



**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 2023**

**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.**

**LIM SEONG HAI CAPITAL BERHAD**  
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(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023 <sup>(1)</sup>**

	Unaudited as at 31 March 2023 RM'000	Audited as at 30 September 2022 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	22,245	13,956
Rights-of-use assets	3,010	3,249
Intangible assets	758	757
Deferred tax assets	265	265
<b>TOTAL NON-CURRENT ASSETS</b>	<b>26,278</b>	<b>18,227</b>
<b>CURRENT ASSETS</b>		
Inventories	12,202	12,221
Project-in-progress	41	16
Trade receivables	93,589	66,534
Other receivables, deposits and prepayments	4,539	4,399
Contract assets	14,252	8,638
Current tax assets	-	470
Fixed deposits with a licensed bank	13,868	16,167
Cash and bank balances	15,867	28,049
<b>TOTAL CURRENT ASSETS</b>	<b>154,358</b>	<b>136,494</b>
<b>TOTAL ASSETS</b>	<b>180,636</b>	<b>154,721</b>
<b>EQUITY</b>		
Share capital	37,000	37,000
Merger reserve	(29,619)	(29,619)
Retained profits	85,419	72,119
<b>TOTAL EQUITY</b>	<b>92,800</b>	<b>79,500</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,829	2,433
Hire purchase payables	357	524
Term loan	320	354
Deferred tax liabilities	1,123	1,123
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,629</b>	<b>4,434</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	25,939	20,402
Other payables and accruals	24,922	23,115
Contract liabilities	22,267	16,949
Term loan	69	68
Bankers' acceptance	-	2,224
Hire purchase payables	470	609
Lease liabilities	1,538	1,224
Current tax liabilities	9,002	6,196
<b>TOTAL CURRENT LIABILITIES</b>	<b>84,207</b>	<b>70,787</b>
<b>TOTAL LIABILITIES</b>	<b>87,836</b>	<b>75,221</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,636</b>	<b>154,721</b>

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023<sup>(1)</sup>**

	<b>Unaudited as at 31 March 2023 RM'000</b>	<b>Audited as at 30 September 2022 RM'000</b>
Number of shares ('000)	356,045	356,045
Net assets per ordinary share (Sen)	26.06	22.33

*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 2022 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 2023 <sup>(1)</sup>**

	Unaudited		Unaudited	
	Individual 6 months ended		Cumulative 6 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	121,406	65,434	121,406	65,434
Cost of sales	(83,531)	(43,699)	(83,531)	(43,699)
Gross profit	37,875	21,735	37,875	21,735
Other income	831	259	831	259
Selling and marketing expenses	(151)	(203)	(151)	(203)
Administrative expenses	(8,818)	(4,878)	(8,818)	(4,878)
Other expenses	(963)	(799)	(963)	(799)
Finance costs	(93)	(119)	(93)	(119)
Profit before tax	28,681	15,995	28,681	15,995
Income tax expense	(7,014)	(3,560)	(7,014)	(3,560)
Profit for the financial period	<b>21,667</b>	<b>12,435</b>	<b>21,667</b>	<b>12,435</b>
Basic earnings per share (Sen) <sup>(2)</sup>	6.09	3.54	6.09	3.54
Diluted earnings per share (Sen) <sup>(3)</sup>	6.09	3.54	6.09	3.54

*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 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share for the financial period ended (“FPE”) 31 March 2023 is calculated based on the profit for the financial period divided by 355,891,868 weighted average number of ordinary shares.*
- (3) *Diluted earnings per share for the FPE 31 March 2023 is calculated based on the profit for the financial period divided by 355,891,868 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 2023 <sup>(1)</sup>**

	<b>Share capital RM'000</b>	<b>Unaudited Merger reserve RM'000</b>	<b>Unaudited Retained profits RM'000</b>	<b>Total equity RM'000</b>
Balance as 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
Balance as at 31 March 2022	<b>36,580</b>	<b>(29,447)</b>	<b>48,824</b>	<b>55,957</b>

	<b>Share capital RM'000</b>	<b>Unaudited Merger reserve RM'000</b>	<b>Unaudited Retained profits RM'000</b>	<b>Total equity RM'000</b>
Balance as at 1 October 2022	37,000	(29,619)	72,119	79,500
Issuance of shares	-	-	-	-
Dividend paid	-	-	(8,367)	(8,367)
Profit and total comprehensive income for the financial period	-	-	21,667	21,667
Balance as at 31 March 2023	<b>37,000</b>	<b>(29,619)</b>	<b>85,419</b>	<b>92,800</b>

