



L&P GLOBAL BERHAD
(formerly known as Berjayapak International Holdings Sdn. Bhd.)
Registration No. 202101028085 (1428385-M)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

L&P GLOBAL BERHAD

(formerly known as Berjayapak International Holdings Sdn. Bhd.)

Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME** ⁽¹⁾⁽²⁾

	Note	Individual Quarter		Cumulative Quarter	
		30.09.2022 RM'000	30.09.2021 ⁽²⁾ RM'000	30.09.2022 RM'000	30.09.2021 ⁽²⁾ RM'000
Revenue	A9	41,998	N/A	112,800	N/A
Cost of sales		(32,460)	N/A	(88,926)	N/A
Gross profit		9,538	N/A	23,874	N/A
Other income		589	N/A	857	N/A
Administrative expenses		(2,766)	N/A	(6,666)	N/A
Selling and distribution expenses		(885)	N/A	(2,322)	N/A
Operating profit		6,476	N/A	15,743	N/A
Finance costs		(462)	N/A	(1,089)	N/A
Profit before tax	B12	6,014	N/A	14,654	N/A
Tax expense	B5	(1,372)	N/A	(3,233)	N/A
Profit after tax		4,642	N/A	11,421	N/A
Foreign currency translation		222	N/A	501	N/A
Total comprehensive income		4,864	N/A	11,922	N/A
Profit for the period attributable to:					
Owners of the Company		4,642	N/A	11,421	N/A
Total comprehensive income for the period attributable to					
Owners of the Company		4,864	N/A	11,922	N/A
Earnings per Share					
Basic/Diluted (sen)	B11	0.83	N/A	2.04	N/A

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2022 in relation to its Initial Public Offering ("IPO") ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as such, there are no comparative figures for the preceding corresponding quarter.

N/A Not applicable

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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION ⁽¹⁾**

	Note	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		17,090	15,523
Right-of-use assets		29,845	4,464
Deferred tax assets		41	52
Other receivables		416	362
		47,392	20,401
Current assets			
Inventories		24,854	19,694
Trade and other receivables		36,164	29,635
Current tax assets		1,754	967
Cash and bank balances		8,844	3,407
		71,616	53,703
TOTAL ASSETS		119,008	74,104
EQUITY AND LIABILITIES			
EQUITY			
Invested equity ⁽²⁾		6,800	6,800
Reserves		39,226	32,904
Total Equity Attributable to Owners of the Company		46,026	39,704
LIABILITIES			
Non-current liabilities			
Borrowings	B8	30,516	10,700
Lease liabilities		1,906	2,060
Deferred tax liabilities		1,655	803
Total Non-current liabilities		34,077	13,563
Current liabilities			
Trade and other payables		13,647	8,202
Borrowings	B8	23,386	10,693
Lease liabilities		1,636	1,654
Current tax liabilities		236	288
Total Current Liabilities		38,905	20,837
TOTAL LIABILITIES		72,982	34,400
TOTAL EQUITY AND LIABILITIES		119,008	74,104
Net assets per ordinary share (RM) ⁽³⁾		6.77	5.84

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Combined Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) For the purpose of these combined interim financial report, the invested equity as of September 2022 is the aggregate of the share capital of the other combining entities, namely L&P Global Berhad, Berjayapak Sdn. Bhd. ("**BSB**") and its subsidiaries.
- (3) Net assets per share is calculated based on the Company's issued share capital of 6,800,010 ordinary shares at the end of reporting period.

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022****UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾**

	Note	Non-Distributable		Distributable	Total Equity RM'000
		Share Capital RM'000	Exchange translation reserve RM'000	Retained Earnings RM'000	
Balance as at 1 January 2022 (Audited)		6,800	160	32,744	39,704
Profit for financial period		-	-	11,421	11,421
Other comprehensive income, net of tax		-	501	-	501
Dividend	B10	-	-	(5,600)	(5,600)
Balance as at 30 September 2022 (Unaudited)		6,800	661	38,565	46,026

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Combined Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding corresponding quarter.

