

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF LIM SEONG HAI CAPITAL BERHAD BERHAD (“LSH CAPITAL” OR THE “COMPANY”) DATED 28 FEBRUARY 2025 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic Prospectus shall apply throughout this notice.)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Berhad’s website at www.bursamalaysia.com (“Website”).

Availability and Location of Paper/Printed Prospectus

Any applicant who is in doubt of the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from the Company, AmlInvestment Bank or the Issuing House, i.e. Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a paper/printed copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The Public Offering and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Directors of the Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Sponsor, the Sole Underwriter and Sole Placement Agent named in the Electronic Prospectus have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the Offering Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of the Offering Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of the Electronic Prospectus and the sale of the Offering Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of the Electronic Prospectus are required to inform themselves of and to observe such restrictions.

Close of Application

Applications for the Offering Shares will be accepted from 10:00 a.m. on 28 February 2025 and will close at 5:00 p.m. on 6 March 2025. Any change to the timetable will be advertised by LSH Capital in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and the relevant announcements will be made through Bursa Malaysia Berhad.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Malaysia Berhad. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained on the Website. The contents of the Electronic Prospectus as provided by the Company to Bursa Securities, are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

Site progress as at May 2023



LSH 33, a completed construction project which Lim Seong Hai Capital Berhad Group acted as main contractor

Completed project as at Sep 2024



LIM SEONG HAI CAPITAL BERHAD (Registration No. 202001036664 (1392985-A))

PROSPECTUS



LIM SEONG HAI CAPITAL BERHAD

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

Wisma Lim Seong Hai
No. 33, Jalan Gombak
53000 Kuala Lumpur

Tel. : +603 4021 8899

www.limseonghai.com

PROSPECTUS



LIM SEONG HAI CAPITAL BERHAD

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

PUBLIC OFFERING OF UP TO 191,000,000 ORDINARY SHARES IN LIM SEONG HAI CAPITAL BERHAD ("LSH CAPITAL") ("SHARES") IN CONJUNCTION WITH THE TRANSFER OF LISTING AND QUOTATION OF THE ENTIRE ENLARGED ISSUED SHARES OF LSH CAPITAL FROM THE LEAP MARKET TO THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("TRANSFER OF LISTING") COMPRISING:

- (I) PUBLIC ISSUE OF 132,000,000 NEW SHARES IN THE FOLLOWING MANNER:
 - 16,767,200 SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC VIA BALLOTING;
 - 12,575,400 SHARES MADE AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF LSH CAPITAL AND ITS SUBSIDIARIES ("GROUP") AS WELL AS OTHER PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP; AND
 - 102,657,400 SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA ("MITI"); AND
- (II) OFFER FOR SALE OF UP TO 59,000,000 EXISTING SHARES IN THE FOLLOWING MANNER:
 - 2,137,600 SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MITI; AND
 - 56,862,400 SHARES BY WAY OF PRIVATE PLACEMENT TO OTHER INSTITUTIONAL AND SELECTED INVESTORS,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AS SET OUT IN THIS PROSPECTUS, AT AN ISSUE/ OFFER PRICE OF RM0.88 PER SHARE ("PUBLIC OFFERING"), PAYABLE IN FULL UPON APPLICATION

Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent



AmInvestment Bank

AmInvestment Bank Berhad

(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE "RISK FACTORS" COMMENCING ON PAGE 212.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") HAS APPROVED OUR TRANSFER OF LISTING (INCLUDING OUR PUBLIC OFFERING). THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE SAID APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS OUR PUBLIC OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR OUR PUBLIC OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED 28 FEBRUARY 2025

All defined terms used in this Prospectus are defined under “Presentation of Information”, “Definitions” and “Glossary of Technical Terms” commencing on pages ix, xi and xvi respectively.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

AmlInvestment Bank, being our Principal Adviser and Sponsor, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Public Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for the listing and quotation of our Shares on the ACE Market. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our Public Offering, our Company or our Shares.

This Prospectus, together with the Application Forms, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

You should not take the agreement by the Sole Underwriter named in this Prospectus to underwrite the Offering Shares as an indication of the merits of our Shares being offered.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our Public Offering, for which any person set out in Section 236 of the CMSA, is responsible.

Our Shares are classified as Shariah-compliant by the Shariah Advisory Council of the SC. This classification remains valid until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

This Prospectus is prepared and published solely for our Public Offering. Our Shares being offered in our Public Offering are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent or any of their respective directors, or any other persons involved in our Public Offering.

This Prospectus has been prepared and published for our Public Offering under the laws of Malaysia. This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

Our Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent have also not authorised anyone and take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of the Offering Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our Public Offering, make or be bound to make any enquiry as to whether you have a registered address in Malaysia. We will also not accept any liability whether or not any enquiry or investigation is made in connection therein.

It is your sole responsibility to ensure that your application for our Public Offering would be in compliance with the terms of our Public Offering and would not contravene any law of countries or jurisdictions to which you may be subject to. We will further assume that you had accepted our Public Offering in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It is also your sole responsibility to consult your legal and/or other professional advisers on the laws to which our Public Offering or you are or might be subjected to. Neither we nor our Directors, Promoters, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent nor any other advisers in relation to our Public Offering shall accept any responsibility or liability if any application made by you shall become illegal, unenforceable or void in any country and jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Malaysia Berhad's website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

You are advised that the internet is not a fully secure medium. Your Internet Share Application may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us or our Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with Bursa Securities will prevail.

In relation to any reference in this Prospectus to third-party internet sites (referred to as “**Third-Party Internet Sites**”), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser and Sponsor do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we and our Principal Adviser and Sponsor are not responsible for the availability of or the content or any data, information, file or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser and Sponsor are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Principal Adviser and Sponsor are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by the Third-Party Internet Sites; and
- (iii) any data, information, files or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser and Sponsor are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (a) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus, which has been downloaded or obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (c) the Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracy, change, alteration, deletion or omission in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The indicative timetable for our Public Offering is set out below:

Event	Time / date
Opening of application for the Offering Shares	10:00 a.m., 28 February 2025
Closing of application for the Offering Shares	5:00 p.m., 6 March 2025
Balloting of applications for the Offering Shares under the Retail Offering	10 March 2025
Allotment/transfer of the Offering Shares to successful applicants	19 March 2025
Withdrawal of our Company's listing from the LEAP Market and listing and quotation of our entire enlarged issued Shares on the ACE Market	21 March 2025

If there is any change to the timetable, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and will make the relevant announcements through Bursa Malaysia Berhad.

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PRESENTATION OF INFORMATION

All references to “LSH Capital”, “our Company” and “the Company” in this Prospectus are to Lim Seong Hai Capital Berhad. All references to “LSH Capital Group”, “our Group” and “the Group” in this Prospectus are to our Company and our subsidiaries collectively; and all references to “we”, “us”, “our” and “ourselves” in this Prospectus are to our Company, and where the context otherwise requires, shall include our subsidiaries.

All references to “you” are to our prospective investors.

All references to “LPD” in this Prospectus are to 31 January 2025, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

Unless the context otherwise requires, references to “Management” in this Prospectus are to our Executive Vice Chairman, Group Managing Director, Managing Director of Machinery, Hardware and Tools Division, Executive Director and other Key Senior Management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to a time of day and date in this Prospectus are references to time and date in Malaysia, unless otherwise stated.

Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. As a result, any discrepancy in the tables or charts between the amounts listed and totals in this Prospectus is due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or billion or decimal places (for percentages) or sen (for currency).

Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting singular shall, where applicable, include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any reference to persons shall, where applicable, include companies and corporations.

Any reference in this Prospectus to the provisions of any statute, rule, regulation, enactment or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rule, regulation, enactment or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statute, rule, regulation, enactment or rules of stock exchange for the time being in force.

The information on our websites or any website, directly or indirectly, linked to such website does not form part of this Prospectus and you should not rely on those information for the purpose of your decision whether or not to invest in our Shares. If there is any discrepancy between the contents of such website relating to our Company or Group and this Prospectus, the information contained in this Prospectus shall prevail.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate as well as our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report prepared by Providence Strategic Partners Sdn Bhd (“**Providence**”), an independent market research firm, as included in Section 7 of this Prospectus. In compiling its data for the review, Providence relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry. Further, third-party projections, including the projections from the IMR Report, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future result, performance or achievement, or industry result expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current views with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) the general industry environment, including the demand for and supply of our products and services as well as trends and competitive position;
- (ii) our business strategies, plans and potential growth opportunities;
- (iii) our financial performance and financing plan, including future earnings, cash flows and liquidity;
- (iv) our ability to pay future dividends; and
- (v) the regulatory environment and the effects of future regulation.

Factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements in this Prospectus include, but are not limited to, those discussed in Section 8 of this Prospectus on "Risk Factors" and Section 11.2.1(iv) of this Prospectus on "Significant Factors Affecting our Business". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made based on information available to us as at LPD and made only as at LPD.

Should we become aware of any subsequent significant change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment or transfer of the Offering Shares, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA, Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rule 3.12D of the ACE LR.

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the term is defined otherwise or the context requires otherwise:

ACE Listing	:	Listing and quotation of the entire enlarged issued share capital of our Company on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE LR
ACE LR	:	ACE Market Listing Requirements of Bursa Securities
ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act 2016
AmInvestment Bank or Principal Adviser or Sponsor or Sole Underwriter or Sole Placement Agent	:	AmInvestment Bank Berhad
APDL	:	Advertising permit and developer licence
Application	:	Application for the Offering Shares under the Retail Offering by way of the Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Application form for the subscription of the Offering Shares under the Retail Offering accompanying this Prospectus
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for the Offering Shares
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor to record his deposits or withdrawals of securities and to deal in such securities
CIDB	:	Construction Industry Development Board, a statutory body in Malaysia established under the <i>Lembaga Pembangunan Industri Pembinaan Malaysia</i> Act 1994 to regulate, develop and facilitate the construction industry in Malaysia
CMSA	:	Capital Markets and Services Act 2007
COVID-19	:	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) which first broke out in December 2019
DBKL	:	Dewan Bandaraya Kuala Lumpur
DLKG	:	Datuk Lim Keng Guan
DUKE	:	Duta-Ulu Kelang Expressway

DEFINITIONS (Cont'd)

EBIT	:	Earnings before interest and taxation
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EGM	:	Extraordinary general meeting of our Company
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to CD-ROMs (<i>compact disc - read only memory</i>)
Electronic Share Application	:	Application for the Offering Shares under the Retail Offering through a Participating Financial Institution's Automated Teller Machines (ATMs)
Eligible Persons	:	Collectively, the eligible Directors, eligible employees of our Group and other persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering through the Pink Form Offer
EPS	:	Earnings per Share
Financial Years Under Review	:	FYEs 2021, 2022, 2023 and 2024, collectively
FYE	:	Financial year ended or ending 30 September, as the case may be
GDV	:	Gross development value
GP	:	Gross profit
IMR Report	:	Independent market research report on the construction and property development industries in Malaysia dated 12 February 2025, prepared by Providence Strategic Partners Sdn Bhd, the Independent Market Researcher
Institutional Offering	:	Offering of up to 161,657,400 Offering Shares at the Offering Price, subject to the clawback and reallocation provisions, to institutional and selected investors, including identified Bumiputera investors approved by the MITI
Internet Participating Financial Institution	:	Participating financial institution for the Internet Share Application, as listed in Section 14.6 of this Prospectus
Internet Share Application	:	Application for the Offering Shares under the Retail Offering through an Internet Participating Financial Institution
ISO	:	International Organization for Standardization
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd
Key Senior Management or Management	:	Key senior management personnel of our Group including our Executive Vice Chairman, Group Managing Director, Managing Director of Machinery, Hardware and Tools Division, Executive Director and those as set out in Section 4.4 of this Prospectus
LEAP LR	:	LEAP Market Listing Requirements of Bursa Securities
LEAP Market	:	LEAP Market of Bursa Securities

DEFINITIONS *(Cont'd)*

LPD	:	31 January 2025, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities
LSH Capital or Company	:	Lim Seong Hai Capital Berhad
LSH Capital Group or Group	:	Collectively, our Company and subsidiaries
LSH Capital Share(s) or Share(s)	:	Ordinary share(s) in our Company
LSH Holdings	:	Lim Seong Hai Holdings Sdn Bhd, being one of our Promoters and substantial shareholders
LSH Resources	:	Lim Seong Hai Resources Sdn Bhd, being one of our Promoters and substantial shareholders
Malaysian Public	:	Malaysian citizens, as well as companies, cooperatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	A day on which Bursa Securities is open for trading in securities
MFRS	:	Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MITI	:	Ministry of Investment, Trade and Industry of Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of up to 59,000,000 Offer Shares at the Offering Price by the Selling Shareholders, subject to the terms and conditions of this Prospectus
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Offering Price	:	Issue/offer price of RM0.88 for each Offering Share
Offering Shares	:	Collectively, the Issue Shares and Offer Shares
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market and not removed
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application, as listed in Section 14.5 of this Prospectus
PAT	:	Profit after taxation
PATAMI	:	PAT attributable to the owners of a company
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple, an earnings-based valuation methodology which compares the market value of a company to its net profit

DEFINITIONS *(Cont'd)*

Pink Form Offer	:	Offer of Issue Shares to the Eligible Persons pursuant to the Public Issue
Promoters	:	Collectively, LSH Holdings, LSH Resources, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun, details of which are set out in Section 4.1 of this Prospectus
Prospectus	:	This Prospectus dated 28 February 2025 issued by our Company
Public Issue	:	Public issue of 132,000,000 Issue Shares at the Offering Price by our Company, subject to the terms and conditions of this Prospectus
Public Offering	:	Public offering of up to 191,000,000 Offering Shares, representing up to approximately 22.78% of the enlarged issued shares of our Company, comprising the Public Issue and Offer for Sale
Record of Depositors	:	A record provided by Bursa Depository to our Company under the Rules of Bursa Depository
Retail Offering	:	Offering of 29,342,600 Offering Shares at the Offering Price, subject to the clawback and reallocation provisions, to the Eligible Persons and Malaysian Public
Retail Underwriting Agreement	:	The retail underwriting agreement dated 12 February 2025 entered into between our Company and the Sole Underwriter for the underwriting of 29,342,600 Issue Shares under the Retail Offering
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Collectively, LSH Resources, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun
Share Registrar	:	Boardroom Share Registrars Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act 1991 of Malaysia
SPA	:	Sale and purchase agreement
SPE	:	Setiawangsa-Pantai Expressway (also known as DUKE Phase 3)
sq ft	:	Square feet
Tan Sri KC Lim	:	Tan Sri Datuk Seri Lim Keng Cheng
Transfer of Listing	:	Transfer of listing and quotation of the entire issued share capital of our Company from the LEAP Market to the ACE Market which involves the Withdrawal of LEAP Listing and ACE Listing
Withdrawal of LEAP Listing	:	Voluntary withdrawal of the listing and quotation of the entire issued share capital of our Company from the LEAP Market pursuant to Rules 8.06 and 8.08 of the LEAP LR

DEFINITIONS *(Cont'd)***Subsidiaries of our Company**

ASES	:	Astana Setia & Euro Saga Sdn Bhd
ASSB	:	Astana Setia Sdn Bhd
Knight Auto	:	Knight Auto Sdn Bhd
LSH Development	:	Lim Seong Hai Development Sdn Bhd
LSH Infra	:	LSH Infra Sdn Bhd
LSH Lighting	:	Lim Seong Hai Lighting Sdn Bhd
LSH Service Master	:	LSH Service Master Sdn Bhd
LSH Ventures	:	Lim Seong Hai Ventures Sdn Bhd
LSHBB	:	LSH BEST Builders Sdn Bhd

Associated company of our Company

Kran World	:	Kran World Sdn Bhd

Projects

Lake Side Homes Project	:	Residential development project situated on a 11.85-acre land located at Sungai Besi, Kuala Lumpur to be constructed into five (5) blocks of residential units comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units, 593 PPAM affordable housing units and carpark
LSH 33 Project	:	Mixed development project situated on a 3.55-acre land located at Sentul, Kuala Lumpur made up of three (3) blocks of residential units comprising 300 condominium units, 300 'Residensi Wilayah' affordable housing units, 300 PPAM affordable housing units, 32 office shop lots and carpark, which was completed following the issuance of CPC in June 2024 and CCC in September 2024
LSH Segar Project	:	Residential development project situated on a 4.14-acre land located at Cheras, Kuala Lumpur to be constructed into two (2) blocks of residential units comprising 435 condominium units, 440 'Residensi Wilayah' affordable housing units and carpark
Sentul Ria Project	:	Mixed development project situated on a 1.08-acre land located at Sentul, Kuala Lumpur to be constructed into a 29-storey and one (1) mezzanine floor single block building comprising 268 residential suites, recreational facilities, commercial space and carpark
Wisma LSH Extension Project	:	Construction of a five (5)-storey annex building for Wisma Lim Seong Hai located at Jalan Gombak, Kuala Lumpur comprising a sales gallery, commercial and office area, as well as a link bridge and carpark

Currencies

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	:	Renminbi, the lawful currency of the People's Republic of China

GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain technical terms used throughout this Prospectus in connection with and in the context of our business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

- aggregate** : This refers to granular material such as gravel, sand, stone or slag which is mixed with cement to produce concrete or mortar
- BEST Collaboration Framework** : This is a framework for collaboration between our Group and our clients (such as land owners, property developers or contractors) to achieve the shared objective of value-enhancement for construction projects or property development projects undertaken by our clients by leveraging on our extensive experience and expertise in the construction industry. Further details on our BEST Collaboration Framework alongside the construction-related services and solutions which we provide under such framework are elaborated in Section 6.2.1(ii) of this Prospectus
- CCC or CF** : Certificate of completion and compliance or certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under the Street, Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time
- CIDB contractor grade** : All contractors are required to be registered with the CIDB prior to tendering and/or undertaking any construction work in Malaysia, except those who are exempted. There are seven (7) grades of contractors as certified by the CIDB upon the contractor meeting certain criteria, each of them is only allowed to tender and undertake contracts with the following restricted value:

Contractor grade	Maximum contract tendering value
G1	RM100,000
G2	RM500,000
G3	RM1,000,000
G4	RM3,000,000
G5	RM5,000,000
G6	RM10,000,000
G7	No limit

- CMGD** : Certificate of completion of making good defect, a document issued by a contractor to confirm that any defect identified during the DLP has been rectified
- CPC** : Certificate of practical completion, a certificate which marks the satisfactory completion of construction works under the construction contract between the client and the contractor
- contractor's all risk insurance** : An insurance policy designed to provide protection against losses or damages in respect of contract works at the contract site and third-party claims arising in connection with the construction project
- development order** : A permission granted by the local authorities to develop a proposed project
- digital IBS** : This involves digitalisation of the facility where the fabrication of the pre-fabricated components occurs. Through digitalisation, the fabrication processes are automated and incorporate the use of robotic machines. Additionally, the design process involves cloud-based digital designs, enabling seamless integration with building information modelling

GLOSSARY OF TECHNICAL TERMS (Cont'd)

DLP	:	Defect liability period, a period of time after a construction work or property development project (as the case may be) has been completed where the contractor or property developer (as the case may be) is obliged to remedy any defect identified as stipulated in the construction contract or SPA with the purchasers (as the case may be)
e-commerce	:	Commercial transaction carried out electronically via the internet
IBS	:	Industrialised building system, a system or method of building construction in which pre-fabricated construction components are produced in a controlled environment (in a factory or at a construction site)
LAD	:	Liquidated ascertained damages, damages due to a client or purchaser (as the case may be) calculated at a rate as stated in the contract agreement or SPA (as the case may be) when a contractor or property developer (as the case may be) fails to deliver the completed work within the period stipulated in the said contract agreement or SPA (as the case may be)
lost-time incidents	:	A serious occupational injury or illness which results in an employee being unable to perform their regular duties, and is typically due to the death of the employee at the workplace. This results in loss of productive work hours
M&E	:	Mechanical and electrical, a branch of engineering works involving the mechanical and electrical systems in buildings
mezzanine floor	:	An intermediary floor built between two (2) main floors of a building or between the floor or ceiling of a single-storey space
PPAM	:	'Perumahan Penjawat Awam Malaysia', or Civil Servant Housing Malaysia, a housing ownership scheme launched by the Malaysian Government in 2013 to provide home ownership opportunities to civil servants
QESH	:	Quality, environmental, safety and health is a set of standards implemented by a company to ensure compliance with all relevant occupational safety, health and environmental requirements in Malaysia. Generally, QESH standards are to set performance benchmarks against industry standards implemented by the CIDB and the Department of Occupational Safety and Health, Malaysia
'Residensi Wilayah'	:	A government-sponsored housing program overseen by the Ministry of Federal Territories, Malaysia to provide affordable housing options for low-to-middle income earners born, residing or working in the Federal Territories, namely Kuala Lumpur, Putrajaya and Labuan. This initiative was formerly known as 'Rumah Mampu Milik Wilayah Persekutuan' (RUMAWIP)

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

SCORE	: SCORE is a system introduced by the CIDB to measure the ability and capability of G2 to G7 contractors in Malaysia with the aim to improve the quality, safety and professionalism of the construction industry. Such contractors are assessed based on seven (7) criteria namely, business performance, financial capability, technical capabilities, project management, procurement management, best practices and capabilities of the management team.
	SCORE has five (5) ratings between one (1)-star and five (5)-star. For both four (4) and five (5)-star ratings, the contractors must also achieve a minimum score of 10 and 15 respectively (out of a maximum score of 30) in each of the seven (7) criteria
SKU	: Stock-keeping unit
value-engineering	: An approach to providing necessary functions in a project at the lowest cost in an expedient manner through substitution of materials and/or construction methodology with less expensive alternatives, without sacrificing functionality and safety

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Tan Sri Datuk Seri Lim Keng Cheng (<i>m</i>)	Non-Independent Non-Executive Chairman	Malaysian	No. 229A Batu 4, Jalan Gombak 53000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Datuk Lim Keng Guan (<i>m</i>)	Non-Independent Executive Vice Chairman	Malaysian	No. 6B, Lorong Titiwangsa 8 Taman Tasik Titiwangsa 53200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Lim Pak Lian (<i>f</i>)	Non-Independent Group Managing Director	Malaysian	No. 25, Jalan Bunga Tanjung Taman P. Ramlee 53000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Lim Keng Hun (<i>m</i>)	Non-Independent Managing Director of Machinery, Hardware and Tools Division	Malaysian	No. 12, Jalan Terkis Taman P. Ramlee 53300 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Lim Ding Shyong (<i>m</i>)	Non-Independent Executive Director	Malaysian	No. 8, Lorong Titiwangsa 8 Taman Tasik Titiwangsa 53200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob (<i>m</i>)	Independent Non-Executive Director	Malaysian	No. 9, Jalan K6 Taman Melawati 53100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Lee Swee Kheng (<i>f</i>)	Independent Non-Executive Director	Malaysian	A-11-07, Block A Windows on the Park Jalan KPB 18 43200 Cheras Selangor Darul Ehsan
Dato' Wang Sze Yao @ Wang Ming Way (<i>m</i>)	Independent Non-Executive Director	Malaysian	No. 40, Jalan Puyoh 3 Miles, Jalan Ipoh 51100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
Nurulhuda Hayati Binti Ibrahim (<i>f</i>)	Independent Non-Executive Director	Malaysian	No. 22, Jalan Rimba Riag 9/2a Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan
Ar. Alina Binti Abdullah (<i>f</i>)	Independent Non-Executive Director	Malaysian	No. 26, Jalan Jaya 4 Rini Heights, Taman Mutiara Rini 81300 Skudai Johor Darul Takzim

Notes:*(m)* refers to male*(f)* refers to female

CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Lee Swee Kheng	Chairman	Independent Non-Executive Director
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	Member	Independent Non-Executive Director
Dato' Wang Sze Yao @ Wang Ming Way	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Wang Sze Yao @ Wang Ming Way	Chairman	Independent Non-Executive Director
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	Member	Independent Non-Executive Director
Lee Swee Kheng	Member	Independent Non-Executive Director

COMPANY SECRETARY

: Tai Yit Chan
Professional qualification: Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**")
(MAICSA Membership No. : 7009143)
(CCM Practicing Certificate No. : 202008001023)

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : +603 7890 4800

REGISTERED OFFICE

: 12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : +603 7890 4800

HEAD OFFICE

: Wisma Lim Seong Hai
No. 33, Jalan Gombak
53000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone No. : +603 4021 8899

Website : www.limseonghai.com

Email address : info.LSHCapital@limseonghai.com

CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT	: AmInvestment Bank Berhad 22 nd Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Telephone No. : +603 2036 2633
AUDITORS AND REPORTING ACCOUNTANTS	: Crowe Malaysia PLT (AF 1018) Level 16, Tower C, Megan Avenue II No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Telephone No. : +603 2788 9999 Partner-in-charge : Choong Kok Keong Approval No. : 03461/11/2025 J Professional : Member of the Malaysian Institute of Qualification Accountants (MIA) and fellow member of the Association of Chartered Certified Accountants (ACCA)
SOLICITORS	: Lee Hishammuddin Allen & Gledhill Level 6, Menara 1 Dutamas Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Telephone No. : +603 6208 5888
INDEPENDENT MARKET RESEARCHER	: Providence Strategic Partners Sdn Bhd 67-1, Block D, The Suites Jaya One, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan Telephone No. : +603 7625 1769 Signing partner : Melissa Lim (See Section 7 of this Prospectus for the profile of the firm and signing partner)
SHARE REGISTRAR	: Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Telephone No. : +603 7890 4700

CORPORATE DIRECTORY *(Cont'd)*

ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Telephone No. : +603 7890 4700
LISTING SOUGHT	: ACE Market
SHARIAH STATUS	: Approved by the Shariah Advisory Council of the SC

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1. INTRODUCTION

1.1 APPROVALS

The approvals and conditions imposed by the relevant authorities for our Transfer of Listing and Public Offering are as follows:

1.1.1 Bursa Securities

Bursa Securities has, vide its letter dated 7 January 2025 ("**Decision Letter**"), approved the transfer of listing of our Company from the LEAP Market to the ACE Market and quotation for the entire issued share capital of our Company comprising 838,360,208 Shares on the ACE Market.

Our Company and/or AmInvestment Bank are required to comply with the following and the status of compliance thereto are as follows:

No.	Conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository:	Complied
	(i) name of shareholders;	
	(ii) number of Shares; and	
	(iii) date of expiry of the moratorium for each block of Shares;	
2.	Confirm that approvals from other relevant authorities have been obtained for implementation of the Transfer of Listing;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the ACE LR;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of our Company on the first day of listing on the ACE Market;	To be complied
6.	In relation to the Public Offering, announce at least two (2) Market Days prior to the listing date, the result of the offering including the following:	To be complied
	(i) level of subscription of public balloting and placement;	
	(ii) basis of allotment/allocation;	
	(iii) a table showing the distribution for placement tranche as per the format provided in the Decision Letter; and	
	(iv) disclosure of placees who become substantial shareholders of our Company arising from the Public Offering, if any.	

1. INTRODUCTION (Cont'd)

No.	Conditions imposed	Status of compliance
	AmlInvestment Bank must ensure that the overall distribution of our Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	
7.	Our Company/AmlInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of our Company to the Official List.	To be complied

Bursa Securities has also, vide its letter dated 12 February 2025, approved our Withdrawal of LEAP Listing. Our Company and AmlInvestment Bank are required to comply with the following and the status of compliance thereto are as follows:

No.	Conditions imposed	Status of compliance
1.	AmlInvestment Bank is required to furnish to Bursa Securities with a letter (" AmlInvestment Bank's Confirmation Letter "), confirming the following: (i) that all subsisting undertaking letters provided by the shareholders of LSH Capital remain valid and enforceable as at the date of AmlInvestment Bank's Confirmation Letter until the completion of the Transfer of Listing; (ii) that the requirements of Rule 8.06(1) of the LEAP LR have been complied with or waived by Bursa Securities, as the case may be; (iii) that all conditions, including conditions imposed by the relevant authorities which are required to be met prior to the delisting have been met; and (iv) that there are no circumstances or facts which have the effect of preventing or prohibiting the delisting including any order, injunction or any other directive issued by any court of law.	To be complied
2.	Our Company is required to announce, five (5) clear Market Days before the effective date of suspension, the following: (i) the trading in LSH Capital Shares on the LEAP Market will be suspended one (1) Market Day before the date of allotment of the new LSH Capital Shares to be issued pursuant to the ACE Listing until the completion of the ACE Listing; and (ii) the effective date of suspension.	To be complied

In connection with the Withdrawal of LEAP Listing, Bursa Securities has also, vide its letter dated 29 February 2024, approved our Company's application for exemption from having to extend an exit offer and appoint an independent adviser for the exit offer pursuant to Rules 8.06(1)(c) and (d) of the LEAP LR respectively, subject to the condition that the undertaking letters provided by our shareholders (as further detailed in Section 5.1.2 of this Prospectus) remain valid and binding until the completion of the Withdrawal of LEAP Listing.

1. INTRODUCTION (Cont'd)

Further details of our Transfer of Listing (which entails the Withdrawal of LEAP Listing and ACE Listing) are set out in Section 5.1.2 of this Prospectus.

1.1.2 SC

Our Transfer of Listing and Public Offering are exempt transactions under Section 212(8) of the CMSA and are therefore not subject to the approval of the SC.

