



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

**UNAUDITED FINANCIAL STATEMENTS
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

**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 31 MARCH 2024⁽¹⁾**

	Unaudited as at 31 March 2024 RM'000	Audited as at 30 September 2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	1,374	1,382
Plant and equipment	30,226	29,996
Investment properties	3,682	3,692
Rights-of-use assets	2,769	3,664
Intangible assets	379	455
Deferred tax assets	4,901	1,924
Goodwill	148,967	148,967
TOTAL NON-CURRENT ASSETS	192,298	190,080
CURRENT ASSETS		
Inventories	148,570	167,577
Trade receivables	104,450	115,022
Other receivables, deposits and prepayments	10,398	18,037
Contract assets	134,491	69,410
Current tax assets	690	851
Fixed deposits with a licensed bank	9,795	14,823
Cash and bank balances	13,879	13,874
TOTAL CURRENT ASSETS	422,273	399,594
TOTAL ASSETS	614,571	589,674

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AS AT 31 MARCH 2024⁽¹⁾**

	Unaudited as at 31 March 2024 RM'000	Audited as at 30 September 2023 RM'000
EQUITY		
Share capital	334,768	334,768
Merger reserve	(29,619)	(29,619)
Retained profits	133,102	115,678
EQUITY ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY	438,251	420,827
Non-controlling interests	32	56
TOTAL EQUITY	438,283	420,883
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	1,395	2,124
Hire purchase payables	609	520
Term loan	12,428	7,380
Deferred tax liabilities	2,175	1,732
TOTAL NON-CURRENT LIABILITIES	16,607	11,756
CURRENT LIABILITIES		
Trade payables	81,126	84,690
Other payables and accruals	35,196	45,377
Contract liabilities	13,854	15,277
Term loan	3,310	1,983
Bankers' acceptance	9,451	3,230
Bank overdraft	9,373	-
Hire purchase payables	553	928
Lease liabilities	1,767	2,037
Current tax liabilities	5,051	3,513
TOTAL CURRENT LIABILITIES	159,681	157,035
TOTAL LIABILITIES	176,288	168,791
TOTAL EQUITY AND LIABILITIES	614,571	589,674
Number of shares ('000)	706,360	706,360
Net assets per ordinary share (Sen)	62.04	59.58

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 2023 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024 ⁽¹⁾**

	Unaudited		Unaudited	
	Individual 6 months ended 31.03.2024 RM'000	31.03.2023 RM'000	Cumulative 6 months ended 31.03.2024 RM'000	31.03.2023 RM'000
Revenue	217,400	121,406	217,400	121,406
Cost of sales	(162,317)	(83,531)	(162,317)	(83,531)
Gross profit	55,083	37,875	55,083	37,875
Other income	11,428	831	11,428	831
Selling and marketing expenses	(137)	(151)	(137)	(151)
Administrative expenses	(19,043)	(8,818)	(19,043)	(8,818)
Other expenses	(1,561)	(963)	(1,561)	(963)
Finance costs	(1,070)	(93)	(1,070)	(93)
Net loss allowance on financial assets and contract assets	(7,746)	-	(7,746)	-
Share of loss of equity accounted associate	(8)	-	(8)	-
Profit before tax	36,946	28,681	36,946	28,681
Income tax expense	(8,315)	(7,014)	(8,315)	(7,014)
Profit for the financial period	28,631	21,667	28,631	21,667
Profit attributable to:				
- Owners of the Company	28,655	21,667	28,655	21,667
- Non-controlling interests	(24)	-	(24)	-
	28,631	21,667	28,631	21,667
Earnings per share:				
- Basic earnings per share (Sen) ⁽²⁾	4.16	6.09	4.16	6.09
- Diluted earnings per share (Sen) ⁽³⁾	4.16	6.09	4.16	6.09

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 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share for the financial period ended ("FPE") 31 March 2024 is calculated based on the profit for the financial period divided by 689,131,606 weighted average number of ordinary shares.*
- (3) *Diluted earnings per share for the FPE 31 March 2024 is calculated based on the profit for the financial period divided by 689,131,606 weighted average number of ordinary shares.*

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024 ⁽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						
- Dividend paid	-	-	(8,367)	(8,367)	-	(8,367)
Profit and total comprehensive income for the financial year	-	-	21,667	21,667	-	21,667
Balance as at 31 March 2023	37,000	(29,619)	85,419	92,800	-	92,800

