



**LIM SEONG HAI CAPITAL BERHAD**  
Registration No.: 202001036664 (1392985-A)  
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2021**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD  
("BURSA SECURITIES")**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY LIM SEONG HAI CAPITAL BERHAD ("LSH CAPITAL" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021<sup>(1)</sup>**

	Unaudited as at 31 March 2021 RM'000	Audited as at 30 September 2020 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	4,860	3,007
Rights-of-use assets	2,312	2,139
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,172</b>	<b>5,146</b>
<b>CURRENT ASSETS</b>		
Inventories	10,115	10,376
Trade receivables	29,361	14,579
Other receivables, deposits and prepayments	2,216	226
Contract assets	6	6
Fixed deposits with a licensed bank	5,735	10,698
Cash and bank balances	3,173	5,881
<b>TOTAL CURRENT ASSETS</b>	<b>50,606</b>	<b>41,766</b>
<b>TOTAL ASSETS</b>	<b>57,778</b>	<b>46,912</b>
<b>EQUITY</b>		
Share capital	31,919	2,300
Merger reserve	(29,619)	-
Retained profits	34,018	28,459
<b>TOTAL EQUITY</b>	<b>36,318</b>	<b>30,759</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,326	1,240
Deferred tax liabilities	224	224
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,550</b>	<b>1,464</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	12,977	10,695
Other payables and accruals	4,347	2,634
Lease liabilities	877	801
Current tax liabilities	1,709	559
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,910</b>	<b>14,689</b>
<b>TOTAL LIABILITIES</b>	<b>21,460</b>	<b>16,153</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,778</b>	<b>46,912</b>
Number of shares ('000)	319,186	319,186
Net assets per ordinary share (Sen) <sup>(2)</sup>	11.38	9.64

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in note A1 and should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2020 as disclosed in the Information Memorandum of LSH Capital dated 18 June 2021 and the accompanying explanatory notes attached to this unaudited interim financial report.

(2) Net assets per ordinary share is calculated based on our total equity divided by our issued share capital of 319,185,718 ordinary shares as at 31 March 2021. For information purpose, on 6 May 2021, the Company has allotted 35,859,575 number of new ordinary shares to the pre-listing investors, leading to our enlarged number of ordinary shares stood at 355,045,293. Based on 355,045,293 enlarged number of ordinary shares, the net assets per ordinary share as at 30 September 2020 and 31 March 2021 are 8.66 sen and 10.23 sen respectively.

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup>**

	Unaudited		Unaudited	
	Individual 6 months ended		Cumulative 6 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	41,611	22,493	41,611	22,493
Cost of sales	(32,062)	(18,410)	(32,062)	(18,410)
Gross profit	9,549	4,083	9,549	4,083
Other income	535	142	535	142
Selling and marketing expenses	(187)	(98)	(187)	(98)
Administrative expenses	(2,293)	(2,020)	(2,293)	(2,020)
Other expenses	(593)	(545)	(593)	(545)
Finance costs	(29)	(28)	(29)	(28)
Profit before tax	6,982	1,534	6,982	1,534
Income tax expense	(1,423)	(52)	(1,423)	(52)
Profit for the financial period	<b>5,559</b>	<b>1,482</b>	<b>5,559</b>	<b>1,482</b>
Basic earnings per share (Sen) <sup>(2)</sup>	2.37	134.73	2.37	134.73
Diluted earnings per share (Sen) <sup>(3)</sup>	2.13	134.36	2.13	134.36

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in note A1 and should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2020 as disclosed in the Information Memorandum of LSH Capital dated 18 June 2021 and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Basic earnings per share for the financial period ended ("FPE") 31 March 2020 is calculated based on the profit for the financial period divided by 1,100,000 ordinary shares being the combined ordinary shares for the subsidiaries as at 31 March 2020, which presented on the basis of the subsidiaries were accounted for using merger method of accounting as the subsidiaries were common control by the same parties both before and after the acquisition by the Company, and that control is not transitory. Basic earnings per share for the FPE 31 March 2021 is calculated based on the profit for the financial period divided by 234,361,022 weighted average number of ordinary shares.
- (3) Diluted earnings per share for the FPE 31 March 2020 is calculated based on the profit for the financial period divided by 1,103,279 weighted average number of ordinary shares being the combined ordinary shares for the subsidiaries as at 31 March 2020 and taking into consideration the 1,200,000 number of new ordinary shares of Knight Auto Sdn Bhd allotted on 30 September 2020, which presented on the basis of the subsidiaries were accounted for using merger method of accounting as the subsidiaries were common control by the same parties both before and after the acquisition by the Company, and that control is not transitory. Diluted earnings per share for the FPE 31 March 2021 is calculated based on the profit for the financial period divided by 260,690,785 weighted average number of ordinary shares after taking into consideration the 35,859,575 number of new ordinary shares allotted to the pre-listing investors on 6 May 2021.