Nevertheless, the SC has, vide its letter dated 13 January 2025, approved the resultant equity structure of our Company pursuant to our ACE Listing under the Bumiputera equity requirement for public listed companies. The conditions imposed by the SC and the status of compliance thereto are as follows:

No.	Conditions imposed	Status of compliance
1.	Our Company to allocate Shares equivalent to 12.5% of our enlarged number of issued shares to Bumiputera investors to be approved by the MITI in conjunction with the ACE Listing; and	Complied
2.	Our Company to make available at least 50% of the Shares offered to the Malaysian Public investors via balloting to Bumiputera public investors.	Complied

1.1.3 MITI

MITI has, vide its letter dated 26 November 2024, agreed with our ACE Listing, and stated that our Company has complied with the Bumiputera equity requirement for the purpose of our ACE Listing by allocating 104,795,000 Shares representing 12.50% of our Company's enlarged issued share capital to Bumiputera investors approved by the MITI.

1.2 MORATORIUM ON OUR SHARES

The specified shareholders (which shall have the meaning as described in Rule 1.01 of the ACE LR) of our Company are our Promoters and the persons connected to them, namely Lim Ding Shyong, Lor Kar Mun, Lim Wei Xin, Lor Khang Chee, Lim Wei Ling and Lim Zhuo Tuong (collectively, the "**Specified Shareholders**"). Further details of the relationships between our Promoters and such connected persons are set out in Sections 3.3.1(ii)(b) and 4.6 of this Prospectus.

In accordance with Rule 3.19(1) of the ACE LR, a moratorium will be imposed on the sale, transfer or assignment of the Shares held by the Specified Shareholders, as follows:

- (i) the moratorium applies to the entire shareholdings of the Specified Shareholders for a period of six (6) months from the date of our admission to the Official List ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that the Specified Shareholders' aggregate shareholdings amounting to at least 45% of our enlarged total number of issued Shares (adjusted for any bonus issue or subdivision of Shares) remain under moratorium for another period of six (6) months ("**Second 6-Month Moratorium**"); and
- (iii) thereafter, the Specified Shareholders may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of their Shares held under the moratorium.

1. INTRODUCTION (Cont'd)

In this regard, the Shares held by the Specified Shareholders which will be subject to the abovementioned moratorium are as follows:

Name	Year 1 after ACE Listing						Year 2 after ACE Listing					
	During the First 6-Month Moratorium		During the Second 6-Month Moratorium				Year 2 after ACE Listing		Year 3 after ACE Listing			
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
LSH Resources ⁽²⁾	542,019,809	64.65	-	-	377,262,094	45.00	251,508,063	30.00	125,754,032	15.00	-	-
LSH Holdings ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri KC Lim	14,955,281	1.78	-	-	-	-	-	-	-	-	-	-
DLKG	14,955,281	1.78	-	-	-	-	-	-	-	-	-	-
Lim Pak Lian	14,955,281	1.78	-	-	-	-	-	-	-	-	-	-
Lim Keng Hun	14,955,281	1.78	-	-	-	-	-	-	-	-	-	-
Lim Ding Shyong	⁽³⁾ 500,000	0.06	-	-	-	-	-	-	-	-	-	-
Lor Kar Mun	⁽³⁾ 100,000	0.01	-	-	-	-	-	-	-	-	-	-
Lim Wei Xin	⁽³⁾ 25,000	*	-	-	-	-	-	-	-	-	-	-
Lor Khang Chee	⁽³⁾ 25,000	*	-	-	-	-	-	-	-	-	-	-
Lim Wei Ling	⁽³⁾ 10,000	*	-	-	-	-	-	-	-	-	-	-
Lim Zhuo Tuong	⁽³⁾ 10,000	*	-	-	-	-	-	-	-	-	-	-
Total	602,510,933	71.87	377,262,094	45.00	251,508,063	30.00	125,754,032	15.00				

Notes:

* Less than 0.01%

(1) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.

(2) LSH Resources is a wholly-owned subsidiary of LSH Holdings. The shareholders of LSH Holdings are Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun, who are siblings with each other. As at LPD, the four (4) siblings hold 500,000 ordinary shares in LSH Holdings each, representing 25.00% equity interest therein. As at the date of this Prospectus, LSH Holdings does not hold any Shares directly.

(3) Assuming each of them subscribes in full for his/her respective entitlement under the allocation to Eligible Persons as set out in Section 3.3.1(ii) of this Prospectus.

1. INTRODUCTION *(Cont'd)*

The moratorium has been fully accepted by the Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their Shares under moratorium during the abovementioned moratorium period.

In accordance with Rule 3.19(2) of the ACE LR, where the Specified Shareholder is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation for the abovementioned moratorium period.

In this regard, all direct and indirect shareholders of LSH Resources and LSH Holdings have each included in their respective letter of undertaking to Bursa Securities that they will not sell, transfer or assign their entire shareholdings in LSH Resources and LSH Holdings respectively during the abovementioned moratorium period.

The abovementioned moratorium restrictions are specifically endorsed on the share certificates representing those Shares held by the Specified Shareholders which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restriction.

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2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF OUR PUBLIC OFFERING

Our Public Offering involves the offering of up to 191,000,000 Offering Shares representing approximately 22.78% of our enlarged issued Shares at the Offering Price of RM0.88 per Offering Share. Our Offering Shares are expected to be allocated in the following manner, subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus:

	Public Issue		Offer for Sale		Total	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*
Retail Offering						
Malaysian Public (via balloting):						
▪ Bumiputera	8,383,600	1.00	-	-	8,383,600	1.00
▪ Non-Bumiputera	8,383,600	1.00	-	-	8,383,600	1.00
Eligible Persons:						
▪ Eligible Directors	2,000,000	0.24	-	-	2,000,000	0.24
▪ Eligible employees of our Group	5,027,400	0.60	-	-	5,027,400	0.60
▪ Other persons who have contributed to the success of our Group	5,548,000	0.66	-	-	5,548,000	0.66
Subtotal	29,342,600	3.50	-	-	29,342,600	3.50
Institutional Offering						
Bumiputera investors approved by the MITI	102,657,400	12.24	2,137,600	0.26	104,795,000	12.50
Other institutional and selected investors	-	-	56,862,400	6.78	56,862,400	6.78
Subtotal	102,657,400	12.24	59,000,000	7.04	161,657,400	19.28
Total	132,000,000	15.74	59,000,000	7.04	191,000,000	22.78

Note:

* Based on the enlarged total number of 838,360,208 Shares after our Public Offering.

Expected market capitalisation

Based on the Offering Price of RM0.88 per Offering Share, the total market capitalisation of our Company upon our ACE Listing will be approximately RM737.76 million.

For further details on our Public Offering, please refer to Section 3 of this Prospectus.

Moratorium on our Shares

The entire shareholdings of our Promoters and the persons connected to them, namely Lim Ding Shyong, Lor Kar Mun, Lim Wei Xin, Lor Khang Chee, Lim Wei Ling and Lim Zhuo Tuong in our Company after our Public Offering (if any) will be held under moratorium for a period of six (6) months from the date of our admission to the Official List. After such first six (6)-month moratorium period, the aggregate shareholdings of these shareholders amounting to at least 45% of our enlarged total number of issued Shares (adjusted for any bonus issue or subdivision of Shares) shall remain under moratorium for another period of six (6) months. After such second six (6)-month moratorium period, these shareholders may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of their Shares held under the moratorium.

2. PROSPECTUS SUMMARY (Cont'd)

For further details of the moratorium on our Shares, please refer to Section 1.2 of this Prospectus.

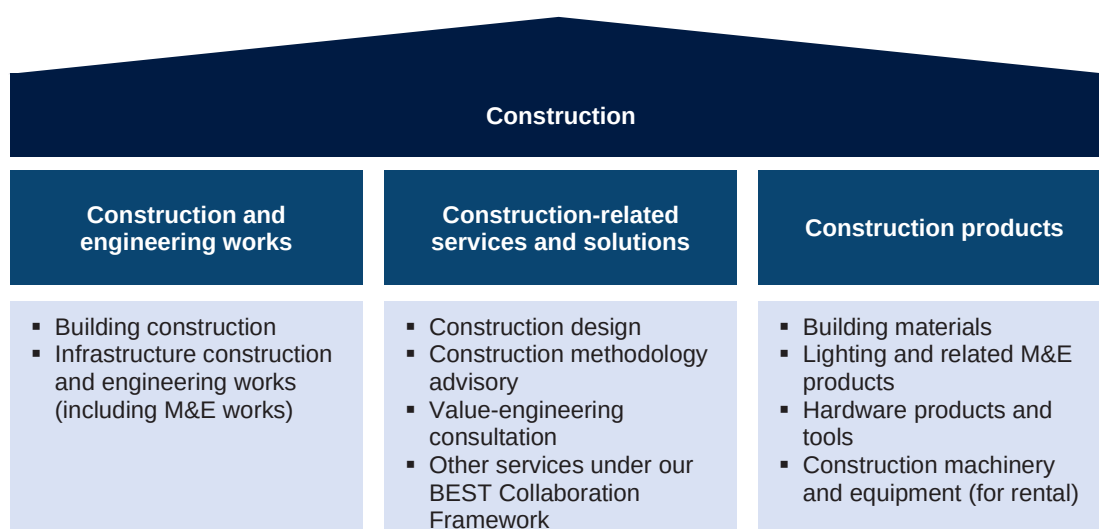
2.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 11 November 2020 as a private limited company under the name of Lim Seong Hai Capital Sdn Bhd. On 21 May 2021, our Company was converted into a public limited company to facilitate our listing on the LEAP Market which took place on 30 July 2021.

Following our listing on the LEAP Market, our Company completed the acquisition of 100% equity interest in LSHBB from LSH Resources on 15 October 2021, which resulted in the diversification of our Group's then principal activities to include construction and provision of construction-related services and solutions. We further diversified our Group's principal activities to include property development activities, following the completion of the acquisitions of 100% equity interest in ASSB and LSH Ventures from our Group's related parties on 17 April 2023.

To-date, we are a full-fledged construction company with capabilities to engage in a broad range of construction and engineering works, provide construction-related services and solutions, as well as supply construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry.

The three (3) main pillars of our construction segment are summarised in the following diagram:



In addition to our primary focus as a construction company, we are also involved in property development activities which allows our Group to leverage on our strengths and prowess in the construction segment, whilst providing an additional revenue stream for our Group through the sales of property units under our own property development projects.

We operate entirely in Malaysia where we carry out construction and engineering works, construction-related services and solutions as well as supply of buildings materials for construction projects located in various states in Malaysia. We also engage in the wholesale and retail of lighting and related M&E products as well as hardware products and tools through 12 physical retail stores located across the Klang Valley region, online e-commerce platforms such as Lazada and Shopee, as well as our own online stores. Apart from our wholesale and retail operations, we also provide rental services for machinery and equipment for construction projects based in Malaysia. In addition, the property development projects for which our Group is involved in are all located in the Klang Valley region.

For further details on our Group and our business, please refer to Sections 5 and 6 of this Prospectus respectively.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.3 OUR COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have an integrated business model that is synergistic

Our Group operates an integrated and synergistic business model, where our full-fledged construction capabilities are complemented by our construction products sub-segment. Furthermore, our property development segment not only creates new opportunities for our construction segment but also benefits from cost synergies by leveraging on our construction segment's strengths and prowess in construction and engineering works, as well as provides an additional revenue stream for our Group through the sales of property units. Integral to our operations is our BEST Collaboration Framework, which enables us to collaborate with our clients (such as land owners, property developers or contractors) to tap into our Group's expertise and experience in the construction industry to achieve the shared objective of value-enhancement beyond ordinary construction and engineering works. This integrated business model improves operational efficiency, optimises cost, improves build quality, ensures timely project completion, reduces risks of being affected by supply chain disruptions, as well as enjoy lower costs through bulk purchases and direct distribution channels.

(ii) We have a proven track record in the construction industry

Our Group's footprint in the construction industry first began in 1990s via the construction products sub-segment through LSH Lighting and Knight Auto, as well as M&E works provided through LSH Lighting. Our Group subsequently widened our presence in the construction industry by growing our track record in construction and engineering works following the acquisitions of LSHBB and ASSB. As at LPD, LSH Lighting, LSHBB and ASSB have collectively completed 53 construction and engineering work projects (including those that were completed by LSHBB and ASSB prior to the acquisitions of LSHBB and ASSB by our Company in October 2021 and April 2023 respectively) with a total combined value approximately RM1.22 billion. This extensive experience and reputation in the construction industry have positioned us competitively in the industry, enabling us to tender for larger construction contracts.

(iii) We have a diversified range of construction capabilities across various sub-segments within the construction industry

We have a diversified portfolio of construction projects which we have completed and are presently undertaking for various sub-segments within the construction industry. These include building construction as well as infrastructure construction and engineering work projects. Our broad range of expertise and vast experience allow us to serve various construction sub-segments, reducing the risk of over-reliance on the performance of any particular construction sub-segment and enabling us to promptly react to market changes. As a G7 contractor, we are also qualified to undertake construction and engineering works and/or construction-related services and solutions projects with no tender limit to contract value.

(iv) We have a qualified and experienced Board and management team

Our Group is managed by an experienced management team, led by our Executive Vice Chairman, DLKG, who has over 30 years of experience in construction-related industries. Supported by our other executive directors, our management team brings extensive expertise across finance, business strategies, construction, engineering, construction products and property development. Our Non-Executive Chairman, Tan Sri KC Lim, with over 40 years of experience in the field of construction and property development related industries, along with the expertise of our Independent Non-Executive Directors in their respective fields, also provide our Group a broad range of valuable insights on the needs and market conditions of the construction and property development industries, which allow us to better serve our clients.

2. PROSPECTUS SUMMARY *(Cont'd)*

(v) We have a strong construction orderbook that will sustain us in the near or near-mid term

As at LPD, our Group has a strong construction orderbook with 16 ongoing construction and engineering work projects with a total outstanding orderbook value of approximately RM1.52 billion. These projects include four (4) building construction projects and 12 infrastructure construction and engineering work projects. Revenue from our outstanding orderbook is expected to be progressively recognised over the next six (6) financial years up to the FYE 2030. Notwithstanding this, we are also committed to continue pursuing new tenders and proposals to replenish and expand our construction and engineering works orderbook.

For further details on our competitive strengths, please refer to Section 6.7 of this Prospectus.

2.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) We plan to continue building our orderbook for construction and engineering works as well as construction-related services and solutions sub-segments, whilst exploring potential infrastructure concession ownership opportunities

Our overall business strategy focuses on leveraging our core strengths and competency in providing construction and engineering works as well as construction-related services and solutions. As at LPD, our total outstanding construction and engineering works orderbook stood at approximately RM1.52 billion, which is expected to be recognised as revenue progressively until the FYE 2030. We aim to build resilience for our orderbook by actively submitting tenders and proposals to secure more construction and engineering work projects. We will also endeavour to secure more construction and engineering work projects through our BEST Collaboration Framework, which allows us to recognise an additional revenue stream over and above progress billings from construction and engineering works that we carry out. Additionally, we plan to explore concession ownership for infrastructure construction projects. As a concession owner, we will not only perform the construction and engineering works for the project, but also be responsible for the operations and maintenance of these assets once construction is completed, which will provide recurring income through the operations and maintenance of such assets.

To this end, we have allocated RM108.86 million of the gross proceeds to be raised from the Public Issue to fund the working capital required for our Group's ongoing and future construction and engineering work projects.

(ii) We intend to complete our existing property development projects and continue expanding our portfolio of property development projects

Our Group's property development division will focus on overseeing the continued construction of our LSH Segar Project and the launching of our Lake Side Homes Project in the second half of 2025, which carry estimated GDV of approximately RM395.86 million and RM1,153.96 million respectively. These projects will generate revenue progressively until the FYE 2030 and establish our brand presence in the property development industry, particularly in the Klang Valley region. The total construction costs for LSH Segar Project and Lake Side Homes Project are estimated to amount to approximately RM1.04 billion, which will be funded via the gross proceeds to be raised from the Public Issue as well as internal funds derived from, among others, progress claims and/or bank borrowings. Looking ahead, we plan to expand our portfolio of property development projects by identifying new landbank and/or development opportunities.

2. PROSPECTUS SUMMARY (Cont'd)

(iii) **We intend to establish facility management services as a new business segment in our Group**

Our Group plans to establish facility management services as a new business segment which will serve as a source of new and recurring income for our Group. We expect to offer facility management services which are expected to include operational management, maintenance services, housekeeping and cleaning, security and surveillance monitoring, health and safety compliance, and landscaping. As a prelude to the establishment of this new business segment in our Group, we have secured a contract for the provision of facility management services which entails the management of the 'Blue Pool' facility (which features a dancing symphony fountain, blue corridor, fog and lighting effects) under the 'River of Life' transformation project at Kuala Lumpur for a period of three (3) years. We have also entered into a BEST Collaboration Framework agreement with Service Master (M) Sdn Bhd, which led to an agreement-in-principle to jointly manage the operations and maintenance of the Kuala Lumpur Tower ("**KL Tower**"). As at LPD, we have neither obtained site possession of the KL Tower nor commenced the facility management services at the KL Tower as we are in the midst of negotiating the definitive terms of the concession agreement with the Malaysian Government for the operations and maintenance of the KL Tower.

We also intend to evaluate and explore opportunities to operate and manage the facilities of residential buildings for which we were involved in the construction and/or development in.

For further details on our future plans and strategies, please refer to Section 6.8 of this Prospectus.

2.5 RISK FACTORS

Our business is subject to a number of risk factors which may have a material adverse impact on our business, financial condition and results of operations. The following is a summary of the key risk factors that we face in our business operations:

(i) **Our business and financial performance are largely dependent on our ability to secure new projects to replenish our orderbook**

Although we have an orderbook which will be recognised progressively over the next six (6) financial years, there is no assurance that we will be able to continue to secure new projects in the future. In the event we are unable to secure any new projects on a continuous basis, our orderbook will decline over time and consequently result in adverse effects on our financial performance in the future. Any variation in the scope of work for the projects secured which result in reduction in the contract value may also adversely affect our financial performance. As such, there can be no assurance that our current orderbook can be continually maintained at a healthy level in the future.

(ii) **We are exposed to credit and liquidity risks as a result of delays in collection, non-recoverability and/or settlement of trade receivables and/or retention sums through contra payment via payment-in-kind**

Although our cash flow or liquidity positions have not been materially affected by the delays in collection and/or non-recoverability of trade receivables and/or retention sums and/or contra payment via payment-in-kind in the past, there is no assurance that we will not face potential cash flow and working capital constraints should there be any delay and/or non-collection of any trade receivables and/or retention sums and/or contra payment via payment-in-kind in the future. Should this occur, this may result in a material adverse impact on our financial condition, our ability to pay our subcontractors and/or suppliers, and/or affect the progress and completion of our projects.

2. PROSPECTUS SUMMARY (Cont'd)**(iii) Our business and financial performance may be affected if there is any delay or cancellation of our projects**

We may be subject to external factors that are beyond our control and which may affect the timely completion of our projects. These include, among others, timely receipt of regulatory approvals and permits required to carry out the projects, satisfactory performance of subcontractors appointed, continuous supply of construction materials, equipment or labour, adverse weather conditions, economic downturn, changes in government policies as well as legal proceedings affecting our property development projects. Any delays in completing a project may affect our revenue recognition and billings, which, in turn, may adversely affect our financial performance. Project delays could also lead to cost overruns and/or LAD claims or penalties being imposed on us by our customers, which will further affect our financial performance. Our reputation and future business opportunities may also be detrimentally affected by project delays caused by us.

(iv) We face the risk of cost overruns for our construction and engineering work projects

Our building material costs, such as steel and concrete materials are subjected to price fluctuations. Any unfavourable fluctuations in prices of construction materials, subcontractor costs and/or labour costs during the period of our construction and engineering work projects may result in cost overruns which may adversely affect our construction and engineering work projects' profitability and financial performance if we are unable to pass any of these cost increases to our clients.

(v) Our actual sales value may be lower than the estimated GDVs of our property development projects

The GDVs of our Group's ongoing property development projects are estimated based on our market study including the average selling price of similar properties in the surrounding areas and other assumptions which may ultimately prove to be inaccurate. The actual sales value may be different due to changes over time which are subjected to, among others, factors affecting the demand and supply for such properties, ease of obtaining financing, economic growth rate of the country and interest rates. As such, there is no assurance that the estimated GDVs will reflect the actual sales value achieved by our property development projects.

(vi) Our business is concentrated on a few major customers, some of which are related parties

Some of our major customers had contributed substantially to our Group's revenue during the Financial Years Under Review, the details of our major customers of which are set out in Sections 6.18 and 8.1.9 of this Prospectus. Moving forward, some of these major customers are expected to collectively contribute approximately 33.27% of our total outstanding orderbook as at LPD, further details of which are set out in Section 8.1.9 of this Prospectus.

While we are not materially dependent on any of these customers, our Group is exposed to customer concentration risk from time to time depending on the quantum of the projects secured and the tenure of contracts.

As such, our financial performance may be materially and adversely affected if we were to lose one (1) or more of our major customers (including any substantial reduction in the amount of products supplied and services provided to them) and are unable to replace them with new customers in a timely manner, encounter difficulty in collecting payments from these major customers, or if there is any substantial delay or termination of the projects undertaken with these major customers.

For further details on our risk factors, please refer to Section 8 of this Prospectus.

2. PROSPECTUS SUMMARY (Cont'd)

2.6 USE OF PROCEEDS

We expect to use the gross proceeds of RM116.16 million from our Public Issue in the following manner:

Purpose	Estimated timeframe for use of proceeds from the completion of our Transfer of Listing	RM'000	% of total gross proceeds raised from our Public Issue
Working capital for our Group's construction projects	Within 24 months	108,860	93.72
Estimated expenses in relation to our Transfer of Listing	Within one (1) month	7,300	6.28
Total		116,160	100.00

For further details on the use of proceeds arising from our Public Issue, please refer to Section 3.7 of this Prospectus.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

Name	Designation
<u>Directors</u>	
Tan Sri KC Lim	Non-Independent Non-Executive Chairman
DLKG	Non-Independent Executive Vice Chairman
Lim Pak Lian	Non-Independent Group Managing Director
Lim Keng Hun	Non-Independent Managing Director of Machinery, Hardware and Tools Division
Lim Ding Shyong	Non-Independent Executive Director
Dato' Seri Ir. Hj Mohd Noor Bin Yaacob	Independent Non-Executive Director
Lee Swee Kheng	Independent Non-Executive Director
Dato' Wang Sze Yao @ Wang Ming Way	Independent Non-Executive Director
Nurulhuda Hayati Binti Ibrahim	Independent Non-Executive Director
Ar. Alina Binti Abdullah	Independent Non-Executive Director
<u>Key Senior Management</u>	
DLKG	Non-Independent Executive Vice Chairman
Lim Pak Lian	Non-Independent Group Managing Director
Lim Keng Hun	Non-Independent Managing Director of Machinery, Hardware and Tools Division
Lim Ding Shyong	Non-Independent Executive Director
Lor Kar Mun	Chief Legal Officer
Lee Chen Wah	Chief Financial Officer
Ir. Timothy Pang Tze Chin	Project Director
Teng Liang Yen	Senior Contract Manager
Oh Chooi Hoon	Operations Manager of LSH Lighting

For further details of our Directors and Key Senior Management, please refer to Section 4 of this Prospectus.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after our Public Offering are as follows:

Name	Country of incorporation/ Nationality	As at LPD / Before our Public Offering			After our Public Offering		
		Direct		Indirect	Direct		Indirect
		No. of Shares	% ⁽¹⁾		No. of Shares	% ⁽²⁾	
LSH Resources	Malaysia	543,501,717	76.94	-	542,019,809	64.65	-
LSH Holdings	Malaysia	-	-	⁽³⁾ 543,501,717	-	-	⁽³⁾ 542,019,809
Tan Sri KC Lim	Malaysian	29,290,029	4.15	⁽⁴⁾ 543,501,717	14,955,281	1.78	⁽⁴⁾ 542,054,809
DLKG	Malaysian	29,349,729	4.16	⁽⁴⁾ 543,501,717	14,955,281	1.78	⁽⁴⁾ 542,029,809
Lim Pak Lian	Malaysian	29,349,729	4.16	⁽⁴⁾ 543,501,717	14,955,281	1.78	⁽⁴⁾ 542,144,809
Lim Keng Hun	Malaysian	29,349,729	4.16	⁽⁴⁾ 543,501,717	14,955,281	1.78	⁽⁴⁾ 542,019,809

Notes:

- (1) Based on the total number of 706,360,208 Shares as at LPD.
- (2) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.
- (3) Deemed interested by virtue of its interest in LSH Resources pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his/her indirect shareholding in LSH Resources via his/her direct interest in LSH Holdings pursuant to Section 8 of the Act, as well as indirect interest by virtue of his/her children's direct interest in our Company pursuant to Section 59(1)(c) of the Act assuming that the children subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii)(b) of this Prospectus (where relevant).

For further details of our Promoters and substantial shareholders, please refer to Section 4.1 of this Prospectus.

2. PROSPECTUS SUMMARY (Cont'd)

2.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

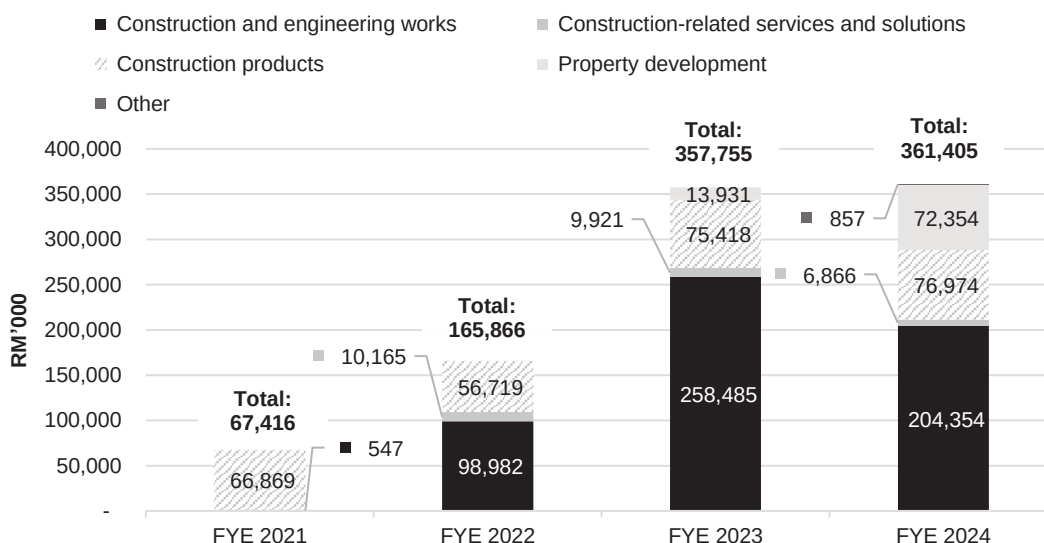
The table below sets out the key financial highlights of our Group for the Financial Years Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	67,416	165,866	357,755	361,405
GP	17,278	67,520	103,472	128,187
PBT	10,865	55,066	75,724	97,743
PAT/Total comprehensive income	7,930	41,812	58,883	74,283
Equity attributable to owners of our Company/ NA	43,351	79,501	420,828	475,309
Total borrowings ⁽¹⁾	9,653	3,779	14,041	39,985
Key financial ratios:				
GP margin (%) ⁽²⁾	25.63	40.71	28.92	35.47
PBT margin (%) ⁽³⁾	16.12	33.20	21.17	27.05
PAT margin (%) ⁽⁴⁾	11.76	25.21	16.46	20.55
Basic and diluted EPS (sen) ⁽⁵⁾	2.38	11.77	11.45	10.52
Current ratio (times) ⁽⁶⁾	2.94	1.93	2.54	2.93
Gearing ratio (times) ⁽⁷⁾	0.22	0.05	0.03	0.08

Notes:

- (1) Excludes lease liabilities for the right-of-use assets.
- (2) GP margin is computed based on GP over revenue of our Group.
- (3) PBT margin is computed based on PBT over revenue of our Group.
- (4) PAT margin is computed based on PAT over revenue of our Group.
- (5) Basic and diluted EPS is computed based on PAT attributable to owners of our Company for the Financial Years Under Review over weighted average number of Shares in issue during the respective Financial Years Under Review.
- (6) Current ratio is computed based on the current assets over the current liabilities as at the end of the respective financial years.
- (7) Gearing ratio is computed based on the total borrowings (excluding lease liabilities for right-of-use assets) over the total equity as at the end of the respective financial years.

The chart below sets out our Group's revenue by business segments for the Financial Years Under Review:



2. PROSPECTUS SUMMARY (Cont'd)

For further details on our financial and operational highlights, please refer to Sections 11 and 12 of this Prospectus.

2.10 DIVIDEND POLICY

We undertake to achieve a dividend payout ratio of 30% of our consolidated profit attributable to the owners of our Company for each financial year after taking into account the capital expenditure and working capital requirements of our Group.

The dividends declared and paid by our Company to our shareholders for the Financial Years Under Review and the corresponding dividend payout ratio are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
PAT attributable to owners of our Company	7,930	41,812	58,888	74,331
Dividends declared and paid	2,343	12,568	17,730	22,321
Dividend payout rate (%) ⁽¹⁾	⁽²⁾ 29.55	30.06	30.11	30.03

Notes:

- (1) Computed based on dividends declared and paid over PAT attributable to owners of our Company for each financial year.
- (2) The dividend payout rate for the FYE 2021 was marginally lower than our dividend payout policy of 30% as the dividend declared was based on the unaudited PAT attributable to owners of our Company of approximately RM7.72 million.

