



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are provision of integrated industrial packaging solutions. Further details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	<u>14,735,722</u>	<u>(2,472,012)</u>
Attributable to:		
Owners of the parent	<u>14,735,722</u>	<u>(2,472,012)</u>

DIVIDEND

Dividends paid, declared or proposed by the Group since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 December 2022:	
Single tier dividend of RM0.82353 per ordinary share, paid on 31 October 2022 and 8 November 2022	<u>5,600,000</u>

The Directors do not recommend any payment of final dividend for the current financial year.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 10 to 560,000,000 by way of issuance of 559,999,990 new ordinary shares pursuant to the following:

- a) Issuance of 446,999,990 new ordinary shares of RM0.0905 each for cash pursuant to the acquisition of a subsidiary; and
- b) Allotment of 113,000,000 new ordinary shares at an issue price of RM0.30 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

At an Extraordinary General Meeting held on 20 December 2022, the shareholders of the Company approved the establishment of Employee Share Option Scheme ("ESOS") for granting of ESOS options to the eligible Directors and employees. The ESOS was implemented by the Company on 29 December 2022 and has a duration of five (5) years, which will expire on 28 December 2027.

Salient features and other terms of ESOS as follows:

- (a) The maximum number of shares which may be made available under the ESOS 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 ESOS period.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

Salient features and other terms of ESOS as follows (continued):

- (b) The aggregate maximum number of shares that may be allocated to any eligible persons shall be determined by the ESOS Committee provided that the number of new shares allocated to any eligible persons who, either singly or collectively through persons connected with the eligible persons, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10%) of the maximum ESOS shares.
- (c) Any Directors and employees may be considered as eligible from time to time and at any time by the ESOS Committee. Any Directors and employees who fulfill the following criteria shall be eligible for consideration by the ESOS Committee to participate in the ESOS:
 - (i) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - has been employed by the Group as a full-time employee or serving in a specific designation under an employment contract with the Group for a fixed duration (or any other contract as may be determined by the ESOS Committee) and is on the payroll of any subsidiaries within the Group for a continuous period of at least twelve (12) months in the Group and has not served a noticed of resignation or received a notice of termination; or
 - is employed by a corporation which is acquired by the Group during the ESOS period and becomes a subsidiary of the Group upon such acquisition, he/she must have completed a continuous employment service for a period of at least twelve (12) months with the Group and/or for such period as may be determined by the ESOS Committee in the Group as at the date that such company becomes or is deemed to be a subsidiary of the Group and has not served a notice to resign or received a notice of termination;
 - (ii) has been confirmed in write and is not under any probation;
 - (iii) if he/she is a Director, Chief Executive or major shareholder of the Company, the ESOS Offer awarded by the Company to him/her in his/her capacity as a Director or Chief Executive of the Company or his/her persons connected under the ESOS has been approved by the shareholders of the Company at a general meeting; and
 - (iv) is under such categories and/or fulfills any other criteria as may be set by the ESOS Committee from time to time at its absolute discretion.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

Salient features and other terms of ESOS as follows (continued):

- (d) The aggregate maximum number of options to be offered to an eligible person will be determined entirely at the absolute discretion of the ESOS Committee, which shall take into account such criteria as it considers fit including but not limited to the eligible persons' position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group and such other criteria as the ESOS Committee may deem relevant from time to time.
- (e) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be:
 - (i) In respect of any offer which is made in conjunction with the listing of the Company, the final price paid by investors for the ordinary shares issued by the Company pursuant to its initial public offering;
 - (ii) In respect of any offer which is made subsequent to the listing of the Company, the price to be determined by ESOS Committee based on the five (5)-day volume weighted average market share of the ordinary shares immediately preceding the offer date with a discount of not more than 10%; and
- (f) The options shall be vested to an eligible person on the vesting dates after fulfilling the vesting conditions in accordance with ESOS By-Laws. The vesting of each options may be staggered in several tranches at such times and on such terms as determined by the ESOS Committee.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Ooi Lay Pheng *	
Ong Kah Hong *	
Ooi Hooi Kiang *	(Appointed on 1 January 2022)
Dato' Mohamed Amin Bin Mohd Kassim	(Appointed on 1 January 2022)
Dato' Seri Lee Kah Choon	(Appointed on 1 January 2022)
Phoon Yee Min	(Appointed on 1 January 2022)

* These Directors of the Company are also the Directors in certain subsidiaries of the Company.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

<u>Shares in the Company</u>	Number of ordinary shares			Balance as at 31-12-2022
	Balance as at 1-1-2022	Allotment	Sold	
Direct interests:				
Ooi Lay Pheng	9	2,000,000	(9)	2,000,000
Ong Kah Hong	1	1,000,000	(1)	1,000,000
Ooi Hooi Kiang	0	300,000	0	300,000
Dato' Mohamed Amin Bin Mohd Kassim	0	250,000	0	250,000
Dato' Seri Lee Kah Choon	0	250,000	0	250,000
Phoon Yee Min	0	250,000	0	250,000
Indirect interest:				
Ooi Lay Pheng *	0	402,300,000	(33,800,000)	368,500,000
Ong Kah Hong #	0	26,820,000	0	26,820,000
Ooi Hooi Kiang #	0	26,820,000	0	26,820,000

* Deemed interested by virtue of shareholding in B Pack Holdings Sdn. Bhd.

Deemed interested by virtue of shareholding in Moviente Sdn. Bhd.

By virtue of Ooi Lay Pheng's substantial interest of the Company, she is also deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Directors is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from a subsidiary as Directors of the subsidiary.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' BENEFITS (continued)

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group 2022 RM	Company 2022 RM
Fees	168,000	48,000
Salaries and allowances	530,688	0
Bonus	104,000	0
Defined contribution plans	88,040	0
Other	24,145	22,500
	<u>914,873</u>	<u>70,500</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 15 March 2022, the Company entered into a conditional share sale agreement with the shareholders of Berjayapak Sdn. Bhd., namely Moviente Sdn. Bhd., B Line Sdn. Bhd. and B Pack Holdings Sdn. Bhd. to acquire the entire issued share capital of Berjayapak Sdn. Bhd. ("Berjayapak") of RM6,800,000 comprising 6,800,000 ordinary shares for a total consideration of RM40,453,499. The acquisition of Berjayapak was wholly satisfied via the issuance 446,999,990 of new ordinary shares of the Company at an issue price of RM0.0905 per share to be issued to Moviente Sdn. Bhd., B Line Sdn. Bhd. and B Pack Holdings Sdn. Bhd..

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(a) (continued)

Total purchase consideration of RM40,453,499 was arrived at on a "willing-buyer willing-seller" basis and represents the audited net assets of Berjayapak as at 31 December 2021.

Upon completion of the acquisition of Berjayapak on 9 November 2022, the total number of ordinary shares in the Company increased from 10 to 447,000,000 shares and Berjayapak became a wholly-owned subsidiary of the Company.

(b) On 13 December 2022, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital in the Company on the ACE Market of Bursa Malaysia Security Berhad ("Listing"). The IPO involves the offering of 146,800,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Securities Berhad comprising an offer for sale of up to 33,800,000 existing ordinary shares in the Company and a public issue of 113,000,000 new ordinary shares in the Company. The IPO and the Listing were completed on 3 January 2023.

(c) On 3 January 2023, the Company offered and granted 11,200,000 units of ESOS options under the First Tranche of ESOS to eligible Directors and employees of the Group with an exercise price of RM0.30.

HOLDING COMPANY

The Directors regard B Pack Holding Sdn. Bhd., a company incorporated in Malaysia as the immediate and ultimate holding company.

DIRECTORS' REPORT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2022

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2022 amounted to RM20,000 and RM69,792 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Ooi Lay Pheng
Director

Ong Kah Hong
Director

Penang
10 April 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 91 to 149 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Ooi Lay Pheng
Director

Ong Kah Hong
Director

Penang
10 April 2023

STATUTORY DECLARATION

I, Ow Chooi Khim (CA 12616), being the officer primarily responsible for the financial management of L&P Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 91 to 149 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed at
Georgetown in the State of
Penang this 10 April 2023

Ow Chooi Khim
Chief Financial Officer

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD

Report on the Financial Statements

We have audited the financial statements of L&P Global Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 91 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD (Cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables

The net carrying amount of trade receivables of RM27,932,472 has been disclosed in Note 9 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- a. Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- b. Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- c. Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L&P GLOBAL BERHAD (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lee Beng Tuan
03271/07/2024 J
Chartered Accountant

Penang
10 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	17,243,910	15,522,551	0	0
Right-of-use assets	6	29,292,033	4,463,807	0	0
Investments in subsidiaries	7	0	0	40,453,499	0
Deferred tax assets	8	47,309	52,237	0	0
Other receivables	9	398,645	361,929	0	0
		<u>46,981,897</u>	<u>20,400,524</u>	<u>40,453,499</u>	<u>0</u>
Current assets					
Inventories	10	19,109,963	19,693,579	0	0
Trade and other receivables	9	63,213,694	29,634,930	32,986,279	0
Current tax assets		1,418,559	967,344	0	0
Cash and bank balances	11	6,664,966	3,407,131	993	10
		<u>90,407,182</u>	<u>53,702,984</u>	<u>32,987,272</u>	<u>10</u>
TOTAL ASSETS		<u><u>137,389,079</u></u>	<u><u>74,103,508</u></u>	<u><u>73,440,771</u></u>	<u><u>10</u></u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	73,464,999	6,800,010	73,464,999	10
Reserves	13	8,532,800	32,903,848	(3,222,477)	(750,465)
TOTAL EQUITY/ (CAPITAL DEFICIENCY)		<u><u>81,997,799</u></u>	<u><u>39,703,858</u></u>	<u><u>70,242,522</u></u>	<u><u>(750,455)</u></u>