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024 ⁽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 2023	334,768	(29,619)	115,678	420,827	56	420,883
Contribution by and distribution to owners of the Company						
- Dividend paid	-	-	(11,231)	(11,231)	-	(11,231)
Profit and total comprehensive income for the financial year	-	-	28,655	28,655	(24)	28,631
Balance as at 31 March 2024	334,768	(29,619)	133,102	438,251	32	438,283

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 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024 ⁽¹⁾**

	Unaudited 6 months ended 31 March 2024 RM'000	Unaudited 6 months ended 31 March 2023 RM'000
Cash flows (for) / from operating activities		
Profit before tax	36,946	28,681
Adjustments for:		
Amortisation of intangible assets	76	-
Depreciation of plant and equipment	2,072	1,528
Depreciation of right-of-use assets	847	462
Depreciation of investment properties	10	-
Gain on disposal of plant and equipment	(4)	(92)
Interest expense	1,076	93
Interest income	(107)	(303)
Inventory written off	381	-
Loss allowance on trade receivables	6,473	-
Loss allowance on contract assets	1,273	-
Loss on reassessment of lease liabilities	92	29
Plant & equipment written off	88	-
Property development cost written down	6,538	-
Operating profit before working capital changes	55,761	30,398
Decrease in inventories	12,088	18
Decrease / (increase) in receivables	11,737	(27,194)
Increase in contract assets	(66,354)	(5,614)
(Increase) in project-in-progress	-	(25)
(Decrease) / increase in payables	(13,745)	7,344
(Decrease) / increase in contract liabilities	(1,422)	5,318
Cash generated (for) / from operations	(1,935)	10,245
Tax paid	(9,153)	(3,738)
Tax refunded	11	-
Net cash (for) / from operating activities	(11,077)	6,507
Cash flows for investing activities		
Acquisition of plant and equipment	(2,051)	(9,857)
Interest income	107	303
Proceeds from disposal of plant and equipment	6	132
Net cash used in investing activities	(1,938)	(9,422)
Cash flows for financing activities		
Dividend paid	(11,231)	(8,367)
Interest paid	(1,076)	(93)
Drawdown of borrowings / bankers' acceptances	38,130	-
Repayment of borrowings / bankers' acceptances	(26,160)	(2,563)
Repayments of lease liabilities	(1,045)	(543)
(Increase) / decrease in pledged fixed deposits with licensed banks	(113)	379
Net cash used in financing activities	(1,495)	(11,187)

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FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024 ⁽¹⁾**

	Unaudited 6 months ended 31 March 2024 RM'000	Unaudited 6 months ended 31 March 2023 RM'000
Net changes in cash and cash equivalents	(14,510)	(14,102)
Cash and cash equivalents at beginning of the financial period	20,599	29,969
Cash and cash equivalents as at financial year end	6,089	15,867
Represented by:		
- Bank overdraft	(9,373)	-
- Cash and bank balances	13,879	15,867
- Fixed deposits with a licensed bank	9,795	13,868
	14,301	29,735
Less: Fixed deposits pledged with a licensed bank	(8,212)	(13,868)
	6,089	15,867

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 2023 and the accompanying explanatory notes attached to this interim financial report.*

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

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 2023 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
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: 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 107 and MFRS 7: Supplier Finance Arrangements	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 period under review.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

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 for the drawdown of the borrowings (term loan, hire purchase and bankers' acceptance) and repayment of the borrowings (term loan, hire purchase, bankers' acceptance and bank overdraft) as disclosed in this interim report, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period ended 31 March 2024.

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 1st HALF-YEAR ENDED 31 MARCH 2024**

Analysis of revenue by business segments

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 6 months ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
1) Construction segment:				
• Construction works	120,531	78,127	120,531	78,127
• Construction-related services and solution	6,249	3,534	6,249	3,534
• Construction products:				
- Segment A	23,970	26,914	23,970	26,914
- Segment B	13,808	12,831	13,808	12,831
2) Property development	52,842	-	52,842	-
Total	217,400	121,406	217,400	121,406

Notes:

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

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

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

A8. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

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:

	Unaudited 31.03.2024 RM'000	Audited 30.09.2023 RM'000
Approved and contracted for	687	1,390

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

A10. Interest bearing bank borrowings

	As at 31 March 2024 RM'000
Non-current bank borrowing	
Term loan	12,428
Hire purchases	609
	13,037
Current bank borrowings	
Term loan	3,310
Bank overdraft	9,373
Bankers' acceptance	9,451
Hire purchases	553
	22,687
Total interest -bearing bank borrowings	35,724

A11. Changes in contingent assets and contingent liabilities

As at 31 March 2024, 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>	3,110
- <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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

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.