Notwithstanding our dividend policy as mentioned above, as we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant. Save for certain restrictive covenants from our credit facilities, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

You should note that our Company's dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

For further details on our dividend policy, please refer to Section 11.12 of this Prospectus.

3. DETAILS OF OUR PUBLIC OFFERING

3.1 OPENING AND CLOSING OF APPLICATIONS

The application for the Offering Shares will open at 10:00 a.m. on 28 February 2025 and close at 5:00 p.m. on 6 March 2025. Late applications will not be accepted.

3.2 INDICATIVE TIMETABLE

The indicative timetable for our Public Offering is as follows:

Event	Time / date
Opening of application for the Offering Shares	10:00 a.m., 28 February 2025
Closing of application for the Offering Shares	5:00 p.m., 6 March 2025
Balloting of applications for the Offering Shares under the Retail Offering	10 March 2025
Allotment/transfer of the Offering Shares to successful applicants	19 March 2025
Withdrawal of our Company's listing from the LEAP Market and listing and quotation of our entire enlarged issued Shares on the ACE Market	21 March 2025

If there is any change to the timetable, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and will make the relevant announcements through Bursa Malaysia Berhad.

3.3 PARTICULARS OF OUR PUBLIC OFFERING

The Public Offering is undertaken by our Company in conjunction with our Transfer of Listing which involves the Withdrawal of LEAP Listing and ACE Listing. We have obtained approvals from our shareholders and Bursa Securities for our Transfer of Listing as well as Public Offering at the EGM held on 19 April 2024 and vide Bursa Securities' letters dated 7 January 2025 and 12 February 2025, respectively.

Our Public Offering is subject to the terms and conditions of this Prospectus. Upon acceptance, the Offering Shares are expected to be allocated or transferred in the manner described below, subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus.

3.3.1 Public Issue

Our Public Issue involves the offering of 132,000,000 Issue Shares, representing approximately 15.74% of our enlarged issued Shares, at the Offering Price and will be allocated in the following manner:

(i) Malaysian Public

16,767,200 Issue Shares, representing approximately 2.00% of our enlarged issued Shares, will be made available for application by the Malaysian Public through a balloting process, of which 8,383,600 Issue Shares will be set aside for application by Bumiputera investors including individuals, companies, cooperatives, societies and institutions.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)**(ii) Eligible Persons**

12,575,400 Issue Shares, representing approximately 1.50% of our enlarged issued Shares, will be reserved for application by the Eligible Persons as follows:

Eligible Persons	Note	No. of persons	Aggregate no. of Issue Shares allocated
Eligible Directors	(a)	4	2,000,000
Eligible employees of our Group	(b)	204	5,027,400
Other persons who have contributed to the success of our Group	(c)	243	5,548,000
Total		451	12,575,400

- (a) The criteria for allocation of the Issue Shares to our Directors are based on, among others, their respective roles, responsibilities and existing and/or anticipated contributions to our Group. The number of Issue Shares to be allocated to the eligible Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Lim Ding Shyong	Executive Director	500,000
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	Independent Non-Executive Director	500,000
Lee Swee Kheng	Independent Non-Executive Director	500,000
Dato' Wang Sze Yao @ Wang Ming Way	Independent Non-Executive Director	500,000
Total		2,000,000

For the avoidance of doubt, no Issue Shares will be allocated to Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun who are the Selling Shareholders. No Issue Shares will also be allocated to Nurulhuda Hayati Binti Ibrahim and Ar. Alina Binti Abdullah who are the Independent Non-Executive Directors appointed to our Board on 26 November 2024.

- (b) The Issue Shares will only be allocated to full-time and confirmed employees of our Group. The criteria for allocation of the Issue Shares to eligible employees of our Group are based on, among others, their length of service, seniority (i.e. position/job grade and responsibility), and past and/or anticipated performance and contributions to our Group.

The number of Issue Shares to be allocated to our Key Senior Management are as follows:

Name	Designation	No. of Issue Shares allocated
Lor Kar Mun	Chief Legal Officer	100,000

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Name	Designation	No. of Issue Shares allocated
Lee Chen Wah	Chief Financial Officer	200,000
Ir. Timothy Pang Tze Chin	Project Director	200,000
Teng Liang Yen	Senior Contract Manager	100,000
Oh Chooi Hoon	Operations Manager of LSH Lighting	75,000
Total		675,000

For information purpose, other than the allocation to Lor Kar Mun, who is the daughter of Lim Pak Lian, as set out above, the following eligible employees of our Group who are also persons connected with the following Directors and/or major shareholders of our Company have been allocated with the following number of Issue Shares:

Name	Designation	Relationship with the Directors and/or major shareholders of our Company	No. of Issue Shares allocated
Lim Wei Xin	Manager, Purchasing	Daughter of Tan Sri KC Lim and sister of Lim Ding Shyong	25,000
Lor Khang Chee	Manager, Contract and Project	Son of Lim Pak Lian	25,000
Lim Wei Ling	Executive, Sales and Marketing	Daughter of Tan Sri KC Lim and sister of Lim Ding Shyong	10,000
Lim Zhuo Tuong	Executive, Finance	Daughter of DLKG	10,000
Total			70,000

- (c) The criteria for allocation of the Issue Shares to other persons who have contributed to the success of our Group are based on, among others, their current and/or past contributions to our Group as well as the length of their business relationship with our Group.

For information purpose, the existing shareholders of our Company had at the EGM held on 19 April 2024, approved the specific allocation of the Issue Shares to our Directors and eligible employees of our Group who are also persons connected with the Directors and/or major shareholders of our Company in the manner set out above. However, none of our substantial shareholders, Directors or Key Senior Management has indicated to us on their intention to subscribe for the Offering Shares.

(iii) Bumiputera investors approved by the MITI

102,657,400 Issue Shares, representing approximately 12.24% of our enlarged issued Shares, will be made available for application by way of private placement to identified Bumiputera investors approved by the MITI.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

3.3.2 Offer for Sale

As part of our Public Offering, the Selling Shareholders are also offering up to 59,000,000 Offer Shares, representing up to approximately 8.35% of our existing issued Shares as at LPD and approximately 7.04% of our enlarged issued Shares at the Offering Price, by way of private placement in the following manner:

- (i) 2,137,600 Offer Shares, representing approximately 0.26% of our enlarged issued Shares to identified Bumiputera investors approved by the MITI; and
- (ii) 56,862,400 Offer Shares, representing approximately 6.78% of our enlarged issued Shares to other institutional and selected investors.

The Offer Shares to be offered by the Selling Shareholders under the Offer for Sale, their shareholdings in our Company before and after our Public Offering and their material relationships with our Group within the past three (3) years are as follows:

Name*	Material relationship with our Group	Shareholdings as at LPD		Shares to be offered pursuant to the Offer for Sale		Shareholdings immediately after our Public Offering	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
LSH Resources	Promoter and substantial shareholder	543,501,717	76.94	1,481,908	0.21	542,019,809	64.65
Tan Sri KC Lim	Promoter, substantial shareholder as well as Non-Executive Chairman	29,290,029	4.15	14,334,748	2.03	14,955,281	1.78
DLKG	Promoter, substantial shareholder, Executive Vice Chairman, as well as director of all our subsidiaries (except for Knight Auto and LSH Development) and Kran World	29,349,729	4.16	14,394,448	2.04	14,955,281	1.78
Lim Pak Lian	Promoter, substantial shareholder, Group Managing Director, as well as director of all our subsidiaries	29,349,729	4.16	14,394,448	2.04	14,955,281	1.78
Lim Keng Hun	Promoter, substantial shareholder, Managing Director of Machinery, Hardware and Tools Division, as well as director of all our subsidiaries (except for LSH Service Master)	29,349,729	4.16	14,394,448	2.04	14,955,281	1.78

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)**Notes:**

* The address of LSH Resources is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, whilst the address of Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are set out in the Corporate Directory section of this Prospectus.

(1) Based on the total number of 706,360,208 Shares as at LPD.

(2) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.

In summary, the Shares to be offered under the Retail Offering and Institutional Offering (subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus) are as follows:

	Public Issue		Offer for Sale		Total	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*
Retail Offering						
Malaysian Public (via balloting):						
▪ Bumiputera	8,383,600	1.00	-	-	8,383,600	1.00
▪ Non-Bumiputera	8,383,600	1.00	-	-	8,383,600	1.00
Eligible Persons:						
▪ Eligible Directors	2,000,000	0.24	-	-	2,000,000	0.24
▪ Eligible employees of our Group	5,027,400	0.60	-	-	5,027,400	0.60
▪ Other persons who have contributed to the success of our Group	5,548,000	0.66	-	-	5,548,000	0.66
Subtotal	29,342,600	3.50	-	-	29,342,600	3.50
Institutional Offering						
Bumiputera investors approved by the MITI	102,657,400	12.24	2,137,600	0.26	104,795,000	12.50
Other institutional and selected investors	-	-	56,862,400	6.78	56,862,400	6.78
Subtotal	102,657,400	12.24	59,000,000	7.04	161,657,400	19.28
Total	132,000,000	15.74	59,000,000	7.04	191,000,000	22.78

Note:

* Based on the enlarged total number of 838,360,208 Shares after our Public Offering.

While the Institutional Offering will not be underwritten, all 29,342,600 Issue Shares under the Retail Offering has been fully underwritten based on the terms of the Retail Underwriting Agreement. Further details of the Retail Underwriting Agreement are set out in Section 3.10 of this Prospectus.

There is no over-allotment or “greenshoe” option which will increase the number of the Offering Shares.

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

3.3.3 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) if the Issue Shares allocated to identified Bumiputera investors approved by the MITI ("**MITI Tranche**") are not fully taken up by such Bumiputera investors, such Issue Shares will be made available for subscription by Bumiputera public investors under the Retail Offering.

If after the above reallocation, the MITI Tranche is still not fully taken up by Bumiputera public investors under the Retail Offering, and there is a corresponding oversubscription for Issue Shares by the other Malaysian institutional investors under the Institutional Offering, the Issue Shares will be clawed back from the remaining MITI Tranche and allocated to the other Malaysian institutional investors under the Institutional Offering;

- (ii) if there is still an undersubscription in the Institutional Offering after item (i) above and there is an oversubscription in the Retail Offering, the Offering Shares not taken up will be clawed back from the Institutional Offering and reallocated to the Retail Offering in the following order of priority (subject to each of them having applications for Offering Shares which have not been fully satisfied):

- (a) firstly, to the other Malaysian Public; and
- (b) secondly, to the Eligible Persons allocated in the manner as set out in item (iv) below;

- (iii) if there is an undersubscription in the Retail Offering and there is an oversubscription in the Institutional Offering, the Issue Shares not taken up will be clawed back from the Retail Offering and reallocated to the Institutional Offering. However, if there is an undersubscription in the Retail Offering but no oversubscription in the Institutional Offering, such remaining Issue Shares available under the Retail Offering will be underwritten by the Sole Underwriter in accordance with the terms of the Retail Underwriting Agreement; and

- (iv) any Issue Share not taken up by the respective Eligible Persons based on their pre-determined allocations shall be made available for application by the other Eligible Persons who have applied for excess Issue Shares in addition to their pre-determined allocation ("**Excess Issue Shares**"). Such Excess Issue Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:

- (a) firstly, allocation on a pro-rata basis to the Eligible Persons who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
- (b) secondly, to minimise odd lots.

Any Issue Share not fully taken up by the Eligible Persons (after reallocation of the Excess Issue Shares to other Eligible Persons) will be made available for application by the Malaysian Public. Any Issue Share under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Sole Underwriter in accordance with the terms of the Retail Underwriting Agreement.

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

The clawback and reallocation provisions will not apply in the event there is an oversubscription or undersubscription in both the Retail Offering and Institutional Offering at the closing of our Public Offering.

Notwithstanding the above, in the event there is an undersubscription for the Offering Shares, the subscriptions received for the Offering Shares will first be applied towards subscribing in full the Issue Shares under our Public Issue. Thereafter, any additional subscription for the Offering Shares will be allocated from the Offer Shares offered by the Selling Shareholders under the Offer for Sale and any remaining Offer Shares not subscribed for after the aforementioned allocation will be retained by the Selling Shareholders. For the avoidance of doubt, our Public Issue will take priority over the Offer for Sale in the event of an undersubscription of the Offering Shares.

The Offering Shares will be allocated in a fair and equitable manner and the basis of allocation for such Offering Shares shall take into account the desirability of distributing such Offering Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirement of Bursa Securities and to establish a liquid market for our Shares.

For the avoidance of doubt, the Offering Shares will be issued to successful applicants in a single tranche after the closing of our Public Offering and upon completion of the balloting of applications for the Offering Shares under the Retail Offering.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.00% of the Offering Shares.

3.3.4 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised by our Company and the Selling Shareholders from our Public Offering. However, in order to comply with the public shareholding spread requirement under the ACE LR, the minimum subscription level in terms of the number of Offering Shares will be the number of Shares required to be held by public shareholders.

Under Rule 3.10(1) of the ACE LR, our Company is required to have at least 25% of the total number of Shares in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of listing of our Company on the ACE Market. If the aforementioned public spread requirement is not met, our Company may not be able to proceed with the Transfer of Listing. In such event, we and the Selling Shareholders will return in full, without interest, all monies paid in respect of the application for the Offering Shares. If such monies are not returned within 14 days after we and the Selling Shareholders become liable to do so, our Company and the Selling Shareholders (including the officers of our Company and the Selling Shareholders, where relevant) shall then be jointly and severally liable to return such monies with interest at the rate of 10% per annum or such other rate as may be specified by the SC from the expiration of that 14-day period.

For information purpose, based on the Record of Depositors of our Company as at LPD, the public shareholding spread of our Company is approximately 5.80%, held by a total number of 58 public shareholders.

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

3.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

Upon completion of our Public Offering, our issued share capital will be as follows:

	No. of Shares	RM
As at the date of this Prospectus	706,360,208	334,768,002
To be issued pursuant to our Public Issue	132,000,000	⁽¹⁾ 112,737,120
Enlarged issued share capital upon our ACE Listing	838,360,208	447,505,122

Note:

- (1) *Calculated based on the Offering Price of RM0.88 per Issue Share and after deducting estimated expenses of approximately RM3.42 million which is assumed to be directly attributable to the issuance of new Shares under the Public Issue and will be set off against the share capital of our Company. For the avoidance of doubt, the remaining RM3.88 million of the estimated expenses for the Transfer of Listing (including the Public Issue) will be charged to the retained profits of our Company.*

The Offer for Sale will not have any effect on our share capital.

As at the date of this Prospectus, we only have one (1) class of shares in our Company, namely ordinary shares.

The Issue Shares will, upon issuance and allotment, rank equally in all respects with our existing Shares including voting rights, and the applicants will be entitled to all rights, dividends and other distributions that may be declared after the date of issuance and allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respect with our other existing Shares including voting rights, and the applicants will be entitled to all rights, dividends and other distributions that may be declared after the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special right attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share the profits paid out by us as dividends or other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Subject to the ACE LR, any resolution put to vote at the meeting shall be decided by way of poll. On a poll, each shareholder present either in person or by proxy, attorney or other duly authorised representative shall have one (1) vote for every Share held or represented. A proxy may but need not be a member of our Company. However, on a show of hands, each shareholder present either in person or by proxy, attorney or other duly authorised representative shall have one (1) vote.

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

3.5 BASIS OF ARRIVING AT THE OFFERING PRICE

Our Board and the Selling Shareholders, together with our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, have determined and agreed on the Offering Price of RM0.88 per Offering Share, after taking into consideration the following:

- (i) our operating history and financial performance as described in Sections 6 and 11 of this Prospectus respectively;
- (ii) our competitive strengths as described in Section 6.7 of this Prospectus;
- (iii) our future plans and strategies as described in Section 6.8 of this Prospectus;
- (iv) the overview and future outlook of the construction and property development industries in Malaysia as described in Section 7 of this Prospectus;
- (v) the trading multiples of comparable companies that are principally involved in businesses similar to our Group as set out below; and
- (vi) the prevailing market conditions which include market performance of key global indices, as well as investors' sentiments.

For information purpose, the criteria for selection of comparable companies are as follows:

- (a) the company, including through its subsidiary(ies), is principally involved in the provision of main construction services for residential, commercial and/or infrastructure projects in Malaysia and has recorded positive earnings for the last audited financial year/period;
- (b) the company, including through its subsidiary(ies), holds a G7 registration grade from the CIDB; and
- (c) lastly, the company is listed on the construction sector of the ACE Market or Main Market of Bursa Securities with market capitalisation not exceeding RM1 billion.

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3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Based on the abovementioned criteria, the comparable companies that were considered are as follows:

Comparable companies	Description	Listed on	Latest audited financial year ended	PATAMI ⁽¹⁾ (RM mil)	Market capitalisation ⁽²⁾ (RM mil)	PE Multiple ⁽³⁾ (times)
Azam Jaya Berhad	Azam Jaya Berhad operates as a construction company which offers building construction, civil engineering works, and land development services.	Main Market	31 December 2023	25.98	525.00	20.21
MGB Berhad	MGB Berhad operates as a construction company offering design and build services, value-engineering services, project management and geotechnical construction services. It is also involved in property development.	Main Market	31 December 2023	48.17	417.12	8.66
Kumpulan Kitacon Berhad	Kumpulan Kitacon Berhad operates as a construction services company. Kumpulan Kitacon Berhad offers design, renovation and construction services for residential, commercial, institutional and specialty buildings.	Main Market	31 December 2023	36.37	357.50	9.83
GDB Holdings Berhad	GDB Holdings Berhad, through its subsidiaries, provides building construction services. GDB Holdings Berhad constructs and develops residential, commercial, infrastructure and mixed development projects.	Main Market	31 December 2023	8.03	318.75	39.69
Inta Bina Group Berhad	Inta Bina Group Berhad provides construction and engineering services. The company constructs residential, commercial, industrial and leisure properties.	Main Market	31 December 2023	22.87	265.52	11.61
Pesona Metro Holdings Berhad	Pesona Metro Holdings Berhad is primarily involved in residential and commercial property construction, alongside infrastructure projects.	Main Market	31 December 2023	9.51	205.02	21.56
TRC Synergy Berhad	TRC Synergy Berhad, through its subsidiaries, operates as general contractors carrying out construction works, sells construction materials, and develops property. TRC Synergy also hires and services vehicles and manufactures concrete piles and ready-mixed concrete.	Main Market	31 December 2023	25.27	175.38	6.94

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Comparable companies	Description	Listed on	Latest audited financial year ended	PATAMI ⁽¹⁾ (RM mil)	Market capitalisation ⁽²⁾ (RM mil)	PE Multiple ⁽³⁾ (times)
Haily Group Berhad	Haily Group Berhad is principally involved in building construction of residential and non-residential buildings. The company's other business segments include civil engineering construction works, rental of construction machinery and equipment, and agricultural activities of managing and harvesting of durian and other fruits.	ACE Market	31 December 2023	7.35	97.29	13.24
					High	39.69
					Low	6.94
					Simple average	16.47
				FYE 2024	74.33	9.92
					⁽⁴⁾ 737.76	

LSH Capital

(Sources: Bloomberg, CIBD's website and the latest available audited financial statements and annual reports of the respective comparable companies and our Company as at LPD)

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3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)**Notes:**

- (1) *Based on the latest published audited financial statements of the respective comparable companies as at LPD.*
- (2) *Computed based on the closing price multiplied by the number of outstanding shares of the respective comparable companies as at LPD.*
- (3) *Computed based on the market capitalisation as at LPD divided by the latest published audited PATAMI as at LPD.*
- (4) *Computed based on the Offering Price of RM0.88 per Share and the enlarged total number of 838,360,208 Shares after our Public Offering.*

It should be noted that the list of comparable companies above are not exhaustive and there are no public companies listed on Bursa Securities which are exactly identical to our Group in terms of, among others, the composition of business activities, risk profile, historical performance, customer profile and future prospects. Nevertheless, we are of the view that the identified companies are reasonable to be adopted for the assessment of the relevant valuation multiple.

Based on our Group's pro forma EPS of approximately 8.87 sen computed based on the audited consolidated PATAMI of our Company for the FYE 2024 of approximately RM74.33 million and the enlarged total number of 838,360,208 Shares after our Public Offering, the Offering Price translates into a PE Multiple of approximately 9.92 times.

In comparing the PE Multiples of the selected comparable companies above, the PE Multiple of approximately 9.92 times falls within the range of the PE Multiples of the selected comparable companies of between approximately 6.94 times and 39.69 times, and is below the simple average PE Multiple of the selected comparable companies of approximately 16.47 times.

Market price of our Shares

Our Company has been listed on the LEAP Market since 30 July 2021. The trading liquidity of our Shares has generally been very low due to the following reasons:

- (i) our Company has a lower public shareholding spread of approximately 5.80% on the LEAP Market as at LPD as compared to the public shareholding spread requirement under the ACE LR of at least 25.00%; and
- (ii) the trading of our Shares on the LEAP Market is restricted to sophisticated investors as specified under Part I of Schedules 6 and 7 of the CMSA, thereby limiting the type of investors who are able to participate in the active trading of our Shares on the LEAP Market.

Furthermore, in support for our Transfer of Listing (i.e. not to extend an exit offer as required under Rule 8.06(1)(c) of the LEAP LR for the withdrawal of our listing from the LEAP Market), all the shareholders of our Company had vide their respective written undertakings, irrevocably and unconditionally agreed and undertaken to, among others, continue to hold and not dispose of, transfer or reduce their entire shareholdings in our Company from the date of such written undertakings until the completion or termination (as the case may be) of the Withdrawal of LEAP Listing.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

For information purpose, the Offering Price of RM0.88 per Share represents a premium ranging from approximately 0.01% to 1.73% over the closing price and volume weighted average market price ("**VWAP**") of our Shares up to and including 20 August 2024 (being the last transacted day of our Shares prior to LPD) ("**LTD**"), as illustrated below:

	Price	Premium	
	(RM)	(RM)	(%)
Last trading price as at LTD	0.8650	0.0150	1.73
Up to and including LTD:			
▪ Five (5)-day VWAP	0.8650	0.0150	1.73
▪ One (1)-month VWAP	0.8650	0.0150	1.73
▪ Three (3)-month VWAP	0.8650	0.0150	1.73
▪ Six (6)-month VWAP	0.8650	0.0150	1.73
▪ 12-month VWAP	0.8799	0.0001	0.01

(Source: Bloomberg)

Notwithstanding the above, you should note that the market price of our Shares upon our ACE Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of the Offering Shares and reasonableness of the bases used before deciding to invest in our Shares. You are also reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

Expected market capitalisation

Based on the Offering Price of RM0.88 per Offering Share, the total market capitalisation of our Company upon our ACE Listing will be approximately RM737.76 million.

3.6 DILUTION

Dilution is the amount by which the price paid by the retail and institutional investors for the Offering Shares exceeds our pro forma consolidated NA per Share immediately after our Public Offering.

Our pro forma consolidated NA per Share as at 30 September 2024 was approximately RM0.65 per Share after adjusting for the interim single-tier dividend of 1.94 sen per Share amounting to approximately RM13.70 million in respect of the FYE 2024 which was paid to our shareholders on 13 December 2024 ("**Dividend Payment**") but before our Public Offering.

After the Dividend Payment and after giving effect to the issuance of 132,000,000 new Shares under our Public Issue and the use of gross proceeds raised from our Public Issue, our pro forma consolidated NA per Share based on our enlarged issued Shares upon our ACE Listing of 838,360,208 Shares would be approximately RM0.68 per Share. This represents:

- (i) an immediate increase in the pro forma consolidated NA per Share of approximately RM0.03 or 4.62% to our existing shareholders; and
- (ii) an immediate dilution in the pro forma consolidated NA per Share of approximately RM0.20 or 22.73% to new investors.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

The table below illustrates such dilution on a per Share basis:

	RM
Offering Price	0.88
Pro forma consolidated NA per Share as at 30 September 2024 after the Dividend Payment	0.65
Pro forma consolidated NA per Share as at 30 September 2024 after the Dividend Payment and after giving effect to our Public Offering and the use of proceeds from our Public Offering	0.68
Increase in pro forma consolidated NA per Share to our existing shareholders	0.03
Dilution in pro forma consolidated NA per Share to new investors	0.20
Dilution in pro forma consolidated NA per Share to new investors as a percentage of the Offering Price	22.73%

Save for the subscription of 1,000,000 Shares by Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob, our Independent Non-Executive Director, for a total cash consideration of RM420,000 (which is equivalent to RM0.42 per Share) which was completed on 27 May 2022, our Directors, Key Senior Management, substantial shareholders or persons connected with them have neither acquired any Shares nor entered into any transaction which grants them the right to acquire any Shares which resulted or may result in cash contribution to our Company during the past three (3) years up to LPD.

3.7 USE OF PROCEEDS

We expect to use the gross proceeds of RM116.16 million from our Public Issue in the following manner:

Purpose	Estimated timeframe for use of proceeds from the completion of our Transfer of Listing	RM'000	% of total gross proceeds raised from our Public Issue
Working capital for our Group's construction projects	Within 24 months	108,860	93.72
Estimated expenses in relation to our Transfer of Listing	Within one (1) month	7,300	6.28
Total		116,160	100.00

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Details on the use of proceeds from our Public Issue are as follows:

3.7.1 Working capital for our Group's construction projects

We intend to allocate RM108.86 million of the gross proceeds to fund the working capital for our Group's construction projects in the following manner:

Type of project	Note	RM'000
Residential and mixed development construction projects	(i)	78,860
Infrastructure construction and engineering works projects	(ii)	20,000
Future construction project(s)	(iii)	10,000
Total		108,860

- (i) We intend to allocate RM78.86 million of the gross proceeds to partly defray the costs related to the main building and structural works for our Group's residential and mixed development construction projects, which include payments for the following:

Nature of expenditure	RM'000
Subcontractor services such as reinforced concreting and structural works, aluminium works, tiling works, plaster ceiling works, brick works as well as plastering works	56,000
Purchase of building and/or construction materials from suppliers	20,000
Construction workers' salaries and wages	2,860
Total	78,860

For information purpose, the abovementioned expenditures make up the largest components of the construction costs for our Group's residential and mixed development construction activities. However, depending on the operating and funding requirements of our Group at the point of utilisation, the proceeds to be utilised for each component of expenditure as set out in the table above may change.

For the avoidance of doubt, the gross proceeds earmarked for these purposes are expected to be utilised across the following three (3) residential and mixed development construction projects of our Group:

Name	LSH Segar Project	Sentul Ria Project	Lake Side Homes Project
Land owner	ASSB	LSH Holdings	ASES
Location	Cheras, Kuala Lumpur	Sentul, Kuala Lumpur	Sungai Besi, Kuala Lumpur
Description	Construction of two (2) blocks of residential units comprising 435 condominium units, 440 'Residensi Wilayah' affordable housing units and carpark	Construction of a 29-storey and one (1) mezzanine floor single block mixed development building comprising 268 residential suites, recreational facilities, commercial space and carpark	Construction of five (5) blocks of residential units comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units, 593 PPAM affordable housing units and carpark

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Name	LSH Segar Project	Sentul Ria Project	Lake Side Homes Project
Total estimated construction cost	RM260.57 million	RM103.89 million	RM779.89 million
Construction cost incurred as at LPD	RM127.45 million	RM8.09 million	RM4.05 million
Construction status and estimated timeline for completion	Commenced construction works in October 2021, with completion at approximately 48.91% as at LPD and full completion targeted by the third quarter of 2026	Commenced construction works in March 2023, with completion at approximately 7.78% as at LPD and full completion targeted by the first quarter of 2027	Preliminary construction works first commenced in March 2024 and were put on hold in April 2024 as a result of the interim stay order*. Preliminary construction works subsequently resumed in August 2024, with completion at approximately 0.52% as at LPD and full completion expected by the fourth quarter of 2029

Note:

* Please refer to Section 13.6 of this Prospectus for further information on the interim stay order.

The exact allocation of such gross proceeds across the abovementioned three (3) residential and mixed development construction projects of our Group cannot be ascertained at this juncture as it is dependent on the timing of receipt of the proceeds raised from our Public Issue as well as the status of the construction project and the actual funding requirement of these projects at the point of utilisation.

Our Group will also fund the remaining construction costs (including any shortfall) for the abovementioned three (3) residential and mixed development construction projects principally using internal funds derived from, among others, progress claims and/or bank borrowings. For information purpose, as at LPD, our Group has secured banking facilities amounting to RM88.00 million from MBSB Bank Berhad to part-finance the construction costs of the LSH Segar Project, whilst the construction costs of the Sentul Ria Project and Lake Side Homes Project are funded by internal funds. However, the exact breakdown on the source of funding of these projects cannot be determined at this juncture as they are subject to the status of the work progress and timeliness of receipt of payment from progress claims for these (3) projects, as well as the status of the work progress and funding needs of the other construction projects of our Group.

Notwithstanding the above, if our Group is unable to fully utilise the proceeds allocated for these projects, any excess in the proceeds allocated for these purposes will be reallocated to other ongoing and/or future construction projects (including any infrastructure construction and engineering works projects) to be identified by our Group.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

- (ii) As at LPD, we have 12 ongoing infrastructure construction and engineering works projects with total outstanding orderbook of approximately RM505.36 million, the details of which are set out in Section 6.2.1(i)(b) of this Prospectus. In this regard, we intend to allocate RM20.00 million of the gross proceeds to fund the working capital requirement of these infrastructure construction and engineering works projects in the following manner:

Nature of expenditure	RM'000
Subcontractor services such as site clearing and earthworks, reinforced concreting and structural works as well as road paving works	13,300
Purchase of construction materials from suppliers	5,700
Construction workers' salaries and wages	1,000
Total	20,000

For information purpose, the abovementioned expenditures make up the largest components of the construction costs for our Group's infrastructure construction and engineering works. However, depending on the operating and funding requirements of our Group at the point of utilisation, the proceeds to be utilised for each component of expenditure as set out in the table above may change.

