



LIM SEONG HAI CAPITAL BERHAD

Registration No.: 202001036664 (1392985-A)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 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 30 SEPTEMBER 2022 ⁽¹⁾**

	Unaudited as at 30 September 2022 RM'000	Audited as at 30 September 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	13,974	5,907
Rights-of-use assets	3,249	4,247
TOTAL NON-CURRENT ASSETS	17,223	10,154
CURRENT ASSETS		
Inventories	12,221	9,849
Trade receivables	66,641	29,257
Other receivables, deposits and prepayments	2,766	913
Amount due from related parties	24	-
Contract assets	4,763	222
Current tax assets	470	329
Fixed deposits with a licensed bank	38,167	4,609
Cash and bank balances	6,049	10,766
TOTAL CURRENT ASSETS	131,101	55,945
TOTAL ASSETS	148,324	66,099
EQUITY		
Share capital	37,000	36,580
Merger reserve	(29,619)	(29,619)
Retained profits	70,627	36,389
TOTAL EQUITY	78,008	43,350
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	2,957	2,829
Term loan	354	423
Deferred tax liabilities	1,245	478
TOTAL NON-CURRENT LIABILITIES	4,556	3,730
CURRENT LIABILITIES		
Trade payables	16,506	7,393
Other payables and accruals	23,293	1,460
Contract liabilities	15,639	15
Term loan	68	66
Bankers' acceptance	2,224	8,457
Lease liabilities	1,834	1,218
Current tax liabilities	6,196	410
TOTAL CURRENT LIABILITIES	65,760	19,019
TOTAL LIABILITIES	70,316	22,749
TOTAL EQUITY AND LIABILITIES	148,324	66,099
Number of shares ('000)	356,045	355,045
Net assets per ordinary share (Sen)	21.91	12.21

Note:

(1) The basis of the preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in note A1 and should be read in conjunction with the Audited Consolidated 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 2nd HALF-YEAR ENDED 30 SEPTEMBER 2022 ⁽¹⁾**

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	97,871	25,805	163,305	67,416
Cost of sales	(52,430)	(17,819)	(96,129)	(49,881)
Gross profit	45,441	7,986	67,176	17,535
Other income	806	(306)	1,065	229
Selling and marketing expenses	(382)	(139)	(585)	(326)
Administrative expenses	(6,632)	(2,744)	(11,510)	(5,037)
Other expenses	(1,107)	(742)	(1,906)	(1,335)
Finance costs	(159)	(172)	(278)	(201)
Profit before tax	37,967	3,883	53,962	10,865
Income tax expense	(10,083)	(1,512)	(13,642)	(2,935)
Profit for the financial period	27,885	2,371	40,320	7,930
Basic earnings per share (Sen) ⁽²⁾	7.85	0.71	11.34	2.38
Diluted earnings per share (Sen) ⁽³⁾	7.85	0.71	11.34	2.38

Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in note A1 and should be read in conjunction with the Audited Consolidated 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 FYE 30 September 2022 is calculated based on the profit for the financial period divided by 355,412,416 weighted average number of ordinary shares.*
- (3) *Diluted earnings per share for the FYE 30 September 2022 is calculated based on the profit for the financial period divided by 355,412,416 weighted average number of ordinary shares.*

[The rest of this page has been intentionally left blank]

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾**

	Share capital RM'000	Merger reserve RM'000	Retained profits RM'000	Total equity 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	-	-	7,930	7,930
At 30 September 2021	36,580	(29,619)	36,389	43,350

* Represent an amount of RM8

	Share capital RM'000	Merger reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 October 2021	36,580	(29,619)	36,389	43,350
Contribution by and distribution to the owners of the Company:				
- Issuance of shares for cash	420	-	-	420
- Dividend paid	-	-	(6,082)	(6,082)
Profit and total comprehensive income for the financial period	-	-	40,320	40,320
At 30 September 2022	37,000	(29,619)	70,627	78,008

Note:

(1) The basis of the 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 Consolidated Financial Statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.