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
LIABILITIES					
Non-current liabilities					
Borrowings	14	29,568,440	10,700,400	0	0
Lease liabilities	6	1,561,893	2,059,788	0	0
Deferred tax liabilities	8	1,304,400	803,000	0	0
		<u>32,434,733</u>	<u>13,563,188</u>	<u>0</u>	<u>0</u>
Current liabilities					
Trade and other payables	15	7,760,994	8,201,122	3,198,249	750,465
Borrowings	14	12,601,163	10,692,840	0	0
Lease liabilities	6	1,616,072	1,654,216	0	0
Current tax liabilities		978,318	288,284	0	0
		<u>22,956,547</u>	<u>20,836,462</u>	<u>3,198,249</u>	<u>750,465</u>
TOTAL LIABILITIES		<u>55,391,280</u>	<u>34,399,650</u>	<u>3,198,249</u>	<u>750,465</u>
TOTAL EQUITY AND LIABILITIES/ (TOTAL EQUITY NET OF CAPITAL DEFICIENCY)					
		<u>137,389,079</u>	<u>74,103,508</u>	<u>73,440,771</u>	<u>10</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
Revenue	16	150,540,585	120,924,339	0	0
Cost of sales		(117,140,155)	(91,734,477)	0	0
Gross profit		<u>33,400,430</u>	<u>29,189,862</u>	<u>0</u>	<u>0</u>
Other operating income		1,183,981	192,708	0	0
Reversal of impairment losses/(Impairment losses on trade receivables)	9(f)	121,649	(11,407)	0	0
Distribution costs		(3,023,968)	(2,391,500)	0	0
Administration expenses		(10,933,867)	(7,424,085)	(2,472,012)	(750,465)
Profit/(Loss) from operations		<u>20,748,225</u>	<u>19,555,578</u>	<u>(2,472,012)</u>	<u>(750,465)</u>
Finance costs	17	(1,459,780)	(1,356,418)	0	0
Profit before tax		<u>19,288,445</u>	<u>18,199,160</u>	<u>(2,472,012)</u>	<u>(750,465)</u>
Tax expense	19	(4,552,723)	(3,870,379)	0	0
Profit/(Loss) for the financial year		<u>14,735,722</u>	<u>14,328,781</u>	<u>(2,472,012)</u>	<u>(750,465)</u>

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (cont'd)**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		146,729	497,378	0	0
Total comprehensive income/ (loss) for the financial year		14,882,451	14,826,159	(2,472,012)	(750,465)
Profit/(Loss) attributable to owners of the parent		14,735,722	14,328,781	(2,472,012)	(750,465)
Total comprehensive income/ (loss) attributable to owners of the parent		14,882,451	14,826,159	(2,472,012)	(750,465)
Earnings per ordinary share attributable to owners of the parent:					
Basic (sen)	20	21.01	2.56		
Diluted (sen)	20	18.12	2.51		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	Share capital RM	Merger reserve RM	Exchange translation reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2022		6,800,010	0	160,184	32,743,664	39,703,858
Profit for the financial year		0	0	0	14,735,722	14,735,722
Other comprehensive income, net of tax		0	0	146,729	0	146,729
Total comprehensive income		0	0	146,729	14,735,722	14,882,451
Transactions with owners:						
Issuance of ordinary shares pursuant to:						
- Acquisition of a subsidiary in business combination under common control	12	33,653,499	(33,653,499)	0	0	0
- Initial Public Offering	12	33,900,000	0	0	0	33,900,000
Share issuance expenses	12	(888,510)	0	0	0	(888,510)
Dividends	21	0	0	0	(5,600,000)	(5,600,000)
Total transactions with owners		66,664,989	(33,653,499)	0	(5,600,000)	27,411,490
Balance as at 31 December 2022		73,464,999	(33,653,499)	306,913	41,879,386	81,997,799

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	Share capital RM	Exchange translation reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2021		6,800,000	(337,194)	21,414,883	27,877,689
Profit for the financial year		0	0	14,328,781	14,328,781
Other comprehensive income, net of tax		0	497,378	0	497,378
Total comprehensive income		0	497,378	14,328,781	14,826,159
Transactions with owners:					
Issuance of ordinary shares	12	10	0	0	10
Dividend	21	0	0	(3,000,000)	(3,000,000)
Total transactions with owners		10	0	(3,000,000)	(2,999,990)
Balance as at 31 December 2021		6,800,010	160,184	32,743,664	39,703,858

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Note	Share capital RM	Accumulated losses RM	(Capital deficiency)/ Total equity RM
Balance as at 30 August 2021 (Date of incorporation)		10	0	10
Loss for the financial period		0	(750,465)	(750,465)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(750,465)	(750,465)
Balance as at 31 December 2021		10	(750,465)	(750,455)
Balance as at 1 January 2022		10	(750,465)	(750,455)
Loss for the financial year		0	(2,472,012)	(2,472,012)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(2,472,012)	(2,472,012)
Transactions with owners:				
Issuance of ordinary shares pursuant to:				
- Acquisition of a subsidiary	12	40,453,499	0	40,453,499
- Initial Public Offering	12	33,900,000	0	33,900,000
Share issuance expenses	12	(888,510)	0	(888,510)
Total transactions with owners		73,464,989	0	73,464,989
Balance as at 31 December 2022		73,464,999	(3,222,477)	70,242,522

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		19,288,445	18,199,160	(2,472,012)	(750,465)
Adjustments for:					
Depreciation of:					
- property, plant and equipment	5	1,404,839	964,753	0	0
- right-of-use assets	6	1,906,896	1,442,088	0	0
(Reversal of impairment loss)/ Impairment loss on trade receivables	9(f)	(121,649)	11,407	0	0
Interest expenses	17	1,459,780	1,356,418	0	0
Interest income		(14,466)	(62,009)	0	0
Gain on lease termination		(1,622)	(627)	0	0
(Gain)/Loss on disposal of:					
- property, plant and equipment		(20,780)	8,091	0	0
- right-of-use assets		0	0	0	0
Unrealised loss on foreign exchange		783,741	24,045	0	0
Written off of:					
- property, plant and equipment		1	0		
- right-of-use assets		0	444,108	0	0
Operating profit/(loss) before changes in working capital		24,685,185	22,387,434	(2,472,012)	(750,465)
Decrease/(Increase) in inventories		683,349	(6,749,021)	0	0
Increase in trade and other receivables		(1,251,059)	(8,468,795)	(15,000)	0
(Decrease)/Increase in trade and other payables		(497,365)	2,013,797	2,447,784	750,465
Cash generated from/(used in) operations		23,620,110	9,183,415	(39,228)	0
Interest received		14,466	62,009	0	0
Interest paid		(1,198,513)	(1,174,184)	0	0
Tax paid		(3,797,642)	(3,548,951)	0	0
Net cash from/(used in) operating activities		18,638,421	4,522,289	(39,228)	0

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of:					
- property, plant and equipment		(2,767,301)	(3,417,755)	0	0
- right-of-use assets		(3,640,299)	(132,216)	0	0
Placement of fixed deposit more than 3 months	11(d)	(2,976,000)	0	0	0
Proceeds from disposal of property, plant and equipment		25,500	88,000	0	0
Net cash used in investing activities		<u>(9,358,100)</u>	<u>(3,461,971)</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	21	(5,600,000)	(3,000,000)	0	0
Net (repayment of)/drawdown from:					
- banker's acceptances		(53,614)	4,665,078	0	0
- term loans		(1,691,457)	(714,296)	0	0
- revolving credit		4,000,000	0	0	0
- lease liabilities		(2,079,434)	(2,186,482)	0	0
Proceeds from issuance of ordinary shares		928,721	0	928,721	0
Share issuance expenses	12	(888,510)	0	(888,510)	0
Net changes in deposits with licensed banks		128,641	(6,906)	0	0
Net cash (used in)/ from financing activities		<u>(5,255,653)</u>	<u>(1,242,606)</u>	<u>40,211</u>	<u>0</u>

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2022 to 31.12.2022	30.8.2021 to 31.12.2021
Note	RM	RM	RM	RM
Net changes in cash and cash equivalents	4,024,668	(182,288)	983	0
Effects of exchange rate changes on cash and cash equivalents	30,740	120,117	0	0
Cash and cash equivalents at beginning of financial year/ at date of incorporation	<u>(484,049)</u>	<u>(421,878)</u>	<u>10</u>	<u>10</u>
Cash and cash equivalents at end of financial year/period	11(d) <u>3,571,359</u>	<u>(484,049)</u>	<u>993</u>	<u>10</u>

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Bankers' acceptance (Note 14) RM	Revolving credit (Note 14) RM	Term loan (Note 14) RM
Balance as at 1 January 2021	2,257,176	1,350,000	0	12,447,526
Cash flows	(2,186,482)	4,665,078	0	(714,296)
Non-cash flows:				
- Additions	3,426,663	0	0	0
- Unwinding of interest	182,234	0	0	0
- Currency translation differences	56,355	0	0	0
- Lease termination	(21,942)	0	0	0
Balance as at 31 December 2021	<u>3,714,004</u>	<u>6,015,078</u>	<u>0</u>	<u>11,733,230</u>
Balance as at 1 January 2022	3,714,004	6,015,078	0	11,733,230
Cash flows	(2,079,434)	(53,614)	4,000,000	(1,691,457)
Non-cash flows:				
- Additions	1,359,330	0	0	22,166,366
- Unwinding of interest	261,267	0	0	0
- Currency translation differences	34,461	0	0	0
- Lease termination	(111,663)	0	0	0
Balance as at 31 December 2022	<u>3,177,965</u>	<u>5,961,464</u>	<u>4,000,000</u>	<u>32,208,139</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.