The exact allocation of such gross proceeds across the 12 ongoing infrastructure and engineering works projects of our Group as set out in Section 6.2.1(i)(b) of this Prospectus cannot be ascertained at this juncture as it is dependent on the timing of receipt of the proceeds raised from our Public Issue as well as the status of the construction project and the actual funding requirement of these projects at the point of utilisation.

Our Group will also fund the remaining construction costs (including any shortfall) for these 12 infrastructure construction and engineering works projects principally using internal funds derived from, among others, progress claims and/or bank borrowings. However, the exact breakdown on the source of funding of these projects cannot be determined at this juncture as they are also subject to the status of the work progress and timeliness of receipt of payment from progress claims for these 12 projects, as well as the status of the work progress and funding needs of the other construction projects of our Group.

Notwithstanding the above, if our Group is unable to fully utilise the proceeds allocated for these projects, any excess in the proceeds allocated for these purposes will be reallocated to other ongoing and/or future construction projects (including any building construction projects) to be identified by our Group.

- (iii) Our Company also intends to allocate RM10.00 million of the gross proceeds to fund any future construction projects which our Group may secure over the 24-month period subsequent to the completion of our Transfer of Listing. These may include payment of performance bonds for tender jobs and funding of working capital requirements which may include payment for subcontractor services, purchase of building and/or construction materials as well as payments for construction workers' salaries and wages. As this relates to potential projects which have yet to be secured, the exact breakdown for the use of such proceeds between these components of expenditures cannot be determined at this juncture.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

If our Group is unable to secure any new construction projects over the 24-month period subsequent to the completion of our Transfer of Listing or fully utilise the proceeds allocated for this purpose, any excess in the proceeds allocated for this purpose will first be reallocated to fund the working capital for our Group's existing residential and mixed development construction projects stated in item (i) above, followed by our Group's existing infrastructure construction and engineering works projects stated in item (ii) above.

3.7.2 Estimated expenses in relation to our Transfer of Listing

The expenses in relation to our Transfer of Listing are estimated to be about RM7.30 million, the details of which are as follows:

Purpose	RM'000
Estimated professional fees	3,590
Estimated fees payable to authorities	86
Estimated brokerage, underwriting and placement fees	2,858
Estimated expenses for EGM, printing and advertising expenses	601
Other miscellaneous expenses and contingencies	165
Total	7,300

Any variation in the actual amount of expenses will be adjusted to or from the gross proceeds allocated for the working capital for our Group's future construction projects stated in Section 3.7.1(iii) above.

Pending the use of proceeds from our Public Issue for the purposes as set out above, we intend to place such proceeds in interest-bearing accounts with licensed financial institution(s) and/or money market instrument(s), as our Board may deem fit. Any interest or profit derived from such deposit(s) and/or any gain arising from such market instrument(s) will first be used to fund the working capital for our Group's existing residential and mixed development construction projects stated in Section 3.7.1(i) above, followed by our Group's existing infrastructure construction and engineering works project stated in Section 3.7.1(ii) above, and thereafter our Group's future construction projects stated in Section 3.7.1(iii) above.

For the avoidance of doubt, our Company will not receive any proceeds from the Offer for Sale. The Offer for Sale will raise gross proceeds of up to RM51.92 million which will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear all expenses relating to the Offer for Sale, including the placement fee in respect of the Offer Shares.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)**3.8 USE OF PROCEEDS RAISED DURING OUR LISTING ON THE LEAP MARKET****(i) Status of the use of proceeds raised**

Our Company did not raise any proceeds during our listing on the LEAP Market on 30 July 2021. However, our Company had on 6 May 2021, raised RM4,661,744.75 from the Pre-Listing Investors⁽¹⁾ via the issuance of 35,859,575 Shares at a subscription price of RM0.13 each. The details and status of the use of such proceeds raised as at LPD are as follows:

Purpose	Proposed utilisation	Actual utilisation as at LPD	Unutilised balance as at LPD	Estimated timeframe for use of proceeds⁽²⁾
	(RM'000)	(RM'000)	(RM'000)	
Setting up new retail stores	3,662	3,662	-	Within 36 months
Estimated listing costs	1,000	1,000	-	Within two (2) months
Total	4,662	4,662	-	

Notes:

(1) This refers to the 15 employees of our Group, 28 employees of companies outside our Group which our Promoters have direct or indirect interest and/or hold directorship in, and two (2) business associates and acquaintances of our Promoters.

(2) From the date of our Company's listing on the LEAP Market on 30 July 2021.

As at LPD, our Group has fully utilised approximately RM3.66 million of the proceeds allocated for the setting up of new retail stores for LSH Lighting and Knight Auto. For further details and status of the setting up of the new retail stores for LSH Lighting and Knight Auto, please refer to item (ii) below.

As at LPD, the proceeds of RM1.00 million allocated for defraying the expenses in relation to our Company's listing on the LEAP Market (including professional fees and other miscellaneous costs such as printing) has also been fully utilised for the aforementioned purpose.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

(ii) Details and status of the business plans of our Group as disclosed in the Information Memorandum of our Company dated 18 June 2021 in relation to our listing on the LEAP Market ("Info Memo")

The details and status of the business plans of our Group as disclosed in the Info Memo as at LPD are set out below:

Reference to the Info Memo	Disclosures in the Info Memo	Status as at LPD					
Section 2.11(i)	We intend to set up 2 additional “Lim Seong Hai Lighting” retail stores and 3 additional “Knight Auto” retail stores in Kuala Lumpur. In particular, a “Lim Seong Hai Lighting” retail store and a “Knight Auto” will be set up in the same building as our current head office, i.e. Wisma Lim Seong Hai. We will also set up a “Lim Seong Hai Lighting” retail store and a “Knight Auto” in a new premise, namely LSH 33, at Sentul, Kuala Lumpur, adjacent to DUKE Expressway. LSH 33 is developed by Besteel Engtech Sdn Bhd and constructed by our affiliated company, namely Lim Seong Hai Construction (M) Sdn Bhd (<i>now known as LSHBB</i>). Our retail stores will be rented from our related company, i.e. Lim Seong Hai Property Sdn Bhd. The construction of LSH 33 is expected to be completed by 2024. An additional “Knight Auto” retail store will also be set up in a premise at Titiwangsa, Kuala Lumpur. This premise will be constructed and owned by our related company, LSH Holdings. The construction of this premise is expected to be completed by 2022.	The status of setting up the five (5) additional retail stores as at LPD are as follows: <table><tr><th>Location</th><th>Status as at LPD</th></tr><tr><td><u>LSH Lighting</u></td><td rowspan="2">The retail store will be set up after the construction of the annex to the existing building of Wisma Lim Seong Hai (i.e. Wisma LSH Extension Project) is completed. For information purpose, the amended development order for the development of the annex building was granted on 26 May 2023 and the building owner, LSH Holdings had on 20 November 2023 obtained the approval for the amended building plan from DBKL. Construction works for the said annex commenced in April 2024, and is targeted to be completed by fourth quarter of 2025. Once completed, LSH Lighting will set up a retail store with an estimated built-up area of 5,400 sq ft at the annex to Wisma Lim Seong Hai which will be rented from LSH Holdings. Barring any unforeseen circumstances, LSH Lighting targets to commence business operations of this retail store in the first half of 2026.</td></tr><tr><td>Wisma Lim Seong Hai</td></tr></table>	Location	Status as at LPD	<u>LSH Lighting</u>	The retail store will be set up after the construction of the annex to the existing building of Wisma Lim Seong Hai (i.e. Wisma LSH Extension Project) is completed. For information purpose, the amended development order for the development of the annex building was granted on 26 May 2023 and the building owner, LSH Holdings had on 20 November 2023 obtained the approval for the amended building plan from DBKL. Construction works for the said annex commenced in April 2024, and is targeted to be completed by fourth quarter of 2025. Once completed, LSH Lighting will set up a retail store with an estimated built-up area of 5,400 sq ft at the annex to Wisma Lim Seong Hai which will be rented from LSH Holdings. Barring any unforeseen circumstances, LSH Lighting targets to commence business operations of this retail store in the first half of 2026.	Wisma Lim Seong Hai
Location	Status as at LPD						
<u>LSH Lighting</u>	The retail store will be set up after the construction of the annex to the existing building of Wisma Lim Seong Hai (i.e. Wisma LSH Extension Project) is completed. For information purpose, the amended development order for the development of the annex building was granted on 26 May 2023 and the building owner, LSH Holdings had on 20 November 2023 obtained the approval for the amended building plan from DBKL. Construction works for the said annex commenced in April 2024, and is targeted to be completed by fourth quarter of 2025. Once completed, LSH Lighting will set up a retail store with an estimated built-up area of 5,400 sq ft at the annex to Wisma Lim Seong Hai which will be rented from LSH Holdings. Barring any unforeseen circumstances, LSH Lighting targets to commence business operations of this retail store in the first half of 2026.						
Wisma Lim Seong Hai							
We intend to set up new retail stores to strengthen our presence in Klang Valley							

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Reference to the Info Memo

Disclosures in the Info Memo

The total estimated cost of setting up these 5 additional retail stores will be approximately RM12.7 million. The cost will mainly cover renovation and interior fittings, racking systems, electrical and telecommunication wiring, office furniture, IT related hardware, and purchase of inventory. This will be partially funded by the proceeds generated from the Pre-Listing Investors and our internally generated funds.

Status as at LPD

Location	Status as at LPD
<u>LSH Lighting</u>	
LSH 33	Completed the setting up of the retail store with built-up area of 15,215 sq ft at the ground, first and second floors of LSH 33, and commenced business operations on 8 November 2024. The retail store is currently rented by LSH Lighting from Lim Seong Hai Property Sdn Bhd (" LSH Property ") ⁽¹⁾ .
<u>Knight Auto</u>	
Wisma Lim Seong Hai	Completed the setting up of the retail store with built-up area of approximately 2,602 sq ft at the ground floor of the building, and commenced business operations on 23 September 2021. The space at Wisma Lim Seong Hai currently used by Knight Auto as its retail store is rented from LSH Holdings ⁽²⁾ .
LSH 33	Completed the setting up of the retail store with built-up area of 6,191 sq ft at the ground floor of LSH 33 and commenced business operations on 14 November 2024. The retail store is currently rented by Knight Auto from LSH Property ⁽¹⁾ .
Titiwangsa, Kuala Lumpur	Completed the construction of a three (3)-storey building with built-up area of approximately 11,925 sq ft bearing postal address of No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia by LSH Holdings ⁽³⁾ , and commenced business operations on 1 August 2023.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Reference to the Info Memo	Disclosures in the Info Memo	Status as at LPD
		Notes:
		(1) For information purpose, notwithstanding that the tenancy agreements for the new LSH Lighting and Knight Auto retail stores at LSH 33 were only entered into on 29 November 2024, LSH Property, as the landlord of the units at LSH 33, allowed LSH Lighting and Knight Auto to occupy the units and commence setting up their respective retail stores at an earlier date and commence business operations upon receipt of their respective business licences from DBKL. Further details of the tenancy arrangement with LSH Property are set out in item (2) of Section 9.1.1(xi) of this Prospectus. (2) Knight Auto had on 8 August 2023 renewed its tenancy with LSH Holdings over the said premises (including an office space at Wisma Lim Seong Hai) for a two (2)-year period commencing from 1 October 2023 until 30 September 2025 for a monthly rental rate of RM22,000.00. (3) Further details of the tenancy arrangement with LSH Holdings are set out in item (vi) of Section 9.1.1(iii) of this Prospectus. Based on the status provided above, the setting up of four (4) out of five (5) retail stores were completed as at LPD, with total costs incurred of approximately RM3.66 million. Such costs were funded entirely using the proceeds raised from the Pre-Listing Investors. The cost of setting up the retail store of LSH Lighting at Wisma Lim Seong Hai will be funded through our internal funds.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Reference to the Info Memo	Disclosures in the Info Memo	Status as at LPD
Section 2.11(ii) We intend to further digitise our retailing of lighting products, and hardware and tools	At present, apart from our physical retail stores, we have been retailing our lighting products, hardware and tools through our own online store and third-party e-commerce platforms such as Lazada and Shopee. We plan to increase our sales from the retailing of lighting products, hardware and tools and further expand the reach to outside Klang Valley area through the following methods: • We intend to engage a multi-channel e-commerce service provider which will allow us to increase the number of our online channels. The multi-channels e-commerce service provider will not only allow us to increase our product visibility through multiple e-commerce platforms, but also allow us to reach out to customers through social media platforms (such as Facebook and Instagram) and online messaging platforms such as WhatsApp. We will be able to automate the dissemination of product information and marketing promotions through various channels. • Implementing a real-time inventory system so that we can better monitor our stocks. The available number of stocks displayed on the various online channels can also be updated on a real-time basis. We believe this will improve our efficiency and enhance customer satisfaction.	In January 2022, our Group engaged a multi-channel e-commerce service provider to advise LSH Lighting's in-house sales and marketing team (which had been in place prior to our Company's listing on the LEAP Market in July 2021) on its e-commerce and marketing strategy. LSH Lighting now manages its e-commerce and marketing activities entirely through its own in-house team. Among the enhancements done by LSH Lighting's in-house sales and marketing team include stepping up its digital advertising activities by increasing the frequency of paid advertisement for its lighting products on various social media platforms such as Instagram, TikTok and Xiaohongshu to increase its brand presence and engagement with its target customers on e-commerce platforms, as well as collaborations with content creators on social media platforms such as TikTok and Xiaohongshu to promote our Group's products and reach out to a wider audience base as part of our Group's strategy to increase our brand awareness and sales. Our Group had also in September 2023 implemented a real-time inventory management system that is accustomed to our Group's business operation to enhance our Group's inventory monitoring and control system. Such system allows real-time tracking of inventory movement of the goods sold across all retail branches which improves stocktaking, stock transfer and storeroom management processes, which in turn, maximises the efficiency and effectiveness of our Group's business process. For information purpose, the actual annual total costs spent on marketing activities during the last three (3) FYEs 2022, 2023 and 2024 is approximately RM100,000. Such costs were funded entirely using our Group's internal funds.

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

Reference to the Info Memo	Disclosures in the Info Memo	Status as at LPD
	As at 15 June 2021, we have already invested in digital advertising on social media platforms (such as Facebook and Instagram). We will intensify our investments in digital advertising on these social media platforms and the online video sharing platforms (such as YouTube). The estimated cost for marketing activities over the span of 1 year is approximately RM100,000 which will be funded via our internally generated funds.	Our Group will continue to carry on with our existing digital advertising strategy as detailed above with an annual marketing budget of approximately RM100,000 which will be funded via our internal funds, and will continue to develop new marketing strategies as and when new trends emerge.

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3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

3.9 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

3.9.1 Brokerage fee

We will pay the brokerage fee in respect of the Issue Shares under the Retail Offering at the rate of 1.00% (exclusive of any applicable tax) of the Offering Price for all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or the Issuing House.

The Sole Placement Agent is entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission payable under the Institutional Offering will not be borne by us nor the Selling Shareholders.

3.9.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, we will pay the Sole Underwriter an underwriting commission at the rate of 2.25% (exclusive of any applicable tax) of the Offering Price multiplied by the number of Issue Shares underwritten under the Retail Offering.

3.9.3 Placement fee

We will pay the Sole Placement Agent a placement fee of 1.00% (exclusive of any applicable tax) and may pay a discretionary incentive fee of up to 0.50% (exclusive of any applicable tax) of the Offering Price multiplied by the number of Offering Shares successfully placed out under the Institutional Offering.

The Selling Shareholders will also pay the Sole Placement Agent a placement fee of 1.00% (exclusive of any applicable tax) of the Offering Price multiplied by the number of Offer Shares successfully placed out under the Institutional Offering.

3.10 DETAILS OF THE RETAIL UNDERWRITING ARRANGEMENT

We have entered into the Retail Underwriting Agreement with the Sole Underwriter to underwrite 29,342,600 Issue Shares under the Retail Offering ("**Underwritten Shares**"), subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 3.9.2 of this Prospectus while the salient terms of the Retail Underwriting Agreement are as follows:

3.10.1 Conditions precedent

The obligations of the Sole Underwriter under the Retail Underwriting Agreement are conditional upon, among others, the following:

- (i) the delivery to the Sole Underwriter on the date of registration of this Prospectus ("**Registration Date**") and the last date for the applications and payment for subscription to the Issue Shares under the Retail Offering or such other later date as our Company and the Sole Underwriter may agree upon ("**Closing Date**") respectively, a certificate from our Company dated the Registration Date and Closing Date ("**Date of Certificate**") confirming that:
 - (a) our Company's representations, warranties and undertakings given in the Retail Underwriting Agreement remain true, accurate and correct and not misleading in all or any respects on and as of the Date of Certificate, and our Company has complied with all terms and conditions of the Retail Underwriting Agreement to be performed on or prior to the Date of Certificate;

3. DETAILS OF OUR PUBLIC OFFERING (Cont'd)

- (b) no change or development has occurred since the date of the Retail Underwriting Agreement that may have material adverse effect or change, whether individually or in the aggregate, in (1) our Group's condition (financial or otherwise), contractual commitments, assets, earnings, business, liabilities, liquidity, business undertakings, shareholders' equity, properties, prospects or results of operations; (2) the ability of our Company and/or the Selling Shareholders to perform their obligations or complete the transactions under the Retail Underwriting Agreement; (3) our Group's ability to conduct its business as described in this Prospectus and to own or lease its material assets and properties; and (4) the completion of the Transfer of Listing or the Public Offering ("**Material Adverse Effect**");
 - (c) the issuance and allotment of the Issue Shares under the Public Offering are not being prohibited by any applicable statutes or regulations in Malaysia; and
 - (d) all conditions precedent set out in the Retail Underwriting Agreement with respect to our Company have been fulfilled, and no event has occurred with respect to our Company that would entitle the Sole Underwriter to terminate the Retail Underwriting Agreement;
- (ii) all required authorisation, approval, consent, resolution, licence, registration or exemption required by our Company in order for the Transfer of Listing and Public Offering to be effectively implemented ("**Approvals**") are obtained and remain in full force and effect as at the Closing Date, with all conditions therein being complied with (except those that can only be complied with after the completion of the Public Offering);
- (iii) no order or directive being issued by any regulatory authority suspending or preventing the issuance or distribution of this Prospectus, the Public Offering (including the issuance and allotment of the Offering Shares), or the fulfilment of Sole Underwriter's obligations under the Retail Underwriting Agreement; and
- (iv) no occurrence or persistence of termination event(s) under the Retail Underwriting Agreement when the last condition precedent of the Retail Underwriting Agreement is fulfilled or waived.

3.10.2 Non-fulfilment of conditions precedent

In the event any of the conditions precedent as set out in Section 3.10.1 above is not fulfilled or waived on or before the date as specified therein, or if none is stated, on or before expiry of two (2) Market Days after the Closing Date (or in each case, such later date as may be agreed in writing by the Sole Underwriter), the Sole Underwriter may at its sole discretion be entitled to terminate the Retail Underwriting Agreement, and in such event, our Company and the Sole Underwriter shall be released and discharged from their obligations without prejudice to the rights of the Sole Underwriter under the Retail Underwriting Agreement.

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

3.10.3 Termination

Notwithstanding anything contained in the Retail Underwriting Agreement, the Sole Underwriter may at any time before the date of our ACE Listing, terminate the Retail Underwriting Agreement and withdraw its commitment to underwrite the Underwritten Shares, if in the opinion of the Sole Underwriter, there is an occurrence of any of the following events or circumstances:

- (i) any breach by our Company of the undertakings, warranties, representations or obligations in the Retail Underwriting Agreement that is either incapable of remedy or, if capable of remedy, remains unrectified by our Company within five (5) days (or such period which the parties may mutually agree in writing) from the date of written notice by our Sole Underwriter notifying our Company of such breach and requiring our Company to remedy the same, where such breach would prejudice materially the success of the Transfer of Listing;
- (ii) our Company withholds any information from the Sole Underwriter which is required to be disclosed pursuant to the Retail Underwriting Agreement which, in the opinion of the Sole Underwriter, may have a Material Adverse Effect;
- (iii) there shall have occurred or happened any change in the business, contractual commitments, undertakings or financial condition of our Group, individually or taken as a whole which constitutes a Material Adverse Effect;
- (iv) the Closing Date does not occur within three (3) months from the date of the Retail Underwriting Agreement, or such other extended date as may be agreed in writing by the Sole Underwriter;
- (v) the ACE Listing does not take place within 10 Market Days after the date on which the Application Form(s) are submitted along with the remittance of subscription monies for the Underwritten Shares to be subscribed by the Sole Underwriter ("**Settlement Date**"), or such other extended date as may be agreed in writing by the Sole Underwriter;
- (vi) on the Closing date, date of allotment or transfer of the Offering Shares, or Settlement Date, save for the moratorium that the existing shareholders of our Company as at the date of the Retail Underwriting Agreement are subject to, there shall be any moratorium, suspension or restriction on trading of securities on Bursa Securities on or before the date of the ACE Listing, trading in our Shares shall have been suspended by Bursa Securities (save as required by Bursa Securities to facilitate the Transfer of Listing) or limited or minimum prices shall have been established on Bursa Securities, or a general moratorium on commercial banking activities, foreign exchange rating, or securities settlement or clearing services in or affecting Malaysia by the relevant authorities;
- (vii) any government requisition or occurrence of any other nature whatsoever which is likely to have a Material Adverse Effect;
- (viii) in the event our ACE Listing is withdrawn or not procured, and where the Sole Underwriter deems the conditions of such withdrawal or non-procurement of the ACE Listing not to be acceptable;
- (ix) if the SC, Bursa Securities or any other relevant government agency issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Sole Underwriter, impracticable to market the Offering Shares;

3. DETAILS OF OUR PUBLIC OFFERING *(Cont'd)*

- (x) if any of the Approvals is revoked, not complied with, suspended or withdrawn or if any of the conditions for such Approvals have not been fulfilled to the satisfaction of the relevant government agency or waived by it, and if capable of remedy, our Company has failed to remedy such breach within a period of five (5) days (or such period which the parties may mutually agree in writing) from the date of notification by such government agency;
- (xi) if the obligations of the Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares or distribution of the Shares is prohibited by any applicable laws amended, supplemented or introduced after the date of the Retail Underwriting Agreement by any government agency of any jurisdiction;
- (xii) if there is any commencement of material legal proceedings or action against any member of our Group or any of their Directors, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to market the Public Issue or to enforce contracts to sell the Issue Shares;
- (xiii) if any one of this Prospectus or the Application Form(s) accompanying this Prospectus (a) having terminated or rescinded in accordance with its terms and such termination or rescission cannot be remedied with five (5) days, or such period which the parties may be mutually agreed in writing, of such termination or rescission; (b) ceased to have any effects whatsoever; or (c) varies or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; and
- (xiv) occurrence of any force majeure event as described in the Retail Underwriting Agreement.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

4.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Our Promoters are LSH Resources, LSH Holdings, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun. For information, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are siblings and are also the substantial shareholders of LSH Holdings, the holding company of LSH Resources. In this regard, LSH Resources, LSH Holdings, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are also the substantial shareholders of our Company.

4.1.1 Shareholdings of our Promoters and substantial shareholders

The shareholdings of our Promoters and substantial shareholders in our Company before and after our Public Offering are as follows:

Name	Country of incorporation / Nationality	As at LPD / Before our Public Offering			After our Public Offering		
		Direct		Indirect	Direct		Indirect
		No. of Shares	(¹)%		No. of Shares	(²)%	
LSH Resources	Malaysia	543,501,717	76.94	-	542,019,809	64.65	-
LSH Holdings	Malaysia	-	-	(³)543,501,717	-	-	(³)542,019,809
Tan Sri KC Lim	Malaysian	29,290,029	4.15	(⁴)543,501,717	14,955,281	1.78	(⁴)542,054,809
DLKG	Malaysian	29,349,729	4.16	(⁴)543,501,717	14,955,281	1.78	(⁴)542,029,809
Lim Pak Lian	Malaysian	29,349,729	4.16	(⁴)543,501,717	14,955,281	1.78	(⁴)542,144,809
Lim Keng Hun	Malaysian	29,349,729	4.16	(⁴)543,501,717	14,955,281	1.78	(⁴)542,019,809

Notes:

- (1) Based on the total number of 706,360,208 Shares as at LPD.
- (2) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.
- (3) Deemed interested by virtue of its interest in LSH Resources pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his/her indirect shareholding in LSH Resources via his/her direct interest in LSH Holdings pursuant to Section 8 of the Act, as well as indirect interest by virtue of his/her children's direct interest in our Company pursuant to Section 59(1)(c) of the Act assuming that the children subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii)(b) of this Prospectus (where relevant).

Save as disclosed above, there is no other person who, directly or indirectly, jointly or severally, exercises control over our Company as at LPD.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company as all our Shares (including the Offering Shares) are of the same class. There is also no arrangement between our Company and our shareholders with any third party, the operation of which may, at a subsequent date, result in a change in control of our Company.

4.1.2 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) LSH Resources

LSH Resources, our Promoter and substantial shareholder, was incorporated in Malaysia under the Companies Act 1965 on 14 January 2010 as a private limited company under the name of Pictoria Development Sdn Bhd and is deemed registered under the Act. It subsequently changed its name to Astana Setia Holdings Sdn Bhd on 15 August 2015 before it assumed its present name on 22 March 2019.

LSH Resources is principally an investment holding company, with interest in our Company and the following companies:

Company name	Effective equity interest	Principal activities
Airman Sdn Bhd	100.00%	Investment holding (in lands)
Lim Seong Hai Property Sdn Bhd	100.00%	Investment holding (in residential condominium units and commercial units) and introducer of clients for real property transactions
Sentul Sedap Sdn Bhd (formerly known as Sentul Ria Sdn Bhd)	100.00%	Food and beverage operator, restaurant and catering services

As at LPD, the issued share capital of LSH Resources is RM100,000 comprising 100,000 ordinary shares. As at LPD, the directors of LSH Resources are DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

The shareholders of LSH Resources and their respective shareholdings in LSH Resources as at LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
LSH Holdings	100,000	100.00	-	-
Tan Sri KC Lim	-	-	⁽¹⁾ 100,000	100.00
DLKG	-	-	⁽¹⁾ 100,000	100.00
Lim Pak Lian	-	-	⁽¹⁾ 100,000	100.00
Lim Keng Hun	-	-	⁽¹⁾ 100,000	100.00

Note:

(1) Deemed interested by virtue of his/her direct shareholding in LSH Holdings pursuant to Section 8 of the Act.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) LSH Holdings

LSH Holdings, our Promoter and substantial shareholder, was incorporated in Malaysia under the Companies Act 1965 on 7 November 1997 as a private limited company under the name of Aspen Plasterglass Ceiling Sdn Bhd and is deemed registered under the Act. It assumed its present name on 30 October 2000. LSH Holdings is principally involved in investment holding, property development as well as provision of moneylending service.

As at LPD, the issued share capital of LSH Holdings is RM2,000,000 comprising 2,000,000 ordinary shares. The directors of LSH Holdings are Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun.

The shareholders of LSH Holdings and their respective shareholdings in LSH Holdings as at LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri KC Lim	500,000	25.00	-	-
DLKG	500,000	25.00	-	-
Lim Pak Lian	500,000	25.00	-	-
Lim Keng Hun	500,000	25.00	-	-

(iii) Tan Sri KC Lim

Tan Sri KC Lim, a Malaysian aged 62, is our Promoter and substantial shareholder. He is also our Non-Independent Non-Executive Chairman and was appointed to our Board on 11 November 2020. As the Non-Independent Non-Executive Chairman, Tan Sri KC Lim plays a pivotal role in providing strategic insights, guidance and advice to our Group. While he does not engage in the day-to-day operations of our Group, Tan Sri KC Lim is instrumental in shaping the strategic roadmap of our Group based on his industry experience and supporting our Board in fulfilling its governance responsibilities. His role involves overseeing the Board's functions to ensure effective decision-making, compliance with governance standards and alignment with our Group's strategic objectives.

After completing his high school education at Sekolah Menengah Jenis Kebangsaan Chong Hwa, Kuala Lumpur in 1980 and further education at Sekolah Menengah Tinggi Setapak, Kuala Lumpur to obtain the Malaysian Higher School Certificate (STPM) in 1982, Tan Sri KC Lim began his career in December 1982 at Wincon Machinery & Trading Company, a partnership which was involved in the trading and rental of construction machinery, where he was responsible for managing the sales and purchasing activities of the partnership.

In June 1987, Tan Sri KC Lim left Wincon Machinery & Trading Company to join Pembinaan Hamid Abd. Rahman Sdn Bhd, a private limited construction company, as a director. In this role, he was responsible for managing the company's operations and overseeing its construction activities. During his tenure there, he was involved in various construction works for infrastructure and social amenities projects. Concurrently, he served as Project Manager at Lim Seong Hai Construction And Company, where he led an infrastructure construction project for Felda Sahabat, Sabah.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Tan Sri KC Lim left Pembinaan Hamid Abd. Rahman Sdn Bhd in June 1996 and was appointed as a director of Pembinaan Sahabatjaya Sdn Bhd, a company involved in building, civil and M&E contractor works. In March 1997, he ceased being a director of Pembinaan Sahabatjaya Sdn Bhd and joined another construction company, Viro M&E Sdn Bhd as a director. During his tenure at both Pembinaan Sahabatjaya Sdn Bhd and Viro M&E Sdn Bhd, he led the construction and operations team and was responsible for securing civil and building projects. He ceased being the director of Viro M&E Sdn Bhd in June 2010.