[The rest of this page has been intentionally left blank]

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2022 ⁽¹⁾**

	Unaudited 12 months ended 30 September 2022 RM'000	Audited 12 months ended 30 September 2021 RM'000
Cash flows for operating activities		
Profit before tax	53,962	10,865
Adjustments for:		
Depreciation of plant and equipment	1,565	705
Depreciation of right-of-use assets	1,354	919
Negative goodwill	(261)	-
Bad debt written off	1	-
Interest expense	278	201
Inventory written off	81	146
Impairment loss on trade receivables	1,967	-
Gain on disposal of plant and equipment	(9)	(1)
Interest income	(266)	(165)
Plant & equipment written off	56	-
Reversal of inventories previously written off	(68)	(275)
Operating profit before working capital changes	58,660	12,395
(Increase) / Decrease in inventories	(2,385)	656
Increase in receivables	(8,140)	(15,365)
Increase in contract assets	(4,259)	(216)
Decrease in related parties	667	-
Increase / (decrease) in payables	17,951	(4,489)
(Decrease) / Increase in contract liabilities	(1,229)	16
Decrease in director balances	(1,230)	-
Cash generated for operations	60,035	(7,003)
Tax paid	(7,269)	(3,158)
Tax refund	7	-
Net cash generated from / (used in) operating activities	52,773	(10,161)
Cash flows for investing activities		
Acquisition of plant and equipment	(6,697)	(3,360)
Acquisition of subsidiary, net cash	(3,488)	-
Addition of right-of-use assets	(200)	(210)
Interest income	266	165
(Increase) / decrease in pledged fixed deposits with a licensed banks	(10)	83
Proceeds from disposal of plant and equipment	84	14
Net cash used in investing activities	(10,045)	(3,308)
Cash flows for financing activities		
Interest paid	(82)	(201)
Drawdown of borrowings / banker's acceptances	5,944	8,957
Dividend paid	(6,082)	-
Reassessment of lease liabilities	(22)	-
Proceeds from issuance of ordinary shares	420	4,661
Repayment of borrowings / banker's acceptances	(12,243)	-
Repayments of lease principal	(1,636)	(1,058)
Repayments of lease interest	(196)	(11)
Net cash (used in) / generated from financing activities	(13,897)	12,348
Net changes in cash and cash equivalents	28,831	(1,121)
Cash and cash equivalents at beginning of the financial period	10,766	11,887
Cash and cash equivalents as at financial year end	39,597	10,766

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

	Unaudited	Audited
	12 months ended	12 months ended
	30 September 2022	30 September 2021
	RM'000	RM'000
Represented by:		
Cash and bank balances	6,049	10,766
Fixed deposits with a licensed bank	38,167	4,609
	44,216	15,375
Less: Fixed deposit pledged with a licensed bank	(4,619)	(4,609)
	39,597	10,766

Note:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in note A1 and should be read in conjunction with the Audited Consolidated 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 2nd HALF-YEAR ENDED 30 SEPTEMBER 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 Consolidated Financial Statements for the financial year ended 30 September 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.

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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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

The business operations of our Group is not subjected to any cyclical or seasonal trend.

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

Saved as disclosed below. there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period ended 30 September 2022.

	No. of ordinary shares	Amount
	No.	RM
Issuance of shares for the subscription of ordinary shares by Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob on 27 May 2022	1,000,000	420,000

A7. Segmental information

LSH Capital is an investment holding company. The principal activities of our active 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

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Segment A	18,400	14,203	34,497	43,537
Segment B	11,617	11,602	22,242	23,879
Segment C	67,854	-	106,566	-
Total	97,871	25,805	163,305	67,416

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

Save as disclosed below, there were no other material changes in the composition of the Group during the financial year ended 30 September 2022:

- Acquired of the entire issued share capital of LSHBB for a cash consideration of RM3,500,000 on 15 October 2021;
- Incorporated of a wholly-owned subsidiary, namely LSH Infra Sdn Bhd ("**LSH Infra**") with an issued and paid-up share capital of RM1,000 on 10 January 2022; and
- Incorporated of a wholly-owned subsidiary, namely Lim Seong Hai Development Sdn Bhd ("**LSH Development**") with an issued and paid-up share capital of RM1,000 on 23 February 2022.

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:

	Unaudited 30.09.2022 RM'000	Audited 30.09.2021 RM'000
Approved and contracted for	7,449	4,755
Approved but not contracted for	12	-
	7,461	4,755

A10. Interest bearing bank borrowings

	As at 30 September 2022 RM'000
Non-current bank borrowing	
Term loan	355
Hire purchases	524
	879
Current bank borrowings	
Term loan	68
Bank acceptance	2,224
Hire purchases	609
	2,901
Total interest -bearing bank borrowings	3,780

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.

[The rest of this page has been intentionally left blank]

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM163.31 million and gross profit of RM67.18 million, which contributed to a gross profit margin of 41.14% for the FYE 30 September 2022. The revenue of the Group is mainly attributable to its newly acquired subsidiary, namely LSHBB, which had contributed 65.26% of the total revenue of the Group. The Group recorded a profit before tax (“PBT”) of RM54.0 million and a profit after tax (“PAT”) of RM40.32 million for the FYE 30 September 2022.

