



**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 2022**

**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 2022 <sup>(1)</sup>**

|   | Unaudited as at<br>31 March 2022<br>RM'000 | Audited as at<br>30 September 2021<br>RM'000 |
|---|--|--|
| <b>ASSETS</b>                               |  |  |
| <b>NON-CURRENT ASSETS</b>                   |  |  |
| Plant and equipment                         | 9,221                                      | 5,907  |
| Rights-of-use assets                        | 5,029                                      | 4,247  |
| <b>TOTAL NON-CURRENT ASSETS</b>             | <b>14,250</b>                              | <b>10,154</b>                                |
| <b>CURRENT ASSETS</b>                       |  |  |
| Inventories                                 | 10,682                                     | 9,849  |
| Trade receivables                           | 48,243                                     | 29,257                                       |
| Other receivables, deposits and prepayments | 5,438                                      | 913  |
| Contract assets                             | 8,603                                      | 222  |
| Current tax assets                          | -  | 329  |
| Fixed deposits with a licensed bank         | 17,392                                     | 4,609  |
| Cash and bank balances                      | 8,857                                      | 10,766                                       |
| <b>TOTAL CURRENT ASSETS</b>                 | <b>99,215</b>                              | <b>55,945</b>                                |
| <b>TOTAL ASSETS</b>                         | <b>113,465</b>                             | <b>66,099</b>                                |
| <b>EQUITY</b>                               |  |  |
| Share capital                               | 36,580                                     | 36,580                                       |
| Merger reserve                              | (29,447)                                   | (29,619)                                     |
| Retained profits                            | 48,824                                     | 36,389                                       |
| <b>TOTAL EQUITY</b>                         | <b>55,957</b>                              | <b>43,350</b>                                |
| <b>LIABILITIES</b>                          |  |  |
| <b>NON-CURRENT LIABILITIES</b>              |  |  |
| Lease liabilities                           | 3,122                                      | 2,829  |
| Term loan                                   | 390  | 423  |
| Deferred tax liabilities                    | 612  | 478  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>        | <b>4,124</b>                               | <b>3,730</b>                                 |
| <b>CURRENT LIABILITIES</b>                  |  |  |
| Trade payables                              | 14,176                                     | 7,393  |
| Other payables and accruals                 | 22,815                                     | 1,460  |
| Contract liabilities                        | 11,415                                     | 15   |
| Term loan                                   | 66   | 66   |
| Bankers' acceptance                         | 2,356                                      | 8,457  |
| Lease liabilities                           | 1,209                                      | 1,218  |
| Current tax liabilities                     | 1,347                                      | 410  |
| <b>TOTAL CURRENT LIABILITIES</b>            | <b>53,384</b>                              | <b>19,019</b>                                |
| <b>TOTAL LIABILITIES</b>                    | <b>57,508</b>                              | <b>22,749</b>                                |
| <b>TOTAL EQUITY AND LIABILITIES</b>         | <b>113,465</b>                             | <b>66,099</b>                                |
| Number of shares ('000)                     | 355,045                                    | 355,045                                      |
| Net assets per ordinary share (Sen)         | 15.76                                      | 12.21  |