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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾⁽²⁾**

	Note	Cumulative Quarter	
		30.09.2022 RM'000	30.09.2021 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,654	N/A
Adjustment for:-			
Depreciation of:			
- property, plant and equipment		1,053	N/A
- right-of-use assets		1,378	N/A
Finance costs		1,089	N/A
Interest income		(63)	N/A
Gain on lease termination		(2)	N/A
Loss on disposal of property, plant and equipment		1	N/A
Provision of impairment loss		182	N/A
Reversal of impairment loss		(299)	N/A
Operating profit before working capital changes		17,993	N/A
Changes in working capital:-			
Inventories		(4,946)	N/A
Receivables		(6,201)	N/A
Payables		(304)	N/A
Cash generated from operations		6,542	N/A
Income tax paid, net of refund		(3,158)	N/A
Interest received		63	N/A
Interest paid		(887)	N/A
Net cash from operating activities		2,560	N/A
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,329)	N/A
Purchase of right-of-use assets		(25,797)	N/A
Proceeds from disposal of property, plant and equipment		4	N/A
Net cash used in investing activities		(28,122)	N/A

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30 SEPTEMBER 2022**

	Note	Cumulative Quarter	
		30.09.2022 RM'000	30.09.2021 ⁽²⁾ RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of banker's acceptance		75,650	N/A
Drawdown of term loans		22,018	N/A
Repayment of bankers' acceptance		(60,429)	N/A
Repayment of term loans		(1,084)	N/A
Repayment of lease liabilities		(1,606)	N/A
Changes in fixed deposits pledged to licensed banks		131	N/A
Net cash from financing activities		34,680	N/A
Net changes in cash and cash equivalents		9,118	N/A
Effects of exchange rates changes		95	N/A
Cash and cash equivalents at the beginning of financial period		(484)	N/A
Cash and cash equivalents at the end of financial period		8,729	N/A
Represented by:-			
Cash and bank balances		8,729	N/A
Deposits with financial institutions		115	N/A
As per statement of financial position		8,844	N/A
Less: Fixed deposits pledged to licensed banks		(115)	N/A
Cash and cash equivalents as per combined statement of cash flows		8,729	N/A

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Combined Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding corresponding quarter.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS 134, INTERIM FINANCIAL REPORTING****A1. Basic of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of Listing Requirements of Bursa Securities.

This is the Company’s first interim financial report on the unaudited condensed Combined financial results for the third quarter ended 30 September 2022 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 13 December 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 13 December 2022 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but have not been early adopted by the Group:

Title	Effective Date
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Comparative Information</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is 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.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

A3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the current financial quarter under review have not been materially affected by any seasonal or cyclical factors.

A5. Unusual Items Due to Their Nature, Size or Incidence

Save as disclosed below, there were no unusual items or incidence which may or has substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

- (a) On 11 November 2021, a combining entity, BSB had entered into a Sale and Purchase Agreement with Sizechem Sdn Bhd. for the acquisition of a piece of land held under No. PT 3174, Mukim 1, Daerah Seberang Perai Tengah, Negeri Pulau Pinang measuring approximately 4,382 square meters in area and building erected thereon bearing the assessment address 2619 Lorong Perusahaan 8, Kawasan Perindustrian Prai, 13600 Perai, Penang for a purchase consideration of RM6,068,000.

The land and building acquisition was completed in July 2022.

- (b) On 11 November 2021, a combining entity, BSB had entered into a Sale and Purchase Agreement with Dyechem Alliance Sdn. Bhd. for the acquisition of a piece of land held under No. PT 3050, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang measuring approximately 6,929 square meters in area and building erected thereon bearing the assessment address 2611 Lorong Perusahaan 8, Kawasan Perindustrian Prai, 13600 Perai, Penang for a purchase consideration of RM8,732,000.