He then joined Knusford Berhad, a company presently listed on the Main Market of Bursa Securities, as the Chief Executive Officer in November 2008. In this role, he spearheaded the Iskandar Coastal Highway project, an infrastructure development in Iskandar Malaysia, Johor which connects Iskandar Puteri to Johor Bahru. He left this role in Knusford Berhad in August 2013.

In May 2011, Tan Sri KC Lim was appointed as the Managing Director of Ekovest Berhad ("**Ekovest**"), a company also presently listed on the Main Market of Bursa Securities. Through its subsidiaries, Ekovest is principally involved in civil engineering and construction works, property development and investment, toll operations, as well as plantation and agricultural (through its 61.57% equity interest in PLS Plantations Berhad ("**PLS**") as at LPD, a public company listed on the Main Market of Bursa Securities).

While he was in Ekovest, Tan Sri KC Lim contributed significantly to the success of the construction of DUKE Phases 1 and 2 and was instrumental in securing the concession agreement for the Setiawangsa-Pantai Expressway (also known as the DUKE Phase 3) (SPE) in 2016. Tan Sri KC Lim also oversaw and ensured the timely completion of several design and build projects, namely Labuan Financial Park, Universiti Malaysia Sabah (UMS) in Sabah and Universiti Tun Hussein Onn in Johor during his stint in Ekovest.

After 13 years of experience and contribution as the Managing Director of Ekovest, due to his other commitments, Tan Sri KC Lim was re-designated from the position of Managing Director to Non-Independent Non-Executive Director of Ekovest on 6 March 2024.

To-date, Tan Sri KC Lim has more than 40 years of experience in the field of construction and property development related industries, including but not limited to building, civil, design and build, turnkey construction works and projects, machinery trading as well as property development.

In February 2016, Tan Sri KC Lim was appointed as the Deputy Chairman for the Construction Industry Transformation Programme (CITP) Thrust Working Group on Environment Sustainability by the CIDB, a position he held until 2020. He has also been serving as the Chairman of the Board of Governors of Chong Hwa Independent High School, Kuala Lumpur, since 2016, and as the Chairman of the Board of Governors of Sekolah Menengah Jenis Kebangsaan Chong Hwa, Kuala Lumpur, since November 2022. In these roles, he actively supports the development of both private Chinese and vernacular schools in the country. Tan Sri KC Lim has also been appointed as the Chairman of the Malaysian National Chinese Secondary School Development Council on 25 May 2024. He has also been awarded the Prominent Player Award at the Malaysian Construction Industry Excellence Awards (MCIEA) 2024 organised by CIDB.

As at LPD, Tan Sri KC Lim also sits on the board of several private limited companies as disclosed in Section 4.2.3(i) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iv) DLKG

DLKG, a Malaysian aged 60, is our Promoter and substantial shareholder. He is also our Non-Independent Executive Vice Chairman and was appointed to our Board on 11 November 2020. DLKG is responsible for overseeing the overall management of our Group's operations, strategic planning and development of our Group's business strategies and direction.

DLKG graduated with a Diploma in Engineering (Quantity Surveying) from the Federal Institute of Technology Malaysia in June 1987.

DLKG began his career with PLS (then known as Pembinaan Limbongan Setia Sdn Bhd) as a Project Director in 1988. PLS, currently listed on the Main Market of Bursa Securities, was principally involved in the management and operation of forest plantation and oil palm plantation, as well as construction, before diversifying into durian plantation, production, distribution and related businesses in 2019. At PLS, DLKG was responsible for overseeing the daily operational activities of the project team to ensure the quality and timely completion of construction and plantation projects. He was also involved in pursuing new business opportunities and managing relationships with the company's clients.

In 2000, DLKG left PLS to join Iskandar Waterfront Holdings Sdn Bhd ("IWH") as the Group Head of Procurement and Contract Administration. In this role, he was responsible for overseeing project budgeting and costing, reviewing and evaluating tender applications, managing the procurement and contract administration team, as well as evaluating procurement strategies. He was also responsible for overseeing IWH group's projects, including the Iskandar Coastal Highway project and the land reclamation project in Johor during his stint in IWH. DLKG was also instrumental in the extensive upgrading and reclamation works carried out by IWH's group of companies in Johor.

In July 2013, DLKG was appointed as the Executive Director of Iskandar Waterfront City Bhd ("IWCity"), a subsidiary of IWH presently listed on the Main Market of Bursa Securities and is principally involved in investment holding and property development. At IWCity, DLKG managed the group's assets, established company targets and advised the board of directors on various company-related matters. On 8 March 2024, he was re-designated from the position of Executive Director to Non-Independent Non-Executive Director of IWCity.

DLKG co-founded ASES in October 2002 with Lim Pak Lian. ASES was principally involved in the trading of lighting products and accessories before ceasing business operation in April 2015. The company resumed business operation in April 2018, shifting its focus to property development. At ASES, DLKG was responsible for overseeing the strategic planning and development of both the lighting product business and the subsequent property development business.

In August 2015, DLKG was appointed as a director of ASSB, a company he co-founded with Lim Pak Lian in 2010 and which is presently our wholly-owned subsidiary. He was responsible for the overall direction of the company's business performance and strategies. Under his leadership, ASSB evolved from a company initially involved in road construction works to one engaged in infrastructure and building construction projects, as well as property development with its own development, namely the LSH Segar Project.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

With his vast industry experience, DLKG was also pivotal in overseeing and ensuring a smooth transition of our Group's diversification into construction works, construction-related services and solutions, as well as property development. He also oversees all our Group's construction projects. In April 2021, DLKG assumed his current position as our Executive Vice Chairman.

To-date, DLKG has acquired more than 30 years of in-depth commercial experience in property development and construction related activities, such as building and civil engineering works, design and build, turnkey projects as well as trading in building materials, reconditioning and rental of machinery.

As at LPD, DLKG also sits on the board of several private limited companies as disclosed in Section 4.2.3(ii) of this Prospectus.

(v) **Lim Pak Lian**

Lim Pak Lian, a Malaysian aged 59, is our Promoter and substantial shareholder. She is also our Non-Independent Group Managing Director and was appointed to our Board on 11 November 2020. She is responsible for overseeing the overall management of our Group's financial and administrative activities as well as the implementation of our Group's business plans, strategies and policies approved by our Board. In addition, she also manages our Group's construction products sub-segment, in particular the distribution and retail of building materials, lighting and related M&E products and services.

Lim Pak Lian graduated with a Diploma in Commerce (Management Accounting) from Kolej Tunku Abdul Rahman in 1989. She was a member of the Chartered Institute of Management Accountants ("CIMA") in November 1993. She is a member of the Malaysian Institute of Accountants (MIA) since September 1994.

Lim Pak Lian began her career as an Audit Associate at PC Chan & Partners, an audit firm, in August 1989. She was primarily involved in assisting the audit team with drafting of financial statements, preparing budgets and conducting statutory audits. In July 1990, she left PC Chan & Partners to further her studies for Stage 4 of the CIMA in the United Kingdom. In March 1991, she returned to Malaysia and resumed her career at PC Chan & Partners where she served as Audit Senior and was later promoted to Assistant Audit Manager. During her tenure in PC Chan & Partners, she was responsible for monitoring and managing client engagements throughout the audit process. She left PC Chan & Partners in July 1995.

In June 1995, Lim Pak Lian founded LSH Lighting, which is principally involved in the supply of lighting products and related M&E products and services. She was appointed as a director in May 1999, and has since been responsible for the business development, growth and strategic planning of LSH Lighting. Under her leadership, the company has expanded from a single physical lighting retail store in 2000 to six (6) physical retail stores across the Klang Valley region to-date. LSH Lighting has also successfully undertaken several major M&E projects, including supplying lighting products and related M&E works, and/or building materials for the Labuan Financial Park, Universiti Malaysia Sabah's campus, a residential development project in Danga Bay, Johor Bahru, Kluang Prison Complex, Universiti Tun Hussein Onn's campus, DUKE, EkoCheras mixed development project as well as the LSH 33 Project.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

In January 1999, Lim Pak Lian also co-founded Knight Auto with Lim Keng Hun, which was involved in the wholesaling of hardware products and the rental of machinery and equipment for the construction industry. During this period, she concurrently managed the finance and administrative activities of Knight Auto.

Whilst expanding LSH Lighting and overseeing the finance and administrative activities of Knight Auto, Lim Pak Lian also co-founded ASES with DLKG in October 2002. She managed the trading of lighting products and accessories business of ASES before ASES ceased its lighting products trading business in April 2015. Subsequently, as ASES ventured its business into property development in April 2018, she assisted DLKG in overseeing the strategic management of this new venture.

In January 2003, Lim Pak Lian was appointed as a director of LSHBB, which was then involved in trading of furniture and timber. LSHBB ceased its furniture and timber trading business in 2009 and ventured into the provision of construction works in 2020. Her role at LSHBB encompassed overseeing the management, finance and administrative functions of the company.

She later co-founded LSH Ventures in April 2005 with Lim Keng Hun, an entity which was then involved in the trading and retailing of lighting and related M&E products. Lim Pak Lian was responsible for overseeing the day-to-day operation, managing business development, finance, administration, and overall performance of LSH Ventures until 2017 when the company ceased its lighting and related M&E products business and shifted its focus to becoming an investment holding company.

In October 2010, she co-founded ASSB with DLKG. ASSB was initially involved in M&E works and trading of lighting and related M&E products before it ventured into the business of building construction contractor and investment holdings in 2015, and property development in 2017. Her role in ASSB in 2017 onwards, includes overseeing the management, finance and administrative functions of the company.

Lim Pak Lian assumed her present position as our Group Managing Director in April 2021.

As at LPD, Lim Pak Lian also sits on the board of several private limited companies as disclosed in Section 4.2.3(iii) of this Prospectus.

(vi) **Lim Keng Hun**

Lim Keng Hun, a Malaysian aged 57, is our Promoter and substantial shareholder. He is also our Non-Independent Managing Director of Machinery, Hardware and Tools Division and was appointed to our Board on 11 November 2020. He is responsible for managing our Group's construction products sub-segment, in particular the wholesale and retail of hardware and tools, as well as rental of construction machinery and equipment.

Lim Keng Hun completed his high school education at Sekolah Menengah Chong Hwa, Kuala Lumpur in December 1986. Upon completing his high school education, Lim Keng Hun was involved in various part-time works. He began his career as a Supervisor at Wincon Machinery & Trading Company in 1990, a partnership which was involved in the trading and rental of construction machinery. In 1995, he joined Wengcon Machinery Sdn Bhd as a Plant Manager where he was in charge of managing the trading and rental activities of new and used construction machinery.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Lim Keng Hun co-founded Knight Auto in January 1999 with Lim Pak Lian and was appointed as a director in March 1999. In October 2011, he was appointed as the Managing Director of Knight Auto. Since the commencement of business operation of Knight Auto, Lim Keng Hun has played an important role in the growth of our Group's construction products sub-segment, in particular the wholesale and retail of hardware products and tools, as well as rental of construction machinery and equipment. Under his leadership, Knight Auto has grown from a company with a single physical retail store in 2004 to six (6) physical retail stores across the Klang Valley region to-date. In April 2021, Lim Keng Hun assumed his current position as our Managing Director of Machinery, Hardware and Tools Division.

As at LPD, Lim Keng Hun also sits on the board of several private limited companies as disclosed in Section 4.2.3(iv) of this Prospectus.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.1.3 Changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three (3) years

The changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three (3) years preceding LPD are as follows:

Name	As at 31 December 2021			As at 31 December 2022			As at 31 December 2023		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares
LSH Resources	221,334,950	62.34	-	-	221,334,950	62.16	-	-	-
LSH Holdings	-	-	(1)221,334,950	62.34	-	-	(1)221,334,950	62.16	(1)543,501,717
Tan Sri KC Lim	24,462,692	6.89	(2)221,334,950	62.34	24,462,692	6.87	(2)221,334,950	62.16	(2)543,501,717
DLKG	24,462,692	6.89	(2)221,334,950	62.34	24,462,692	6.87	(2)221,334,950	62.16	(2)543,501,717
Lim Pak Lian	24,462,692	6.89	(2)221,334,950	62.34	24,462,692	6.87	(2)221,334,950	62.16	(2)543,501,717
Lim Keng Hun	24,462,692	6.89	(2)221,334,950	62.34	24,462,692	6.87	(2)221,334,950	62.16	(2)543,501,717
Name	As at 31 December 2024			As at LPD					
	Direct		Indirect	Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
LSH Resources	543,501,717	76.94	-	-	543,501,717	76.94	-	-	-
LSH Holdings	-	-	(1)543,501,717	76.94	-	-	(1)543,501,717	76.94	-
Tan Sri KC Lim	29,289,729	4.15	(2)543,501,717	76.94	29,290,029	4.15	(2)543,501,717	76.94	-
DLKG	29,349,729	4.16	(2)543,501,717	76.94	29,349,729	4.16	(2)543,501,717	76.94	-
Lim Pak Lian	29,349,729	4.16	(2)543,501,717	76.94	29,349,729	4.16	(2)543,501,717	76.94	-
Lim Keng Hun	29,349,729	4.16	(2)543,501,717	76.94	29,349,729	4.16	(2)543,501,717	76.94	-

Notes:

(1) Deemed interested by virtue of its interest in LSH Resources pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of his/her indirect shareholding in LSH Resources via his/her direct interest in LSH Holdings pursuant to Section 8 of the Act.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.1.4 Amounts and/or benefits paid or intended to be paid or given to our Promoters or substantial shareholders

Save for the dividends paid to our Promoters and substantial shareholders which are also available to all the other shareholders of our Company, the remuneration and benefits paid and proposed to be paid for services rendered by them to our Group in their capacities (as disclosed in Section 4.2.4 of this Prospectus) and the amount paid and payable to them (as disclosed in Section 9 of this Prospectus), there is no other amount and/or benefit that has been paid or intended to be paid or given to our Promoters or substantial shareholders within the two (2) years preceding the date of this Prospectus.

4.2 BOARD OF DIRECTORS

The details of the members of our Board, all of whom are Malaysians, the date of expiration of each of their current term of office and the period they have served in office as at LPD are as follows:

Name	Age	Designation	Date of appointment as Director	Date of expiration of the current term of office	Approximate no. of years and months in office
Tan Sri KC Lim	62	Non-Independent Non-Executive Chairman	11 November 2020	Shall retire at our 6 th annual general meeting ("AGM") to be held in 2027	Four (4) years three (3) months
DLKG	60	Non-Independent Executive Vice Chairman	11 November 2020	Shall retire at our 7 th AGM to be held in 2028	Four (4) years three (3) months
Lim Pak Lian	59	Non-Independent Group Managing Director	11 November 2020	Shall retire at our 5 th AGM to be held in 2026	Four (4) years three (3) months
Lim Keng Hun	57	Non-Independent Managing Director of Machinery, Hardware and Tools Division	11 November 2020	Shall retire at our 5 th AGM to be held in 2026	Four (4) years three (3) months
Lim Ding Shyong	36	Non-Independent Executive Director	6 March 2024	Shall retire at our 6 th AGM to be held in 2027	Less than one (1) year
Dato' Seri Ir. Hj Mohd Noor Bin Yaacob	70	Independent Non-Executive Director	5 October 2021	Shall retire at our 7 th AGM to be held in 2028	Three (3) years four (4) months
Lee Swee Kheng	60	Independent Non-Executive Director	1 February 2024	Shall retire at our 5 th AGM to be held in 2026	One (1) year
Dato' Wang Sze Yao @ Wang Ming Way	57	Independent Non-Executive Director	22 February 2024	Shall retire at our 6 th AGM to be held in 2027	Less than one (1) year
Nurulhuda Hayati Binti Ibrahim	59	Independent Non-Executive Director	26 November 2024	Shall retire at our 7 th AGM to be held in 2028	Less than one (1) year
Ar. Alina Binti Abdullah	42	Independent Non-Executive Director	26 November 2024	Shall retire at our 7 th AGM to be held in 2028	Less than one (1) year

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Our Board acknowledges and takes cognisance of the Malaysian Code on Corporate Governance (“MCCG”) which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively.

Our Board is committed to upholding and sustaining high standards of corporate governance. We demonstrated such commitment by adhering to the best practices and guidance set out in the MCCG, which includes having at least 30% women directors on our Board and at least half of our Board comprising independent directors. As at LPD, our Board comprises (4) women directors, representing 40% of the number of Board members, and five (5) out of 10 Board members are independent directors.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.2.1 Shareholdings of our Directors

The shareholdings of our Directors in our Company as at LPD and after our Public Offering (assuming each of our Directors and their children (where relevant) subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii) of this Prospectus) are as follows:

Name	As at LPD			After our Public Offering		
	Direct		Indirect	Direct		Indirect
	No. of Shares	⁽¹⁾ %		No. of Shares	⁽²⁾ %	
Tan Sri KC Lim	29,290,029	4.15	⁽³⁾ 543,501,717	14,955,281	1.78	⁽³⁾ 542,054,809
DLKG	29,349,729	4.16	⁽³⁾ 543,501,717	14,955,281	1.78	⁽³⁾ 542,029,809
Lim Pak Lian	29,349,729	4.16	⁽³⁾ 543,501,717	14,955,281	1.78	⁽³⁾ 542,144,809
Lim Keng Hun	29,349,729	4.16	⁽³⁾ 543,501,717	14,955,281	1.78	⁽³⁾ 542,019,809
Lim Ding Shyong	-	-	-	500,000	0.06	-
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	2,000,000	0.28	-	2,500,000	0.30	-
Lee Swee Kheng	-	-	-	500,000	0.06	-
Dato' Wang Sze Yao @ Wang Ming Way	-	-	-	500,000	0.06	-
Nurulhuda Hayati Binti Ibrahim	-	-	-	-	-	-
Ar. Alina Binti Abdullah	-	-	-	-	-	-

Notes:

- (1) Based on the total number of 706,360,208 Shares as at LPD.
- (2) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.
- (3) Deemed interested by virtue of his/her indirect shareholding in LSH Resources via his/her direct interest in LSH Holdings pursuant to Section 8 of the Act, as well as indirect interest by virtue of his/her children's direct interest in our Company pursuant to Section 59(11)(c) of the Act assuming that the children subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii)(b) of this Prospectus (where relevant).

Save for Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun who are representatives of LSH Resources and LSH Holdings and Lim Ding Shyong who is the representative of LSH Resources, none of our other Directors are representatives of any corporate shareholder. For further details of LSH Resources and LSH Holdings, please refer to Sections 4.1.2(i) and (ii) of this Prospectus, respectively.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

4.2.2 Profiles of our Directors

The profiles of our Directors, save for Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun which are set out in Sections 4.1.2(iii), (iv), (v) and (vi) of this Prospectus respectively, are as follows:

(i) Lim Ding Shyong

Lim Ding Shyong, a Malaysian aged 36, is our Non-Independent Executive Director. He was appointed as an alternate director to Lim Keng Hun on 19 January 2024, and subsequently as an Executive Director to our Board on 6 March 2024. He is responsible for overseeing all activities related to the construction and engineering works, construction-related services and solutions as well as property development segments of our Group.

Lim Ding Shyong graduated with a Bachelor of Engineering with Business Management in August 2010 and a Master of Science in Robotics in August 2012 from King's College London.

Upon completing his university studies but prior to his graduation ceremony in August 2012, Lim Ding Shyong joined Segi Tiara Sdn Bhd (now known as Knusford Construction Sdn Bhd, a subsidiary of Knusford Berhad) as a Project Engineer in February 2012. In this role, he was involved in supervising the planning and construction activities of the company. In November 2013, he left Segi Tiara Sdn Bhd and joined Ekovest Capital Sdn Bhd, a subsidiary of Ekovest Berhad ("**Ekovest**"), as Sales and Marketing Manager. In this role, he was involved in the sales and marketing activities, as well as operational aspects of EkoCheras mall, which is Ekovest's first commercial property development project located in Cheras, Kuala Lumpur. Additionally, he was involved in the planning, design and construction of the extension of DUKE Phase 2 and the SPE (also known as the DUKE Phase 3). He left Ekovest Capital Sdn Bhd in March 2024.

From October 2015 to December 2023, Lim Ding Shyong also served as the IT Executive of Knight Auto, overseeing the company's digital sales and marketing activities as it expanded into online sales channels.

In August 2021, he also joined Besteel Engtech Sdn Bhd as the Head of Property Development, where he managed the sales and marketing activities of the LSH 33 Project. He left Besteel Engtech Sdn Bhd in March 2023.

Lim Ding Shyong was also appointed as a director of ASSB in February 2022. He assumed the position of the Head of Property Development of our Group following the acquisition of ASSB by our Company in April 2023, and was appointed as Executive Director of our Company in March 2024. Lim Ding Shyong brings with him almost 13 years of experience in the construction and property development industries.

As at LPD, Lim Ding Shyong also sits on the board of several private limited companies as disclosed in Section 4.2.3(v) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob

Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob, a Malaysian aged 70, is our Independent Non-Executive Director. He was appointed to our Board on 5 October 2021. He is a member of our Audit and Risk Management Committee as well as our Nomination and Remuneration Committee.

Dato' Seri Mohd Noor graduated with a Bachelor of Civil Engineering from the Universiti Teknologi Malaysia in 1977.

Upon graduating in 1977, Dato' Seri Mohd Noor joined the civil service as a Works Engineer in the Public Works Department ("**JKR**") at the Federal Territory of Kuala Lumpur. He was responsible for supervising the construction of roads and buildings as well as other civil construction works under JKR's scope in the Federal Territory of Kuala Lumpur. He was later transferred to the education branch of JKR's headquarter in Kuala Lumpur ("**JKR HQ**") as a Senior Engineer in January 1980. During this time, he was involved in the design, implementation and coordination of all of JKR's education projects in Malaysia. In March 1983, he was transferred to JKR Petaling District as a District Engineer where he was involved in the implementation of JKR's projects within the Petaling District, including the maintenance of roads and building works.

In August 1987, Dato' Seri Mohd Noor was transferred to the Implementation Coordination Unit under the Prime Minister's Department as the Director of Infrastructure and Transport Engineering Branch, where he was responsible for coordinating all the development projects under the Prime Minister's Department. In August 1990, he was transferred to JKR HQ to lead a team in the Airport unit and was subsequently tasked to lead the Special Project unit. During his seven (7)-year tenure with JKR HQ, he was responsible for coordinating projects in relation to the development of airports in Malaysia, and supervising the development of the Menara MATRADE in Kuala Lumpur, which was one of the special projects.

Dato' Seri Mohd Noor was then posted to JKR Johor as the Deputy Director in May 1997, where he was responsible for the coordination of all development projects involving road, building and civil works in Johor. In January 2000, he was promoted to the Director of JKR Negeri Sembilan, where he led the entire division in the implementation of development projects in Negeri Sembilan. A year later, he was transferred back to JKR Johor as a Director, where he led the division in the implementation of development projects in Johor. In May 2005, he was transferred to the Malaysian Highway Authority (*Lembaga Lebuhraya Malaysia* ("**LLM**")), a statutory body under the Malaysian Ministry of Works, as the Director General where he was responsible for the strategic direction and planning of LLM.

A year later, he was promoted to Deputy Director General of JKR Malaysia where he assisted the Director General of JKR Malaysia in strategic direction and planning for the future direction of JKR. In May 2011, he was promoted as Director General of JKR Malaysia and led the entire department's strategic direction and planning in order to ensure that all government development projects are completed on a timely basis and within budget and are in line with the required quality standards. After serving in JKR for 37 years, Dato' Seri Mohd Noor retired in March 2014.

Dato' Seri Mohd Noor was also appointed as the President of the Board of Engineers of Malaysia between 2012 and 2014.

As at LPD, Dato' Seri Mohd Noor sits on the board of several private limited companies as disclosed in Section 4.2.3(vi) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iii) Lee Swee Kheng

Lee Swee Kheng, a Malaysian aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 1 February 2024. She is the Chairman of our Audit and Risk Management Committee and a member of our Nomination and Remuneration Committee.

Lee Swee Kheng graduated with a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in July 1987. She has been admitted as a Fellow of the Association of Chartered Certified Accountants (ACCA) since 1997 and a member of the Malaysian Institute of Accountants (MIA) since 1998.

Lee Swee Kheng began her career as an Audit Assistant with Michael K H Teh & Co in February 1988 where she was involved in various accountancy and taxation related activities, as well as statutory audit for various private and public listed companies. She was also involved in carrying out share registration works. She left Michael K H Teh & Co in December 1988. She took a career break before joining PC Chan & Partners in August 1989 as Audit Assistant, where she performed statutory audit and carried out taxation works for clients.

In December 1991, she joined Loh & Co as Audit Supervisor, where she was responsible for audit planning and supervision as well as the review of audit working papers. She was also involved in the provision of consultancy services for investment tax incentive applications, sale of businesses and setting up of internal control systems. She also oversaw the administrative aspects of the audit department involving costing, budgeting and billings. She left Loh & Co in June 1993 to focus on her family and career planning.

In April 1994, Lee Swee Kheng joined one of the subsidiaries of Metroplex Berhad as Accountant and was promoted to Senior Accountant in January 2001. She was then promoted as the Group Accountant in 2002 and the Chief Financial Officer of Metroplex Berhad in February 2007. During her tenure as Chief Financial Officer of Metroplex Berhad, she was in charge of overseeing the company's financial reporting, treasury, taxation, corporate secretarial and corporate finance activities.

Lee Swee Kheng left Metroplex Berhad in February 2008 to join Mutiara Goodyear Berhad (now known as Nadayu Properties Berhad) as General Manager of its finance department. She then left Mutiara Goodyear Berhad in May 2012 and joined Malaysian Resources Corporation Berhad as General Manager of its finance department. During her tenure at both companies, she was in charge of overseeing the company's financial reporting, as well as activities related to taxation, treasury and corporate finance.

Lee Swee Kheng left Malaysian Resources Corporation Berhad in August 2015 and rejoined Nadayu Properties Berhad (then known as Mutiara Goodyear Berhad) as General Manager of its finance department, where she was responsible for overseeing the financial activities of the company. In July 2016, she left Nadayu Properties Berhad to join Sunsuria Berhad as director of its finance department and was subsequently promoted to Chief Financial Officer in January 2018. During her tenure in Sunsuria Berhad, she was responsible for managing the overall financial activities of the company.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In August 2021, Lee Swee Kheng was appointed as Executive Advisor of Sunsuria Berhad until December 2022. As an Executive Advisor, she guided and provided advice to the Executive Chairman's office on financial-related matters for the company's projects in the United Kingdom and Australia. In June 2023, she was engaged as a Financial Advisor by CITIC Construction (Malaysia) Sdn Bhd, a subsidiary of CITIC Group Corporation Ltd which is a state-owned investment company in China, to provide financial, accounting and taxation advisory services. She left this position in May 2024.

In addition to her directorship in our Company, Lee Swee Kheng is currently the Independent Non-Executive Chairman of Seal Incorporated Berhad which she was appointed since 17 October 2023. As at LPD, Lee Swee Kheng also sits on the board of several private limited companies as disclosed in Section 4.2.3(vii) of this Prospectus.

(iv) Dato' Wang Sze Yao @ Wang Ming Way

Dato' Wang Sze Yao @ Wang Ming Way, a Malaysian aged 57, is our Independent Non-Executive Director. He was appointed to our Board on 22 February 2024. He is the Chairman of our Nomination and Remuneration Committee and a member of our Audit and Risk Management Committee.

Dato' Wang graduated with a Bachelor of Law from the University of Wales, United Kingdom in 1989. He is a barrister-at-law upon his admission to the Bar of England and Wales by The Honourable Society of the Middle Temple in 1991. He was called to the Malaysian Bar in June 1994. He is currently the Chairperson of the Malaysian Bar Risk Management Committee and a member of the Malaysian Bar Council Professional Indemnity Insurance Committee.

Upon admission to the Bar of England and Wales, Dato' Wang was a Pupil for The Honourable Society of Middle Temple, United Kingdom. Upon completing his pupillage in 1992, he joined British Telecom as Legal Officer, where he assisted in contractual disputes, as well as labour and litigation related matters.

Upon his return to Malaysia in 1993, Dato' Wang joined Messrs Raja, Daryl & Loh as a Pupil. In July 1994, he joined Messrs Michael Chen & Lee as Legal Assistant. In October 1995, he was promoted to Head of Litigation of the firm. During his tenure in Messrs Michael Chen & Lee, he was involved in various legal matters relating to foreclosure, banking, civil and commercial litigations, contract disputes, torts, matrimonial and probate cases.

In October 1997, Dato' Wang left Messrs Michael Chen & Lee to set up his own law firm, Messrs Arthur Wang & Associates. The firm was later renamed to Messrs Arthur Wang, Lian & Associates in 1999. Since he started the law firm, the firm's portfolio has grown from the provision of legal services locally, to providing legal services in foreign countries such as Hong Kong, Singapore, United Kingdom, South Korea and China through the establishment of associates. The firm specialises in varied corporate litigations. In addition, the firm also provides legal advice on non-contentious matters relating to property, estate, trust, family, insurance, construction, labour and industrial law, criminal law, as well as corporate, commercial and securities matters which include corporate re-organisation, venture capital and private equity, mergers and acquisitions, joint ventures, property development, strata management and other corporate and commercial transactions.