The principal place of business of the Company is located at 2619, Lorong Perusahaan 8D Kawasan Perusahaan Prai, 13600 Prai, Penang.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 27.1 to the financial statements.

In the previous financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Berjayapak Sdn. Bhd. and its subsidiaries by the Company in business combination under common control. Consequently, the Group presented comparative financial information as if the business combination taken place before the start of the earliest period presented in the financial statement.

The following accounting treatment has been applied in the consolidated financial statements arising from the business combination under common control.

- (a) Assets and liabilities of Berjayapak Sdn. Bhd. and its subsidiaries were recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings and other equity reserves of the Group as at 1 January 2021 are those of Berjayapak Sdn. Bhd. and its subsidiaries; and
- (c) Share capital as at 1 January 2021 reflects the share capital of Berjayapak Sdn. Bhd. prior to the incorporation of the Company.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

4. OPERATING SEGMENTS

(a) Geographical information

The Group is principally involved in provision of integrated industrial packaging solutions. Its operating segments are presented based on the geographical location of its customers. The Group evaluates the performance of the reportable segments on the basis of profit or loss from operations before tax not including non-recurring loss. These policies have been applied consistently throughout the current and previous financial year.

The accounting policies of the reportable segments are the same as the accounting policies of the Group which are describes in the respective notes to the financial statements.

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

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

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

2022

	Malaysia RM	Vietnam RM	Total RM
Revenue			
Revenue from external customers	122,475,403	28,065,182	150,540,585
Inter-segment revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total revenue	<u><u>122,475,403</u></u>	<u><u>28,065,182</u></u>	<u><u>150,540,585</u></u>
Interest income	0	14,466	14,466
Finance costs	<u>(1,357,144)</u>	<u>(102,636)</u>	<u>(1,459,780)</u>
Net finance costs	<u><u>(1,357,144)</u></u>	<u><u>(88,170)</u></u>	<u><u>(1,445,314)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

4. OPERATING SEGMENTS (continued)

(a) Geographical information (continued)

2022 (continued)

	Malaysia RM	Vietnam RM	Total RM
Segment profit before income tax	10,618,160	8,670,285	19,288,445
Other material non-cash items:			
Depreciation of property, plant and equipment	(1,279,928)	(124,911)	(1,404,839)
Depreciation of right-of-use assets	(1,189,394)	(717,502)	(1,906,896)
Reversal of impairment of trade receivables	121,649	0	121,649
	<u>124,075,534</u>	<u>11,847,677</u>	<u>135,923,211</u>
Segment assets			1,418,559
Current tax assets			47,309
Deferred tax liabilities			<u>137,389,079</u>
Segment liabilities	49,964,692	3,143,870	53,108,562
Current tax liabilities			978,318
Deferred tax liabilities			1,304,400
			<u>55,391,280</u>
Additions to non-current assets other than financial instruments:			
Property, plant and equipment	2,694,355	72,946	2,767,301
Right-of-use assets	<u>27,165,995</u>	<u>0</u>	<u>27,165,995</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

4. OPERATING SEGMENTS (continued)

(a) Geographical information (continued)

2021

	Malaysia RM	Vietnam RM	Total RM
Revenue			
Revenue from external customers	94,885,656	26,038,683	120,924,339
Inter-segment revenue	0	0	0
Total revenue	<u>94,885,656</u>	<u>26,038,683</u>	<u>120,924,339</u>
Interest income	0	62,009	62,009
Finance costs	(1,308,710)	(47,708)	(1,356,418)
Net finance (costs)/income	<u>(1,308,710)</u>	<u>14,301</u>	<u>(1,294,409)</u>
Segment profit before income tax	10,309,428	7,889,732	18,199,160
Other material non-cash items:			
Depreciation of property, plant and equipment	(809,100)	(155,653)	(964,753)
Depreciation of right-of-use assets	(769,105)	(672,983)	(1,442,088)
Impairment of trade receivables	<u>(11,407)</u>	<u>0</u>	<u>(11,407)</u>
Segment assets	60,104,084	12,979,843	73,083,927
Current tax assets			967,344
Deferred tax assets			52,237
			<u>74,103,508</u>
Segment liabilities	28,759,398	4,548,968	33,308,366
Current tax liabilities			288,284
Deferred tax liabilities			803,000
			<u>34,399,650</u>
Additions to non-current assets other than financial instruments:			
Property, plant and equipment	3,417,755	0	3,417,755
Right-of-use assets	<u>2,173,226</u>	<u>1,385,653</u>	<u>3,558,879</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

4. OPERATING SEGMENTS (continued)

(b) Major Customer

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Customer A	56,188,312	45,793,196
Customer B	<u>28,065,182</u>	<u>26,038,683</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Capital work-in- progress RM	Total RM
At cost									
Balance as at 1 January 2022	2,817,355	7,433,530	8,856,215	2,381,856	482,711	1,655,515	1,385,627	1,942,809	26,955,618
Additions	0	0	48,601	0	9,000	250,308	461,023	1,998,369	2,767,301
Disposal	0	0	0	(108,875)	0	(10,580)	0	0	(119,455)
Written off	0	0	0	(36,000)	0	0	0	0	(36,000)
Transfer from right-of-use assets (Note 6)	0	0	0	746,297	0	0	0	0	746,297
Reclassification	0	0	0	0	250,109	153,490	2,970,102	(3,373,701)	0
Currency translation differences	0	0	4,460	6,285	0	2,593	0	0	13,338
Balance as at 31 December 2022	2,817,355	7,433,530	8,909,276	2,989,563	741,820	2,051,326	4,816,752	567,477	30,327,099
Accumulated depreciation									
Balance as at 1 January 2022	0	1,692,670	5,316,871	1,952,788	399,697	1,294,018	777,023	0	11,433,067
Current charge	0	149,665	480,821	160,310	34,477	189,212	390,354	0	1,404,839
Disposal	0	0	0	(108,872)	0	(5,863)	0	0	(114,735)
Written off	0	0	0	(35,999)	0	0	0	0	(35,999)
Transfer from right-of-use assets (Note 6)	0	0	0	391,266	0	0	0	0	391,266
Currency translation differences	0	0	998	1,672	0	2,081	0	0	4,751
Balance as at 31 December 2022	0	1,842,335	5,798,690	2,361,165	434,174	1,479,448	1,167,377	0	13,083,189
Carrying amount									
Balance as at 31 December 2022	2,817,355	5,591,195	3,110,586	628,398	307,646	571,878	3,649,375	567,477	17,243,910

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Capital work-in- progress RM	Total RM
At cost									
Balance as at 1 January 2021	2,817,355	7,433,530	7,839,439	2,622,004	458,030	1,346,684	1,237,534	0	23,754,576
Additions	0	0	1,002,741	0	24,681	299,431	148,093	1,942,809	3,417,755
Disposal	0	0	0	(259,002)	0	0	0	0	(259,002)
Currency translation differences	0	0	14,035	18,854	0	9,400	0	0	42,289
Balance as at 31 December 2021	2,817,355	7,433,530	8,856,215	2,381,856	482,711	1,655,515	1,385,627	1,942,809	26,955,618
Accumulated depreciation									
Balance as at 1 January 2021	0	1,543,005	4,912,713	1,948,108	386,835	1,165,594	662,628	0	10,618,883
Current charge	0	149,665	401,357	163,174	12,862	123,300	114,395	0	964,753
Disposal	0	0	0	(162,911)	0	0	0	0	(162,911)
Currency translation differences	0	0	2,801	4,417	0	5,124	0	0	12,342
Balance as at 31 December 2021	0	1,692,670	5,316,871	1,952,788	399,697	1,294,018	777,023	0	11,433,067
Carrying amount									
Balance as at 31 December 2021	2,817,355	5,740,860	3,539,344	429,068	83,014	361,497	608,604	1,942,809	15,522,551

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses.

Freehold land has unlimited useful life and is not depreciated.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant and machinery	10% - 33%
Motor vehicles	10%
Furniture and fittings	10%
Office equipment	10% - 33%
Renovation	10%

Construction-work-in-progress represents renovation under construction and was stated at cost. Construction work-in-progress was not depreciated until such time when the asset was available for use.