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 under review.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1ST HALF-YEAR ENDED 31 MARCH 2024**

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM217.40 million and gross profit of RM55.08 million, which contributed to a gross profit margin of 25.34% for the FPE 31 March 2024. The revenue of the Group is mainly attributable to the construction segment business, which had contributed 75.69% of the total revenue of the Group. The Group recorded a profit before tax (“PBT”) of RM36.95 million and a profit after tax (“PAT”) of RM28.63 million for the FPE 31 March 2024.

1st Half-year ended 31 March 2024 vs 1st Half-year ended 31 March 2023

The Group recorded revenue of RM217.40 million for the 1st half-year ended 31 March 2024, as compared to RM121.41 million recorded in the immediate preceding period, representing an increase of approximately RM95.99 million or 79.06%. The improved revenue is mainly attributable to the increase in revenue recognized from the Group’s construction segment business which increased from RM121.41 million for the 1st half-year ended 31 March 2023 to RM164.56 million for the 1st half-year ended 31 March 2024 under review, representing an increase of RM43.15 million or 35.54%. The increase in the revenue from the Group’s construction segment is mainly attributable to the contribution from ASSB and LSHV which acquired by our Company on 19 April 2023.

The Group recorded an administrative expenses of RM19.04 million for the 1st half-year ended 31 March 2024 as compared to RM8.82 million in the immediate preceding period, representing an increase of RM10.22 million or 115.87%. The increase is mainly attributable to the consolidated of administrative expenses of the newly acquired ASSB and LSHV which was completed on 19 April 2023. Besides that, the increase in the administrative expenses is attributable to the one-time off costs such as consultancy and advisory fees that associated for the transfer listing exercise and increase on marketing and business development expenditure to expand the property development business for the 1st half-year ended 31 March 2024 as compared to 1st half-year ended 31 March 2023.

The Group recorded a PBT of RM36.95 million for the 1st half-year ended 31 March 2024 as compared to RM28.68 million in the immediate preceding period, representing an increase of RM8.27 million or 28.84%. The increase in PBT is in line with the increase in the revenue recorded during the current financial period under review.

B2. Prospects

Our Group was principally involved in the construction products segment upon our Company’s listing on the LEAP Market on 30 July 2021, i.e. distribution and/or retail of building materials, lighting products and related M&E products and services which are carried out by LSH Lighting, and wholesale and retail of hardware and tools as well as rental of machinery for the construction industry which are carried out by Knight Auto. To-date, our Group has 10 physical retail stores across the central region in Klang Valley and has also established our online presence vide our own online store and third-party e-commerce platforms.

Following our listing on the LEAP Market, our Company completed the acquisition of 100% equity interest in LSHBB from the Promoters on 15 October 2021, after which our shareholders had subsequently on 9 September 2022, approved the diversification of our then principal activities to include businesses in construction and provision of construction-related services and solutions. Subsequent to the approval of our shareholders on 28 March 2023 for us to further diversify our then

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

principal activities to include property development activities, our Company also completed the acquisitions of 100% equity interest in ASSB and LSH Ventures from our related parties (i.e. including some of the Promoters) on 19 April 2023.

The completion of the various corporate proposals since our listing on the LEAP Market have transformed our Group into a full-fledged construction and construction-related services and solutions provider, as well as a property developer. This has allowed our 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 our Group moving forward.

In addition, the acquisitions of LSHBB and ASSB have allowed our Group to expand our construction capabilities by fully integrating digital technologies to optimise our operations, enhance our range of services and solutions as well as deliver value to our clients. On 9 September 2022, 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 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 digitalisation of work processes and automation of construction works. This wide-scale digital ecosystem manufacturing is expected to result in less construction wastage, increased productivity, shorter construction period and reduced reliance on foreign labour.

As at 31 March 2024, LSH Capital Group have RM1.57 billion outstanding construction work orderbook of which RM573.34 is from external clients. In addition, our Group also provides construction-related services and solutions under our collaboration framework known as the BEST Collaboration Framework for construction projects secured and property development projects undertaken by our Group’s clients, in which our Group will be entitled to fees based on its client’s construction and property projects value. As at 31 March 2024, the total construction and property projects value of our clients stood at approximately RM2.78 billion of which approximately RM1.25 billion are from external clients. Furthermore, our Group also undertakes property development activities, with projects carrying a total estimated GDV of around RM1.55 billion as at 31 March 2024. Our Group’s property development activities are also expected to benefit other divisions under our Group.