2nd Half-year ended 30 September 2022 vs 2nd Half-year ended 30 September 2021

The Group recorded revenue of RM97.87million for the 2nd half-year ended 30 September 2022, as compared to RM25.81 million recorded in the immediate preceding period, representing an increase of approximately RM72.06 million or 279%. The increase is mainly due to the higher revenue generated from the newly acquired LSHBB during the financial year 30 September 2022.

The Group recorded a PBT of RM37.97 million for the 2nd half-year ended 30 September 2022 as compared to RM3.88 million in the immediate preceding period, representing an increase of RM34.09 million or 878.61%. 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 and on 9 September 2022, obtained our shareholders’ approval for the diversification into the business of construction and provision of construction-related services & solutions.

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.

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.

In addition, our wholly-owned subsidiary, LSH BEST Builders Sdn Bhd (“LSHBB”), had in 9 September 2022 entered into a collaboration agreement with Gamuda Industrial Building System Sdn Bhd (“Gamuda IBS”) to boost construction efficiency through promoting the use of digital Industrial Building System (“digital IBS”). Through this collaboration, LSHBB and Gamuda IBS aim to support the industry’s transition towards the Fourth Industrial Revolution (IR4.0) via the digitalisation of work processes and automation of construction works. Through this wide-scale digital ecosystem manufacturing, there will be lesser construction wastage, increased productivity, shorter construction period and reduced reliance on foreign labour.

The current outstanding construction order book of RM848.0 million as at 30 September 2022 for LSHBB is expected to provide earning visibility to LSH Capital Group for the duration of the contract period up to the year 2026. Further, the provision of construction-related services and solutions as part of the BEST Collaboration Framework will allow LSHBB to be entitled to fees based on the client’s construction and property projects value. For information, as at 30 September 2022, LSHBB client’s construction and property projects has a total project value of RM2.7 billion.

In light of the above, we are optimistic on the future prospect of the LSH Capital Group and will continue to identify and assess new opportunities to secure more construction and construction related contracts by leveraging on the engineering and technical expertise and experiences of the Directors and/or key management personnel in the construction industry.

Premised on the positive outlook for the Malaysian Economy and the construction industry, our Board is positive on the prospect and outlook of the LSH Capital Group.

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.

[The rest of this page has been intentionally left blank]

C. OTHER INFORMATION

C1. Status of Corporate Proposals

As at the date of this interim financial report, save for the following which was announced by Astramina Advisory Sdn Bhd on behalf of LSH Capital on 28 March 2022 and 25 May 2022, there are no other corporate proposals that have been announced but have yet to be completed:

- (a) Proposed acquisition by LSH Capital of 3,750,000 ordinary shares in Astana Setia Sdn Bhd (“**ASSB**”), representing 100% of the equity interest in ASSB from the vendors of ASSB for a purchase consideration of RM95,000,000.00 to be satisfied via the issuance of 211,111,111 new ordinary shares in LSH Capital at an issue price of RM0.45 each (“**Proposed Acquisition of ASSB**”);
- (b) Proposed rationalise and transfer of the beneficial ownership of the 3 units of shop offices and a parcel of freehold vacant land from Lim Seong Hai Ventures Sdn Bhd (“**LSH Ventures**”) to LSH Capital for a total consideration of RM8,140,000.00 to be satisfied via the issuance of 18,088,888 new ordinary shares in LSH Capital at an issue price of RM0.45 each (“**Proposed Assets Exchange**”);
- (c) Proposed settlement by LSH Capital of the amount owing by LSH Ventures to the Directors of LSH Ventures amounting to RM54,501,712.32 to be satisfied via the issuance of 121,114,916 new ordinary shares in LSH Capital at an issue price of RM0.45 each (“**Proposed Settlement**”), and the proposed subscription of 9,900,000 new ordinary shares in LSH Ventures by LSH Capital, representing 99% of the enlarged equity interest in LSH Ventures by way of partial capitalisation of the amount owing by LSH Ventures to LSH Capital amounting to RM15,758,621.10 arising from the Proposed Settlement (“**Proposed Subscription**”) (collectively referred to as the “**Proposed Settlement Cum Subscription**”); and
- (d) Proposed diversification of the existing principal activities of LSH Capital Group to include property development and construction activities (“**Proposed Diversification**”).