In addition to his directorship in our Company, Dato' Wang is currently an Independent Non-Executive Director of P.A. Resources Berhad. As at LPD, Dato' Wang also sits on the board of several private limited companies as disclosed in Section 4.2.3(viii) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(v) Nurulhuda Hayati Binti Ibrahim

Nurulhuda Hayati Binti Ibrahim, a Malaysian aged 59, is our Independent Non-Executive Director. She was appointed to our Board on 26 November 2024.

Puan Nurulhuda graduated with a Bachelor of Landscape Architecture from Utah State University, United States of America in June 1988 and obtained a Master in Landscape Architecture from Harvard University, United States of America in June 1990. She has been a Corporate Member of the Institute of Landscape Architects Malaysia ("ILAM") since June 1991 and was admitted as a Fellow of ILAM since May 2013. She is also currently a Member of Persatuan Arborist Malaysia.

Puan Nurulhuda began her career as a Landscape Architect with Veritas Architects in September 1990 where she was principally involved in assisting with the design of outdoor spaces for clients. After serving her notice at Veritas Architects, she officially left Veritas Architects in October 1991.

In August 1991, Puan Nurulhuda joined as a partner of NR Consultants, a partnership focused on providing landscape architectural consultancy services. As a partner of NR Consultants, she was responsible for overseeing the daily business operations of the partnership, including managing the firm's landscape architectural projects and leading the project teams. NR Consultants became dormant in November 2008 after the other partners retired from the business and all projects secured by NR Consultants were completed.

In February 2000, Puan Nurulhuda founded Landskap Integrasi, a sole proprietorship which was principally involved in the provision of landscape architectural consultancy services. As the Principal Landscape Architect of Landskap Integrasi, she oversees and manages the overall business operations of the firm, including strategic planning, business development and the delivery of day-to-day landscape architectural consultancy services.

Over the years as a landscape architect, Puan Nurulhuda has gained extensive experience in designing and managing landscape architectural projects, contributing to both the creative and operational aspects of the profession. She was involved in the provision of landscape architectural designs and the related project management for the development of several notable projects, including KLCC Park, Taman Putra Perdana Putrajaya, Taman Tasik Titiwangsa and Universiti Malaysia Sabah.

In November 2017, Puan Nurulhuda was appointed to the board of directors of ILAM Centre of Excellence Sdn Bhd, which is principally involved in the provision of trainings, seminars, technical visits and events for the members of ILAM. During her stint in ILAM Centre of Excellence Sdn Bhd, Puan Nurulhuda was responsible for ensuring that the landscape architectural knowledge of ILAM's members were aligned with global standards by guiding the company in organising events that were aimed at upskilling or reskilling the ILAM members and enhancing their knowledge. She later ended her seven (7)-year tenure as a director of ILAM Centre of Excellence Sdn Bhd in May 2024.

As at LPD, save for her directorship in our Company, Puan Nurulhuda does not sit on any of the board of private or public limited companies.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(vi) Ar. Alina Binti Abdullah

Ar. Alina Binti Abdullah, a Malaysian aged 42, is our Independent Non-Executive Director. She was appointed to our Board on 26 November 2024.

Ar. Alina graduated with a Bachelor of Architecture from the Universiti Teknologi Malaysia in September 2006. She was initially registered as a Graduate Architect with the Board of Architects Malaysia in January 2007, and was subsequently elevated to Professional Architect in August 2023, a profession she holds to-date. She is also a Corporate (Ordinary) Member of the Malaysian Institute of Architects since March 2024.

Upon completing her studies but prior to her graduation ceremony in September 2006, Ar. Alina began her career as a Junior Architect with Arkitek KDI Sdn Bhd in July 2006. During her career as an architect at Arkitek KDI Sdn Bhd, she was principally involved in providing consultancy services and developing design concepts aimed to ensure the functionality and safety of the constructed building or infrastructure. She was subsequently promoted in 2013 to head Arkitek KDI Sdn Bhd's Johor Bahru office as branch manager, wherein she was responsible for leading the branch office team in providing architectural designs and drawings for multiple construction and development projects. During her 16-year tenure with Arkitek KDI Sdn Bhd, she was involved in the architectural designs for several notable projects, including the Royale Chulan Kuala Lumpur and River of Life projects in Kuala Lumpur, as well as the award-winning Sunway Grid Residence and Sunway Emerald Residence development projects in Johor Bahru. She left Arkitek KDI Sdn Bhd in August 2022 and took a one (1)-month career break.

In October 2022, Ar. Alina established A&A Studio, a sole proprietorship involved in the provision of graphic and interior designs as well as project management consultancy and coordination services in related fields. As the Principal, Ar. Alina oversees multiple construction projects, liaises with clients to ensure the design meets their expectations, and liaises with local authorities to ensure the design complies with local regulations. In addition, she is also in charge of the strategic planning and direction of A&A Studio. Ar. Alina has successfully led the completion of renovation works for several residential projects in Johor Bahru. She is presently overseeing the construction project for a medical facility in Johor Bahru, wherein she monitors and ensures that the construction activities are carried out according to schedule, in addition to ensuring the construction design aligns with the client's requirements and complies with local regulations.

In September 2023, she also founded Alina Architect, a sole proprietorship registered as an architectural consultancy practice with the Board of Architects Malaysia. As the Principal Architect, she is responsible for overseeing and managing the business operations of Alina Architect which is principally involved in the design, planning and provision of architectural services for construction and development projects. She is presently involved in the provision of architectural design services for the Johor Golf and Country Club project in Johor Bahru.

As at LPD, save for her directorship in our Company, Ar. Alina does not sit on any of the board of private or public limited companies.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.2.3 Involvement of our Directors in other principal business activities outside our Group

The principal business activities performed by our Directors outside our Group as at LPD and their present directorships in companies outside our Group and in the past five (5) years preceding LPD are as follows:

(i) Tan Sri KC Lim

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Ablesun Rubber Industries Sdn Bhd	Manufacturing and trading of rubber compound and moulded rubber parts	-	-	Shareholder with 26.47% direct equity interest
▪ Affluent Venue Sdn Bhd	Property development ⁽¹⁾	11 July 2018	-	Director and shareholder with 5.00% direct equity interest
▪ Airman Sdn Bhd	Investment holding (in lands) ⁽²⁾	18 June 2024	-	Director and shareholder with 100.00% indirect equity interest ⁽³⁾
▪ Aramiaya Agri & Agro Sdn Bhd (subsidiary of PLS Plantations Berhad, a listed entity on the Main Market of Bursa Securities)	Management and operation of a forest plantation, logging, saw milling, chipping and other downstream manufacturing and related activities and oil palm plantation and undertaking of construction works	30 July 2018	-	Director
▪ Banyan Returns Sdn Bhd	Dormant since incorporation on 19 March 2012. Previously intended to undertake property development activities	5 August 2013	-	Director
▪ Casa Green City Sdn Bhd	Provision of project management services and construction of civil and structural works ⁽⁴⁾	5 August 2013	-	Director
▪ CBD Development Sdn Bhd	Dormant since incorporation on 7 April 2010. Previously intended to undertake town planning, property development and construction activities	23 August 2010	-	Director
▪ Cempaka Jujur Sdn Bhd	Property development ⁽⁵⁾	23 August 2018	-	Director
▪ Cendana Tunggal Sdn Bhd	Property development ⁽⁴⁾	18 July 2018	-	Director
▪ Chai Choon Holdings Sdn Bhd	Investment holding and management company with its subsidiaries involved in the holding of lands ⁽⁶⁾	19 January 2001	-	Director and shareholder with 6.00% direct equity interest

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Chong Hwa Holdings Sdn Bhd	Investment holding ⁽⁷⁾	13 July 2020	-	Chairman and shareholder with 4.00% direct equity interest
▪ Chong Hwa KL Foundation	To receive, administer and augment funds or in kind for charitable purposes in the advancement of education to needy and deserving members of the public irrespective of race, religion or creed.	24 May 2021	-	Director
▪ Costa Sutra Sdn Bhd	The provision of grants, bursaries and scholarships or prizes in the pursuit of education at approved educational institutions at all levels in Malaysia or outside Malaysia	-	-	Shareholder with 16.67% direct equity interest
▪ Credence Resources Sdn Bhd	Trader in lighting and electrical products and its related accessories ⁽⁸⁾	5 January 2007	-	Director and shareholder with 5.00% direct equity interest
▪ Danga Bay Sdn Bhd	Investment holding with its subsidiaries involved in master development focusing on urban and economic corridor development within Flagship Zone A of Iskandar Malaysia, Johor ⁽⁹⁾	5 January 2007	-	Director
▪ Danga Foundation	Master developer focusing on central business district ("CBD") development with urban areas ⁽⁴⁾	19 February 2013	-	Director
▪ Danga Heights Development Sdn Bhd	To receive, raise, manage and administer funds for the improvement of education and general welfare of Malaysians	18 July 2018	-	Director
▪ DE Sanctuary Marina Sdn Bhd	Investment holding with its joint venture involved in property development ⁽⁴⁾	17 July 2018	-	Director
▪ Dualquest Sdn Bhd	Dormant since incorporation on 19 March 2012. Previously intended to undertake property development activities	26 August 1999	-	Director, manager and shareholder with 35.00% direct equity interest
▪ Ekorivcity Sdn Bhd	Engaged in road construction work ⁽¹⁰⁾	11 July 2014	-	Director and shareholder with 50.00% direct equity interest
▪ Ekovest Berhad (a listed entity on the Main Market of Bursa Securities)	Construction of buildings that do not fall under any specific, predefined categories ⁽¹⁰⁾	16 May 2011	-	Non-Independent Director and shareholder with 2.89% indirect equity interest ⁽¹²⁾

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Empomas Holdings Sdn Bhd	Property investment holding ⁽¹³⁾	11 July 2018	-	Director
▪ Falcon Unigreen Sdn Bhd	Property development, civil engineering and contractor works ⁽¹⁴⁾	11 July 2018	-	Director
▪ Global Corporate Development Sdn Bhd	Investment holding with its associate involved in property development, investment holding and property investment ⁽⁴⁾	18 July 2018	-	Director
▪ Infinity Crane & Engineering Sdn Bhd	Transportation and rental of crane, machinery and equipment ⁽¹⁵⁾	-	-	Shareholder with 50.00% indirect equity interest ⁽¹²⁾
▪ Iskandar Waterfront Holdings Sdn Bhd	Investment holding under the Public-Private-Partnership (PPP) model which key subsidiaries are master developers focus on urban and economic corridor developments ⁽¹⁶⁾	11 January 2008	-	Director
▪ Iskandar Waterfront Sdn Bhd	Master developer focus on developing CBD development within the urban area ⁽⁴⁾	31 March 2010	-	Director
▪ IWH Resources Sdn Bhd	Dormant since incorporation on 6 November 2012. Previously intended to undertake investment holding activities	7 December 2012	-	Director
▪ Kapital Rezeki Sdn Bhd	Investment holding with its subsidiary involved in property development activity ⁽¹⁷⁾	11 July 2018	-	Director and shareholder with 5.00% direct equity interest
▪ Knusford Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding and property investment	-	-	Shareholder with 1.69% and 1.50% direct and indirect ⁽¹²⁾ equity interests respectively
▪ Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (a subsidiary of Ekovest Berhad) ⁽¹¹⁾	Design, construction, operation, management and maintenance of DUKE	14 February 2017 29 March 2005	-	Managing Director Director
▪ Kris Metro Sdn Bhd	Investment holding with its subsidiary involved in property development activity ⁽¹⁷⁾	11 July 2018	-	Director
▪ KST Assets Sdn Bhd	Property investment, property management and administration ⁽⁴⁾	18 July 2018	-	Director
▪ Lantas Setia Sdn Bhd	Property investment holding ⁽¹⁸⁾	20 March 1995	-	Director and shareholder with 20.00% direct equity interest
▪ Layar Suria Sdn Bhd	Investment holding with its subsidiary involved in property holding activity ⁽¹³⁾	11 July 2018	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Lebuhraya Duke Fasa 2A Sdn Bhd (a subsidiary of Ekovest Berhad) ⁽¹¹⁾	Inactive. It is intended to be the concession holder of the Laluan Istana – Kiara Expressway	2 March 2016	-	Director
▪ Lebuhraya Duke Fasa 3 Sdn Bhd (a subsidiary of Ekovest Berhad) ⁽¹¹⁾	To design, construct, operate, manage and maintain the SPE	20 January 2015	-	Director
▪ Lim Seong Hai Construction And Company (Partnership Enterprise)	General contractor including civil engineering contractor ⁽¹⁹⁾	1 January 2022	-	Partner
▪ Lim Seong Hai Property Sdn Bhd	Property investment holding ⁽²⁰⁾ and introducer of clients for real property transactions	-	-	Shareholder with 100.00% indirect equity interest ⁽³⁾
▪ LSH Holdings	Investment holding (in entities and property), property development ⁽²¹⁾ and provision of moneylending service	5 July 2000	-	Director and shareholder with 25.00% direct equity interest
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ^{(2),(20)} and food and beverage sectors	-	-	Shareholder with 100.00% indirect equity interest ⁽¹²⁾
▪ Metro Universal Development Sdn Bhd	Property developer ⁽²²⁾	3 July 2019	-	Director and shareholder with 33.33% indirect equity interest ⁽¹²⁾
▪ Nautical Triangle Sdn Bhd	Property investment holding ⁽⁶⁾	6 February 2015	-	Director
▪ Novaview Realty Sdn Bhd	Investment holding ⁽²²⁾	3 July 2019	-	Director and shareholder with 33.33% indirect equity interest ⁽¹²⁾
▪ Nuzen Corporation Sdn Bhd (a subsidiary of Ekovest Berhad)	Investment holding with its subsidiaries involved in the design, construction, operation, management and maintenance of highways ⁽²³⁾	29 March 2005	-	Director
▪ Rampai Fokus Sdn Bhd	Investment holding, operator of theme park and a property developer ⁽⁴⁾	8 August 2018	-	Director
▪ Richmond Technology Sdn Bhd	Construction of buildings, other information technology service activities and wholesale of a variety of goods without any particular specialisation ⁽²²⁾	3 July 2019	-	Director and shareholder with 33.33% indirect equity interest ⁽¹²⁾
▪ Ritz Care Sdn Bhd	Investment holding with its subsidiary involved in property development ⁽²⁴⁾	11 July 2018	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Riverside Terra Sdn Bhd	Investment holding with its subsidiary involved in investment holding and property development ⁽⁴⁾	18 July 2018	-	Director
▪ Sanctuary Bay Sdn Bhd	Investment holding with its joint venture involved in property development and investment and provision of project management ⁽⁴⁾	7 June 2012	-	Director
▪ Selat Cipta Sdn Bhd	Investment holding with a subsidiary that is dormant since incorporation and was intended to undertake property development ⁽⁴⁾	17 July 2018	-	Director
▪ Sentul Sedap Sdn Bhd (formerly known as <i>Sentul Ria Sdn Bhd</i>)	Food and beverage operator, restaurant and catering services	-	-	Shareholder with 100.00% indirect equity interest ⁽³⁾
▪ Seribu Impiana Sdn Bhd	Dormant since incorporation on 21 October 2011. Previously intended to undertake property development activities	17 July 2018	-	Director
▪ Strait Bay Sdn Bhd	Property Investment holding ⁽¹³⁾	11 July 2018	-	Director
▪ Swan Atlantic Sdn Bhd	Investment holding with its subsidiaries involved in the property development, engineering works and building contractor ⁽²⁵⁾	11 July 2018	-	Director and shareholder with 5.00% direct equity interest
▪ Teras Hijaujaya Sdn Bhd	Property development ⁽²⁶⁾	11 July 2018	-	Director and shareholder with 5.00% direct equity interest
▪ Trident World Sdn Bhd	Property investment holding ⁽²⁷⁾	11 July 2018	-	Director and shareholder with 5.00% direct equity interest
▪ Tropicana Danga Bay Sdn Bhd	Property development and property investment ⁽⁴⁾	1 July 2018	-	Director
▪ Tropicana Danga Bay Resort Sdn Bhd	Property development and property investment ⁽⁴⁾	1 July 2018	-	Director
▪ Tropicana Danga Cove Sdn Bhd	Property development and property investment ⁽⁴⁾	15 August 2011	-	Director
▪ Tunas Melati Sdn Bhd	Property investment ⁽⁶⁾	11 July 2018	-	Director
▪ Uniregion Sdn Bhd	Property development, civil engineering works and building contractor ⁽¹³⁾	11 July 2018	-	Director
▪ Vestfield Project Management Sdn Bhd	Property development and project management ⁽⁴⁾	8 October 2018	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Vestfield Properties Sdn Bhd	Property development and investment ⁽⁴⁾	8 October 2018	-	Director
▪ Vestfield Waterfront Development Sdn Bhd	Property development and investment ⁽⁴⁾	8 October 2018	-	Director
▪ Vestfield Waterfront Sdn Bhd	Property development and investment ⁽⁴⁾	8 October 2018	-	Director
▪ Vestfield World Sdn Bhd	Property development and investment ⁽⁴⁾	25 June 2012	-	Director
▪ Wajib Tuah Sdn Bhd	Investment holding with its intended purpose of property investment ⁽²⁸⁾	11 July 2018	-	Director
▪ Yayasan SJKC Wangsa Maju	Promote, provide scholarships, gift whether moveable or pecuniary, donations, grants, loans, legacy, subscriptions and improve educational facilities in Malaysian schools, particularly Chinese schools in the rural areas	4 September 2020	-	Director
Past involvements:				
▪ Duke Development Sdn Bhd (a subsidiary of Ekovest Berhad)	Inactive since incorporation and previously intended to undertake development on highway reserve	8 January 2015	18 April 2024	Director
▪ Duke Hotels Sdn Bhd (a subsidiary of Ekovest Berhad)	Hotel operator	28 December 2018	6 March 2024	Director
▪ Ekovest Capital Sdn Bhd (a subsidiary of Ekovest Berhad)	Property development and property investment	26 November 2012	6 March 2024	Director
▪ Ekovest Construction Sdn Bhd (a subsidiary of Ekovest Berhad)	Civil engineering and building works	10 January 2014	6 March 2024	Director
▪ Ekovest-Faber Sdn Bhd	Construction of buildings	7 September 2011	10 December 2020 ⁽²⁹⁾	Director
▪ Ekovest Land Sdn Bhd (a subsidiary of Ekovest Berhad)	Property development	5 September 2014	6 March 2024	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Ekovest Media Sdn Bhd (a subsidiary of Ekovest Berhad)	To carry on the business of advertisement, advertising agents, advertisement contractors, media planners and organisers and designer of advertisements	11 July 2014	31 January 2024	Director
▪ Ekovest Park & Ride Sdn Bhd (a subsidiary of Ekovest Berhad)	Construct, operate, manage and maintain the park and ride building	15 October 2014	18 April 2024	Director
▪ Ekovest Properties Sdn Bhd (a subsidiary of Ekovest Berhad)	Property development	28 May 2013	6 March 2024	Director
▪ Ekovest Technology Sdn Bhd (a subsidiary of Ekovest Berhad)	Inactive since incorporation and previously intended to undertake solar business	10 March 2014	18 April 2024	Director
▪ KL Bund Sdn Bhd (a subsidiary of Ekovest Berhad)	Project coordinator and manager for "River of Life" project	26 May 2011	30 April 2024	Director
▪ Milan Energy Sdn Bhd (a subsidiary of Ekovest Berhad)	Property investment	10 March 2014	18 April 2024	Director
▪ Milan Resources Sdn Bhd (a subsidiary of Ekovest Berhad)	Investment holding, civil and building works and trading of quarry stones	10 March 2014	18 April 2024	Director
▪ Wira Kristal Sdn Bhd (a subsidiary of Ekovest Berhad)	Investment holding, i.e. the holding company of Nuzen Corporation Sdn Bhd	9 February 2012	18 April 2024	Director

Notes:

- (1) For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (2) Airman Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. Airman Sdn Bhd has been dormant since the cessation of its trading of machinery and hardware business in 2015, until its acquisition of 13 parcels of lands with an expired development order for a mixed development project granted by DBKL and four (4) parcels of lands, all located in Kuala Lumpur, on 22 February 2024 and 29 July 2024 respectively. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (3) Deemed interested by virtue of his indirect shareholding in LSH Resources via his direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (4) The entity is an indirect subsidiary of Credence Resources Sdn Bhd, in which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.
- (5) This entity is an indirect subsidiary of Kapital Rezeki Sdn Bhd, in which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (6) Being a holding company, Chai Choon Holdings Sdn Bhd, through its wholly-owned subsidiaries, Nautical Triangle Sdn Bhd and Tunas Melati Sdn Bhd, each holds a piece of vacant land in Johor and Negeri Sembilan respectively for investment purposes. For further information on Tan Sri KC Lim's interest in these companies vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (7) As at LPD, Chong Hwa Holdings Sdn Bhd is not holding shares in any company or properties. It was previously intended to hold land for education purposes but the plan has been aborted.
- (8) This company carries similar trade as one of our Group's business segments. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iv) of this Prospectus.
- (9) Credence Resources Sdn Bhd is an investment holding company which holds 63.13% equity interest in Iskandar Waterfront Holdings Sdn Bhd as at LPD, a company that is principally engaged in the business of investment holding under the Public-Private-Partnership (PPP) model under which its key subsidiaries are master developers focusing on urban and economic corridor developments within Flagship Zone A of Iskandar Malaysia, Johor. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.
- (10) As at LPD, this entity is dormant with no business activities. Nevertheless, Tan Sri KC Lim has provided a written undertaking to our Company, granting our Group the first right of refusal ("**ROFR**") to acquire his entire shareholding in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, Tan Sri KC Lim will dispose of his entire shareholding in this entity to parties not connected with him.
- (11) Ekovest Berhad is an investment holding company carrying on a similar trade as our Group through some of its subsidiaries. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.
- (12) Deemed interested by virtue of his direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (13) This entity is a subsidiary of Swan Atlantic Sdn Bhd, which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. This entity holds one (1) piece of vacant land in Johor. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (14) This entity is an indirect subsidiary of Swan Atlantic Sdn Bhd, which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (15) This company carries similar trade as one of our Group's business segments. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iii) of this Prospectus.
- (16) This entity is a subsidiary of Credence Resources Sdn Bhd, which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.
- (17) As at LPD, Kapital Rezeki Sdn Bhd is the holding company of Kris Metro Sdn Bhd, which in turn holds 70.00% shareholdings in Cempaka Jujur Sdn Bhd, an entity which is involved in property development activity. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (18) As at LPD, Lantas Setia Sdn Bhd holds a shoplot in Kajang for investment purposes.
- (19) This partnership carries similar trade as one of our Group's business segments. For further information on Tan Sri KC Lim's interest in this partnership vis-à-vis the interest of our Group, please refer to Section 10.1(ii) of this Prospectus.
- (20) Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.
- (21) This company carries similar trade as one of our Group's business segments. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.
- (22) As at LPD, this entity is dormant with no business activities. Nevertheless, the Promoters (excluding LSH Resources) have provided a written undertaking to our Company, granting our Group the ROFR to acquire their entire shareholdings in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, they will dispose of their entire shareholdings in this entity to parties not connected with them.
- (23) This entity is a subsidiary of Ekovest Berhad (a listed entity on the Main Market of Bursa Securities) and the holding company of Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, Lebuhraya Duke Fasa 2A Sdn Bhd and Lebuhraya Duke Fasa 3 Sdn Bhd. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.
- (24) Riz Care Sdn Bhd is a subsidiary of Affluent Venue Sdn Bhd, which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD. This entity holds one (1) piece of vacant land in Johor. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (25) As at LPD, Swan Atlantic Sdn Bhd is a holding company of a few subsidiaries which hold vacant lands in Johor. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.
- (26) This company carries similar trade as one of our Group's business segments. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(27) As at LPD, Trident World Sdn Bhd holds one (1) piece of vacant land in Johor for investment purposes. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(viii) of this Prospectus.

(28) As at LPD, Wajib Tuah Sdn Bhd is a dormant company with no business activities.

(29) Ekovest-Faber Sdn Bhd has been struck off and cease to exist on 10 December 2020.

(ii) DLKG

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Airman Sdn Bhd	Investment holding (in lands) ⁽¹⁾	10 October 2001	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾
▪ Besteel Engtech Sdn Bhd	Property development, construction, project management, engineering services, maintenance services and general trading ⁽³⁾	2 August 2018	-	Director and shareholder with 39.00% direct equity interest
▪ Costa Sutra Sdn Bhd	Trader in lighting and electrical products and its related accessories ⁽⁴⁾	18 July 2000	-	Director and shareholder with 16.67% direct equity interest
▪ Ekovest Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding, civil engineering and building works ⁽⁵⁾	-	-	Shareholder with 2.89% indirect equity interest ⁽⁶⁾
▪ Infinity Crane & Engineering Sdn Bhd	Transportation and rental of crane, machinery and equipment ⁽⁷⁾	1 November 2018	-	Director and shareholder with 50.00% indirect equity interest ⁽⁶⁾
▪ Iskandar Waterfront City Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding principally involved in property development and investment through its subsidiaries ⁽⁸⁾	5 July 2013	-	Non-Independent Non-Executive Director
▪ Iskandar Waterfront Sdn Bhd	Master developer focus on developing CBD development within the urban area ⁽⁹⁾	29 March 2011	-	Alternate director to Tan Sri KC Lim
▪ Knusford Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding and property investment	-	-	Shareholder with 1.50% indirect equity interest ⁽⁶⁾
▪ Lim Seong Hai Construction And Company (Partnership Enterprise)	General contractor including civil engineering contractor ⁽¹⁰⁾	20 September 2000	-	Partner

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Lim Seong Hai Property Sdn Bhd	Property investment holding ⁽¹¹⁾ and introducer of clients for real property transactions	2 January 2020	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾
▪ LSH Holdings	Investment holding (in entities and property), property development ⁽¹²⁾ and provision of moneylending service	5 July 2000	-	Director and shareholder with 25.00% direct equity interest
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ^{(1),(11)} and food and beverage sectors	10 September 2015	-	Director and shareholder with 100.00% indirect equity interest ⁽⁶⁾
▪ Metro Universal Development Sdn Bhd	Property developer ⁽¹³⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁶⁾
▪ Milan Suria Sdn Bhd	Trading in retail furniture, design and supply of project furniture	29 May 2002	-	Director and shareholder with 50.00% direct equity interest
▪ Novaview Realty Sdn Bhd	Investment holding ⁽¹³⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁶⁾
▪ Richmont Technology Sdn Bhd	Construction of buildings, other information technology service activities and wholesale of a variety of goods without any particular specialisation ⁽¹³⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁶⁾
▪ Sentul Sedap Sdn Bhd (formerly known as <i>Sentul Ria Sdn Bhd</i>)	Food and beverage operator, restaurant and catering services	-	-	Shareholder with 100.00% indirect equity interest ⁽²⁾
▪ Tropicana Danga Cove Sdn Bhd	Property development and property investment ⁽⁹⁾	20 November 2012	-	Alternate director to Tan Sri KC Lim
▪ Vestfield World Sdn Bhd	Property development and investment ⁽⁹⁾	21 September 2012	-	Alternate director to Tan Sri KC Lim
Past involvements:				
▪ Bayou Bay Development Sdn Bhd (a subsidiary of <i>Iskandar Waterfront City Berhad</i>)	Property development	8 July 2013	18 July 2023	Director
▪ Bayou Management Sdn Bhd (a subsidiary of <i>Iskandar Waterfront City Berhad</i>)	Property holding and development	8 July 2013	8 September 2023	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Iskandar Waterfront Holdings Sdn Bhd	Investment holding under the Public-Private-Partnership (PPP) model which key subsidiaries are master developers focus on urban and economic corridor developments	5 October 2012	29 April 2020	Alternate director to Tan Sri KC Lim
▪ Khazanah Melati Sdn Bhd	Project and property development	29 January 2010	18 October 2022	Director and shareholder with 40.00% direct equity interest
▪ Limbongan Resources Sdn Bhd	Investment holding	20 June 2001	2 November 2020	Director
▪ Samling Ekovest JV Sdn Bhd	Wound up	25 January 2017	5 October 2023	Director
▪ Southern Crest Development Sdn Bhd (a subsidiary of Iskandar Waterfront City Berhad)	Investment holding	8 July 2013	5 March 2024	Director
▪ Star Tram Sdn Bhd	Dissolved	1 March 2006	13 March 2020	Director and shareholder with 50.00% equity interest
▪ Tebrau Bay Sdn Bhd (a subsidiary of Iskandar Waterfront City Berhad)	Property development and construction activities	8 July 2013	5 March 2024	Director

Notes:

- (1) Airman Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. Airman Sdn Bhd has been dormant since the cessation of its trading of machinery and hardware business in 2015, until its acquisition of 13 parcels of lands with an expired development order for a mixed development project granted by DBKL and four (4) parcels of lands, all located in Kuala Lumpur, on 22 February 2024 and 29 July 2024 respectively. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(f) of this Prospectus.
- (2) Deemed interested by virtue of his indirect shareholding in LSH Resources via his direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (3) This company carries similar trade as one of our Group's business segments. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(v) of this Prospectus.
- (4) This company carries similar trade as one of our Group's business segments. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iv) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (5) *Ekovest Berhad is an investment holding company carrying on a similar trade as our Group through some of its subsidiaries. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.*
- (6) *Deemed interested by virtue of his direct interest in LSH Holdings pursuant to Section 8 of the Act.*
- (7) *This company carries similar trade as one of our Group's business segments. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iii) of this Prospectus.*
- (8) *Through its subsidiaries, Iskandar Waterfront City Berhad is principally involved in property developments and investment. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.*
- (9) *The entity is an indirect subsidiary of Credence Resources Sdn Bhd, in which Tan Sri KC Lim holds 5.00% direct equity interest therein as at LPD and DLKG acts as his alternate director in the company. For further information on Tan Sri KC Lim's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vii) of this Prospectus.*
- (10) *This partnership carries similar trade as one of our Group's business segments. For further information on DLKG's interest in this partnership vis-à-vis the interest of our Group, please refer to Section 10.1(ii) of this Prospectus.*
- (11) *Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.*
- (12) *This company carries similar trade as one of our Group's business segments. For further information on DLKG's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.*
- (13) *As at LPD, this entity is dormant with no business activities. Nevertheless, the Promoters (excluding LSH Resources) have provided a written undertaking to our Company, granting our Group the ROFR to acquire their entire shareholdings in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, they will dispose of their entire shareholdings in this entity to parties not connected with them.*

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iii) Lim Pak Lian

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Airman Sdn Bhd	Investment holding (in lands) ⁽¹⁾	18 June 2024	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾
▪ Costa Sutra Sdn Bhd	Trader in lighting and electrical products and its related accessories ⁽³⁾	-	-	Shareholder with 50.00% indirect equity interest ⁽³⁾
▪ Ekovest Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding, civil engineering and building works ⁽⁴⁾	-	-	Shareholder with 2.89% indirect equity interest ⁽⁵⁾
▪ Infinity Crane & Engineering Sdn Bhd	Transportation and rental of crane, machinery and equipment ⁽⁶⁾	1 November 2018	-	Director and shareholder with 50.00% indirect equity interest ⁽⁵⁾
▪ Knusford Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding and property investment	-	-	Shareholder with 1.50% indirect equity interest ⁽⁵⁾
▪ Lim Seong Hai Construction And Company (Partnership Enterprise)	General contractor including civil engineering contractor ⁽⁷⁾	1 January 2022	-	Partner
▪ Lim Seong Hai Property Sdn Bhd	Investment holding ⁽⁸⁾ and introducer of clients for real property transactions	2 January 2020	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾
▪ LSH Holdings	Investment holding (in entities and property), property development ⁽⁹⁾ and provision of moneylending service	7 November 1997	-	Director and shareholder with 25.00% direct equity interest
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ^{(1),(8)} and food and beverage sectors	10 September 2015	-	Director and shareholder with 100.00% indirect equity interest ⁽⁵⁾
▪ Metro Universal Development Sdn Bhd	Property developer ⁽¹⁰⁾	3 July 2019	-	Alternate director to Tan Sri KC Lim and shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Milan Suria Sdn Bhd	Trading in retail furniture, design and supply of project furniture	29 May 2002	-	Director and shareholder with 50.00% equity interest

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Novaview Realty Sdn Bhd	Investment holding ⁽¹⁰⁾	5 July 2019	-	Alternate director to Tan Sri KC Lim and shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Richmond Technology Sdn Bhd	Construction of buildings, other technology service activities and wholesale of a variety of goods without any particular specialisation ⁽¹⁰⁾	3 July 2019	-	Alternate director to Tan Sri KC Lim and shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Sentul Sedap Sdn Bhd (formerly known as Sentul Ria Sdn Bhd)	Food and beverage operator, restaurant and catering services	15 December 2022	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾

Past involvements:

- Ablesun Rubber Industries Sdn Bhd
- Manufacturing and trading or rubber compound and moulded rubber parts
- 18 July 2023
- Director

Notes:

- (1) Airman Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. Airman Sdn Bhd has been dormant since the cessation of its trading of machinery and hardware business in 2015, until its acquisition of 13 parcels of lands with an expired development order for a mixed development project granted by DBKL and four (4) parcels of lands, all located in Kuala Lumpur, on 22 February 2024 and 29 July 2024 respectively. For further information on Lim Pak Lian's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.
- (2) Deemed interested by virtue of her indirect shareholding in LSH Resources via her direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of her spouse's interest in Costa Sutra Sdn Bhd (a company which carries similar trade as one of our Group's business segments) pursuant to Section 59(11)(c) of the Act. For further information on Lim Pak Lian's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iv) of this Prospectus.
- (4) Ekovest Berhad is an investment holding company carrying on a similar trade as our Group through some of its subsidiaries. For further information on Lim Pak Lian's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.
- (5) Deemed interested by virtue of her direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (6) This company carries similar trade as one of our Group's business segments. For further information on Lim Pak Lian's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iii) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (7) This partnership carries similar trade as one of our Group's business segments. For further information on Lim Pak Lian's interest in this partnership vis-à-vis the interest of our Group, please refer to Section 10.1(ii) of this Prospectus.
- (8) Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.
- (9) This company carries similar trade as one of our Group's business segments. For further information on Lim Pak Lian's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.
- (10) As at LPD, this entity is dormant with no business activities. Nevertheless, the Promoters (excluding LSH Resources) have provided a written undertaking to our Company, granting our Group the ROFR to acquire their entire shareholdings in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, they will dispose of their entire shareholdings in this entity to parties not connected with them.

(iv) Lim Keng Hun

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Airman Sdn Bhd	Investment holding (in lands) ⁽¹⁾	10 October 2001	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾ Manager
▪ Costa Sutra Sdn Bhd	Trader in lighting and electrical products and its related accessories ⁽³⁾	28 October 2011	-	Shareholder with 16.67% direct equity interest
▪ Ekovest Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding, civil engineering and building works ⁽⁴⁾	-	-	Shareholder with 2.89% indirect equity interest ⁽⁵⁾
▪ Infinity Crane & Engineering Sdn Bhd	Transportation and rental of crane, machinery and equipment ⁽⁶⁾	-	-	Shareholder with 50.00% indirect equity interest ⁽⁵⁾
▪ Knusford Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding and property investment	-	-	Shareholder with 1.50% indirect equity interest ⁽⁵⁾
▪ Lim Seong Hai Construction And Company (Partnership Enterprise)	General contractor including civil engineering contractor ⁽⁷⁾	11 June 2010	-	Partner

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Lim Seong Hai Property Sdn Bhd	Investment holding ⁽⁶⁾ and introducer of clients for real property transactions	2 January 2020	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾
▪ LSH Holdings	Investment holding (in entities and property), property development ⁽⁹⁾ and provision of moneylending service	30 April 1999	-	Director and shareholder with 25.00% direct equity interest
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ^{(1),(8)} and food and beverage sectors	10 September 2015	-	Director and shareholder with 100.00% indirect equity interest ⁽⁵⁾
▪ Metro Universal Development Sdn Bhd	Property developer ⁽¹⁰⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Novaview Realty Sdn Bhd	Investment holding ⁽¹⁰⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Richmont Technology Sdn Bhd	Construction of buildings, other information technology service activities and wholesale of a variety of goods without any particular specialisation ⁽¹⁰⁾	-	-	Shareholder with 33.33% indirect equity interest ⁽⁵⁾
▪ Sentul Sedap Sdn Bhd (formerly known as Sentul Ria Sdn Bhd)	Food and beverage operator, restaurant and catering services	15 December 2022	-	Director and shareholder with 100.00% indirect equity interest ⁽²⁾

Past involvement:

- Nil

Notes:

- (1) Airman Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. Airman Sdn Bhd has been dormant since the cessation of its trading of machinery and hardware business in 2015, until its acquisition of 13 parcels of lands with an expired development order for a mixed development project granted by DBKL and four (4) parcels of lands, all located in Kuala Lumpur, on 22 February 2024 and 29 July 2024 respectively. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.
- (2) Deemed interested by virtue of his indirect shareholding in LSH Resources via his direct interest in LSH Holdings pursuant to Section 8 of the Act.
- (3) This company carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iv) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (4) *Ekovest Berhad is an investment holding company carrying on a similar trade as our Group through some of its subsidiaries. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.*
- (5) *Deemed interested by virtue of its direct interest in LSH Holdings pursuant to Section 8 of the Act.*
- (6) *This company carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iii) of this Prospectus.*
- (7) *This partnership carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this partnership vis-à-vis the interest of our Group, please refer to Section 10.1(ii) of this Prospectus.*
- (8) *Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.*
- (9) *This company carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.*
- (10) *As at LPD, this entity is dormant with no business activities. Nevertheless, the Promoters (excluding LSH Resources) have provided a written undertaking to our Company, granting our Group the ROFR to acquire their entire shareholdings in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, they will dispose of their entire shareholdings in this entity to parties not connected with them.*

(v) Lim Ding Shyong

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Ablesun Rubber Industries Sdn Bhd	Manufacturing and trading of rubber compound and moulded rubber parts	18 July 2023	-	Director
▪ Lim Seong Hai Property Sdn Bhd	Investment holding ⁽¹⁾ and introducer of clients for real property transactions	19 June 2024	-	Director
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ⁽²⁾ and food and beverage sectors	14 January 2010		Director
▪ Sentul Sedap Sdn Bhd (formerly known as Sentul Ria Sdn Bhd)	Food and beverage operator, restaurant and catering services	15 December 2022	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Past involvements:				
▪ Ekovest Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding, civil engineering and building works	27 February 2014	6 March 2024	Alternate director to Tan Sri KC Lim
▪ Ekovest Project Management Sdn Bhd (a subsidiary of Ekovest Berhad)	Project management for construction works	29 April 2016	6 March 2024	Director
▪ Lim Teh Ventures Sdn Bhd	Property development	4 August 2014	1 December 2023	Director
▪ Tanahmas Kapital Sdn Bhd	Construction of buildings that do not fall under any specific, predefined categories	19 October 2017	6 March 2024	Director

Notes:

- (1) *Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.*
- (2) *Please refer to Section 10.1(i) of this Prospectus for further information.*

(vi) Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Engineering and Environmental Consultants Sdn Bhd	Engineering consultant	27 July 2015	-	Director and shareholder with 16.00% direct equity interest
▪ Yayasan Allammiyyah	Financially institutions and centres of Islamic education, financially and materially Islamic religious institutions and centres of Islamic education to the poor and needy	23 July 2014	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Past involvements:				
▪ D Great Solar Resources Sdn Bhd	Installation of non-electric solar energy collectors, engaged in financial services or related operations that do not fit into conventional financial activity classifications and other things incidental or conductive in such business operations	28 December 2015	15 June 2020	Director
▪ S P Setia Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding with its subsidiaries principally involved in property development	15 October 2014	27 April 2023	Independent Non-Executive Director
▪ Timeless Green Sdn Bhd	Wholesale of a variety of goods without any particular specialisation and do not fit into any predefined categories, stock, share and bond brokers, business of property developer	2 January 2015	15 July 2020	Director

(vii) Lee Swee Kheng

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ GDP Power Distribution Sdn Bhd	Operation of transmission, distribution and sales of electricity	14 July 2023	-	Director
▪ GDP Solar Farm Sdn Bhd	Operation of generation facilities that produce electric energy	14 July 2023	-	Director
▪ Mighty Symphony Sdn Bhd	Business of investment holding of residential lands ⁽¹⁾	10 November 2021	-	Director
▪ MSR Green Digital Park Sdn Bhd	Construction of buildings; real estate activities with own or leased property; activities of holding companies ⁽²⁾	17 July 2023	-	Director
▪ MSR Green Energy Sdn Bhd	Solar photovoltaic installation systems and renewal energy projects, project management and consultant and electrical works	31 December 2022	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (4) *Ekovest Berhad is an investment holding company carrying on a similar trade as our Group through some of its subsidiaries. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(vi) of this Prospectus.*
- (5) *Deemed interested by virtue of its direct interest in LSH Holdings pursuant to Section 8 of the Act.*
- (6) *This company carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(iii) of this Prospectus.*
- (7) *This partnership carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this partnership vis-à-vis the interest of our Group, please refer to Section 10.1(ii) of this Prospectus.*
- (8) *Lim Seong Hai Property Sdn Bhd is a wholly-owned subsidiary of LSH Resources which in turn is a wholly-owned subsidiary of LSH Holdings. As at LPD, it holds residential condominium units and commercial units for investment purposes.*
- (9) *This company carries similar trade as one of our Group's business segments. For further information on Lim Keng Hun's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(i) of this Prospectus.*
- (10) *As at LPD, this entity is dormant with no business activities. Nevertheless, the Promoters (excluding LSH Resources) have provided a written undertaking to our Company, granting our Group the ROFR to acquire their entire shareholdings in this entity if such entity decides to commence business activities similar to those of our Group, and if our Group chooses not to exercise the ROFR, they will dispose of their entire shareholdings in this entity to parties not connected with them.*

(v) Lim Ding Shyong

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Ablesun Rubber Industries Sdn Bhd	Manufacturing and trading of rubber compound and moulded rubber parts	18 July 2023	-	Director
▪ Lim Seong Hai Property Sdn Bhd	Investment holding ⁽¹⁾ and introducer of clients for real property transactions	19 June 2024	-	Director
▪ LSH Resources	Investment holding with its subsidiaries involved in property holding ⁽²⁾ and food and beverage sectors	14 January 2010		Director
▪ Sentul Sedap Sdn Bhd (formerly known as Sentul Ria Sdn Bhd)	Food and beverage operator, restaurant and catering services	15 December 2022	-	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Library Mall Development Sdn Bhd	Investment holding	15 August 2017	31 July 2021	Director
▪ Maica Wood Industries Sdn Bhd	Investment holding	15 September 2017	31 July 2021	Director
▪ Sunsuria Arena Sdn Bhd	Investment holding	15 September 2017	31 July 2021	Director
▪ Sunsuria Asas Sdn Bhd	Construction	2 January 2018	31 July 2021	Director
▪ Sunsuria Builders Sdn Bhd	Investment holding	15 September 2017	31 July 2021	Director
▪ Sunsuria City Sdn Bhd	Property development	15 August 2017	31 July 2021	Director
▪ Sunsuria Education Group Sdn Bhd	Operations and management of food and beverage business, and proprietors of restaurants	26 October 2018	31 July 2021	Director
▪ Sunsuria Education International Sdn Bhd	Properties of restaurants and operations and management of food and beverage business	10 November 2017	31 July 2021	Director
▪ Sunsuria Education Sdn Bhd	Collaboration with accredited educational institutions to provide learning support and provision of educational services	15 September 2017	31 July 2021	Director
▪ Sunsuria Everrich Sdn Bhd	Investment holding and property development	15 August 2017	31 July 2021	Director
▪ Sunsuria Facility Management Sdn Bhd	Service management and investment holding	15 September 2017	31 July 2021	Director
▪ Sunsuria Forum Sdn Bhd	Property development and licensed money lending activities	15 September 2017	31 July 2021	Director
▪ Sunsuria Gateway Sdn Bhd	Investment holding	15 September 2017	31 July 2021	Director
▪ Sunsuria Genlin Development Sdn Bhd	Property development	15 September 2017	31 July 2021	Director
▪ Sunsuria Integrated Healthcare Sdn Bhd	To carry on the business of buying, selling, reselling, importing, exporting, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of medical or pharmaceutical products as well as manufacturing of all type of medical or pharmaceutical products	19 June 2019	31 July 2021	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
▪ Sunsuria Kejora Sdn Bhd	Property development	15 September 2017	31 July 2021	Director
▪ Sunsuria Landscape & Nursery Sdn Bhd	Landscape and nursery care and all other related services	28 July 2017	31 July 2021	Director
▪ Sunsuria North Sdn Bhd	Investment holding and property investment	15 September 2017	31 July 2021	Director
▪ Sunsuria Nusantara Sdn Bhd	Property development	15 September 2017	31 July 2021	Director
▪ Sunsuria Retail (Forum) Sdn Bhd	Development and provision of parking and loading spaces and conversion of parking and loading spaces into retail spaces	26 September 2018	31 July 2021	Director
▪ Sunsuria Symphony Sdn Bhd	Investment holding	15 September 2017	31 July 2021	Director
▪ Vibrant Blossom Sdn Bhd	Private international school operator	14 May 2019	31 July 2021	Director

Notes:

- (1) As at LPD, Mighty Symphony Sdn Bhd holds two (2) parcels of residential lands in Selangor which are held for investment purposes. For further information on Lee Swee Kheng's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(xi) of this Prospectus.
- (2) MSR Green Digital Park Sdn Bhd is involved in the master development of an industrial park specifically designated for the construction of green data centers. Its primary role is to facilitate multinational data center operators in sourcing for suitable land for their data center construction. The development undertaken by MSR Green Digital Park is highly specialised and differs from the development activities undertaken by our Group.
- (3) This company carries similar trade as one of our Group's business segments. For further information on Lee Swee Kheng's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(ix) of this Prospectus.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(viii) Dato' Wang Sze Yao @ Wang Ming Way

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Alpha Red Services Sdn Bhd	Software development and information technology services	-	-	Shareholder with 2% direct equity interest
▪ Audivolks (M) Sdn Bhd	Property Investment ⁽¹⁾	19 December 2016	-	Director and shareholder with 93.00% direct equity interest
▪ Bavarian Realty Sdn Bhd	Property holding companies ⁽²⁾	14 March 2008	-	Director and shareholder with 59.50% direct equity interest
▪ Chong Hwa Holdings Sdn Bhd	Investment holding ⁽³⁾	13 July 2020	-	Director
▪ Dedreams Creative Sdn Bhd	Printing advertising agent and restaurants	7 October 2022	-	Director and shareholder with 5.01 % direct equity interest
▪ Millennium Study Sdn Bhd	Educational support services for provision of non-instructional services	-	-	Shareholder with 5.00% direct equity interest
▪ Miramas Properties Sdn Bhd	Real property and housing development ⁽⁴⁾	-	-	Shareholder with 5.00% direct equity interest
▪ Novelland Sdn Bhd	Property investment ⁽¹⁾	30 October 2014	-	Director and shareholder with 33.33% direct equity interest
▪ P.A. Resources Berhad (a listed entity on the Main Market of Bursa Securities)	Investment holding ⁽⁵⁾	18 November 2014	-	Independent Non-Executive Director and shareholder with 1.40% direct equity interest
▪ STVC Talent Sdn Bhd	Investment holding with its subsidiary involved in venture capital ⁽⁶⁾	9 April 2019	-	Director and shareholder with 100.00% direct equity interest
▪ WMW Realty Sdn Bhd	Property investment ⁽⁷⁾	14 May 2010	-	Director and shareholder with 99.99% direct equity interest
Past involvements:				
▪ Bcloud Solutions Sdn Bhd	Dissolved	23 March 2021	19 November 2021	Director
▪ Cemara Sentosa Sdn Bhd	Investment holdings	14 May 2018	18 July 2023	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Chong Hwa KL Foundation	To receive, administer and augment funds or in kind for charitable purposes in the advancement of education to needy and deserving members of the public irrespective of race, religion or creed. To receive any donations in cash or in kind and to invest and/or apply the same for the objective of the foundation	24 May 2021	18 June 2022	Director
Playnedu Sdn Bhd	Other information technology service activities	11 December 2019	29 July 2020	Director
SCCW Holdings Sdn Bhd	Dormant	6 March 2017	29 January 2021	Director and shareholder with 2.00% direct equity interest
Tenaga Awana Sdn Bhd	Supply and installation of car accessories and service centre	24 December 2013	17 February 2020	Director

Notes:

- (1) As at LPD, this entity does not hold any vacant land and all the properties held for investment purposes are buildings.
- (2) As at LPD, Bavarian Realty Sdn Bhd is dormant and does not carry out any business activities.
- (3) As at LPD, Chong Hwa Holdings Sdn Bhd is not holding shares in any company or properties. It was previously intended to hold land for education purposes but the plan has been aborted.
- (4) The shareholding held in this entity is merely for investment purposes. For further information on Dato' Wang Sze Yao @ Wang Ming Way's interest in this company vis-à-vis the interest of our Group, please refer to Section 10.1(x) of this Prospectus.
- (5) As at LPD, P.A. Resources Berhad, through its subsidiaries, is principally involved in aluminium extrusion producing semi-finished aluminium products as well as aluminium smelting and producing aluminium billet.
- (6) As at LPD, STVC Talent Sdn Bhd is the holding company of Seatech Ventures Corp, a venture capital firm.
- (7) As at LPD, WMW Realty Sdn Bhd is a dormant company and does not hold any properties.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ix) Nurulhuda Hayati Binti Ibrahim

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ Landskap Integrasi (Sole proprietorship)	Provision of landscape architectural consultancy services	21 February 2000	-	Owner and principal architect
▪ NR Consultants (Partnership Enterprise)	Dormant. Previously involved in the provision of landscape architectural consultancy services	15 August 1991	-	Partner
Past involvement:				
▪ ILAM Centre of Excellence Sdn Bhd	Organising activities of professional membership organisations, carrying out wholesale of a variety of goods without any particular specialisations, organisations promotions and/or management of event	3 November 2017	23 May 2024	Director and shareholder with 50.00% equity interest
▪ Landskap Integrasi Sdn Bhd	Dissolved. Intended for provision of landscaping services	26 May 1994	16 September 2022	Director and shareholder with 99.00% equity interest

(x) Ar. Alina Binti Abdullah

Name of company	Principal activities	Date of appointment	Date of resignation	Involvement in business activities
Present involvements:				
▪ A&A Studio (Sole proprietorship)	Provision of graphic and interior designs as well as project management consultancy and coordination services in related fields	3 October 2022	-	Owner and principal
▪ Alina Architect (Sole proprietorship)	Provision of architectural consultancy services	9 September 2023	-	Owner and principal architect
Past involvement:				
▪ AKDI (Johor) Sdn Bhd	Dissolved	27 January 2016	23 November 2021	Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The involvement of our Directors in the business activities outside our Group as set out above will not affect their commitment and responsibilities to our Group in their respective role as our Directors. The involvement of our Directors in the business activities outside our Group which are (i) carrying on a similar trade as that of our Group; or (ii) our customers or suppliers, also do not constitute a conflict of interest as further detailed in Section 10.1 of this Prospectus.

Further, for our Directors who hold executive roles in our Group and are also involved in other principal business activities outside our Group, they are not precluded from allocating or committing the required time and effort to carry out their respective duties in our Group given that they are not involved in the executive capacity and participate in the management and day-to-day operations of such business activities outside our Group, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management. As such, our Directors who hold executive roles in our Group are of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties.

4.2.4 Remuneration and material benefits-in-kind of our Directors

The remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered to us in their capacities to our Group for the FYEs 2024 and 2025 are as follows:

(i) FYE 2024 (Actual)

Name	Directors' fees	Salaries	Bonuses	Allowances and benefits-in-kind	Other emoluments ⁽¹⁾	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Tan Sri KC Lim	60	-	-	-	-	60
DLKG	60	640	533	96	142	1,471
Lim Pak Lian	60	579	444	35	126	1,244
Lim Keng Hun	60	579	444	23	125	1,231
Lim Ding Shyong	34	260	182	22	56	554
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	60	-	-	-	-	60
Lee Swee Kheng	40	-	-	-	-	40
Dato' Wang Sze Yao @ Wang Ming Way	36	-	-	-	-	36
Nurulhuda Hayati Binti Ibrahim	-	-	-	-	-	-
Ar. Alina Binti Abdullah	-	-	-	-	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) FYE 2025 (Proposed)

Name	Directors' fees	Salaries	Bonuses	Allowances and benefits-in-kind	Other emoluments ⁽¹⁾	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Tan Sri KC Lim	62	-	-	-	-	62
DLKG	62	492	320	97	98	1,069
Lim Pak Lian	62	505	328	35	103	1,033
Lim Keng Hun	62	505	328	23	102	1,020
Lim Ding Shyong	62	294	192	22	60	630
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	62	-	-	-	-	62
Lee Swee Kheng	62	-	-	-	-	62
Dato' Wang Sze Yao @ Wang Ming Way	62	-	-	-	-	62
Nurulhuda Hayati Binti Ibrahim	52	-	-	-	-	52
Ar.Alina Binti Abdullah	52	-	-	-	-	52

Note:

- (1) These comprise contributions to Employees Provident Fund, Social Security Organisation and Employee Insurance Scheme.

The remuneration of our Directors must be considered and recommended by our Nomination and Remuneration Committee and subsequently be approved by our Board. Our Directors' fees and/or benefits must be further approved/endorsed by our shareholders at a general meeting.

4.2.5 Board practices

Our Board is responsible in leading and managing our Company in an effective and responsible manner and all our Directors have an equal responsibility for our operations and corporate accountability.

With the limit set by our Constitution, our Board is responsible for the governance and overall direction, strategy and performance of our Group. Our Board has adopted the following principal duties and responsibilities:

- (i) together with our management team, promotes good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
- (ii) reviews, challenges and decides on our management's proposals for our Group and monitors its implementation by our management;
- (iii) ensures that the strategic plans of our Group support long-term value creation and include strategies on economic, environmental and social considerations underpinning sustainability;
- (iv) supervises and assesses the conduct and performance of our management to determine whether our Group's businesses are being properly managed;
- (v) ensures that there is a sound framework for internal controls and risk management;

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (vi) understands the principal risks of our Group's business and recognises that business decisions involve taking appropriate risks;
- (vii) sets the risk appetite within which our Board expects our management to operate and ensures that there is an appropriate risk management framework to identify, evaluate, manage and monitor significant financial and non-financial risks;
- (viii) ensures that our senior management team has the necessary skills and experience, and there are measures in place to provide for the orderly succession of our Board and senior management;
- (ix) ensures that our Company has in place procedures to enable effective communication with stakeholders; and
- (x) ensures the integrity of our Company's and our Group's financial and non-financial reporting.

4.2.5.1 Audit and Risk Management Committee

Our Audit and Risk Management Committee was formed by our Board on 8 March 2024. The members of our Audit and Risk Management Committee consists of the following:

Name	Designation	Directorship
Lee Swee Kheng	Chairman	Independent Non-Executive Director
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	Member	Independent Non-Executive Director
Dato' Wang Sze Yao @ Wang Ming Way	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee undertakes, among others, the following functions:

External audits

- (i) to review and highlight and/or report to our Board, among others, the following:
 - (a) the external audit plan which shall state the nature, extent and scope;
 - (b) any issues, reservations or significant audit findings reported by the external auditors and the response of our management;
 - (c) the external audit report, external evaluation of the internal controls system and management letters with external auditors;
 - (d) the annual evaluation of the performance of the external auditors, including the suitability, objectivity and independence of the external auditors;
 - (e) the non-audit services provided by the external auditors and/or its network firms to our Company for the financial year; and
 - (f) the nomination for the appointment or re-appointment of the external auditors;

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Internal audits

- (ii) to ensure that the internal audit function is independent from the external audit function and that it has the necessary authority to carry out its function;
- (iii) to review and approve the internal audit charter which defines the purpose, authority, scope and responsibilities of the internal audit function;
- (iv) to review and oversee the effectiveness of our internal control system which include the review of the adequacy, scope, plan, functions, competency and resources of the internal audit function;
- (v) to ensure that the internal auditors adopt a recognised framework in conducting their work;
- (vi) to review the appointment and removal of internal auditors;
- (vii) to review the independence of the internal audit personnel to ensure that they are free from any conflict of interest with our Group in carrying out their work;
- (viii) to ensure that sufficient resources are allocated for the internal audit function and that it is given access to the necessary information to enable it to carry out its function effectively;
- (ix) to review the internal audit reports, discuss major findings or any area of concern or issue in relation to internal controls and procedures with the internal auditors, as well as management's responses, and ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures are identified;
- (x) to monitor the status of implementation of the action plans arising from the issue reported by the internal auditors to ensure they are satisfactorily completed;

Risk management

- (xi) to review the risk profile of our Group, including corporate liabilities and assess management's plans to mitigate such risks;
- (xii) to formulate and recommend risk management strategies, policies, processes, tolerance level and risk appetite limits to our Board;
- (xiii) to monitor the risk exposures of our Group to ensure compliance with approved risk policies and addressing significant risks appropriately;
- (xiv) to assess the risks associated with the proposed strategic transactions of our Group and report the same to our Board;
- (xv) to evaluate the adequacy of the business/disaster recovery procedures of our Group;
- (xvi) to monitor risk control measures for corporate liabilities risks;
- (xvii) to review operational effectiveness and efficiency of our Group in detecting bribery risks and ensure legal and regulatory compliance;
- (xviii) to direct and supervise special projects or investigations as needed, and review reports on major defalcations, frauds and thefts;

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Financial reporting

- (xix) to review the quarterly financial results and year-end financial statements of our Company and our Group as well as the annual reports of our Company, before reporting the statements to our Board for approval, focusing particularly on:
- any changes in or implementation of major accounting policy;
 - significant adjustments arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - the going concern assumption; and
 - compliance with applicable accounting standards and other legal requirements;
- (xx) to assess whether the financial statements represent a true and fair view of our Company's financial position and performance;

Others

- (xxi) to review and report to our Board any related party transaction and/or conflict of interests' situation within our Company or our Group including the nature of transaction, situations that raises questions of management integrity and evaluate the measures taken to resolve, eliminate, or mitigate such conflicts; and
- (xxii) to review the process used to procure shareholders' mandate for recurrent related party transactions.