Our Group will continue to focus in growing its construction and construction-related services and solutions segment and to complete the constructions projects that have been secured. Our Group will continue to look for opportunities to secure more construction projects and construction-related services and solutions under its BEST Collaboration Framework as well as to identify landbank with development potential. This will provide a platform for our Group to grow further and enhance our reputation in the construction and property development industries. The size to which our Group has grown since our Company’s listing on the LEAP Market on 30 July 2021 and the notable construction projects completed to-date have elevated and reinforced our Group’s prominence in the construction and property development industries, and are also expected to provide confidence to future clients and the Malaysian 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 the affordable housing segment, our Company is optimistic on the prospects of our Group.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE 1st HALF-YEAR ENDED 31 MARCH 2024**

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 1st HALF-YEAR ENDED 31 MARCH 2024**

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.

On 19 April 2024, the Company announced that all the resolution set forth in the Notice of Extraordinary General Meeting in relation to the Proposed Transfer of Listing were duly passed by way of poll at the extraordinary general meeting of the Company held on the same day.

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C2. Material Litigation

Save as disclosed above, the Group is not engaged in any governmental, legal or arbitration proceedings, which may have or have had, material or significant effects on our financial position or profitability during the current financial period 31 March 2024:

- (i) High Court of Kuala Lumpur judicial review application (WA-25-140-04/2024) brought by Chin Tong Lim & Ors (“Applicants”) against Datuk Bandar Kuala Lumpur (“First Respondent”) and ASES (“Second Respondent”) (collectively, “Respondents”)

The Applicants have been granted leave by the High Court of Kuala Lumpur to commence judicial proceedings for:

- (a) An Order of Certiorari to quash the Development Order dated 15 November 2023 (“**Impugned Development Order**”) that was granted by the First Respondent for the Lake Side Homes Project.
- (b) An Order of Certiorari to quash the approval by the First Respondent of the proposal to build a bridge across Tasik Lake Fields to the Lake Side Homes Project pursuant to a letter dated 11 January 2024 (“**Impugned Bridge Approval**”) and/or any similar decision to build a bridge across Task Lake Fields.
- (c) An Order of Certiorari to quash the adoption of the Alteration 3 (Part 2) of the Kuala Lumpur Local Plan (2020) (“**Alteration 3 (Part 2)**”) proposed and adopted on 17 July 2020 and 3 August 2021 respectively by the First Respondent in so far as it relates to Tasik Lake Fields and or Lot 103675 (the site of the Lake Side Homes Project).
- (d) An Order of Certiorari to quash the decision of the First Respondent to allow the Second Respondent to use the walkway or any part of the public open space surrounding Tasik Lake Fields for access for construction works for the Impugned Bridge Approval and/or Impugned Development Order, or otherwise, which decision was communicated to the Applicants by the Second Respondent’s letter dated 21 February 2024.
- (e) A declaration that Alteration 3 (Part 2) by the First Respondent is illegal and, ultra vires, the Federal Territory Planning Act 1982 and therefore legally unenforceable, null and void.

The High Court of Kuala Lumpur had ordered an interim stay of the Impugned Development Order and Impugned Bridge Approval and all other process relating to the same until 8 May 2024. The Applicant’s application for a stay of the Impugned Development Order and Impugned Bridge Approval pending the disposal of the judicial review application above was fixed for hearing on 8 May 2024.

On 8 May 2024, the Court hereby ordered that the interim stay order granted on 17 April 2024 be extended until 22 July 2024, with the following conditions: -

- (i) That no construction or other work related to the Impugned Development Order and Impugned Bridge Approval and all other process can take place until 22 July 2024;
- (ii) The First Respondent and/or Second Respondent is permitted to conduct any works unrelated to the Impugned Development Order and Impugned Bridge

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Approval including mosquito spraying, clearing of drainage outlet and maintenance of the lake (or pond); and

- (iii) All residents of Lake Fields and members of the public can access Tasik Lake Fields and its surrounding areas, including the walkway surrounding the lake until 22 July 2024.

The hearing of the Stay Application is fixed on 22 July 2024.

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	2,667,073	994,927	Within 36 months
Listing costs	1,000,000	1,000,000	-	Completed
Total	4,662,000	3,667,073	994,927	

Note:

(1) Utilisation as at 31 March 2024

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.

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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 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.
- 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.
- 6) On 29 November 2023, the Board of Directors had 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. The entitlement date for the interim single tier dividend was 6 December 2023. The said interim single tier dividend was paid on 20 December 2023.

The Board of Directors has declared an interim single-tier dividend of RM0.0122 per share amounting to approximately RM 8.62 million in respect of the financial year ending 30 September 2024 at the entitlement date 28 June 2024 and the payment date at 12 July 2024.