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**UNAUDITED CONDENSED CONSOLIDATED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2021 <sup>(1)</sup>**

	<b>Share capital RM'000</b>	<b>Merger reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total equity RM'000</b>
<b>At 11 November 2020 (Date of incorporation)</b>	*	-	-	*
Effect on merger of subsidiaries	31,919	(29,619)	28,459	30,759
Profit for the financial period	-	-	5,559	5,559
<b>At 31 March 2021</b>	<b>31,919</b>	<b>(29,619)</b>	<b>34,018</b>	<b>36,318</b>

\* Represent an amount of RM8

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in note A1 and should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2020 as disclosed in the Information Memorandum of LSH Capital dated 18 June 2021 and the accompanying explanatory notes attached to this unaudited interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup>**

	Unaudited 6 months ended 31 March 2021 RM'000	Unaudited 6 months ended 31 March 2020 RM'000
<b>Cash flows for operating activities</b>		
Profit before tax	6,982	1,534
<b>Adjustments for:</b>		
Depreciation of plant and equipment	261	241
Depreciation of right-of-use assets	510	304
Interest expense	29	28
Gain on disposal of plant and equipment	-	(12)
Interest income	(236)	(89)
<b>Operating profit before working capital changes</b>	<b>7,546</b>	<b>2,006</b>
Changes in inventories	261	808
Changes in receivables	(16,772)	(404)
Changes in payables	3,995	(2,564)
<b>Cash generated for operations</b>	<b>(4,970)</b>	<b>(154)</b>
Tax paid	(273)	(637)
<b>Net cash used in operating activities</b>	<b>(5,243)</b>	<b>(791)</b>
<b>Cash flows for investing activities</b>		
Acquisition of plant and equipment	(2,127)	(502)
Interest income	236	89
(Increase) / decrease in pledged fixed deposits with a licensed bank	(43)	60
Proceeds from disposal of plant and equipment	14	12
<b>Net cash used in investing activities</b>	<b>(1,920)</b>	<b>(341)</b>
<b>Cash flows for financing activities</b>		
Interest paid	(1)	(3)
Repayments of lease principal	(521)	(410)
Repayment of lease interest	(28)	(25)
<b>Net cash used in financing activities</b>	<b>(550)</b>	<b>(438)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(7,713)</b>	<b>(1,570)</b>
Cash and cash equivalents at beginning of the financial period	11,887	2,228
<b>Cash and cash equivalents at the end of the financial period</b>	<b>4,174</b>	<b>658</b>
<b>Represented by:</b>		
Cash and bank balances	3,173	658
Fixed deposits with a licensed bank	5,735	4,617
	8,908	5,275
Less: Fixed deposit pledged with a licensed bank	(4,734)	(4,617)
	<b>4,174</b>	<b>658</b>

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in note A1 and should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2020 as disclosed in the Information Memorandum of LSH Capital dated 18 June 2021 and the accompanying explanatory notes attached to this unaudited interim financial report.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
 FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2021**

**A. NOTES TO THE FINANCIAL REPORT**

**A1. Basis of preparation**

The unaudited condensed consolidated financial statements of Lim Seong Hai Capital Berhad and its subsidiaries (“**Group**”) 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 6.12 and Appendix 6A of the LEAP Markets Listing Requirements.

The unaudited condensed consolidated financial statements should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2020 as disclosed in the Information Memorandum of LSH Capital dated 18 June 2021 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 2020.

**A2. Significant accounting policies**

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**A3. Seasonality or cyclical factors**

Our Group's business operations were not materially affected by any major seasonal or cyclical factors.

**A4. Unusual items**

There were no unusual items that had a material effect on the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial period under review.

**A5. Material changes in estimates**

There were no material changes in estimates of amounts that have a material impact in the current financial period under review.

**A6. Debts and equity securities**

Save as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial period under review:

	<b>Number of ordinary shares</b>	<b>Amount</b>
	<b>No.</b>	<b>RM</b>
At 11 November 2020 (date of incorporation)	8	8
Issuance of shares pursuant to the acquisition of subsidiaries *		
- <i>Lim Seong Hai Lighting Sdn Bhd</i>	221,334,950	22,133,495
- <i>Knight Auto Sdn Bhd</i>	97,850,760	9,785,076
At 31 March 2021	<b>319,185,718</b>	<b>31,918,579</b>

*\*The acquisitions were completed on 6 January 2021*

**A7. Segmental information**

LSH Capital is an investment holding company. The principal activities of the subsidiaries are as follows:

- (i) Lim Seong Hai Lighting Sdn Bhd ("**LSH Lighting**") is principally involved in the provision of building materials as well as lighting products and related mechanical and electrical ("**M&E**") products and services; and
- (ii) Knight Auto Sdn Bhd ("**Knight Auto**") is principally involved in the provision of hardware and tools and rental of machinery.