The land and building acquisition was completed in July 2022.

- (c) On 25 January 2022, a combining entity, BSB had entered into a Sale and Purchase Agreement with Aichello Malaysia Sdn. Bhd. for the acquisition of a piece of land held under Lot No. 60025, Seksyen 38, Bandar Kulim, Daerah Kulim, Kedah together with an industry building bearing the assessment address No. 39A, Lorong Perusahaan 6, Taman PKNK, 09000 Kulim, Kedah for a purchase consideration of RM9,500,000.

The land and building acquisition was completed in July 2022.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

(d) On 27 June 2022, a combining entity, Bejay Presswood Sdn. Bhd. had undertaken the Proposed Capital Reduction, by reducing the issued share capital from RM8,454,104 comprising of 8,454,104 ordinary shares to RM2,400,000 comprising 2,400,000 ordinary shares (“Proposed Capital Reduction”) and submitted to the Companies Commission of Malaysia.

The Proposed Capital Reduction has been approved by Companies Commission of Malaysia dated 26 August 2022.

A6. Material Changes in Estimates

There were no material changes in estimates that have a material effect on the results of the current financial quarter under review.

A7. Debt and Equity Securities

Save as disclosed in B6, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental Reporting

The Group is principally involved in provision of integrated industrial packaging solutions. Its operating segments are presented based on the geographical location of its customers. The Executive Directors assess the performance of the reportable segments based on their profit before taxation.

The accounting policies of the reportable segments are the same as the accounting policies of the Group.

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

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

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

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*(Incorporated in Malaysia)*UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022

1 July 2022 to 30 September 2022	Malaysia RM'000	Vietnam RM'000	Total RM'000
Revenue from external customers	34,568	7,430	41,998
Inter-segment revenue	-	-	-
Total revenue	<u>34,568</u>	<u>7,430</u>	<u>41,998</u>
Interest income	2	4	6
Finance costs	<u>(437)</u>	<u>(25)</u>	<u>(462)</u>
Net finance costs	<u>(435)</u>	<u>(21)</u>	<u>(456)</u>
Segment profit before income tax	3,571	2,443	6,014
Other material non-cash items:			
Depreciation of property, plant and equipment	(345)	(54)	(399)
Depreciation of right-of-use assets	(238)	(183)	(421)
Reversal of impairment of trade and other receivables - net	<u>117</u>	<u>-</u>	<u>117</u>
Segment assets	106,582	10,631	117,213
Current tax assets			1,754
Deferred tax assets			<u>41</u>
			<u>119,008</u>
Segment liabilities	67,586	3,505	71,091
Deferred tax liabilities			1,655
Current tax liabilities			<u>236</u>
			<u>72,982</u>
Additions to capital expenditures	<u>25,243</u>	<u>-</u>	<u>25,243</u>

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30 SEPTEMBER 2022

1 January 2022 to 30 September 2022	Malaysia RM'000	Vietnam RM'000	Total RM'000
Revenue from external customers	92,183	20,617	112,800
Inter-segment revenue	-	-	-
Total revenue	92,183	20,617	112,800
Interest income	49	14	63
Finance costs	(1,007)	(82)	(1,089)
Net finance costs	(958)	(68)	(1,026)
Segment profit before income tax	8,450	6,204	14,654
Other material non-cash items:			
Depreciation of property, plant and equipment	(950)	(103)	(1,053)
Depreciation of right-of-use assets	(840)	(538)	(1,378)
Reversal of impairment of trade and other receivables - net	117	-	117
Segment assets	106,582	10,631	117,213
Current tax assets			1,754
Deferred tax assets			41
			119,008
Segment liabilities	67,586	3,505	71,091
Deferred tax liabilities			1,655
Current tax liabilities			236
			72,982
Additions to capital expenditures	29,361	25	29,386

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Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

Notes:-

- (1) No comparative figures for the preceding corresponding quarter are available as this is the Company's first interim financial report on its Combined results for the quarter ended 30 September 2022 being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.
- (2) N/A – Not Applicable

A10. Valuation of Property, Plant and Equipment

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

A11. Material Subsequent Events

Save as disclosed in B6, there are no other material events subsequent to the end of the current reporting quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current period under review.

