



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 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.

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited as at 30 September 2023 RM'000	Audited as at 30 September 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	23,612	13,956
Investment properties	10,080	-
Rights-of-use assets	3,663	3,249
Intangible assets	455	757
Goodwill	155,816	-
Investment in associates	1,250	-
Deferred tax assets	1,924	265
TOTAL NON-CURRENT ASSETS	196,800	18,227
CURRENT ASSETS		
Inventories	11,478	12,221
Project-in-progress	-	16
Property development cost	155,910	-
Trade receivables	115,022	66,534
Other receivables, deposits and prepayments	18,037	4,399
Contract assets	62,702	8,638
Current tax assets	851	470
Fixed deposits with a licensed bank	14,824	16,167
Cash and bank balances	13,874	28,049
TOTAL CURRENT ASSETS	392,698	136,494
TOTAL ASSETS	589,498	154,721

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited as at 30 September 2023 RM'000	Audited as at 30 September 2022 RM'000
EQUITY		
Share capital	334,768	37,000
Merger reserve	(29,619)	(29,619)
Retained profits	115,678	72,119
EQUITY ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY	420,827	79,500
Non-controlling interests	(120)	-
TOTAL EQUITY	420,707	79,500
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	2,124	2,433
Term loan	7,380	354
Hire purchase payables	520	524
Deferred tax liabilities	1,732	1,123
TOTAL NON-CURRENT LIABILITIES	11,756	4,434
CURRENT LIABILITIES		
Trade payables	84,692	20,402
Other payables and accruals	45,374	23,115
Contract liabilities	15,277	16,949
Term loan	1,984	68
Hire purchase payables	928	609
Bankers' acceptance	3,230	2,224
Lease liabilities	2,037	1,224
Current tax liabilities	3,513	6,196
TOTAL CURRENT LIABILITIES	157,035	70,787
TOTAL LIABILITIES	168,791	75,221
TOTAL EQUITY AND LIABILITIES	589,498	154,721
Number of shares ('000)	706,360	356,045
Net assets per ordinary share (Sen)	59.58	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.*

LIM SEONG HAI CAPITAL BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	236,348	97,871	357,754	165,866
Cost of sales	(170,751)	(52,430)	(254,282)	(98,347)
Gross profit	65,597	45,441	103,472	67,519
Other income	4,101	806	4,932	1,824
Selling and marketing expenses	(156)	(382)	(307)	(399)
Administrative expenses	(12,286)	(6,632)	(21,104)	(9,682)
Other expenses	(9,196)	(1,107)	(10,159)	(3,919)
Finance costs	(1,009)	(159)	(1,102)	(277)
Profit before tax	47,051	37,967	75,732	55,066
Income tax expense	(9,826)	(10,083)	(16,840)	(13,254)
Profit for the financial period / year	37,225	27,885	58,892	41,812
Profit attributable to:				
- Owners of the Company	37,220	27,885	58,887	41,812
- Non-controlling interests	5	-	5	-
	37,225	27,885	58,892	41,812
Earnings per share:				
- Basic earnings per share (Sen) ⁽²⁾	7.24	7.85	11.45	11.76
- Diluted earnings per share (Sen) ⁽³⁾	7.24	7.85	11.45	11.76

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 year ended ("FYE") 30 September 2023 is calculated based on the profit attributable to owners of the Company divided by 514,406,830 weighted average number of ordinary shares.
- (3) Diluted earnings per share for the FYE 30 September 2023 is calculated based on the profit attributable to owners of the Company divided by 514,406,830 weighted average number of ordinary shares.

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

<-----Audited----->

	Share capital	Merger reserve	Retained profits	Attributable to equity owners of the Company	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 October 2021	36,580	(29,619)	36,389	43,350	-	43,350
Contribution by and distribution to owners of the Company						
- Issuance of new ordinary shares for cash	420	-	-	420	-	420
- Dividend paid	-	-	(6,082)	(6,082)	-	(6,082)
Profit and total comprehensive income for the financial year	-	-	41,812	41,812	-	41,812
Balance as at 30 September 2022	37,000	(29,619)	72,119	79,500	-	79,500