**Note:**

(1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2022 <sup>(1)</sup>**

|   | Unaudited                 |              | Unaudited                 |              |
|---|---------------------------|--------------|---------------------------|--------------|
|   | Individual 6 months ended |              | Cumulative 6 months ended |              |
|   | 31.03.2022                | 31.03.2021   | 31.03.2022                | 31.03.2021   |
|   | RM'000                    | RM'000       | RM'000                    | RM'000       |
| Revenue   | 65,434                    | 41,611       | 65,434                    | 41,611       |
| Cost of sales                                   | (43,699)                  | (32,062)     | (43,699)                  | (32,062)     |
| Gross profit                                    | 21,735                    | 9,549        | 21,735                    | 9,549        |
| Other income                                    | 259                       | 535          | 259                       | 535          |
| Selling and marketing expenses                  | (203)                     | (187)        | (203)                     | (187)        |
| Administrative expenses                         | (4,878)                   | (2,293)      | (4,878)                   | (2,293)      |
| Other expenses                                  | (799)                     | (593)        | (799)                     | (593)        |
| Finance costs                                   | (119)                     | (29)         | (119)                     | (29)         |
| Profit before tax                               | 15,995                    | 6,982        | 15,995                    | 6,982        |
| Income tax expense                              | (3,560)                   | (1,423)      | (3,560)                   | (1,423)      |
| Profit for the financial period                 | <b>12,435</b>             | <b>5,559</b> | <b>12,435</b>             | <b>5,559</b> |
| Basic earnings per share (Sen) <sup>(2)</sup>   | 3.54                      | 2.37         | 3.54                      | 2.37         |
| Diluted earnings per share (Sen) <sup>(3)</sup> | 3.54                      | 2.13         | 3.54                      | 2.13         |

**Notes:**

- (1) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share for the financial period ended (“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 as at 31 March 2021, 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 2022 is calculated based on the profit for the financial period divided by 351,606,704 weighted average number of ordinary shares.*
- (3) *Diluted 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 as at 31 March 2021, 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 2022 is calculated based on the profit for the financial period divided by 351,606,704 weighted average number of ordinary shares.*

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**UNAUDITED CONDENSED CONSOLIDATED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2022 <sup>(1)</sup>**

|  | Share<br>capital<br>RM'000 | Merger<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>equity<br>RM'000 |
|--|----------------------------|-----------------------------|-------------------------------|---------------------------|
| At 11 November 2020 (Date of incorporation)                    | *                          | -                           | -                             | *                         |
| Effect on merger of subsidiaries                               | 31,919                     | (29,619)                    | 28,459                        | 30,759                    |
| Issuance of shares for cash                                    | 4,661                      | -                           | -                             | 4,661                     |
| Profit and total comprehensive income for the financial period | -                          | -                           | 5,559                         | 5,559                     |
| At 31 March 2021   | <b>36,580</b>              | <b>(29,619)</b>             | <b>34,018</b>                 | <b>40,979</b>             |

\* Represent an amount of RM8

|  | Share<br>capital<br>RM'000 | Merger<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>equity<br>RM'000 |
|--|----------------------------|-----------------------------|-------------------------------|---------------------------|
| At 1 October 2021  | 36,580                     | (29,619)                    | 36,389                        | 43,350                    |
| Effect on merger of subsidiaries                               | -                          | 172                         | -                             | 172                       |
| Profit and total comprehensive income for the financial period | -                          | -                           | 12,435                        | 12,435                    |
| At 31 March 2022   | <b>36,580</b>              | <b>(29,447)</b>             | <b>48,824</b>                 | <b>55,957</b>             |

**Note:**

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this 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 2022 <sup>(1)</sup>**