- (b) The Group have pledged the following property, plant and equipment to licensed banks to secure banking facilities granted as disclosed in Note 14 to financial statements:

	Group	
	2022	2021
	RM	RM
Carrying amount		
Freehold land	2,430,211	2,817,355
Buildings	4,445,442	5,740,860
	<u>6,875,653</u>	<u>8,558,215</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

6. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

Right-of-use assets

The Group as lessee

	Balance as at		Additions	Transfer to property, plant and equipment (Note 5)	Lease termination	Depreciation	Currency translation differences	Balance as at
	1.1.2022	RM						
Carrying amount								
Leasehold land	0	10,355,096	0	0	0	(171,722)	0	10,183,374
Buildings	0	15,267,326	0	0	0	(237,122)	0	15,030,204
Motor vehicles	1,960,968	1,543,573	(355,031)	0	0	(345,524)	0	2,803,986
Factory building	2,383,372	0	0	0	(110,041)	(1,139,728)	34,199	1,167,802
Plant and machinery	119,467	0	0	0	0	(12,800)	0	106,667
	4,463,807	27,165,995	(355,031)	(110,041)	(1,906,896)	34,199	0	29,292,033
	Balance as at		Additions	Written off	Lease termination	Depreciation	Currency translation differences	Balance as at
	1.1.2021	RM						
Carrying amount								
Motor vehicles	1,856,029	834,216	(444,108)	0	0	(285,169)	0	1,960,968
Factory building	863,791	2,596,663	0	0	0	(1,130,624)	53,542	2,383,372
Hostel	39,077	0	0	0	(21,315)	(17,762)	0	0
Plant and machinery	0	128,000	0	0	0	(8,533)	0	119,467
	2,758,897	3,558,879	(444,108)	(21,315)	(1,442,088)	53,542	0	4,463,807

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

6. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

The Group as lessee

	Balance as at 1.1.2022	Additions	Lease termination	Lease payments	Interest expense	Currency translation differences	Balance as at 31.12.2022
	RM	RM	RM	RM	RM	RM	RM
Carrying amount							
Motor vehicles	1,176,035	1,359,330	0	(799,285)	119,938	0	1,856,018
Factory building	2,424,617	0	(111,663)	(1,250,281)	134,831	34,461	1,231,965
Plant and machinery	113,352	0	0	(29,868)	6,498	0	89,982
	<u>3,714,004</u>	<u>1,359,330</u>	<u>(111,663)</u>	<u>(2,079,434)</u>	<u>261,267</u>	<u>34,461</u>	<u>3,177,965</u>
	Balance as at 1.1.2021	Additions	Lease termination	Lease payments	Interest expense	Currency translation differences	Balance as at 31.12.2021
	RM	RM	RM	RM	RM	RM	RM
Carrying amount							
Motor vehicles	1,291,084	702,000	0	(905,534)	88,485	0	1,176,035
Factory building	927,021	2,596,663	0	(1,242,664)	87,242	56,355	2,424,617
Hostel	39,071	0	(21,942)	(18,372)	1,243	0	0
Plant and machinery	0	128,000	0	(19,912)	5,264	0	113,352
	<u>2,257,176</u>	<u>3,426,663</u>	<u>(21,942)</u>	<u>(2,186,482)</u>	<u>182,234</u>	<u>56,355</u>	<u>3,714,004</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

6. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (continued)

	Group	
	2022	2021
	RM	RM
Represented by:		
Current liabilities	1,616,072	1,654,216
Non-current liabilities	1,561,893	2,059,788
	<u>3,177,965</u>	<u>3,714,004</u>
Lease liabilities owing to financial institutions	1,946,000	1,289,387
Lease liabilities owing to non-financial institutions	1,231,965	2,424,617
	<u>3,177,965</u>	<u>3,714,004</u>

- (a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	27 - 42 years
Buildings	27 - 42 years
Motor vehicles	4 - 5 years
Factory building	1 - 5 years
Plant and machinery	5 years
Hostel	2 years

- (b) As at 31 December 2022, leasehold land and buildings with carrying amount of RM25,213,577 (2021: Nil) have pledged to licensed banks to secure banking facilities granted as disclosed in Note 14 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

6. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (continued)

(c) The Group have certain leases of equipment with lease term of twelve (12) months or less. The Group apply the "short-term lease" exemptions for these leases.

(d) The following are the amounts recognised in profit or loss:

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Depreciation of right-of-use assets		
- included in cost of sales	1,627,082	1,180,162
- included in administrative expenses	279,814	261,926
Expense relating to short-term leases		
- included in cost of sales	510,313	58,620
- included in administrative expenses	0	1,400
Interest expense on lease liabilities (included in finance costs)	261,267	182,234
Gain on lease termination	(1,622)	(627)
	<u>2,676,854</u>	<u>1,683,715</u>

(e) The following are total cash outflow for leases as lessee:

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Included in net cash from operating activities:		
Payment relating to short-term leases	510,313	60,020
Included in net cash from investing activities:		
Purchase of right-of-use-assets	3,640,299	132,216
Included in net cash from financing activities:		
Payment of lease liabilities	2,079,434	2,186,482
Total cash outflow for leases	<u>6,230,046</u>	<u>2,378,718</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

6. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (continued)

- (f) The Group lease several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing that assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no potential future rental payment that are not included in the lease term.

- (g) Information on financial risks of lease liabilities is disclosed in Note 25 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost	40,453,499	0

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in separate financial statements of the Company at cost less impairment losses, if any.

- (b) Details of the subsidiaries are as follows:

Name of Company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
Berjayapak Sdn. Bhd.*	Malaysia	100%	100%	Design and manufacture of integrated wooden based industrial packaging solutions

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

7. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows (continued):

Name of Company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022	2021	
<i>Subsidiaries of Berjayapak Sdn. Bhd.</i>				
Bejay Timber Sdn. Bhd.*	Malaysia	100%	100%	Manufacture of wooden based industrial packaging solutions, provide packaging services, and letting of premises
Bejay Presswood Sdn. Bhd.*	Malaysia	100%	100%	Letting of properties
Berjayapak Vietnam Company Limited #	Vietnam	100%	100%	Design and manufacture of integrated wooden based industrial packaging solutions

* subsidiaries audited by BDO PLT

subsidiary audited by BDO member firm

(c) On 9 November 2022, the Company completed the acquisition of entire equity interest in Berjayapak Sdn. Bhd. for a total purchase consideration of RM40,453,499 which was satisfied via the issuance of 446,999,990 new ordinary shares at an issue price of RM0.0905 per new ordinary share. Consequently, Berjayapak Sdn. Bhd. become a wholly-owned subsidiary of the Group.

(d) Business combination under common control that was undertaken in the previous financial year are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

8. DEFERRED TAX

(a) The deferred tax assets and liabilities are made of the following:

	Group	
	2022	2021
	RM	RM
Balance as at 1 January	750,763	630,390
Recognised in profit or loss (Note 19):		
- relating to origination and reversal of temporary differences	385,445	95,580
- underprovision in prior years	121,800	26,200
Exchange difference	(917)	(1,407)
Balance as at 31 December	<u>1,257,091</u>	<u>750,763</u>
Presented after appropriate offsetting:		
Deferred tax assets	(47,309)	(52,237)
Deferred tax liabilities	1,304,400	803,000
	<u>1,257,091</u>	<u>750,763</u>

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets

	Group	
	Others	
	2022	2021
	RM	RM
Balance as at 1 January	52,237	19,710
Recognised in profit or loss	(5,845)	31,120
Exchange difference	917	1,407
Balance as at 31 December	<u>47,309</u>	<u>52,237</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

8. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (continued):

Deferred tax liabilities

	Group	
	Property, plant and equipment	
	2022	2021
	RM	RM
Balance as at 1 January	803,000	650,100
Recognised in profit or loss	501,400	152,900
Balance as at 31 December	<u>1,304,400</u>	<u>803,000</u>

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2022	2021
	RM	RM
Unutilised capital allowances	703,900	703,900
Unutilised tax losses		
- Expires by 31 December 2028	771,000	771,000
	<u>1,474,900</u>	<u>1,474,900</u>

Deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that taxable profits of the Group would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the respective local tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<u>Non-current</u>				
Other receivables				
Deposits	398,645	361,929	0	0
<u>Current</u>				
Trade receivables				
Third parties	28,110,236	22,158,041	0	0
Less: Impairment losses	(177,764)	(299,413)	0	0
	27,932,472	21,858,628	0	0
Other receivables				
Third parties	34,339,481	4,148,749	32,971,279	0
Deposits	536,388	2,956,963	15,000	0
	34,875,869	7,105,712	32,986,279	0
Total receivables	62,808,341	28,964,340	32,986,279	0
Prepayments				
Prepayments	405,353	670,590	0	0
	63,213,694	29,634,930	32,986,279	0

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from cash terms to 90 days (2021: cash terms to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

9. TRADE AND OTHER RECEIVABLES (continued)

- (c) The currency exposure profile of total current and non-current receivables (excluding prepayments) is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	43,615,171	19,412,925	32,986,279	0
United States Dollar	15,075,557	5,208,837	0	0
Vietnamese Dong	4,516,258	4,339,108	0	0
Chinese Renminbi	0	365,399	0	0
	<u>63,206,986</u>	<u>29,326,269</u>	<u>32,986,279</u>	<u>0</u>

- (d) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ('ECL').