A13. Contingent Liabilities

	<u>Unaudited</u>	<u>Audited</u>
	As at	As at
	30.09.2022	31.12.2021
	RM'000	RM'000
Unsecured		
Corporate guarantee given to a bank for credit facilities granted to BSB by combining entities	<u>42,850</u>	<u>34,300</u>

The corporate guarantee is given to financial institution as one of the securities in relation to banking facility granted to the combining entity.

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

The directors are of the view that the chance so the financial institution to call upon the corporate guarantee is remote. Accordingly, the Directors have estimated the financial impact of the guarantee as at 30 September 2022 to be insignificant.

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Registration No.: 202101028085 (1428385-M)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022

A14. Related Party Transactions Disclosures

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

A15. Capital Commitments

There were no capital commitments during the current financial quarter under review.

L&P GLOBAL BERHAD

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Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022****B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKETING LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

For the current financial quarter under review, the Group registered revenue of RM42.00 million. Boxes and crates and pallets contributed 67.65% and 29.27% of total revenue respectively. Likewise, the Group registered revenue of RM112.80 million for the nine months period ended 30 September 2022, of which boxes and crates and pallets contributed 69.17% and 27.78% of total revenue respectively. There was no significant changes in product mix.

The Group's revenue by business activities for the quarter and nine months period ended 30 September 2022 is as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Boxes and Crates	28,410	N/A	78,020	N/A
Pallets	12,292	N/A	31,331	N/A
Circular Supply				
Services	327	N/A	929	N/A
Trading	969	N/A	2,520	N/A
	<u>41,998</u>	<u>N/A</u>	<u>112,800</u>	<u>N/A</u>

The Group recorded Gross Profit Margin of 22.71% and 21.16% for the current financial quarter and the nine months period ended 30 September 2022 under review. Gross Profit Margin has improved for the current financial quarter mainly due to adjustment in selling price which came effective in the current financial quarter as a result of material price hike.

Consequently, the Group registered Profit Before Tax Margin ("**PBT Margin**") and Profit After Tax Margin ("**PAT Margin**") of 14.32% and 11.05% for the current financial quarter under review as compared to 12.99% and 10.13% for the nine months period ended 30 September 2022 respectively.

For the current financial quarter and the nine months period ended 30 September 2022 under review, the Group incurred one-off expenses of approximately RM0.89 million and RM1.27 million respectively, on IPO corporate exercise and legal fee (including stamp duty) incurred to obtain banking facilities for the acquisition of Perai Branch and Kulim Branch.

Our Group's Profit Before Tax for the current financial quarter and nine months period ended 30 September 2022 would have been RM6.90 million (PBT Margin: 16.44%) and RM15.92 million (PBT Margin: 14.11%) respectively and Profit After Tax would have been RM5.53 million (PAT Margin: 13.17%) and RM12.69 million (PAT Margin: 11.25%) respectively after adjusted for such one-off expenses.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

B1. Review of Performance (Continued)

There are no comparative figures for the preceding corresponding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report on the combined results announced by the Company.

B3. Prospects of the Group

Prospects of the Group are favourable taking into consideration the Group's competitive strengths, business strategies and the outlook of the wooden industrial packaging industry.

According to the Independent Market Research Report as disclosed in the Prospectus dated 13 December 2022, L&P is well-positioned to leverage on the growth of the wooden industrial packaging industry, which is driven by the preference for wood over plastics as material for industrial packaging, as well as expected growth in manufacturing, trade and e-commerce. Further, the escalating US-China trade tension is also expected to drive MNCs in setting up manufacturing facilities in Malaysia and Vietnam, which will be beneficial for L&P Group's business growth in these 2 markets.