|   | Unaudited<br>6 months ended<br>31 March 2022<br>RM'000 | Unaudited<br>6 months ended<br>31 March 2021<br>RM'000 |
|---|--|--|
| <b>Cash flows for operating activities</b>                      |  |  |
| Profit before tax   | 15,995   | 6,982  |
| <b>Adjustments for:</b>   |  |  |
| Depreciation of plant and equipment                             | 635  | 261  |
| Depreciation of right-of-use assets                             | 576  | 510  |
| Interest expense  | 121  | 29   |
| Gain on disposal of plant and equipment                         | (5)  | -  |
| Interest income   | (113)  | (236)  |
| Plant & equipment written off                                   | 29   | -  |
| Reversal of inventories previously written off                  | (8)  | -  |
| <b>Operating profit before working capital changes</b>          | <b>17,230</b>  | <b>7,546</b>   |
| (Increase) / Decrease in inventories                            | (833)  | 261  |
| Increase in receivables   | (4,179)  | (16,772)   |
| Increase in contract assets                                     | (4,059)  | -  |
| Increase in payables  | 25,240   | 3,995  |
| (Decrease) / Increase in contract liabilities                   | (5,453)  | -  |
| Decrease in director balances                                   | (1,230)  | -  |
| <b>Cash generated for operations</b>                            | <b>26,716</b>  | <b>(4,970)</b>   |
| Tax paid  | (2,190)  | (273)  |
| <b>Net cash generated from / (used in) operating activities</b> | <b>24,526</b>  | <b>(5,243)</b>   |
| <b>Cash flows for investing activities</b>                      |  |  |
| Acquisition of plant and equipment                              | (2,984)  | (2,127)  |
| Acquisition of subsidiary, net cash                             | (3,485)  | -  |
| Addition of right-of-use assets                                 | (422)  | -  |
| Interest income   | 113  | 236  |
| Increase in pledged fixed deposits with a licensed banks        | (12,783)   | (43)   |
| Proceeds from disposal of plant and equipment                   | 11   | 14   |
| <b>Net cash used in investing activities</b>                    | <b>(19,550)</b>  | <b>(1,920)</b>   |
| <b>Cash flows for financing activities</b>                      |  |  |
| Interest paid   | (40)   | (1)  |
| Drawdown of borrowings / banker's acceptances                   | 3,062  | -  |
| Repayment of borrowings / banker's acceptances                  | (9,196)  | -  |
| Repayments of lease principal                                   | (630)  | (521)  |
| Repayments of lease interest                                    | (81)   | (28)   |
| <b>Net cash (used in) / generated from financing activities</b> | <b>(6,885)</b>   | <b>(550)</b>   |
| <b>Net changes in cash and cash equivalents</b>                 | <b>(1,909)</b>   | <b>(7,713)</b>   |
| Cash and cash equivalents at beginning of the financial period  | 10,766   | 11,887   |
| <b>Cash and cash equivalents as at financial year end</b>       | <b>8,857</b>   | <b>4,174</b>   |
| <b>Represented by:</b>  |  |  |
| Cash and bank balances  | 8,857  | 3,173  |
| Fixed deposits with a licensed bank                             | 17,392   | 5,735  |
|   | 26,249   | 8,908  |
| Less: Fixed deposit pledged with a licensed bank                | (17,392)   | (4,734)  |
|   | <b>8,857</b>   | <b>4,174</b>   |

**Note:**

(1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.*

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2022**

**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 2021 and the accompanying explanatory notes attached to this interim financial report.

**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 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        |
| Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative information                                 | 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        |

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**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period.

**A7. Segmental information**

LSH Capital is an investment holding company. The principal activities of the non-dormant 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;
- (ii) Knight Auto Sdn Bhd (“**Knight Auto**”) is principally involved in the provision of hardware and tools and rental of machinery; and
- (iii) LSH Best Builders Sdn Bhd (“**LSHBB**”) is principally involved in the business of construction and provision of construction and business related services & solutions.

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

**Analysis of revenue by business segments**

|              | <b>Unaudited</b>                 |                   | <b>Unaudited</b>                 |                   |
|--------------|----------------------------------|-------------------|----------------------------------|-------------------|
|              | <b>Individual 6 months ended</b> |                   | <b>Cumulative 6 months ended</b> |                   |
|              | <b>31.03.2022</b>                | <b>31.03.2021</b> | <b>31.03.2022</b>                | <b>31.03.2021</b> |
|              | <b>RM’000</b>                    | <b>RM’000</b>     | <b>RM’000</b>                    | <b>RM’000</b>     |
| Segment A    | 16,097                           | 29,335            | 16,097                           | 29,335            |
| Segment B    | 10,624                           | 12,276            | 10,624                           | 12,276            |
| Segment C    | 38,713                           | -                 | 38,713                           | -                 |
| <b>Total</b> | <b>65,434</b>                    | <b>41,611</b>     | <b>65,434</b>                    | <b>41,611</b>     |

**Notes:**

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

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

*Segment C: business of construction and provision of construction and business related services & solutions*

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

During the current financial period under review, the Company had acquired 100% equity interest in LSHBB.