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 2022 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 2023 <sup>(1)</sup>**

	<b>Unaudited 6 months ended 31 March 2023 RM'000</b>	<b>Unaudited 6 months ended 31 March 2022 RM'000</b>
<b>Cash flows for operating activities</b>		
Profit before tax	28,681	15,995
<b>Adjustments for:</b>		
Depreciation of plant and equipment	1,528	635
Depreciation of right-of-use assets	462	576
Interest expense	93	119
Gain on disposal of plant and equipment	(92)	(5)
Interest income	(303)	(113)
Plant & equipment written off	-	29
Reversal of inventories previously written off	-	(8)
Reassessment of lease liabilities	29	-
<b>Operating profit before working capital changes</b>	<b>30,398</b>	<b>17,228</b>
Decrease / (Increase) in inventories	18	(833)
Increase in receivables	(27,194)	(4,179)
Increase in contract assets	(5,614)	(4,059)
Increase in project-in-progress	(25)	-
Increase in payables	7,344	25,240
Increase / (Decrease) in contract liabilities	5,318	(5,453)
Decrease in director balances	-	(1,230)
<b>Cash generated for operations</b>	<b>10,245</b>	<b>26,714</b>
Tax paid	(3,738)	(2,190)
<b>Net cash generated from operating activities</b>	<b>6,507</b>	<b>24,524</b>
<b>Cash flows for investing activities</b>		
Acquisition of plant and equipment	(9,857)	(2,984)
Acquisition of subsidiary, net cash	-	(3,485)
Addition of right-of-use assets	-	(422)
Interest income	303	113
Decrease / (Increase) in pledged fixed deposits with a licensed banks	379	(12,783)
Proceeds from disposal of plant and equipment	132	11
<b>Net cash used in investing activities</b>	<b>(9,043)</b>	<b>(19,550)</b>
<b>Cash flows for financing activities</b>		
Interest paid	(93)	(38)
Drawdown of borrowings / bankers' acceptances	-	3,062
Repayment of borrowings / bankers' acceptances	(2,563)	(9,196)
Dividend paid	(8,367)	-
Repayments of lease principal	(543)	(630)
Repayment of lease interest	-	(81)
<b>Net cash used in financing activities</b>	<b>(11,566)</b>	<b>(6,883)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(14,102)</b>	<b>(1,909)</b>
Cash and cash equivalents at beginning of the financial period	29,969	10,766
<b>Cash and cash equivalents as at financial year end</b>	<b>15,867</b>	<b>8,857</b>

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**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023 <sup>(1)</sup>**

	<b>Unaudited 6 months ended 31 March 2023 RM'000</b>	<b>Unaudited 6 months ended 31 March 2022 RM'000</b>
<b>Represented by:</b>		
- Cash and bank balances	15,867	8,857
- Fixed deposits with a licensed bank	13,868	17,392
	29,735	26,249
Less: Fixed deposit pledged with a licensed bank	(13,868)	(17,392)
	<b>15,867</b>	<b>8,857</b>

*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 2022 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 2023**

**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 2022 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:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non- current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenant	1 January 2024
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.



**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 31 MARCH 2023**

**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 was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period ended 31 March 2023.

**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**

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Individual 6 months ended</b>		<b>Cumulative 6 months ended</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Segment A	23,796	16,097	23,796	16,097
Segment B	12,831	10,624	12,831	10,624
Segment C	84,779	38,713	84,779	38,713
<b>Total</b>	<b>121,406</b>	<b>65,434</b>	<b>121,406</b>	<b>65,434</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**

Save as disclosed below, there were no other material changes in the composition of the Group during the financial period ended 31 March 2023:

- On 16 February 2023, LSH Infra Sdn. Bhd. a wholly-owned subsidiary had increased its total issued and paid-up share capital from RM1,000 to RM500,000.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023**

**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 period under review are as follows:

	<b>Unaudited 31.03.2023 RM'000</b>	<b>Audited 30.09.2022 RM'000</b>
Approved and contracted for	664	7,449

**A10. Interest bearing bank borrowings**

	<b>As at 31 March 2023 RM'000</b>
<b>Non-current bank borrowing</b>	
Term loan	320
Hire purchases	357
	677
<b>Current bank borrowings</b>	
Term loan	69
Hire purchases	470
	539
<b>Total interest -bearing bank borrowings</b>	<b>1,216</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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023**

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

- (i) The Company had on 28 March 2022, entered into a conditional share sale agreement (“**SSA**”) with Lim Seong Hai Resources Sdn Bhd (“**LSH Resources**”), Datuk Lim Keng Guan (“**Datuk KG**”), Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong for the proposed acquisition by the Company of 3,750,000 ordinary shares in Astana Setia Sdn Bhd (“**ASSB**”), representing 100% equity interest in 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 Company (“**LSH Capital Shares**”) (“**Consideration Shares of ASSB**”) at an issue price of RM0.45 per LSH Capital Share upon the terms and conditions as stipulated in the SSA (“**Proposed Acquisition of ASSB**”).