The Group uses an allowance matrix to measure the ECL of trade receivables from past due ageing. Expected loss rates are determined by the probability of the non-collection from the trade receivables multiplied by the amount of the expected loss arising from default. Trade receivables have been grouped based on shared credit risk characteristics - the days past due.

During the process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Significant judgement is required in determining the probability of default by trade receivables, and the appropriate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

9. TRADE AND OTHER RECEIVABLES (continued)

(e) Lifetime expected loss provision for trade receivables are as follows:

Group	Gross carrying amount RM	Impairment losses RM	Total RM
31 December 2022			
Not past due	22,914,407	39,035	22,875,372
Past due:			
1 to 30 days	4,531,620	52,563	4,479,057
31 to 60 days	638,285	60,242	578,043
More than 60 days	25,924	25,924	0
	<u>28,110,236</u>	<u>177,764</u>	<u>27,932,472</u>
31 December 2021			
Not past due	19,420,062	72,407	19,347,655
Past due:			
1 to 30 days	2,384,804	69,113	2,315,691
31 to 60 days	274,584	79,302	195,282
More than 60 days	78,591	78,591	0
	<u>22,158,041</u>	<u>299,413</u>	<u>21,858,628</u>

During the financial year, the Group did not renegotiate the terms of any trade receivables.

(f) Movements in the impairment allowance for trade receivables based on simplified approach are as follows:

Lifetime ECL allowance	Group	
	2022 RM	2021 RM
Balance as at 1 January	299,413	288,006
Charge for the financial year	0	11,407
Reversal of impairment losses	(121,649)	0
Balance as at 31 December	<u>177,764</u>	<u>299,413</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

9. TRADE AND OTHER RECEIVABLES (continued)

- (g) Impairment for other receivables are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those in which the credit risk has not increased significantly since initial recognition of the financial assets, twelve (12) months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group and the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) months or lifetime expected credit loss for other receivables.

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables as it is negligible.

- (h) Included in other receivables of the Company is an amount of RM32,971,279 (2021: Nil) which relates to the proceeds from Initial Public Offering. Subsequent to the financial year, the Company have fully received the proceeds.
- (i) Information on financial risks of trade and other receivables is disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

10. INVENTORIES

	Group	
	2022	2021
	RM	RM
At cost		
Raw materials	13,042,713	14,681,568
Work-in-progress	1,486,703	1,602,806
Finished goods	3,226,432	1,926,543
Indirect materials	1,182,117	635,552
Goods-in-transit	168,756	786,111
Merchandise	3,242	60,999
	<u>19,109,963</u>	<u>19,693,579</u>

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials and other direct costs.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM96,719,191 (2021: RM78,299,990).

11. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	3,571,359	3,160,883	993	10
Deposits with licensed banks	3,093,607	246,248	0	0
	<u>6,664,966</u>	<u>3,407,131</u>	<u>993</u>	<u>10</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

11. CASH AND BANK BALANCES (continued)

(b) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	1,788,260	871,463	993	10
United States Dollar	1,401,381	679,820	0	0
Vietnamese Dong	3,451,378	1,855,785	0	0
Chinese Renminbi	11,879	63	0	0
Others	12,068	0	0	0
	<u>6,664,966</u>	<u>3,407,131</u>	<u>993</u>	<u>10</u>

(c) Deposits with licensed banks of the Group amounting to RM117,607 (2021: RM246,248) have been pledged to a licensed bank as securities for the credit facilities granted as disclosed in Note 14 to the financial statements.

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	3,571,359	3,160,883	993	10
Deposits with licensed banks	<u>3,093,607</u>	<u>246,248</u>	<u>0</u>	<u>0</u>
As per statements of financial position	6,664,966	3,407,131	993	10
Less:				
Deposits pledged to a licensed bank	(117,607)	(246,248)	0	0
Deposits with maturity period more than three (3) months	(2,976,000)	0		
Bank overdrafts (Note 14)	<u>0</u>	<u>(3,644,932)</u>	<u>0</u>	<u>0</u>
As reported in statements of cash flows	<u>3,571,359</u>	<u>(484,049)</u>	<u>993</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

11. CASH AND BANK BALANCES (continued)

- (e) No expected credit loss is recognised arising from cash and bank balances because the probability of default of these financial institutions is negligible.
- (f) Information on financial risks of cash and bank balances is disclosed in Note 25 to the financial statements.

12. SHARE CAPITAL

Group	2022		2021	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Issued and fully paid with no par value:				
Balance as at 1 January	6,800,010	6,800,010	6,800,000	6,800,000
Issuance of ordinary shares	0	0	10	10
Effect of business combination under common control:				
- elimination of issued and paid-up ordinary share capital of Berjayapak Sdn. Bhd.	(6,800,000)	(6,800,000)	0	0
Issuance of ordinary shares pursuant to acquisition of a subsidiary	446,999,990	40,453,499	0	0
	440,199,990	33,653,499	0	0
Issuance of ordinary shares pursuant to Initial Public Offering	113,000,000	33,900,000	0	0
Share issuance expenses	0	(888,510)	0	0
Balance as at 31 December	<u>560,000,000</u>	<u>73,464,999</u>	<u>6,800,010</u>	<u>6,800,010</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

12. SHARE CAPITAL (continued)

<u>Company</u>	2022		2021	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Issued and fully paid with no par value:				
Balance as at 1 January/ 30 August 2021 (date of incorporation)	10	10	10	10
Issuance of ordinary shares pursuant to:				
- acquisition of a subsidiary	446,999,990	40,453,499	0	0
- Initial Public Offering	113,000,000	33,900,000	0	0
	559,999,990	74,353,499	0	0
Share issuance expenses	0	(888,510)	0	0
Balance as at 31 December	<u>560,000,000</u>	<u>73,464,999</u>	<u>10</u>	<u>10</u>

- (a) The Company was incorporated on 30 August 2021 with an issued and paid up share capital of RM10 comprising 10 ordinary shares of RM1 each.
- (b) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 10 to 560,000,000 by way of issuance of 559,999,990 new ordinary shares pursuant to the following:
- i) Issuance of 446,999,990 new ordinary shares of RM0.0905 each for cash pursuant to the acquisition of a subsidiary; and
 - ii) Allotment of 113,000,000 new ordinary shares at an issue price of RM0.30 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (c) In the previous financial year, the number of ordinary shares of the Group was on a combined basis as explained in Note 3 to the financial statements.
- (d) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

13. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:				
Merger reserve	(33,653,499)	0	0	0
Exchange translation reserve	306,913	160,184	0	0
Distributable:				
Retained earnings/ (Accumulated losses)	41,879,386	32,743,664	(3,222,477)	(750,465)
	<u>8,532,800</u>	<u>32,903,848</u>	<u>(3,222,477)</u>	<u>(750,465)</u>

(a) Merger reserve

The merger reserve arose as a result of the difference between consideration paid over the share capital of Berjayapak Sdn. Bhd. pursuant to business combination under common control.

(b) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

14. BORROWINGS

	Group	
	2022 RM	2021 RM
Current liabilities		
<i>Secured:</i>		
Bank overdrafts (Note 11(d))	0	3,644,932
Revolving credit	4,000,000	0
Bankers' acceptances	5,961,464	6,015,078
Term loans	2,639,699	1,032,830
	<u>12,601,163</u>	<u>10,692,840</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

14. BORROWINGS (continued)

	Group	
	2022	2021
	RM	RM
Non-current liability		
<i>Secured:</i>		
Term loans	<u>29,568,440</u>	<u>10,700,400</u>
Total borrowings		
<i>Secured:</i>		
Bank overdrafts (Note 11(d))	0	3,644,932
Revolving credit	4,000,000	0
Bankers' acceptances	5,961,464	6,015,078
Term loans	<u>32,208,139</u>	<u>11,733,230</u>
	<u>42,169,603</u>	<u>21,393,240</u>

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) The currency profile of borrowings is as follows:

	Group	
	2022	2021
	RM	RM
Ringgit Malaysia	38,542,140	21,393,240
United States Dollar	<u>3,627,463</u>	<u>0</u>
	<u>42,169,603</u>	<u>21,393,240</u>

(c) The borrowings of the Group are secured by way of:

- (i) First legal charge over certain freehold land, leasehold land and buildings of the Group as disclosed in Note 5 and Note 6 to the financial statements;
- (ii) Fixed deposits pledged to a licensed bank as disclosed in Note 11(c) to the financial statements; and
- (iii) Corporate guarantee by immediate and ultimate holding company.