During the current financial period under review, the Company had incorporated two (2) wholly-owned subsidiary as follows:

- (i) LSH Infra Sdn Bhd (“**LSH Infra**”) with a total issued and paid-up capital of RM1,000; and
- (ii) Lim Seong Hai Development Sdn Bhd (“**LSH Development**”) with a total issued and paid-up capital of RM1,000.

**A9. Capital commitments**

Capital commitments of the Group in respect of the property, plant and equipment not provided for as at the end of the financial year are as follows:

|                             | <b>31.03.2022</b> | <b>30.09.2021</b> |
|-----------------------------|-------------------|-------------------|
|                             | <b>RM'000</b>     | <b>RM'000</b>     |
| Approved and contracted for | 8,606             | 4,755             |

**A10. Interest bearing bank borrowings**

|  | <b>As at 31 March 2022</b> |
|--|----------------------------|
|  | <b>RM'000</b>              |
| <b>Non-current bank borrowing</b>              |                            |
| Term loan                                      | 390                        |
| Hire purchases                                 | 973                        |
|  | 1,363                      |
| <b>Current bank borrowings</b>                 |                            |
| Term loan                                      | 66                         |
| Bank acceptance                                | 2,356                      |
| Hire purchases                                 | 446                        |
|  | 2,868                      |
| <b>Total interest -bearing bank borrowings</b> | <b>4,231</b>               |

**A11. 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.

**A12. Material events subsequent to the end of the financial period**

There were no other material events subsequent to the end of the current financial period.

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

**B1. Review of Performance**

The Group recorded revenue of RM65.43 million and gross profit of RM21.74 million, which contributed to a gross profit margin of 33.23% for the FPE 31 March 2022. The revenue of the Group is mainly attributable to its newly acquired subsidiary, namely LSHBB, which had contributed 59.16% of the total revenue of the Group. The Group recorded a profit before tax (“PBT”) of RM16.0 million and a profit after tax (“PAT”) of RM12.44 million for the FPE 31 March 2022.

**1<sup>st</sup> Half-year ended 31 March 2022 vs 1<sup>st</sup> Half-year ended 31 March 2021**

The Group recorded revenue of RM65.43 million for the 1<sup>st</sup> half-year ended 31 March 2022, as compared to RM41.61 million recorded in the immediate preceding period, representing an increase of approximately RM23.82 million or 57.25%. The increase is mainly due to the higher revenue generated from the newly acquired LSHBB for the 1<sup>st</sup> half-year ended 31 March 2022 compared to the 1<sup>st</sup> half-year ended 31 March 2021.

The Group recorded a PBT of RM16.0 million for the 1<sup>st</sup> half-year ended 31 March 2022 as compared to RM6.98 million in the immediate preceding period, representing an increase of RM9.02 million or 129.23%. The increase in PBT is in line with the increase in the revenue recorded during the current financial period under review.

**B2. Prospects**

LSH Capital Group was initially involved in the construction products segment upon the listing on the LEAP Market of Bursa Securities on 30 July 2021, i.e. distribution and/or retail of building materials, lighting products and related M&E products and services which is carried out by LSH Lighting, and wholesale and retail of hardware and tools, and rental of machinery which is carried out by Knight Auto.

On 15 October 2021, the LSH Capital Group has expanded its business into construction activities via the acquisition of LSHBB. On 10 January 2022 and 23 February 2022, the Company had incorporated two (2) wholly-owned subsidiaries, namely LSH Infra and LSH Development. LSH Infra is principally involved in the business of investment holding and to design, construct, operate, manage and maintain infrastructure while LSH Development is principally involved in the business of property development and construction. As at the date of this interim financial report, both LSH Infra and LSH Development are still dormant.

On 28 March 2022, the Company has announced a series of corporate proposals, which include the Proposed Acquisition of ASSB, Proposed Assets Exchange, Proposed Settlement cum Subscription and Proposed Diversification (as defined in Section C1 below) (collectively referred to as “Proposals”).