On 19 April 2023, the Company had announced that the Proposed Acquisition of ASSB has been completed following the settlement of the Purchase Consideration of ASSB by the Company following the listing and quotation of the Consideration Shares of ASSB on the LEAP Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

Pursuant thereof, ASSB is now a wholly-owned subsidiary of the Company.

- (ii) The Company had on 20 February 2023, entered into a conditional amended and restated debt settlement cum share subscription agreement (“**Amended and Restated DSCSSA**”) with Lim Pak Lian, Lim Keng Hun, Lim Ding Shyong, Datuk KG and LSH Resources for the following:
- (a) Proposed acquisition by the Company of 100,000 ordinary shares in Lim Seong Hai Ventures Sdn Bhd (“**LSH Ventures**”), representing 100% equity interest in LSH Ventures for a purchase consideration of RM25,699,067 (“**Purchase Consideration of LSH Ventures**”) to be satisfied through the issuance of 57,109,037 new LSH Capital Shares (“**Consideration Shares of LSH Ventures**”) at an issue price of RM0.45 per LSH Capital Share upon the terms and condition as stipulated in the Amended and Restated DSCSSA (“**Proposed Acquisition of LSH Ventures**”).
- (b) Proposed debt settlement by the Company of the amount owing by LSH Ventures to Lim Pak Lian, Lim Keng Hun, Lim Ding Shyong and Datuk KG amounting to RM36,942,645 (“**Directors Advances**”) to be satisfied through the issuance of 82,094,767 new LSH Capital Shares (“**Settlement Shares**”) at an issue price of RM0.45 per new LSH Capital Share upon the terms and condition as stipulated in the Amended and Restated DSCSSA (“**Proposed Debt Settlement**”).

*(collectively referred to as the “**Proposed Acquisition of LSH Ventures and Debt Settlement**”)*

On 19 April 2023, the Company had announced that the Proposed Acquisition of LSH Ventures and Debt Settlement has been completed following the settlement of the Purchase Consideration of LSH Ventures and Directors Advances by the Company following the listing and quotation of the Consideration Shares of LSH Ventures and Settlement Shares on the LEAP Market of Bursa Securities.

Pursuant thereof, LSH Ventures is now a wholly-owned subsidiary of the Company.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023**

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

**B1. Review of Performance**

The Group recorded revenue of RM121.41 million and gross profit of RM37.88 million, which contributed to a gross profit margin of 31.20% for the FPE 31 March 2023. The revenue of the Group is mainly attributable to the construction business, which had contributed 69.83% of the total revenue of the Group. The Group recorded a profit before tax (“PBT”) of RM28.68 million and a profit after tax (“PAT”) of RM21.67 million for the FPE 31 March 2023.

**1<sup>st</sup> Half-year ended 31 March 2023 vs 1<sup>st</sup> Half-year ended 31 March 2022**

The Group recorded revenue of RM121.41 million for the 1<sup>st</sup> half-year ended 31 March 2023, as compared to RM65.43 million recorded in the immediate preceding period, representing an increase of approximately RM55.98 million or 85.56%. The improved revenue is mainly attributable to the increase in revenue recognized from the Group’s construction business which increased from RM38.71 million for the 1<sup>st</sup> half-year ended 31 March 2022 to RM84.78 million for the 1<sup>st</sup> half-year ended 31 March 2023 under review, representing an increase of RM46.07 million or 119.01%.

The Group recorded a PBT of RM28.68 million for the 1<sup>st</sup> half-year ended 31 March 2023 as compared to RM16.00 million in the immediate preceding period, representing an increase of RM12.68 million or 79.25%. 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 and its Subsidiaries (collectively referred to as “LSH Capital Group” or the “Group”) were 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, 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 2023, the Company obtained shareholders’ approval to diversify the existing principal activities of LSH Capital Group to include property development business. On 19 April 2023, LSH Capital completed the Proposed Acquisition of ASSB and Proposed Acquisition of LSH Ventures and Debt Settlement.