(d) The carrying amounts of borrowing are reasonable approximation of fair values, as they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

Fair values of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(e) Information on financial risks of borrowings and their maturity is disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables				
Third parties	3,906,843	4,202,147	0	0
Other payables				
Third parties	1,623,907	2,688,659	23,177	0
Accruals	2,230,244	1,310,316	678,055	0
Amount owing to a subsidiary	0	0	2,497,017	750,465
	3,854,151	3,998,975	3,198,249	750,465
	<u>7,760,994</u>	<u>8,201,122</u>	<u>3,198,249</u>	<u>750,465</u>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from cash terms to 90 days (2021: cash terms to 90 days) from date of invoice.
- (c) Amount owing to a subsidiary represents advances and payments made on behalf of the Company by the subsidiary, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (d) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	5,575,131	5,311,385	3,198,249	750,465
Vietnamese Dong	2,146,831	2,889,737	0	0
United States Dollar	39,032	0	0	0
	<u>7,760,994</u>	<u>8,201,122</u>	<u>3,198,249</u>	<u>750,465</u>

- (e) Information on financial risks of trade and other payables and their maturity is disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

16. REVENUE

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Revenue from contracts with customers:		
Sales of goods	<u>150,540,585</u>	<u>120,924,339</u>
Timing of revenue recognition:		
At a point in time	<u>150,540,585</u>	<u>120,924,339</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market.

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Geographical market		
Malaysia	122,475,403	94,885,656
Vietnam	<u>28,065,182</u>	<u>26,038,683</u>
	<u>150,540,585</u>	<u>120,924,339</u>

Sale of goods

Revenue from the sale of goods is recognised at a point in time when the goods has been transferred to the customers and coincides with the delivery of goods.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve months.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

17. FINANCE COSTS

	Group	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM
Interest expense on:		
- bankers' acceptance	532,832	119,400
- bank overdrafts	63,053	312,553
- lease liabilities	261,267	182,234
- revolving credit	30,013	0
- term loans	572,615	742,231
	<u>1,459,780</u>	<u>1,356,418</u>

18. EMPLOYEE BENEFITS

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
Director fees	168,000	40,000	48,000	0
Wages, salaries and bonuses	14,942,757	11,546,406	0	0
Contributions to defined contribution plans	960,273	585,448	0	0
Socso contributions	150,803	119,914	0	0
Other employees benefits	2,353,427	2,424,699	22,500	0
	<u>18,575,260</u>	<u>14,716,467</u>	<u>70,500</u>	<u>0</u>

Included in employee benefits expense of the Group are Executive Directors' remuneration amounting to RM914,873 (2021: RM1,163,238).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

19. TAX EXPENSE

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
The major components of the tax expense are:				
Current tax expense based on profit for the financial year	4,274,808	3,806,096	0	0
Overprovision of tax expense in prior year	(229,330)	(57,497)	0	0
	<u>4,045,478</u>	<u>3,748,599</u>	<u>0</u>	<u>0</u>
Deferred tax expense (Note 8):				
- relating to origination and reversal of temporary differences	385,445	95,580	0	0
- underprovision in prior years	121,800	26,200	0	0
	<u>4,552,723</u>	<u>3,870,379</u>	<u>0</u>	<u>0</u>

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2021: 24%) of the estimated taxable profits for the fiscal year.
- (b) The statutory corporate income tax ("CIT") applicable on indirect subsidiary, Berjayapak Vietnam Company Limited is 20% on taxable income. The subsidiary is exempted from CIT for 2 years from the first year generating taxable income (2019-2020) and reduced 50% of CIT in the 4 succeeding years (2021-2024) (incentive for investment in industrial zone).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

19. TAX EXPENSE (continued)

- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
Profit/(loss) before tax	<u>19,288,445</u>	<u>18,199,160</u>	<u>(2,472,012)</u>	<u>(750,465)</u>
Tax at the applicable tax rate of 24% (2021: 24%)	4,629,200	4,367,800	(593,300)	(180,100)
Tax effects of:				
- expenses not deductible for tax purposes	1,246,553	640,776	593,300	179,300
- income not subject to tax	0	0	0	0
- tax exempt income	(868,700)	(792,100)	0	0
- different tax rate in foreign jurisdiction	(346,800)	(315,600)	0	0
Overprovision of tax expense in prior years	(229,330)	(57,497)	0	0
Underprovision of deferred tax in prior years	121,800	26,200	0	0
Deferred tax assets not recognised during the financial year	<u>0</u>	<u>800</u>	<u>0</u>	<u>800</u>
Total tax expense for the financial year	<u>4,552,723</u>	<u>3,870,379</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

20. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to the owners of parent the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Profit attributable to owners of parent (RM)	<u>14,735,722</u>	<u>14,328,781</u>
Weighted average number of ordinary shares in issue (unit)*	<u>70,132,611</u>	<u>560,000,000</u>
Basic earnings per ordinary share (sen)	<u>21.01</u>	<u>2.56</u>

* Number of ordinary shares for the financial year ended 31 December 2021 was the expected number of ordinary shares of the Company upon completion of listing of the ordinary shares of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2022	2021
Profit attributable to owners of parent (RM)	<u>14,735,722</u>	<u>14,328,781</u>
Weighted average number of ordinary shares in issue (unit)	70,132,611	560,000,000
Effect of dilution of ESOS	<u>11,200,000</u>	<u>11,200,000</u>
Adjusted weighted average number of ordinary shares in issue (unit)	<u>81,332,611</u>	<u>571,200,000</u>
Diluted earnings per ordinary share (sen)	<u>18.12</u>	<u>2.51</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

21. DIVIDENDS

	Dividend per share RM	Amount of dividend RM
In respect of financial year ended 31 December 2020: Single tier dividend of Berjayapak Sdn. Bhd., paid on 8 September 2021	<u>0.44</u>	<u>3,000,000</u>
In respect of financial year ended 31 December 2022: Single tier interim dividend of Berjayapak Sdn. Bhd., paid on 31 October 2022 and 8 November 2022	<u>0.82353</u>	<u>5,600,000</u>

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

22. RELATED PARTY DISCLOSURE

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

22. RELATED PARTY DISCLOSURE (continued)

(a) Identities of related parties (continued)

Related parties of the Group include:

- (i) Immediate and ultimate holding company, B Pack Holdings Sdn. Bhd;
- (ii) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
- (iii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group; and
- (iv) B Line Sdn. Bhd. and Moviente Sdn. Bhd. whereby the Directors of the Group have significant financial and controlling interest or are connected to certain Directors of the related parties.

(b) Significant related parties transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transaction with its related parties during the financial year:

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Person connected to certain Director of the Group:		
- Consultation fee	23,300	46,600
- Gratuity	0	234,278
	23,300	280,878

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

22. RELATED PARTY DISCLOSURE (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

There are no key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Group other than the Directors.

The total remuneration of Directors during the financial year was as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	30.8.2021 to 31.12.2021 RM
Director fees	168,000	40,000	48,000	0
Salaries and allowances	530,688	569,786	0	0
Bonus	104,000	40,000	0	0
Contributions to defined contribution plans	88,040	66,597	0	0
Others	24,145	446,855	22,500	0
	<u>914,873</u>	<u>1,163,238</u>	<u>70,500</u>	<u>0</u>

23. CAPITAL COMMITMENT

	Group	
	2022 RM	2021 RM
Capital expenditure in respect of purchase of property, plant and equipment and right-of-use assets: - contracted but not provided for	<u>839,434</u>	<u>23,300,976</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

24. CONTINGENT LIABILITIES

	Group	
	1.1.2022	1.1.2021
	to	to
	31.12.2022	31.12.2021
	RM	RM
Corporate guarantee given to a financial institutions for credit facilities granted to a subsidiary	<u>90,750,000</u>	<u>34,300,000</u>

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

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

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantee is remote. Accordingly, the Directors have estimated the financial impact of the guarantee as at 31 December 2022 to be insignificant.

25. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as going concerns whilst maintaining acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

The Group monitor capital using a gearing ratio, which is net debt divided by total equity attributable to owners of parent. Net debt are calculated as total borrowings and lease liability owing to financial institutions net of cash and bank balances.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Borrowings	42,169,603	21,393,240	0	0
Lease liabilities owing to financial institutions	1,946,000	1,289,387	0	0
Less: Cash and bank balances	(6,664,966)	(3,407,131)	(993)	(10)
Net debt/(cash)	<u>37,450,637</u>	<u>19,275,496</u>	<u>(993)</u>	<u>(10)</u>
Total equity attributable to owners of parent	<u>81,997,799</u>	<u>39,703,858</u>	<u>70,242,522</u>	<u>(750,455)</u>
Gearing ratio	<u>31%</u>	<u>33%</u>	<u>*</u>	<u>*</u>

* No gearing ratio is presented as the Company are in net cash position.

Pursuant to the requirements of Guidance Note No.3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital of the Group. The Company has complied with this requirements for the financial year ended 31 December 2022.

The Group and the Company have complied with the externally imposed capital requirements as at the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

Overall financial risk management objective of the Group is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the financial risk management policies of the Group.

The main risk arising from the financial instruments of the Group are credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Management reviews and agrees policies for managing each of these risks and these are summarised below:

(i) Credit risk

Trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are creditworthy debtors with good payment records with the Group. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with the customers are mainly on credit. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Nevertheless, the management of the Group may give longer credit terms by discretion. The Group consistently monitors its outstanding receivables to minimise credit risk.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group to credit risk is substantially represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Credit risk concentration profile

The Group determine concentration of credit risk by monitoring the geographical market profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	2022		2021	
	RM	% of total	RM	% of total
Malaysia	23,868,974	85%	18,014,641	82%
Vietnam	4,063,498	15%	3,843,987	18%
	<u>27,932,472</u>	<u>100%</u>	<u>21,858,628</u>	<u>100%</u>

At the end of the reporting period, approximately 53% (2021: 49%) of the trade receivables of the Group were due from two (2) (2021: two (2)) major customers who is located in Malaysia and Vietnam.

