personnel and physical properties. The internal control review report has been forwarded to the Management concerned for attention and necessary action. The Management is responsible for ensuring that a written reply on action plan is sent to the ICR Consultant and corrective actions are taken.

ICR Consultant reported to the Board that while it has addressed certain individual lapses in internal control during the course of its review, nothing has come to their attention that cause them to believe there were major weaknesses in the internal control and risk management systems within those selective processes that they have assessed, with focus on material risks associated with such processes.

The Board and the Management take note that it is the continuous effort and responsibility of the Board and the Management to maintain a sound internal control and risk management systems, taking into consideration of changes in risk profile and operating environment dynamics.

As the Company was only officially listed on the ACE Market of Bursa Securities on 3 January 2023, there were no internal audit work performed during the financial year ended 2022, thus, no internal audit cost was incurred for the financial year ended 2022. Subsequent to the Listing, the Group will outsource its internal audit function to an external independent professional consultancy firm. The work of the internal audit function, its observations and recommendations will be tabled to ARMC for review in the following financial year.

Board's Comments on the Adequacy and Operating Effectiveness of the Group's Risk Management and Internal Control System

During the financial year under review, the Board assisted by the ICR Consultant has reviewed the adequacy and operating effectiveness of the Group's risk management and internal control system, and that relevant actions have been or were being taken, as the case may be, to remedy the internal control weaknesses identified from the review.

The Board is of the view that the system of risk management and internal control, in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company, is sound and sufficient to safeguard the interest of shareholders, customers, employees and the Group's assets. Whilst the Board is of the view that there were no material losses incurred during the financial year as a result of weaknesses in the risk management and internal control system, the Board believes that this system must continuously evolve to meet the changing business landscape and environment of the Group operates in. Therefore, the Board continues to put in place action plans, as deemed appropriate, to strengthen the system of risk management and internal control from time to time towards achieving the Group's corporate strategies.

Assurance by the Chief Executive Officer, Chief Operation Officer and Chief Financial Officer on the Adequacy and Operating Effectiveness of the Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer, Chief Operation Officer and Chief Financial Officer stating that the Group's risk management and internal control system operated adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group.

For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

In line with the guidance for directors on risk management and internal control stipulated in the 'Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers', the Board is satisfied that there is an ongoing and effective process for identifying, evaluating and managing the risk and internal control of the Group to safeguard the Group's assets and stakeholders' interest.

Review of Statement by the External Auditors

In accordance to Rule 15.23 of the AMLR of Bursa Securities, the external auditors, BDO PLT has reviewed this Statement for inclusion in this Annual Report of the Group for the financial year ended 31 December 2022, and has reported to the Board that based on their review procedures performed and evidence obtained, nothing has come to their attention that caused them to believe that the Statement intended to included in the Annual Report of the Company was not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board of Directors dated 10 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. Status of utilisation of Proceeds from IPO

The Company completed its IPO exercise on 3 January 2023, which raised gross proceeds of RM33,900,000.00. As of 31 March 2023, the status of utilisation of proceeds raised from the IPO are as follows:

Purpose	Proposed utilisation		Actual utilisation	Balance to utilise	Estimated timeframe for utilisation from the date of Listing
	RM'000	%	RM'000	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	4,000	9,000	Within 12 months
Estimated listing expenses	3,900	11.50	3,900	–	Within 3 months
Total	33,900	100.00	12,900	21,000	

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

2. Audit and Non-Audit Fees

The fees paid or payable to the external auditors, BDO PLT and its affiliates in relation to the audit and non-audit services rendered to the Company and the Group for the FYE 2022 were as follows:

	The Company	The Group
	RM'000	RM'000
Audit Fee	20	90
Non-Audit Fee	15	107
Total	35	197

Non-Audit Fee consists mainly of professional fee incurred for tax compliance services and the engagement as a member of due diligence group in connection with the initial public offering of the Company.

3. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries involving directors and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required to prepare the audited financial statements for each financial year in accordance with the provisions of the Companies Act 2016 ("**Act**"), the applicable approved accounting standards and the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") to give a true and fair view of the state of affairs of the Group and of the Company for the financial year under review and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors consider that in the preparation of the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022, the Group and the Company have:

- applied the appropriate accounting policies consistently;
- applied reasonable and prudent judgements and estimates;
- ensured that the audited financial statements are in compliance with all applicable Malaysia Financial Reporting Standards ("**MFRS**"), International Financial Reporting Standards ("**IFRS**"), the requirements of the Act and the AMLR of Bursa Securities; and
- prepared the audited financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep such accounting and other records in a manner that would sufficiently explain the financial position of the Group and the Company.

The Directors are also responsible for taking steps as are reasonably available to them to ensure that adequate risk management and internal controls are in place to safeguard the assets of the Group and of the Company and to prevent and detect any fraud and other irregularities.

The above statement was reviewed and approved by the Board of Directors on 10 April 2023.