All of our Group's revenue are generated from Malaysia.

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**Analysis of revenue by business segments**

	Unaudited		Unaudited	
	Individual 6 months ended		Cumulative 6 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Segment A	29,335	17,138	29,335	17,138
Segment B	12,276	5,355	12,276	5,355
<b>Total</b>	<b>41,611</b>	<b>22,493</b>	<b>41,611</b>	<b>22,493</b>

**Notes:**

*Segment A: distribution and/ or retail of building materials, lighting products and related M&E products and services ("Segment A")*

*Segment B: wholesale and retail of hardware and tools, and rental of machinery ("Segment B")*

**A8. Changes in the composition of the Group**

Save as disclosed in note A6 above, there were no changes in the composition of the Group for the current financial period under review.

**A9. Capital commitments**

There were no contractual capital commitments subsequent to the end of the current financial period under review.

**A10. Changes in contingent assets and contingent liabilities**

There were no material changes in contingent assets and liabilities as at the end of the financial period under review.

**A11. Material events subsequent to the end of the financial period**

- (i) On 3 May 2021, the pre-listing Investors have requested, via subscription offer letters to subscribe for the new ordinary shares of the Company ("**Subscription Letters**"). The Company has accepted the respective offers made by the pre-listing Investors pursuant to their respective Subscription Letters via acceptance letters, all of which dated 5 May 2021, for the issuance of an aggregate amount of approx. 35.86 million new ordinary shares of the Company at the subscription price of RM0.13 per ordinary shares for the aggregate subscription sum of approx. RM4.66 million. The exercise has been completed following the issuance and allotment of a total of approx. 35.86 million new ordinary shares to the pre-listing Investors on 6 May 2021, leading to our enlarged number of ordinary shares stood at 355,045,293.
- (ii) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("**MCO**") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.



**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of Performance**

The Group recorded revenue of RM41.61 million and gross profit of RM9.55 million, which contributes to 23% gross profit margin for the FPE 31 March 2021. The revenue of the Group is mainly derived from distribution and/ or retail of building materials, lighting products and related M&E products and services, wholesale and retail of hardware and tools and rental of machinery. The Group recorded a profit before tax (“PBT”) of RM6.98 million for the FPE 31 March 2021.

**1<sup>st</sup> Half-year ended 31 March 2021 vs 1<sup>st</sup> Half-year ended 31 March 2020**

The Group recorded revenue of RM41.61 million for the 1<sup>st</sup> half-year ended 31 March 2021, as compared to RM22.49 million recorded in the immediate preceding period, representing an increase of approximately RM19.12 million or 85.0%. This was mainly due to the Group’s secured orders for the provision of lighting products, related M&E products and services, as well as building materials and rental of machinery for infrastructure, property development and constructions projects.

The Group recorded a PBT of RM6.98 million for the 1<sup>st</sup> half-year ended 31 March 2021 as compared to RM1.53 million in the immediate preceding period, representing an increase of RM5.45 million or 356.2%. The increase in PBT is in line with the increase in the revenue recorded during the current financial period under review, as well as stable administration expenses with marginal increase of 13.5% compared to the preceding period.

**B2. Prospects**

The Group is optimistic of the long-term prospects of the construction related products and services industry in Malaysia which are expected to progressively recover in 2021 and the following years in light of the economic stimuli and easing measures provided by the Government of Malaysia as well as on-going and upcoming construction projects. Our continued success in securing orders from high-profile projects throughout Malaysia in the past is evidence of our ability to remain resilient and adaptive to challenging market conditions. Further, our ability to cater for construction projects across a broad spectrum of construction sub-sectors presents us with a large pool of opportunities into the various construction sub-sectors. Barring any unforeseen circumstances, the Board is confident that the prospects of the Group’s financial performance for the financial year ending 30 September 2021 will remain favourable.

**B3. Variance of Actual Profit from Profit Forecast and Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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**C. OTHER INFORMATION**

**C1. Status of Corporate Proposals**

Saved as the proposed listing of the entire issued share capital of LSH Capital on the LEAP Market of Bursa Malaysia Securities Berhad, there were no corporate proposals announced but pending completion as at the date of this report.

**C2. Material Litigation**

There are no material litigations pending as at the date of this report.

**C3. Dividend**

There is no dividend declared or proposed as at the date of this report.