(ii) Liquidity and cash flow risk

The exposure of the Group to liquidity risk arises from mismatches of the financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

Financial liabilities	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
Group				
As at 31 December 2022				
Borrowings	13,837,170	14,197,198	24,041,723	52,076,091
Trade and other payables	7,760,994	0	0	7,760,994
Lease liabilities	1,805,355	1,792,467	0	3,597,822
Total undiscounted financial liabilities	<u>23,403,519</u>	<u>15,989,665</u>	<u>24,041,723</u>	<u>63,434,907</u>
As at 31 December 2021				
Borrowings	11,453,193	7,021,817	7,290,362	25,765,372
Trade and other payables	8,201,122	0	0	8,201,122
Lease liabilities	1,852,395	2,191,669	0	4,044,064
Total undiscounted financial liabilities	<u>21,506,710</u>	<u>9,213,486</u>	<u>7,290,362</u>	<u>38,010,558</u>
Company				
As at 31 December 2022				
Trade and other payables	3,198,249	0	0	3,198,249
Total undiscounted financial liabilities	<u>3,198,249</u>	<u>0</u>	<u>0</u>	<u>3,198,249</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

Financial liabilities	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
Company (continued)				
As at 31 December 2021				
Trade and other payables	750,465	0	0	750,465
Total undiscounted financial liabilities	<u>750,465</u>	<u>0</u>	<u>0</u>	<u>750,465</u>

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group	
	2022	2021
	RM	RM
Profit after tax		
- increase by 0.5% (2021: 0.5%)	(122,383)	(58,437)
- decrease by 0.5% (2021: 0.5%)	<u>122,383</u>	<u>58,437</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The following table sets out the carrying amounts, the effective interest rates/incremental borrowing rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Effective interest rate/Incremental borrowing rate*	Note	Within 1 year RM	1 - 2 years RM					Total RM
				1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	> 5 years RM	
Fixed rates									
Deposits with licensed banks	2.8 - 8.2	11	3,093,607	0	0	0	0	0	3,093,607
Bankers' acceptances	3.35 - 6.19	14	(5,961,464)	0	0	0	0	0	(5,961,464)
Revolving credit	4.70 - 5.01	14	(4,000,000)	0	0	0	0	0	(4,000,000)
Lease liabilities	2.17 - 7.14*	6	(1,616,072)	(732,050)	(445,801)	(305,128)	(78,914)	0	(3,177,965)
Floating rates									
Term loans	3.42 - 7.68	14	(2,639,699)	(2,733,992)	(2,710,549)	(2,397,119)	(2,227,252)	(19,499,528)	(32,208,139)

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2022

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The following table sets out the carrying amounts, the effective interest rates/incremental borrowing rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk (continued):

Group	Note	Effective interest rate/Incremental borrowing rate*	Within 1 year RM	1 - 2 years RM					Total RM
				1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	> 5 years RM	
As at 31 December 2021									
Fixed rates									
	11	1.35 - 1.85	246,248	0	0	0	0	0	246,248
	14	2.10 - 2.16	(6,015,078)	0	0	0	0	0	(6,015,078)
	6	2.17 - 7.39*	(1,654,216)	(1,313,653)	(467,629)	(213,584)	(64,922)	0	(3,714,004)
Floating rates									
	14	4.77 - 7.98	(1,032,830)	(1,209,190)	(1,292,042)	(1,253,554)	(1,041,313)	(5,904,301)	(11,733,230)
	14	6.69	(3,644,932)	0	0	0	0	0	(3,644,932)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the entities within the Group. The currency giving rise to this risk are primarily United States Dollar (“USD”) and Vietnamese Dong (“VND”).

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and VND exchange rate against the functional currency of the Group, with all other variables held constant:

	2022	2021
	RM	RM
Profit after tax		
USD/RM		
- Strengthen by 5%	486,797	223,769
- Weaken by 5%	(486,797)	(223,769)
VND/RM		
- Strengthen by 5%	221,191	125,596
- Weaken by 5%	<u>(221,191)</u>	<u>(125,596)</u>

Sensitivity analysis of other foreign currencies is not disclosed as it is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 15 March 2022, the Company entered into a conditional share sale agreement with the Shareholders of Berjayapak Sdn. Bhd., namely Moviente Sdn. Bhd., B Line Sdn. Bhd. and B Pack Holdings Sdn. Bhd. to acquire the entire issued share capital of Berjayapak Sdn. Bhd. ("Berjayapak") of RM6,800,000 comprising 6,800,000 ordinary shares for a total consideration of RM40,453,499. The acquisition of Berjayapak was wholly satisfied via the issuance 446,999,990 of new ordinary shares of the Company at an issue price of RM0.0905 per share to be issued to Moviente Sdn. Bhd., B Line Sdn. Bhd. and B Pack Holdings Sdn. Bhd..

Total purchase consideration of RM40,453,499 was arrived at on a "willing-buyer willing-seller" basis and represents the audited net assets of Berjayapak as at 31 December 2021.

Upon completion of the acquisition of Berjayapak on 9 November 2022, the total number of ordinary shares in the Company increased from 10 to 447,000,000 shares and Berjayapak became a wholly-owned subsidiary of the Company.

- (b) On 13 December 2022, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital in the Company on the ACE Market of Bursa Malaysia Security Berhad ("Listing"). The IPO involves the offering of 146,800,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Securities Berhad comprising an offer for sale of up to 33,800,000 existing ordinary shares in the Company and a public issue of 113,000,000 new ordinary shares in the Company. The IPO and the Listing were completed on 3 January 2023.
- (c) On 3 January 2023, the Company offered and granted 11,200,000 units of ESOS options under the First Tranche of ESOS to eligible Directors and employees of the Group with an exercise price of RM0.30.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

27.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)	1 January 2022
<i>Property, Plant and Equipment - Proceeds before Intended Use</i> (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)	1 January 2022
<i>Onerous Contracts - Cost of Fulfilling a Contract</i> (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022

Adoption of the above Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2022

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

27.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contract</i>)	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i>)	1 January 2023
<i>Lease liability in a sale and leaseback</i> (Amendments to MFRS 16 <i>Leases</i>)	1 January 2024
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	Deferred

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

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

Registered/ Beneficial owner	Property address	Description/ Existing use	Tenure of property	Date of acquisition	Approximate age of building	Land/ Built-up area (sq ft)	Carrying amount as at 31 December 2022 RM'000
Berjayapak Sdn Bhd	HS(D) 8766, Lot 2492, Mukim 05, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / No. 1328, Jalan Sungai Baong, Furniture Industrial Estate, 14200 Sungai Bakap, Pulau Pinang	Industrial land with single-storey factory and double-storey office / Office, storage and manufacturing	Industrial/ Freehold	16 June 1998 11 May 2022 (expansions to the Sungai Bakap Factory)	24 years	117,176 / 96,885	4,633
Bejay Presswood Sdn Bhd	HS(D) 8767, Lot 2493, Mukim 05, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / No. 1403, Lorong Bakau 4, Taman Industri Perabot, Sungai Baong, 14200 Sungai Jawi, Pulau Pinang	Industrial land with single-storey factory / Office and storage	Industrial / Freehold	26 July 2007 11 May 2022 (expansions to the Sungai Bakap Factory)	15 years	117,176/ 58,318	2,079
Bejay Timber Sdn Bhd	HS(D) 8765, Lot 2491, Mukim 05, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / No. 1417, Jalan Sungai Baong, Taman Industri Perabot, Sungai Baong, 14200 Sungai Jawi, Pulau Pinang	Industrial land with single-storey factory and double-storey office / Office and storage	Industrial / Freehold	5 August 2011 11 May 2022 (expansions to the Sungai Bakap Factory)	11 years	54,014/ 36,344	1,533
Berjayapak Sdn Bhd	Geran No. Hakmilik 98345, Lot 2168, Mukim 05, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / No. 49, Jalan Sungai Duri, Taman Seruling Emas, 14200 Sungai Jawi, Pulau Pinang	Double-storey shop office/ Vacant	Building / Freehold	23 July 1998	24 years	1,399 / 2,800	164
Berjayapak Sdn Bhd	HS(D) 37950, PT 3174, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / 2619, Lorong Perusahaan 8, Kawasan Perindustrian Prai, 13600 Perai, Penang	Industrial land with single-storey factory and double-storey office / Office and storage, intended to be used for assembling	Industrial / Leasehold of 60 years expiring on 9 April 2050	25 July 2022	1 year	47,171 / 32,761	6,215
Berjayapak Sdn Bhd	HS(D) 30953, PT 3050, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / 2611, Lorong Perusahaan 8, Kawasan Perindustrian Prai, 13600 Perai, Penang	Industrial land with single-storey factory and double-storey office / Intended to be used as office, storage, and assembling	Industrial / Leasehold of 60 years expiring on 6 December 2049	25 July 2022	1 year	74,583 / 47,595	9,191
Berjayapak Sdn Bhd	No. 39A, Lorong Perusahaan 6, Taman PKNK, 09000 Kulim, Kedah	Industrial land with double- storey factory and single-storey office / Intended to be used for office, storage and assembling	Industrial / Leasehold of 99 years expiring on 12 December 2088	28 July 2022	1 year	120,254 / 64,588	9,808