Over the next three years, as disclosed in Sections 6.8 of the Company's Prospectus dated 13 December 2022, our Group will focus on expanding our business and operations in Malaysia namely Perai, Penang; Kulim, Kedah; Johor; Klang Valley; and Singapore. Nevertheless, the Group will continue its marketing efforts in Vietnam to secure new customers and will expand its operations in Vietnam when substantial additional orders are secured.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is optimistic about the future prospects of the Group.

B4. Variance of Actual Profits from Forecast Profits

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

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Registration No.: 202101028085 (1428385-M)

*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022****B5. Tax Expense**

	Individual Quarter		Cumulative Period	
	30.09.2022	30.09.2021 ⁽¹⁾	30.09.2022	30.09.2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current period	1,372	N/A	3,233	N/A
Effective tax rate (%)	22.81	N/A	22.06	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

The Group's effective tax rates were lower than the statutory tax rate of 24%, which was mainly due to taxable income generated from Berjayapak Vietnam Company Limited (“**BV**”) is entitled for a 50% corporate tax exemption as incentive for investment in industrial zone. Under such incentive, BV is exempted from corporate income tax (“**CIT**”) for 2 years from the first year generating taxable income (2019-2020) and reduced 50% of CIT in the 4 succeeding years (2021-2024).

This was however offset by the increase in deferred tax liabilities as a result of temporary differences between accounting depreciation and corresponding tax allowances arising mainly from the acquisition of leasehold properties at Perai and Kulim which was completed in July 2022.

Notes:-

- (1) No comparative figures for the preceding corresponding quarter are available as this is the Company's first interim financial report on its Combined results for the third quarter ended 30 September 2022 being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.

N/A – Not Applicable

B6. Status of Corporate Proposals

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities, the Company is, amongst others, undertaking the following:

Acquisition of BSB

On 15 March 2022, our Company entered into a conditional share sale agreement to acquire the entire issued share capital of BSB of RM6,800,000 comprising 6,800,000 ordinary shares in BSB for a total purchase consideration of RM40,453,499.10. The purchase consideration was entirely satisfied by the issuance of 446,999,990 new ordinary shares in our Company (“**Share(s)**”) at an issue price of RM0.0905 per Share.

The purchase consideration of RM40,453,499.10 was arrived at on a willing buyer-willing seller basis and after taking into account the audited net assets of BSB as at 31 December 2021 of RM40.45 million.

L&P GLOBAL BERHAD

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Registration No.: 202101028085 (1428385-M)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

The Acquisition of BSB was completed on 9 November 2022 and BSB subsequently became a wholly-owned subsidiary of our Company.

Public Issue

Public issue of 113,000,000 new Shares (“**Issue Shares**”) at an issue price of RM0.30 per share and shall be allocated in the following manner:

- 24,000,000 Issue Shares available for application by the Malaysian Public,
- 13,000,000 Issue Shares are reserved for the eligible Directors, employees and persons who have contributed to the success of the Group, and
- 6,000,000 Issue Shares are reserved for private placement to selected investors.
- 70,000,000 Issue Shares are reserved for private placement to selected Bumiputera investors approved by the Ministry of International Trade and Industry (“**MITI**”)

ESOS

In conjunction of our Listing, we will implement an Employees’ Share Option Scheme (“**ESOS**”) of up to ten percent (10%) of our total number of issued Share(s) at any point in time during the existence of the ESOS, to be granted to the eligible Directors and employees of our Group.

The ESOS is part of the Group’s employee retention programme, intended to motivate, retain and reward the eligible Directors and employees who have contributed to the growth and success of our Group. The ESOS will be administered by the ESOS Committee of our Group and will be governed by the By-Laws.

Listing

The admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of the Company of RM74,353,509 comprising 560,000,000 shares on the ACE Market of Bursa Securities.

The Company will be listed on the ACE Market of Bursa Securities on 3 January 2023.