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

<-----Unaudited----->

	Share capital	Merger reserve	Retained profits	Attributable to equity owners of the Company	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 October 2022	37,000	(29,619)	72,119	79,500	-	79,500
Contribution by and distribution to owners of the Company						
- Issuance of new ordinary shares pursuant to the acquisition of subsidiaries and settlement of directors advances	297,768	-	-	297,768	-	297,768
- Dividend paid	-	-	(15,328)	(15,328)	-	(15,328)
Changes in equity interest in a subsidiary	-	-	-	-	(125)	(125)
Profit and total comprehensive income for the financial year	-	-	58,887	58,887	5	58,892
Balance as at 30 September 2023	334,768	(29,619)	115,678	420,827	(120)	420,707

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 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited 12 months ended 30 September 2023 RM'000	Audited 12 months ended 30 September 2022 RM'000
Cash flows for operating activities		
Profit before tax	75,732	55,066
Adjustments for:		
Depreciation of property, plant and equipment	1,079	1,671
Depreciation of right-of-use assets	1,719	1,153
Gain on acquisition of a subsidiary	-	(1,019)
Gain on reassessment of lease liabilities	(1)	(69)
Interest expense	1,102	292
Inventory written off	325	81
Allowance loss on trade receivables	7,601	2,013
Reversal of loss on trade receivables	(2,996)	
Gain on disposal of plant and equipment	(94)	(11)
Interest income	(458)	(266)
Plant & equipment written off	1	56
Reversal of inventories previously written off	-	(68)
Operating profit before working capital changes	84,010	58,899
Decrease / (Increase) in inventories	538	(2,385)
Decrease in project-in-progress	16	(16)
Increase in receivables	(53,826)	(6,326)
Increase in contract assets	(5,448)	(8,415)
Increase in property development cost	(3,628)	-
Increase in payables	47,077	17,743
(Decrease) / Increase in contract liabilities	(13,108)	80
Cash generated for operations	55,631	59,580
Tax paid	(9,326)	(7,269)
Tax refund	-	7
Net cash generated from operating activities	46,305	52,318
Cash flows for investing activities		
Acquisition of plant and equipment	(11,471)	(6,832)
Acquisition of subsidiary, net cash	(19,809)	(3,486)
Interest income	458	266
Decrease / (Increase) in pledged fixed deposits with a licensed banks	2,360	(2,000)
Proceeds from disposal of plant and equipment	219	104
Net cash used in investing activities	(28,243)	(11,948)
Cash flows for financing activities		
Interest paid	(1,102)	(292)
Drawdown of borrowings / banker's acceptances	3,230	5,944
Dividend paid	(15,328)	(6,082)
Reassessment of lease liabilities	(377)	-
Proceeds from issuance of ordinary shares	-	420
Repayment of borrowings / banker's acceptances	(19,910)	(12,779)
Repayments of lease principal	(670)	(740)
Increase in pledged fixed deposits with licensed banks	-	(7,638)
Net cash used in financing activities	(34,157)	(21,167)
Net changes in cash and cash equivalents	(16,095)	19,203
Cash and cash equivalents at beginning of the financial year	29,969	10,766
Cash and cash equivalents as at financial year end	13,874	29,969

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited 12 months ended 30 September 2023 RM'000	Audited 12 months ended 30 September 2022 RM'000
Represented by:		
- Cash and bank balances	13,874	28,049
- Fixed deposits with a licensed bank	14,824	16,167
	28,698	44,216
Less: Fixed deposit pledged with a licensed bank	(14,824)	(14,247)
	13,874	29,969

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 2nd HALF-YEAR ENDED 30 SEPTEMBER 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 year:

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
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	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 101: Non-current liabilities with covenants	1 January 2024
Amendments to MFRS 121: Lack of exchangeability	1 January 2025

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 year.

A5. Material changes in estimates

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

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 year ended 30 September 2023:

- (i) Issuance of 211,111,111 new ordinary shares of the Company at an issuance price of RM0.45 per ordinary share on 17 April 2023 pursuant to the acquisition of 100% equity interest of Astana Setia Sdn Bhd for a purchase consideration of RM95,000,000 (“**Acquisition of ASSB**”);
- (ii) Issuance of 57,109,037 new ordinary shares of the Company at an issuance price of RM0.45 per ordinary share on 17 April 2023 pursuant to the acquisition of 100% equity interest of Lim Seong Hai Ventures Sdn Bhd for a purchase consideration of RM25,699,067 (“**Acquisition of LSH Ventures**”); and
- (iii) Issuance of 82,094,767 new ordinary shares of the Company at an issuance price of RM0.45 per ordinary share on 17 April 2023 pursuant to the settlement of directors’ advances (“**Debt Settlement**”).