As at the date of this interim financial report, the Proposed Acquisition of ASSB, Proposed Assets Exchange and the Proposed Settlement Cum Subscription are subject to the fulfilment of the conditions precedent of the relevant agreements. The expected date of completion of the above-mentioned proposals is targeted on first quarter of year 2023. The Company will make the necessary announcement with regards to any development on the above-mentioned corporate exercises.

On 25 May 2022, the Company announced that it has received letters dated 24 May 2022 from Directors of LSH Ventures and Lim Ding Shyong respectively to notify that as part of the Proposals, the promoters of LSH Capital, being Tan Sri KC Lim, Datuk KG, Lim Pak Lian, Lim Keng Hun and LSH Resources (collectively, the “**Promoters**”) intend to initiate the proposed shares reward scheme based on the policies to be set by LSH Capital (“**LSH Shares Reward Scheme**”).

The goal of the LSH Shares Reward Scheme is to create a sustainable value enhancement environmental for all the stakeholders of LSH Capital by aligning the interests of all parties including the Promoters, Employees and Related Employees and Relatives to create a sense of ownership, loyalty and belonging to the LSH Capital Group.

To facilitate the implementation of the LSH Shares Reward Scheme, the Directors of LSH Ventures and Lim Ding Shyong further notify the revise of the nominated recipients in DSCSSA and SSA respectively as below:

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

- (a) Directors of LSH Ventures to revise nominated recipients to receive the Settlement Shares in relation to the Proposed Settlement Cum Subscription as below:

No	Nominated Recipient	No. of Settlement Shares (No.)	
		Initial as per DSCSSA	Revise
1.	LSH Resources	121,114,916	73,189,044
2.	Trust Account for the Employees (“ Trust Account 1 ”)	-	34,483,917
3.	Trust Account for the Related Employees and Relatives (“ Trust Account 2 ”)	-	13,441,955
		121,114,916	121,114,916

- (b) Lim Ding Shyong to nominate Tan Sri KC Lim to receive his entitlement of 7,037,037 Consideration Shares of ASSB in relation to the Proposed Acquisition of ASSB.

The Trust Account 1 and Trust Account 2 shall refer to the trust accounts to be operated by a licensed trust company to be appointed by LSH Capital for the implementation of the LSH Shares Reward Scheme.

In the event the LSH Shares Reward Scheme is not implemented for whatever reason, the Settlement Shares shall be re-allotted to LSH Resources as the nominated recipient of the Directors of LSH Ventures.

C2. Material Litigation

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

C3. Utilisation of Proceeds

- (a) 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 had accrued entirely to our Group and the status of utilization of the proceeds is as follows:

Purpose	Proposed Utilisation	Actual Utilisation ⁽¹⁾	Balance Unutilised	Estimated Timeframe for utilization upon listing
	RM	RM	RM	
Setting up new retail stores	3,662,000	849,948	2,812,052	Within 36 months
Listing costs	1,000,000	1,000,000	-	Completed
Total	4,662,000	1,000,000	2,812,052	

Note:

(1) Utilisation as at 30 September 2022.

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

- (b). On 28 March 2022, the Company approved the proposed subscription by Dato’ Seri Ir. Hj. Mohd Noor Bin Yaacod (“Subscriber”) of 1,000,000 new ordinary shares in the Company, representing approximately 0.28% of the existing total number of issued ordinary shares of LSH Capital, at an issue price of RM0.42 per subscription share pursuant to the Subscription Agreement dated 28 March 2022.

Purpose	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Estimated Timeframe for utilization upon listing
	RM	RM	RM	
Working Capital	410,000	410,000	-	Completed
Estimation expenses for the Proposed Subscription	10,000	10,000	-	Completed
Total	420,000	420,000	-	

The utilization of proceeds as disclosed above should be read in conjunction with the announcement made by the Company dated 28 March 2022. On 19 May 2022, the Company announced that the Proposed Subscription of 1,000,000 shares were successfully listed.

C4. Dividend

In line with the dividend policy stated in the Information Memorandum dated 18 June 2021 of the Company the dividend declared/ paid are as follow:

1. 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.
2. On 24 May 2022, the Board of Directors declared 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. The entitlement date for the interim single tier dividend was 13 June 2022. The said interim single tier dividend was paid on 28 June 2022.

The Board of Directors has declared a second interim single-tier dividend of RM0.0235 per share amounting to approximately RM8.37 million in respect of the financial year ended 30 September 2022 at the entitlement date 12 December 2022 and the payment date at 28 December 2022.

[The rest of this page has been intentionally left blank]