The Proposals which will further expand the construction business and together with the inclusion of property development and property investment, will allow the LSH Capital Group to be involved in the supply chain of the construction industry. This is in line with the BEST Framework adopted by LSH Capital with the aims to transform the core foundation of the construction industry.

The Proposals is also expected to expand the revenue stream and earning base of the LSH Capital Group, which in turn is envisaged to contribute positively to the Group’s earnings and strengthen its financial position in the long term.

The forward integration will provide the enlarged LSH Capital Group with better supply chain management in the construction industry, among others, tighter quality control with better flow and control of information across the supply chain, thus reducing the costs incurred by the LSH Capital

Group.

Upon completion of the Proposals, the LSH Capital Group will have an enlarged secured construction orderbook amounting to RM1.1 billion in aggregate with an overall outstanding orderbook of RM782.0 million. LSHBB is also involved in the provision of the construction and business related services and solutions via the BEST Framework collaboration, for construction and property development projects with a total value of RM2.7 billion whereby a certain portion of fees will be charged by LSHBB. LSH Capital Group's portfolio will also carry a property development project with GDV of RM1.59 billion which is expected to provide earnings visibility until 2026.

This will provide a platform for the LSH Capital Group to grow further and enhance its reputation in the construction and property development industry. The size to which the Group has grown since our listing will also provide confidence to future clients and the Government that our Group is able to be entrusted with larger projects in the future.

Barring any unforeseen circumstances, the Board is confident that the prospects of the Group's financial performance for the financial year ending 30 September 2022 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**

(1) Proposed Subscription by DSMN

On 28 March 2022, the Company had entered into a subscription agreement with Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob ("**DSMN**") for the proposed subscription by DSMN of 1,000,000 new ordinary shares in LSH Capital ("**LSH Capital Shares**") ("**Subscription Shares**"), representing approximately 0.28% of the existing total number of issued ordinary shares of LSH Capital as at 25 March 2022, at an issue price of RM0.42 per Subscription Share ("**Proposed Subscription by DSMN**").

DSMN is an independent and non-executive director of the Company.

The Proposed Subscription by DSMN is still pending completion as at the date of this interim financial report.

(2) Proposals

On 28 March 2022, the Company had announced the following:

- (a) Proposed acquisition by LSH Capital of 3,750,000 ordinary shares in Astana Setia Sdn Bhd ("**ASSB**"), representing 100% equity interest in ASSB from Lim Seong Hai Resources Sdn Bhd ("**LSH Resources**"), Datuk Lim Keng Guan ("**Datuk KG**"), Lim Pak Lian ("**LPL**"), Lim Keng Hun ("**LKH**") and Lim Ding Shyong ("**LDS**") (LSH Resources, Datuk KG, LPL, LKH and LDS are collectively referred to as the "**Vendors of ASSB**") for a purchase consideration of RM95,000,000 ("**Purchase Consideration of ASSB**") to be satisfied through the issuance of 211,111,111 new ordinary shares in the capital of the Company ("**Consideration Shares of ASSB**") at an issue price of RM0.45 per Consideration Share of ASSB ("**Proposed Acquisition of ASSB**");
- (b) Proposed rationalisation and transfer of the beneficial ownership of the following to the Company from Lim Seong Hai Ventures Sdn Bhd ("**LSH Ventures**") ("**Vendor of Assets**"):
- (i) a three (3) storey shop office erected on a piece of freehold land in District of Kuala Lumpur ("**Property 1**") for a consideration of RM2,600,000 ("**Exchange Consideration of Property 1**");
- (ii) a two (2) storey shop office erected on a piece of freehold land in District of Ulu Langat ("**Property 2**") for a consideration of RM1,100,000 ("**Exchange Consideration of Property 2**");
- (iii) a three (3) storey shop office erected on a piece of freehold land in District of Ulu Langat ("**Property 3**") for a consideration of RM2,400,000 ("**Exchange Consideration of Property 3**"); and
- (iv) a parcel of freehold vacant land in District of Johor Bahru ("**Land**") for a consideration of RM2,040,000 ("**Exchange Consideration of Land**")