A7. Segmental information

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

Name	Effective equity interest	Principal activities
Lim Seong Hai Lighting Sdn Bhd (“ LSH Lighting ”)	100.00%	Provision of building materials as well as lighting products and related M&E products and services
Knight Auto Sdn Bhd (“ Knight Auto ”)	100.00%	Provision of hardware and tools and rental of machinery
LSH BEST Builders Sdn Bhd (“ LSHBB ”)	100.00%	Construction and provision of construction and business related services and solutions
Astana Setia Sdn Bhd (“ ASSB ”)	100.00%	Building construction contractor, property development and investment holdings
Lim Seong Hai Ventures Sdn Bhd (“ LSH Ventures ”)	100.00%	Investment holding company
Astana Setia & Euro Saga Sdn Bhd (“ ASES ”)	93.75%	Property development
Lim Seong Hai Development Sdn Bhd (“ LSH Development ”)	100.00%	Dormant ⁽¹⁾
LSH Infra Sdn Bhd (“ LSH Infra ”)	100.00%	Dormant ⁽¹⁾
Kran World Sdn Bhd (“ Kran World ”)	50.00%	Dormant ⁽²⁾

Notes:

(1) Dormant since incorporation.

(2) Kran World commenced its business operations in July 2015 as a provider of rental service for crane, machinery and equipment, as well as a construction contractor. Subsequently in September 2020, Kran World ceased its business operations. The management of Kran World intends to commence winding-up proceedings in the second half of 2024, upon collecting the remaining amount owed by its trade debtors for services rendered. The winding-up of Kran World is not expected to have a material impact to the financial position of the Group.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

Analysis of revenue by business segments

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 12 months ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Segment A	24,145	18,400	47,941	34,498
Segment B	14,646	11,617	27,477	22,221
Segment C	183,626	67,854	268,405	109,147
Segment D	13,931	-	13,931	-
Total	236,348	97,871	357,754	165,866

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

Segment D: business of property development

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

A8. Changes in the composition of the Group

During the current financial year ended 30 September 2023, the Company had completed the Acquisition of ASSB and Acquisition of LSH Ventures on 17 April 2023. Pursuant thereof, ASSB and LSH Ventures becomes the wholly-owned subsidiaries of the Company.

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 30.09.2023 RM'000	Audited 30.09.2022 RM'000
Approved and contracted for	687	7,449
Approved but not contracted for	-	12
	687	7,461

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

A10. Interest bearing bank borrowings

	As at 30 September 2023 RM'000
Non-current bank borrowing	
Term loan	7,380
Hire purchases	520
	7,900
Current bank borrowings	
Term loan	1,984
Bankers' acceptance	3,230
Hire purchases	928
	6,142
Total interest -bearing bank borrowings	14,042

A11. Changes in contingent assets and contingent liabilities

As at 30 September 2023, save as disclosed below, the Board confirmed that there are no other contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group: -

Contingent liabilities	Amount RM'000
<i>Corporate guarantee / bank guarantee extended: -</i>	
- <i>to Infinity Crane & Engineering Sdn. Bhd. ("Infinity Crane") by ASSB in relation to the hire purchase facilities granted by AmBank Islamic Berhad to Infinity Crane to purchase cranes with specific technical requirement that is required to complete the projects that have been secured by ASSB</i>	4,161
- <i>to LSH Lighting by ASSB in relation to the tradeline facilities granted by Public Bank Berhad to LSH Lighting to facilitate the ordinary course of business operations of LSH Lighting</i>	9,000
- <i>to ASSB by LSH Capital in relation to the Islamic financing facility granted by MBSB Bank Berhad to ASSB for working capital requirements and to part finance the development cost of LSH Segar Project</i>	88,000
- <i>to Knight Auto by LSH Ventures in relation to the trade facilities granted by Public Bank Berhad to Knight Auto to facilitate the ordinary course of business operations of Knight Auto</i>	1,000
- <i>to a third party for construction contracts secured, tender bids and advertisement permit and developer's license</i>	25,570

In addition to the above, there is also a legal land charge created over one of the investment properties owned by LSH Ventures in favour of Public Bank Berhad as security for the grant of trade facilities to Knight Auto as working capital for its business operations.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

A12. Material events subsequent to the end of the financial year

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

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM357.75 million and gross profit of RM103.47 million, which contributed to a gross profit margin of 28.92% for the FYE 30 September 2023. The revenue of the Group is mainly attributable to the construction business, which had contributed approximately 75.03% of the total revenue of the Group. The Group recorded a profit before tax (“PBT”) of RM75.73 million and a profit after tax (“PAT”) of RM58.89 million for the FYE 30 September 2023.