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*(Incorporated in Malaysia)***UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022****B7. Utilisation of Proceeds from IPO**

The gross proceeds of RM33.90 million from the IPO is intended to be utilised in the following manner:

Purpose	Proposed utilisation	Percentage of utilisation	Estimated timeframe for utilisation upon listing
	RM'000	%	
Capital expenditure	10,000	29.50	Within 36 months
Business expansion	2,000	5.90	Within 36 months
Repayment of borrowings	5,000	14.75	Within 6 months
Working capital	13,000	38.35	Within 12 months
Estimated listing expenses	3,900	11.50	Within 3 months
Total	33,900	100.00	

There is no minimum subscription to be raised from our IPO.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2022. The IPO is pending completion as at the current financial quarter under review. The Company will be listed on the ACE Market of Bursa Securities on 3 January 2023.

B8. Loans and Borrowings

The Group's loans and borrowings were as follows:

<u>Secured</u>	<u>As at 30.09.22</u>	<u>As at 31.12.21</u>
	RM'000	RM'000
Current		
Bank overdrafts	-	3,645
Bankers' acceptance in MYR	5,261	6,015
Bankers' acceptance in USD	15,974	-
Term loans	2,151	1,033
Total	23,386	10,693
Non-current		
Term loans	30,516	10,700

B9. Material Litigation

There was no material litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

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30 SEPTEMBER 2022****B10. Proposed Dividend**

BSB, a combining entity, declared a First Single Tier Interim Dividend of approximately RM0.82353 per ordinary share totalling RM5.60 million for the financial year ending 31 December 2022 to the registered shareholders whose names appear in the Register of Members on 31 July 2022. The payment of the said dividend was completed on 8 November 2022.

Save as disclosed above, there was no dividend that has been declared or recommended for payment by the Board during the financial period under review.

B11. Earnings Per Share (“EPS”)**(a) Basic**

Basic earnings per ordinary share for the financial quarter under review are calculated by dividing the profit for the periods attributable to the common controlling shareholders of the combining entities by the enlarged number of ordinary shares of the Company pursuant to the listing on the ACE market of Bursa Malaysia.

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of Company	4,642	N/A	11,421	N/A
Number of ordinary shares ('000)	560,000	N/A	560,000	N/A
Basic/diluted EPS (sen)	<u>0.83</u>	<u>N/A</u>	<u>2.04</u>	<u>N/A</u>

Basic earnings per share is calculated based on the Company's enlarged issued share capital of 560,000,000 ordinary shares upon listing.

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per share, as the Group does not have any potential dilutive ordinary share in issue during and at the end of the financial quarter under review.

N/A – Not Applicable

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30 SEPTEMBER 2022****B12. Notes to Condensed Combined Statements of Profit or Loss and Other Comprehensive Income**

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

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021 ⁽¹⁾	30.09.2022	30.09.2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	399	N/A	1,053	N/A
- right-of-use assets	421	N/A	1,378	N/A
Interest expenses:				
-bankers' acceptance	243	N/A	473	N/A
-bank overdrafts	-	N/A	63	N/A
-lease liabilities	64	N/A	202	N/A
-term loans	155	N/A	351	N/A
Gain on lease termination	(2)	N/A	(2)	N/A
(Gain)/ Loss on disposal of property, plant and equipment	(2)	N/A	1	N/A
Provision of impairment loss	182	N/A	182	N/A
Reversal of impairment loss	(299)	N/A	(299)	N/A
Realised gain on foreign exchange	(463)	N/A	(675)	N/A
Interest Income	(6)	N/A	(63)	N/A

Notes:-

- (1) No comparative figures for the preceding corresponding quarter are available as this is the Company's first interim financial report on its Combined results for the third quarter ended 30 September 2022 being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.
- (2) N/A – Not Applicable

BY ORDER OF THE BOARD
L&P GLOBAL BERHAD
20/12/2022