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Total no. of issued share capital	- 560,000,000 ordinary shares
Class of shares	- Ordinary shares
Voting rights	- One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	No. of shares held	% of shareholding
1 - 99	–	–	–
100 - 1,000	196	92,400	0.02
1,001 - 10,000	880	5,455,500	0.97
10,001 - 100,000	686	24,189,600	4.32
100,001 - 27,999,999 (*)	147	161,762,500	28.89
28,000,000 and above (**)	1	368,500,000	65.80
TOTAL	1,910	560,000,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Ooi Hooi Kiang	300,000	0.05	26,820,000 ^(b)	4.79
Ooi Lay Pheng	2,000,000	0.36	368,500,000 ^(a)	65.80
Ong Kah Hong	1,000,000	0.18	26,820,000 ^(b)	4.79
Dato' Seri Lee Kah Choon	–	–	–	–
Dato' Mohamed Amin Bin Mohd Kassim	250,000	0.05	–	–
Phoon Yee Min	100,000	0.02	–	–

Notes:

^(a) Deemed interested by virtue of shareholding in B Pack Holdings Sdn. Bhd.^(b) Deemed interested by virtue of shareholding in Moviente Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
B Pack Holdings Sdn. Bhd.	368,500,000	65.80	–	–
Ooi Lay Pheng	–	–	368,500,000 ^(a)	65.80
Lee Soon Swee	–	–	368,500,000 ^(a)	65.80

Note:

^(a) Deemed interested by virtue of shareholding in B Pack Holdings Sdn. Bhd.

LIST OF TOP 30 LARGEST SHAREHOLDERS

AS AT 31 MARCH 2023

NO.	NAME	HOLDINGS	%
1	B PACK HOLDINGS SDN. BHD.	368,500,000	65.80
2	MOVIENTE SDN. BHD.	26,820,000	4.79
3	B LINE SDN. BHD.	17,880,000	3.19
4	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	11,500,000	2.05
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND (211882)	8,717,600	1.56
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH EQUITY FUND	6,000,000	1.07
7	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	4,600,000	0.82
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	4,161,000	0.74
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	4,045,700	0.72
10	PELABURAN MARA BERHAD	4,000,000	0.71
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - PMB SHARIAH DIVIDEND FUND	3,923,000	0.70
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP MASTER EQUITY GROWTH FUND (50144 TR01)	3,343,700	0.60
13	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	3,000,000	0.54
14	GO HOOI MENG	3,000,000	0.54
15	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN STRATEGIC FUND	2,867,300	0.51
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR UNITED MALAYSIA FUND	2,365,000	0.42
17	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK WENG (MY2166)	2,040,000	0.37
18	OOI LAY PHENG	2,000,000	0.36
19	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG AIIMAN QUANTUM FUND	1,931,700	0.35
20	TAN SOO ENG	1,900,000	0.34
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE (023)	1,756,100	0.31
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	1,719,200	0.31
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR AFFIN HWANG EQUITY FUND (930090)	1,690,100	0.30
24	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	1,419,100	0.25
25	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KANG CHUN EE (MY4393)	1,400,000	0.25
26	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	1,187,000	0.21
27	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AHAM ASSET MGT BHD (T)	1,124,800	0.20
28	ONG KAH HONG	1,000,000	0.18
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD AXA AFFIN LIFE INSURANCE BERHAD FOR DANA IMBANG	984,100	0.18
30	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR IGRS EQUITY PORTFOLIO 1	900,900	0.16
	Total	495,776,300	88.53

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting (“2nd AGM”) of **L&P GLOBAL BERHAD** (“the Company”) will be convened and held at Iconic 5 of Level 7, ICONIC HOTEL, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang, Malaysia on Thursday, 25 May 2023 at 9:30 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who are retiring in accordance with Clause 18.2 of the Company’s Constitution:
 - (a) Ms. Ooi Lay Pheng Ordinary Resolution 1
 - (b) Dato’ Seri Lee Kah Choon Ordinary Resolution 2
3. To approve the payment of Directors’ fees and benefits of up to RM520,000 for the period from the next day of the 2nd AGM until the conclusion of the next Annual General Meeting (“AGM”) of the Company in 2024. Ordinary Resolution 3
4. To re-appoint BDO PLT as auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

AS SPECIAL BUSINESS

5. **WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016** Special Resolution 1

“THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 13.2 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company’s Employees Share Option Scheme and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company AND THAT such new shares when issued, shall rank *pari passu* equally to the existing issued shares of the Company.”
6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 5

“THAT contingent upon the passing of the Special Resolution 1 and pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), provisions of the Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals from the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares, if any) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

Tai Yit Chan (MAICSA 7009143 | SSM PC No. 202008001023)
Ong Tze-En (MAICSA 7026537 | SSM PC No. 202008003397)
Lau Yoke Leng (MAICSA 7034778 | SSM PC No. 202008003368)
Company Secretaries

Penang, 28 April 2023

Notes:

Appointment of Proxy

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Registered Office of the Company, 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).
2. A member entitled to attend, speak and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
6. A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than twenty-four (24) hours before the time appointed for holding the meeting. The notice of termination must be in writing and be deposited at the Registered Office of the Company.
7. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at **16 May 2023** and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Explanatory Note:

1. Ordinary Resolutions 1 and 2 are to re-elect Directors

The profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2022. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors do not have any conflict of interest with the Company and its subsidiaries ("the Group") and had abstained from deliberation and decision making on their own eligibility to stand for re-election:

Ms. Ooi Lay Pheng is the Chief Executive Officer of the Group. She develops and oversees the implementation of the Group's business and strategic goals. Drawing on input from the Board, she formulates short and long-term business plans in line with the strategic goals focusing on business expansion through development of new products, securing new customers and new market expansion. She has contributed significantly by steering the Group forward with notable achievements during her tenure of service.

Dato' Seri Lee Kah Choan is an Independent Non-Executive Director of the Company. He has fulfilled the requirements on independence as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. He has demonstrated his objectivity through his proactive engagements during meetings of the Board and Board Committees (Employees' Share Option Scheme Committee, Nomination Committee, Remuneration Committee and Audit and Risk Management Committee) by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure as a Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

2. **Ordinary Resolution 3 on Directors' fees and benefits**

Directors' fees and benefits to the Directors have been reviewed by the Remuneration Committee and the Board which recognises that the Directors' fees and benefits are in the best interest of the Company. The Directors' fees and benefits, if passed, will facilitate the payment of Directors' fees and benefits to the Directors for the period from the next day of the 2nd AGM until the conclusion of the next AGM of the Company in 2024. Details of Directors' fees and benefits for the financial year ended 31 December 2022 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2022.

The amount of Directors' fees and benefits payable includes fees and benefits payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings for Board and Board Committees and/or for the formation of additional Board Committees.

3. **Special Resolution 1 on waiver of the pre-emptive rights under Section 85 of the Companies Act 2016**

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 13.2 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

In order for the Board to issue (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company's Employees Share Option Scheme ("ESOS Options") and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company free of pre-emptive rights, such pre-emptive rights must be waived. The Special Resolution, if passed, will exclude the shareholders' pre-emptive rights over all new shares in the Company, ESOS Options and any offers, agreements, rights, options or other convertible securities of whatever kind in the Company.

4. **Ordinary Resolution 5 on authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

Subject to the passing of the Special Resolution, this Ordinary Resolution, on approval, is for the purpose of granting authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier ("General Mandate").

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make the needful announcements in respect thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

No individual is standing for election as a Director at the forthcoming 2nd AGM of the Company.

PROXY FORM

No. of Shares held	CDS Account No.

 I/We _____
 (Full name in Block Letters and NRIC No./Passport No./ Registration No.)

 of _____ and _____
 (Address) (Tel No./Email Address)

being a Member(s) of L&P Global Berhad (the "Company"), hereby appoint

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

*and/or failing him/her

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Second Annual General Meeting ("2nd AGM") of the Company, to be convened and held at Iconic 5 of Level 7, ICONIC HOTEL, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang, Malaysia on Thursday, 25 May 2023 at 9:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION ("OR")/ SPECIAL RESOLUTION ("SR")	OR1	OR2	OR3	OR4	SR1	OR5
FOR						
AGAINST						

Dated this _____ day of _____ 2023.

 Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes:

- A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Registered Office of the Company, 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).
- A member entitled to attend, speak and vote is entitled to appoint not more than two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than twenty-four (24) hours before the time appointed for holding the meeting. The notice of termination must be in writing and be deposited at the Registered Office of the Company.
- If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at **16 May 2023** and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 2nd AGM of the Company and any adjournment thereof.

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AFFIX
STAMP

The Company Secretaries
L&P GLOBAL BERHAD
Registration No. 202101028085 (1428385-M)

Registered Office
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia

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L&P GLOBAL BERHAD

Registration No. 202101028085 (1428385-M)

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Penang, Malaysia

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