2nd half-year ended 30 September 2023 vs 2nd half-year ended 30 September 2022

The Group recorded revenue of RM236.35 million for the 2nd half-year ended 30 September 2023, as compared to RM97.87 million recorded in the immediate preceding period, representing an increase of approximately RM138.48 million or 141.49%. The increase is mainly due to the higher revenue generated from construction business during the 2nd half year ended 30 September 2023.

The Group recorded a PBT of RM47.05 million for the 2nd half-year ended 30 September 2023 as compared to RM37.97 million in the immediate preceding period, representing an increase of RM9.08 million or 23.91%. The increase in PBT is in line with the increase in the revenue recorded during the 2nd half year ended 30 September 2023.

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 17 April 2023, LSH Capital completed the Acquisition of ASSB, 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 is expected to 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 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

As at 30 September 2023, LSH Capital Group have RM926.03 million outstanding construction work orderbook of which RM686.54 is from external clients. In addition, LSH Capital Group is also providing 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 RM2.7 billion of which RM1.2 billion is from external clients. Under LSH Capital Group, we are also 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 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 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

C. OTHER INFORMATION

C1. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this interim financial report:

On 26 September 2023, the Board of Directors of LSH Capital (“**Board**”) had announced that the Company had on the same date received a letter from its major shareholders, namely Lim Seong Hai Holdings Sdn Bhd, Lim Seong Hai Resources Sdn Bhd, Tan Sri Datuk Seri Lim Keng Cheng (“**Tan Sri KC Lim**”), Datuk Lim Keng Guan (“**DLKG**”), Lim Pak Lian (“**LPL**”) and Lim Keng Hun (“**LKH**”) (collective, the “**Promoters**”) (“**Proposal Letter**”), requesting the Company to consider undertaking a transfer of listing and quotation of the entire issued share capital of LSH Capital from the LEAP Market of Bursa Securities to the ACE Market of Bursa Securities (“**Proposed Transfer of Listing**”). The Proposed Transfer of Listing will entail the following:

- (i) proposed voluntary withdrawal of the listing and quotation of the entire issued share capital of LSH Capital from the LEAP Market pursuant to Rules 8.06 and 8.08 of the LEAP Market Listing Requirements of Bursa Securities; and
- (ii) proposed listing and quotation of the entire issued share capital of LSH Capital on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE Market Listing Requirements of Bursa Securities.

On 12 October 2023, AmInvestment Bank Berhad and Astramina Advisory Sdn Bhd on behalf of the Board, announced that the Board (save for Tan Sri KC Lim, DLKG, LPL and LKH who are the proposing directors for the Proposed Transfer of Listing) has deliberated on the content of the Proposal Letter and has resolved to proceed with the Proposed Transfer of Listing based on the terms of the Proposal Letter and procure the relevant approvals for the Proposed Transfer of Listing.

C2. Material Litigation

As at 30 September 2023, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board’s knowledge and belief, there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 2nd HALF-YEAR ENDED 30 SEPTEMBER 2023**

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 ⁽¹⁾	Balance Unutilised	Estimated Timeframe for utilization upon listing
	RM	RM	RM	
Setting up new retail stores	3,662,000	1,772,447	1,889,553	Within 36 months
Listing costs	1,000,000	1,000,000	-	Completed
Total	4,662,000	2,772,447	1,889,553	

Note:

(1) Utilisation as at 30 September 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 Yaacob ("**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 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
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 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
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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 November 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. The said interim single tier dividend 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.
- 5) On 25 May 2023, the Board of Directors had declared an interim single tier dividend of RM0.0092 per share amounting to approximately RM6.50 million in respect of the financial year ended 30 September 2023. The entitlement date for the interim single tier dividend was 6 June 2023. The said interim single tier dividend was paid on 16 June 2023.

The Board of Directors has declared an interim single tier dividend of RM0.0159 per share amounting to approximately RM11.23 million in respect of the financial year ended 30 September 2023 at the entitlement date 6 December 2023 and the payment date at 20 December 2023.