The completion of the various corporate proposals since its listing on the LEAP Market of Bursa Malaysia Securities Berhad have transformed the Group into a full-fledged construction and construction related services and solutions provider. This have allowed the Group to unlock value enhancing synergies with increased efficiency, improved innovation, enhanced solutions, and larger orderbook, resulting in a stronger and more effective entity that will propel the growth and profitability of LSH Capital Group moving forward. In addition, the acquisition of LSHBB and ASSB have allowed LSH Capital Group to expand its construction capabilities by fully integrating digital technologies to optimise its operations, enhance its range of services & solutions and to deliver value to its clients.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023**

As at 31 March 2023, LSH Capital Group have RM741.97 million outstanding construction work orderbook in addition to the provision of construction-related services and solutions under the BEST Collaboration Framework which LSH Capital Group will be entitled to fees based on their client's construction and property projects value of RM2.8 billion. Under LSH Capital Group, we are undertaking property development projects with estimated gross development value of RM1.6 billion which will also benefit other divisions under the LSH Capital Group.

In addition, our wholly-owned subsidiary, LSHBB, had on 9 September 2022 entered into a collaboration agreement with Gamuda Industrial Building System Sdn Bhd ("**Gamuda IBS**") to record the parties' intention and understanding to promote the use of digital Industrial Building System ("**digital IBS**") through identification of potential projects for joint operation and strategic ventures. This collaboration agreement has a term of three (3) years from 9 September 2022 unless the parties mutually agree to terminate or extend the collaboration period. 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. This wide-scale digital ecosystem manufacturing will result in less construction wastage, increased productivity, shorter construction period and reduced reliance on foreign labour.

LSH Capital Group will continue to focus to grow the construction and construction related services and solutions segment and to execute and deliver the constructions projects that have been secured. Barring any unforeseen circumstances, all divisions under LSH Capital Group will be kept busy up to year 2027 with the existing LSH Segar Project at hand and the preparation towards commencement of the Lake Side Homes project. The Group will continue to look for opportunities to secure more construction projects and construction related services and solutions under the BEST Collaboration Framework as well as to identify landbank with development potential.

This will provide a platform for 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 light of the above and premised on the positive outlook for the Malaysian Economy, the construction industry and property market, in particular affordable housing segment, we are optimistic on the prospect of 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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 31 MARCH 2023**

**C. OTHER INFORMATION**

**C1. Status of Corporate Proposals**

There are no corporate proposals which has been announced by the Company but have yet to be completed 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**

- (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 are 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	849,948	2,812,052	Within 36 months
Listing costs	1,000,000	1,000,000	-	Completed
<b>Total</b>	<b>4,662,000</b>	<b>1,849,948</b>	<b>2,812,052</b>	

*Note:*

(1) Utilisation as at 31 March 2023

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 <sup>(1)</sup>	Balance Unutilised	Estimated Timeframe for utilization upon completion of the Proposed Subscription
	RM	RM	RM	
Working Capital	410,000	410,000	-	Completed
Estimation expenses for the Proposed Subscription	10,000	10,000	-	Completed
<b>Total</b>	<b>420,000</b>	<b>420,000</b>	<b>-</b>	

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> HALF-YEAR ENDED 31 MARCH 2023**

*Note:*

(1) *Utilisation as at 31 March 2023.*

The utilization of proceeds as disclosed above should be read in conjunction with the announcement made by the Company dated 28 March 2022. On 27 May 2022, the Company announced that the Proposed Subscription has been completed following the listing and quotation of 1,000,000 new ordinary shares in the Company on the LEAP Market of Bursa Securities.

**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 had declared a final single tier dividend of RM0.0066 per share amounting to approximately RM2.34 million in 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 had 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.
- 3) On 28 December 2022, the Board of Directors had declared an 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. The entitlement date for the interim single tier dividend was 12 December 2022 and was paid on 28 December 2022.
- 4) On 10 January 2023, the Board of Directors had declared a final single tier dividend of RM0.0013 per share amounting to approximately RM0.463 million respect of the financial year ended 30 September 2022. The entitlement date for the final single tier dividend was 6 April 2023. The said final single tier dividend was paid on 17 April 2023.

The Board of Directors has declared an interim single-tier dividend of RM0.0092 per share amounting to approximately RM 6.50 million in respect of the financial year ending 30 September 2023 at the entitlement date 6 June 2023 and the payment date at 16 June 2023.