(Property 1, Property 2, Property 3 and Land are collectively referred to as "**the Assets**")

The total exchange consideration for the Assets of RM8,140,000 ("**Total Exchange**

**Consideration of Assets**) are to be satisfied through the issuance of 18,088,888 new ordinary shares in the capital of the Company (**“Consideration Shares of Assets”**) at an issue price of RM0.45 per Consideration Share of Assets to LSH Resources as nominated by the Vendor of Assets (**“Proposed Assets Exchange”**).

- (c) Proposed settlement by the Company of the amount owing by LSH Ventures to LPL, LKH, LDS and Datuk KG (LPL, LKH, LDS and Datuk KG are collectively referred to as the **“Directors of LSH Ventures”**) amounting to RM54,501,712.32 (**“Director Advances”**) (**“Settlement Consideration”**) to be satisfied through the issuance of 121,114,916 new ordinary shares in the capital of the Company (**“Settlement Shares”**) at an issue price of RM0.45 per Settlement Share (**“Proposed Settlement”**) to the nominees nominated by the Directors of LSH Ventures. The proposed subscription of 9,900,000 new ordinary shares in LSH Ventures (**“LSH Ventures Shares”**) (**“Subscription Shares”**) by the Company, representing 99% of the enlarged equity interest in LSH Ventures by way of partial capitalisation of the amount owing by LSH Ventures to the Company amounting to RM15,758,621.10 arising from the Proposed Settlement (**“Proposed Subscription”**)

(Proposed Settlement and Proposed Subscription are collectively referred to as the **“Proposed Settlement cum Subscription”**)

- (d) Proposed diversification of the principal activities of the Company and its subsidiaries to include property development and construction related activities (**“Property and Construction Related Businesses”**) (**“Proposed Diversification”**)

(Proposed Acquisition of ASSB, Proposed Assets Exchange, Proposed Settlement cum Subscription and Proposed Diversification are collectively referred to as **“Proposals”**)

The Proposals is still pending completion as at the date of this interim financial report.

## C2. Material Litigation

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

## C3. Utilisation of Proceeds

Pursuant to the fund raised from the Pre-Listing Investors based on the listing reference price of RM0.13 per share in conjunction with the listing of the Company on the LEAP Market of Bursa Securities, the total proceeds that had been raised which amounted to approximately RM4.66 million shall accrued entirely to our Group and the status of utilization of the proceeds is as follows:

| Purpose                      | Proposed Utilisation | Actual Utilisation <sup>(1)</sup> | Balance Unutilised | Estimated Timeframe for utilization upon listing |
|------------------------------|----------------------|-----------------------------------|--------------------|--|
|                              | RM                   | RM                                | RM                 |  |
| Setting up new retail stores | 3,662,000            | -                                 | 3,662,000          | Within 36 months                                 |
| Listing costs                | 1,000,000            | 1,000,000                         | -                  | Within 2 months                                  |
| <b>Total</b>                 | <b>4,662,000</b>     | <b>1,000,000</b>                  | <b>3,662,000</b>   |  |

**Note:**

(1) Utilisation as at 31 March 2022.

The utilization of proceeds as disclosed above should be read in conjunction with the Information Memorandum of the Company dated 18 June 2021.

**C4. Dividend**

On 29 November 2021, the Board of Directors declared a final single tier dividend of RM0.0066 per share amounting to approximately RM2.34 million respect of the financial year ended 30 September 2021. The entitlement date for the final single tier dividend was 6 April 2022. The said final single tier dividend was paid on 15 April 2022.

The Board of Directors approved an interim single-tier dividend of RM0.0105 per share amounting to approximately RM3.73 million in respect of the financial year ending 30 September 2022 at the entitlement date 13 June 2022 and the payment date at 28 June 2022.

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