4.2.5.2 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was formed by our Board on 8 March 2024. The members of our Nomination and Remuneration Committee consists of the following:

Name	Designation	Directorship
Dato' Wang Sze Yao @ Wang Ming Way	Chairman	Independent Non-Executive Director
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	Member	Independent Non-Executive Director
Lee Swee Kheng	Member	Independent Non-Executive Director

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Our Nomination and Remuneration Committee undertakes, among others, the following functions:

Appointments

- (i) to identify and nominate candidates to fill our Board vacancies as and when the need arises, for the approval of our Board;
- (ii) to review the composition and diversity of each Board committee and make recommendations to our Board for the appointment of additional committee members or after the termination of existing committee members;
- (iii) to make recommendations to our Board for the appointment of Managing Director as well as Chief Financial Officer, Chief Legal Officer and/or other equivalent chief officer position ("**Senior Management**");
- (iv) to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors;
- (v) to review and devise onboarding training such as orientation and induction plans for new members of our Board;

Training and development

- (vi) to assess the training needs of each Director, review the fulfilment of such training and disclose details in our annual report where appropriate;

Succession planning

- (vii) to review and recommend to our Board the succession plan and policy of the Chairman of our Board, the executive and non-executive Directors and the Senior Management;

Performance assessment

- (viii) to review and assess annually, among others, the effectiveness and performance of our Board and Board committees (including its size, diversity and composition) and contributions of each individual director, including the Managing Director, executive directors and non-executive Directors;
- (ix) to review the term of office and performance of our Audit and Risk Management Committee and its members to ensure that they have carried out their duties in accordance with its terms of reference;

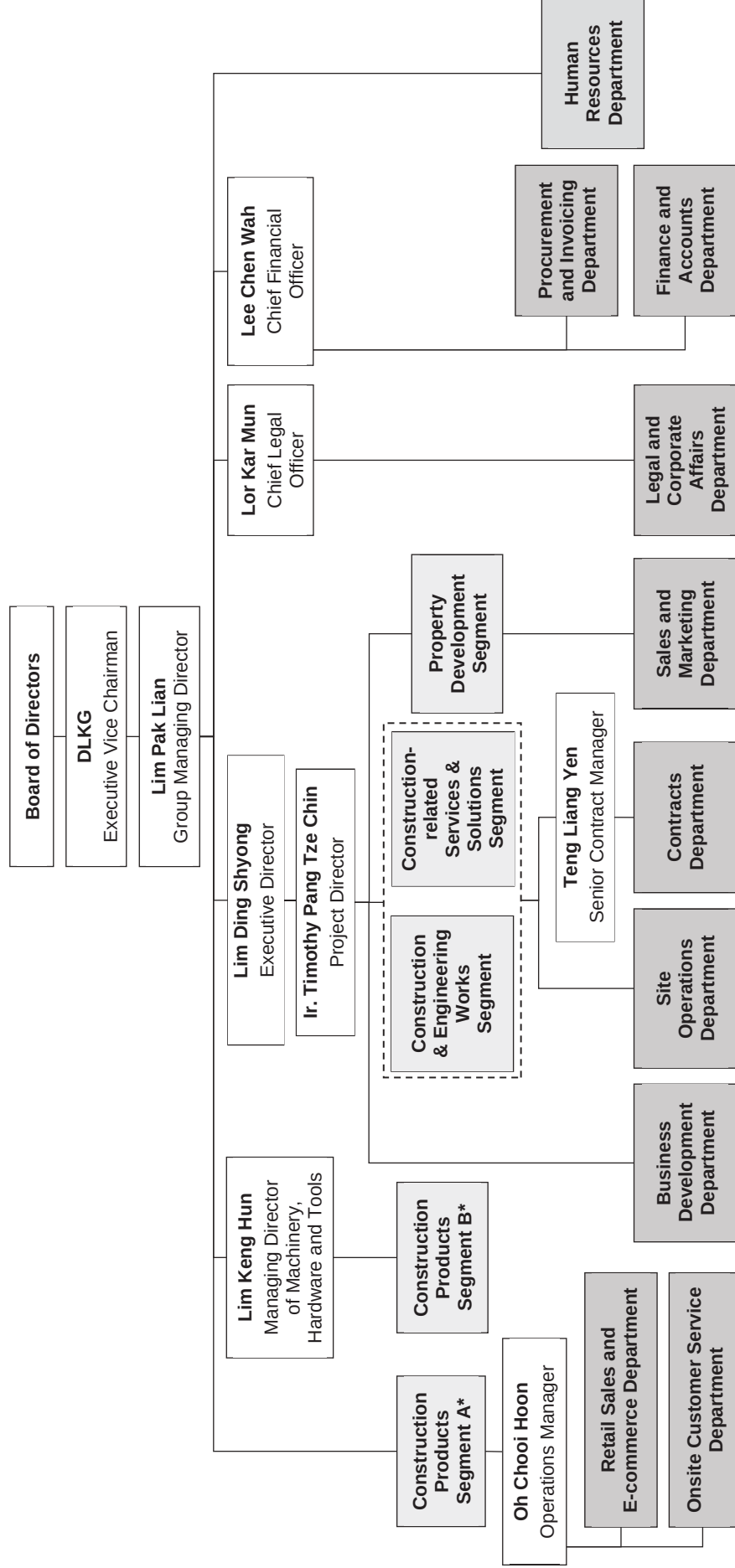
Remuneration

- (x) to review and recommend to our Board for approval, the remuneration policy and package for each of the executive Directors, non-executive Directors and Senior Management to reflect their respective responsibilities and contribution;
- (xi) to ensure the remuneration arrangements for our Board and, if applicable, Senior Management align with our Group's long-term business objectives through formulating incentive plans to drive organisational performance including key performance indicators and performance hurdles; and
- (xii) to communicate with shareholders on the remuneration arrangements of the Managing Director and executive Directors, where necessary, to promote accountability and transparency.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.3 MANAGEMENT REPORTING STRUCTURE

The following chart illustrates the management reporting structure of our Group:



Notes:

* Construction Products Segment A refers to the distribution of building materials as well as wholesale and retail of lighting products, while Segment B refers to the wholesale and retail of hardware products and tools as well as rental of construction machinery and equipment.

The site operations department and contracts department are involved in the operation of these construction sub-segments.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.4 KEY SENIOR MANAGEMENT

4.4.1 Particulars and shareholdings of our Key Senior Management

The details of our Key Senior Management, all of whom are Malaysian, and their respective shareholdings in our Company as at LPD and after our Public Offering (assuming each of our Key Senior Management subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii) of this Prospectus) are as follows:

		As at LPD / Before our Public Offering			After our Public Offering				
Name	Designation	Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
DLKG	Non-Independent Executive Vice Chairman	29,349,729	4.16	(3)543,501,717	76.94	14,955,281	1.78	(3)542,029,809	64.65
Lim Pak Lian	Non-Independent Group Managing Director	29,349,729	4.16	(3)543,501,717	76.94	14,955,281	1.78	(3)542,144,809	64.67
Lim Keng Hun	Non-Independent Managing Director of Machinery, Hardware and Tools Division	29,349,729	4.16	(3)543,501,717	76.94	14,995,281	1.78	(3)542,019,809	64.65
Lim Ding Shyong	Non-Independent Executive Director	-	-	-	-	500,000	0.06	-	-
Lor Kar Mun	Chief Legal Officer	-	-	-	-	100,000	0.01	-	-
Lee Chen Wah	Chief Financial Officer	-	-	-	-	200,000	0.02	-	-
Ir. Timothy Pang Tze Chin	Project Director	(4)1,000,000	0.14	-	-	1,200,000	0.14	-	-
Teng Liang Yen	Senior Contract Manager	(4)40,000	*	-	-	140,000	0.02	-	-
Oh Chooi Hoon	Operations Manager of LSH Lighting	-	-	-	-	75,000	0.01	-	-

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- * Less than 0.01%
- (1) Based on the total number of 706,360,208 Shares as at LPD.
- (2) Based on the enlarged total number of 838,360,208 Shares after our Public Offering.
- (3) Deemed interested by virtue of his/her indirect shareholding in LSH Resources via his/her direct interest in LSH Holdings pursuant to Section 8 of the Act, as well as indirect interest by virtue of his/her children's direct interest in our Company pursuant to Section 59(11)(c) of the Act assuming that the children subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 3.3.1(ii)(b) of this Prospectus (where relevant).
- (4) These Shares were subscribed by the individuals (as pre-listing investors) in May 2021 before our Company's listing on the LEAP Market.

Save for DLKG, Lim Pak Lian and Lim Keng Hun who are representatives of LSH Resources and LSH Holdings and Lim Ding Shyong who is the representative of LSH Resources, none of our other Key Senior Management are representatives of any corporate shareholder.

4.4.2 Profiles of our Key Senior Management

The profiles of DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong, who are also our Directors are set out in Sections 4.1.2(iv), (v) and (vi) and 4.2.2(i) of this Prospectus respectively. The profiles of our other Key Senior Management are as follows:

(i) Lor Kar Mun

Lor Kar Mun, a Malaysian aged 28, is our Chief Legal Officer. She is responsible for overseeing and advising our Group on all legal and corporate matters.

Lor Kar Mun graduated with a Bachelor of Laws (Honours) from Queen Mary University of London in June 2018. She completed her Bar Professional Training Course at The City Law School in July 2019. She is a barrister-at-law upon her admission to the Bar of England and Wales by The Honourable Society of the Middle Temple in July 2019. In October 2020, she was admitted as an Advocate and Solicitor of the High Court of Malaya.

Upon returning from the United Kingdom in October 2019, Lor Kar Mun commenced her pupillage at the corporate, mergers and acquisitions ("M&A"), real estate and corporate finance practice division of Lee Hishammuddin Allen & Gledhill ("LHAG"). Upon completion of her pupillage in July 2020, she was confirmed as a legal associate at LHAG in the same division. During her tenure at LHAG, she was primarily engaged in various corporate advisory works such as carrying out legal due diligence exercises for M&A transactions, drafting transaction agreements and commercial contracts for private and listed companies from various industries, namely construction, real estate development, hospitality, power plant development, manufacturing, education, semi-conductor and information technology industries. She was also involved in several complex real estate acquisitions and tenders, as well as corporate financing exercises.

In October 2021, Lor Kar Mun left LHAG and joined our Group where she spearheaded the establishment of our Group's legal department. In November 2021, she assumed her present position as Chief Legal Officer. She is primarily responsible for managing all legal aspects of our Group, including reviewing all legal documentations such as construction contracts, collaborations and joint arrangements under our BEST Collaboration Framework, acquisitions and disposals of real estate assets, service agreements and financing matters.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Over the years, Lor Kar Mun has also led several of our Group's key corporate and due diligence exercises, including our Group's diversification into the construction and construction-related services, acquisitions of ASSB and LSH Ventures, debt settlement of LSH Ventures, diversification into property development, as well as the Transfer of Listing exercise.

Lor Kar Mun also represents our Group in negotiations and discussions with government departments and agencies, and other stakeholders of our Group on the terms of agreements. Additionally, she assists with the legal and corporate aspect of our Group's tender documentation processes for construction projects as well as managing our Group's debt recovery procedures (i.e. in conjunction with the voluntary winding-up of Kran World). For our Group's litigation matters, she coordinates with external legal counsels and reviews affidavits, written submissions, legal opinions and out-of-court settlements.

Since joining our Group, Lor Kar Mun has streamlined all of our Group's legal, corporate and internal documents and processes, such as creating the Group's templates for residential, commercial and machinery leasing agreements, implementing our Group's first employee handbook while enhancing our Group's human resource related agreements, and has introduced several internal policies to effectively manage our Group's legal and commercial risks.

Under Lor Kar Mun's leadership, our Group's legal team provides support for our strategic growth initiatives and helps our Group navigate complex commercial transactions. Overall, Lor Kar Mun also ensures all legal aspects of our Group are robust, aligned with industry standards, complies with statutory and regulatory requirements and internal audit functions.

(ii) **Lee Chen Wah**

Lee Chen Wah, a Malaysian aged 34, is our Chief Financial Officer. He is responsible for overseeing the daily finance and accounting activities and functions of our Group.

Lee Chen Wah graduated with a Certified Accounting Technicians ("CAT") from Sunway College in June 2011. Upon obtaining his CAT certificate, he continued to pursue his studies in the accounting field at Sunway College until December 2012. He completed the Association of Chartered Certified Accountants ("ACCA") examinations in October 2019 and was admitted as a member of ACCA in August 2023. He is also a member of the Malaysian Institute of Accountants (MIA) since September 2023.

After his studies at Sunway College in December 2012, Lee Chen Wah took a one-month break before he started work at Wong Yow Seng & Co as an Audit and Tax Assistant in February 2013. He was responsible for performing statutory audit for small and medium enterprises, performing preliminary and final analytical review before and after audits, preparing draft audited consolidated financial statements for companies, carrying out corporate tax planning and submissions, and liaising with clients on all auditing, tax and accounting matters. He left Wong Yow Seng & Co in December 2015 to pursue his studies for the remaining ACCA papers. While studying, he also provided accounting services to Weng Tuck System Engineering Sdn Bhd on a part-time basis.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In March 2017, Lee Chen Wah joined Dynamic Management Sdn Bhd (a subsidiary of IOI Properties Group Berhad (“**IOI Prop**”) which is principally involved in property development, provision of management services and investment holding) as Executive, Financial Reporting, where he was responsible for handling the accounts and preparing the budgets of five (5) companies within the IOI Prop group, including property developers, investment properties and treasuries. He left Dynamic Management Sdn Bhd in May 2019 and joined Swissmann (M) Sdn Bhd, a company principally involved in the supply of customised luxury hotel and resort guestroom products, as its Accounts Manager. During this period, he was responsible for preparing the company’s financial reports, dealing with treasury function, advising the board of directors on financial analysis and tax planning, as well as managing and overseeing the accounts department. He left Swissmann (M) Sdn Bhd in July 2020 and joined Aircomaster (M) Sdn Bhd, a company specialised in information technology, communication technology and electrical engineering services, as Finance Manager. He was responsible for handling the accounts of its M&E construction department, dealing with treasury as well as managing and overseeing the accounts department. He then left Aircomaster (M) Sdn Bhd in March 2021.

In April 2021, Lee Chen Wah joined ASSB as Accounts Manager and was subsequently promoted to Senior Accounts Manager in March 2022. During this period, he was responsible for managing and supervising the daily operations of the company’s accounting department and handling the company’s full set of accounts. He subsequently joined LSHBB in February 2023 and was appointed as the Senior Accounts Manager to head the account department in managing the financial activities of our Group, a function which was previously led by an Accounts Manager of our Group with the support from our Group Managing Director. Lee Chen Wah was promoted to his current position as Chief Financial Officer of our Group in October 2023, and is responsible for overseeing the finance and accounting activities of our Group, which includes enhancing our Group’s finance and accounts related policies and procedures.

(iii) **Ir. Timothy Pang Tze Chin**

Ir. Timothy Pang Tze Chin, a Malaysian aged 35, is our Project Director. He is responsible for overseeing and monitoring the construction and property development projects of our Group as well as business development of these segments. He is also in charge of proposing construction designs which optimises costs, functionality and ease of construction works based on the site condition and/or client’s requirements, providing construction and technical solutions, offering alternative construction methodologies and suggesting alternative building materials for projects tendered and/or carried out by our Group.

Timothy graduated with a Bachelor of Engineering in Civil Engineering from Karlsruhe University of Applied Sciences in July 2012. He subsequently obtained a Master of Engineering in Structural Engineering from Beuth University of Applied Sciences in December 2014. In addition, he was certified as a Project Management Professional (PMP) by the Project Management Institute in September 2020 and a Professional Engineer by the Board of Engineers Malaysia in August 2022. He has been a member of The Institute of Engineers, Malaysia since November 2022 and a Graduate Technologist of the Malaysia Board of Technologists since January 2023.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Timothy began his career in March 2015 when he joined Ekovest Construction Sdn Bhd (a subsidiary of Ekovest Berhad ("**Ekovest**")) as a Project Engineer, where he was involved in the coordination works for the preliminary design, detailed design and tender drawings of highway projects with various project stakeholders. In March 2017, he was promoted to Assistant Technical Manager at Ekovest, where he was responsible for coordinating and liaising with authorities and other project stakeholders for project design and construction. In January 2019, he was promoted to Technical Manager, where he led the technical department in ensuring the construction projects carried out by the group comply with the requirements of the relevant authorities and stakeholders, while making sure that the construction project designs are optimised to meet clients' and contractors' expectations. Additionally, he was also involved in conducting sustainability assessments on construction projects and made recommendations where necessary to improve the sustainability performance of the construction projects. He left Ekovest in September 2021.

In October 2021, Timothy joined SLP Construction Sdn Bhd as a Project Director, where he was responsible for overseeing and monitoring the construction projects of the company to ensure that quality and costs are well-managed as well as the timely completion of the construction project milestones. He left SLP Construction Sdn Bhd in November 2021 and joined LSHBB as Project Director, a position he continues to hold today.

(iv) **Teng Liang Yen**

Teng Liang Yen, a Malaysian aged 45, is our Senior Contract Manager. He is responsible for the management and administration of our Group's construction and property development contracts. This includes reviewing tender documents, drafting, reviewing and negotiating contract terms, as well as overseeing legal documentation for construction and property development projects. For property development projects, he is also involved in the feasibility study and cost checking, as well as advising, monitoring and awarding tender to subcontractors.

Teng Liang Yen graduated with a Bachelor of Science in Housing, Building and Planning (Quantity Surveying) from the University Sains Malaysia in August 2003.

Teng Liang Yen began his career in June 2003 as a Project Executive in Baharuddin Ali & Low Sdn Bhd, where he was responsible for preparing tender documents and reports, conducting site valuation and preparing final accounts for the contracts. He left Baharuddin Ali & Low Sdn Bhd in July 2007 to join Takenaka (Malaysia) Sdn Bhd as a Senior Quantity Surveyor, where he was involved in various contract-related activities, including the preparation of subcontractor awards. He left Takenaka (Malaysia) Sdn Bhd and joined Wira Syukur (M) Sdn Bhd in July 2008 as a Senior Contract Executive, where he was involved in the management of the company's high-rise building projects, including awarding subcontract works, drafting letters of award, as well as monitoring progress claims and variation orders.

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Teng Liang Yen left Wira Syukur (M) Sdn Bhd in March 2010 to join Mayland Universal Sdn Bhd as a Contract Executive, where he managed tender and contract-related activities for the company's high-rise building projects until May 2013. In May 2013, he joined Mulpha Land & Property Sdn Bhd as an Assistant Manager, Contracts and was subsequently transferred to Mulpha Land Berhad in September 2013. During this period, he oversaw various aspects of the group's high-rise building projects, including conducting feasibility studies, ensuring cost efficiency, monitoring work progress, and managing the tender process, including the evaluation and awarding of tenders to contractors. He resigned in July 2015 and joined Mayland Venue Sdn Bhd as an Assistant Contract Manager, where he was responsible for overseeing operations including conducting feasibility studies, preparing tender documents, verifying progress claims as well as preparing variation orders and final accounts for contracts under his purview.

Teng Liang Yen left Mayland Venue Sdn Bhd in September 2016 and joined Sunway Integrated Properties Sdn Bhd in October 2016 as Manager for Supply Chain and Contract Management, where he performed similar responsibilities for the company's projects involving building renovation, commercial building extension and hostel extension. He was transferred from Sunway Integrated Properties Sdn Bhd to Sunway REIT Management Sdn Bhd in May 2018 and re-designated as Manager for Contract and Project Management, overseeing activities involving tenders, quotations and approval for contract awards, as well as managing resource requirements for projects under the Contract Department. He left Sunway REIT Management Sdn Bhd in November 2018 and took a four (4)-month career break.

In February 2019, he joined ASSB as Contract Manager, overseeing and managing the construction and property development contracts of ASSB. Following the acquisition of ASSB by our Company in 2023, his oversight and management responsibility expanded to include the construction and property development contracts of our Group. He was subsequently promoted to Senior Contract Manager in April 2024, a position he holds to-date.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(v) Oh Chooi Hoon

Oh Chooi Hoon, a Malaysian aged 48, is the Operations Manager of LSH Lighting. She is responsible for managing the daily operational activities of all LSH Lighting's retail stores which include sales, marketing, procurement and inventory management.

Oh Chooi Hoon completed her high school education at Sekolah Menengah Kebangsaan (P) Air Panas, Kuala Lumpur in 1993. She began her career in 1993 as a clerk with an insurance agency and was involved in handling the paperwork of insurance policies and related documents. She left the insurance agency in September 1994 and joined Computer Forms (Malaysia) Bhd, a company that provides business forms and data print services, as an artwork artist, where she was involved in designing cheque templates and other commercial documents, such as invoices and delivery notes. She later left Computer Forms (Malaysia) Bhd in March 2000 and joined Syarikat Roda Bina Sdn Bhd as a clerk, where she was involved in the preparation, copying and filing of invoices, receipts and delivery notes. She left Syarikat Roda Bina Sdn Bhd in October 2000 and took a one-year break. In December 2001, she joined Max Automart Sdn Bhd as Sales Assistant, where she was involved in retailing car accessories at the company's store until March 2003. After taking another break, she joined Beenion Sdn Bhd in May 2005 as a Clerk, where she was mainly involved in preparing invoices for the company's wholesale business. She left Beenion Sdn Bhd in May 2009 to join LSH Lighting.

Oh Chooi Hoon joined LSH Lighting (then known as Fablelite Sdn Bhd) in June 2009 as an Invoicing Clerk and has been promoted over the years in line with her increasing experience and roles and responsibilities in the business of LSH Lighting. Initially tasked with preparing and managing commercial documents such as invoices and purchase orders, she was subsequently promoted to Purchasing Co-Ordinator in July 2011, where she was involved in managing the purchasing activities of LSH Lighting and the activities and resources of LSH Lighting's physical retail outlets to ensure smooth running of business operations. During her employment with our Group, Oh Chooi Hoon was also involved in overseeing and managing the procurement of lighting products for showrooms and projects of our Group. She was later promoted to the role of Operations Manager of LSH Lighting in July 2023, a position she continues to hold today.

4.4.3 Involvement of our Key Senior Management in other principal business activities outside our Group

Save for DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong as disclosed in Section 4.2.3(ii), (iii), (iv) and (v) of this Prospectus respectively, none of our other Key Senior Management have any directorship nor have performed any principal business activities outside our Group as at LPD and for the past five (5) years preceding LPD.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

4.4.4 Remuneration and material benefits-in-kind of our Key Senior Management

The remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong who are also part of our Key Senior Management are set out in Section 4.2.4 of this Prospectus. The remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our other Key Senior Management for services rendered to us in their capacities to our Group for the FYEs 2024 and 2025 are as follows:

Name	Remuneration band	
	FYE 2024 (Actual)	FYE 2025 (Proposed)
	(RM'000)	(RM'000)
Lor Kar Mun	325 to 375	325 to 375
Lee Chen Wah	275 to 325	275 to 325
Ir. Timothy Pang Tze Chin	225 to 275	225 to 275
Teng Liang Yen	225 to 275	225 to 275
Oh Chooi Hoon	75 to 125	75 to 125

4.5 SERVICE CONTRACTS

As at LPD, we do not have any existing or proposed service contract with our Directors or Key Senior Management, which provides for benefits upon termination of employment.

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4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

4.6 ASSOCIATIONS OR FAMILY RELATIONSHIPS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there is no association or family relationship between any of our Promoters, substantial shareholders, Directors and Key Senior Management as at LPD:

Name	Position	Relationship
LSH Holdings	Promoter and substantial shareholder	Holding company of LSH Resources
LSH Resources	Promoter and substantial shareholder	Subsidiary of LSH Holdings
Tan Sri KC Lim	Promoter, substantial shareholder and Non-Independent Non-Executive Chairman	- Brother of DLKG, Lim Pak Lian and Lim Keng Hun - Director and substantial shareholder of LSH Holdings - Substantial shareholder of LSH Resources through his interest in LSH Holdings - Father of Lim Ding Shyong - Uncle of Lor Kar Mun
DLKG	Promoter, substantial shareholder and Non-Independent Executive Vice Chairman	- Brother of Tan Sri KC Lim, Lim Pak Lian and Lim Keng Hun - Director and substantial shareholder of LSH Holdings - Director and substantial shareholder of LSH Resources through his interest in LSH Holdings - Uncle of Lim Ding Shyong and Lor Kar Mun
Lim Pak Lian	Promoter, substantial shareholder and Non-Independent Group Managing Director	- Sister of Tan Sri KC Lim, DLKG and Lim Keng Hun - Director and substantial shareholder of LSH Holdings - Director and substantial shareholder of LSH Resources through her interest in LSH Holdings - Mother of Lor Kar Mun - Aunt of Lim Ding Shyong
Lim Keng Hun	Promoter, substantial shareholder and Non-Independent Managing Director of Machinery, Hardware and Tools Division	- Brother of Tan Sri KC Lim, DLKG and Lim Pak Lian - Director and substantial shareholder of LSH Holdings - Director and substantial shareholder of LSH Resources through his interest in LSH Holdings - Uncle of Lim Ding Shyong and Lor Kar Mun
Lim Ding Shyong	Non-Independent Executive Director	- Son of Tan Sri KC Lim - Nephew of DLKG, Lim Pak Lian and Lim Keng Hun - Director of LSH Resources - Cousin of Lor Kar Mun
Lor Kar Mun	Chief Officer	- Legal - Daughter of Lim Pak Lian - Niece of Tan Sri KC Lim, DLKG and Lim Keng Hun - Cousin of Lim Ding Shyong

4. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

4.7 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Our Promoters, Directors and Key Senior Management have confirmed that, as at LPD, he or she or it is not or has not been involved in any of the following events (whether in or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him or her or it or any partnership in which he or she was a partner or any corporation of which he or she was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against him or her or it, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his or her or its part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, being the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his or her or its part that relates to the capital market;
- (vi) being the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him or her or it from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) having any unsatisfied judgment against him or her or it.

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5. INFORMATION ON OUR GROUP

5.1 OUR COMPANY

5.1.1 Details of our Company

Our Company was incorporated in Malaysia under the Act on 11 November 2020 as a private limited company under the name of Lim Seong Hai Capital Sdn Bhd. On 21 May 2021, our Company was converted into a public limited company to facilitate our listing on the LEAP Market which took place on 30 July 2021.

The principal activity of our Company is that of investment holding while our subsidiaries are principally involved in construction and engineering works, provision of construction-related services and solutions, supply of building materials, lighting and related M&E products, hardware products and tools, rental of construction machinery and equipment as well as property development activities. Please refer to Section 5.3 of this Prospectus for further details of the principal activities of our subsidiaries.

As at LPD, our issued share capital is RM334,768,001.50 comprising 706,360,208 Shares. The changes in our issued share capital since the date of our incorporation are as follows:

Date of allotment	No. of Shares allotted	Nature of transaction	Cumulative issued share capital (RM)
11 November 2020	8	Subscribers' shares	8.00
6 January 2021	319,185,710	Other than cash (pursuant to the acquisitions of LSH Lighting and Knight Auto via issuance of Shares at an issue price of RM0.10 per Share)	31,918,579.00
6 May 2021	35,859,575	Subscription of Shares by pre-listing investors ⁽¹⁾ at an issue price of RM0.13 per Share	36,580,323.75
19 May 2022	1,000,000	Subscription of Shares by Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob, our Independent Non-Executive Director at an issue price of RM0.42 per Share	37,000,323.75
17 April 2023	350,314,915	Other than cash (pursuant to the acquisitions of ASSB and LSH Ventures and settlement of amount owing by LSH Ventures to its directors via issuance of Shares at an issue price of RM0.45 per Share)	⁽²⁾ 334,768,001.50

Notes:

- (1) This refers to the 15 employees of our Group, 28 employees of companies outside our Group which our Promoters have direct or indirect interest and/or hold directorship in, and two (2) business associates and acquaintances of our Promoters.
- (2) After taking into consideration the fair value of RM0.85 per Share as at 17 April 2023 (being the closing price of our Shares on the completion date of the said acquisitions) for the consideration Shares issued.

None of our Shares were issued at a discount, on special terms or based on instalment payment terms.

5. INFORMATION ON OUR GROUP (Cont'd)

Upon completion of our Public Offering, our enlarged issued share capital will increase to RM447,505,122 comprising 838,360,208 Shares.

As at LPD, we do not have any outstanding warrant, option, convertible security or uncalled capital in respect of our Shares.

5.1.2 Transfer of Listing

On 26 September 2023, our Board announced that our Company had on the same day received a letter dated 26 September 2023 from our Promoters requesting our Company to consider undertaking the Transfer of Listing ("**Proposal Letter**"), which entails the following:

- (i) voluntary withdrawal of the listing and quotation of the entire issued share capital of our Company from the LEAP Market pursuant to Rules 8.06 and 8.08 of the LEAP LR; and
- (ii) listing and quotation of the entire enlarged issued share capital of our Company on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE LR.

On 12 October 2023, AmInvestment Bank and Astramina Advisory Sdn Bhd had, on behalf of our Board, announced that our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun) had deliberated on the content of the Proposal Letter and resolved to proceed with the Transfer of Listing based on the terms of the Proposal Letter, which includes, among others, obtaining the irrevocable written undertakings ("**Undertaking Letters**") from the shareholders of our Company to:

- (a) waive their entitlement to an exit offer and the appointment of an independent adviser for the exit offer under Rules 8.06(1)(c) and (d) of the LEAP LR respectively;
- (b) if permissible, vote in favour of the resolution(s) pertaining to the Transfer of Listing (including the Withdrawal of LEAP Listing) at the EGM to be convened; and
- (c) continue to hold and not dispose of, transfer or reduce their entire shareholdings in our Company from the date of such written undertakings until the completion or termination (as the case may be) of the Withdrawal of LEAP Listing.

Following the receipt of the Undertaking Letters from our shareholders and the application made to Bursa Securities, on 29 February 2024, AmInvestment Bank and Astramina Advisory Sdn Bhd had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 29 February 2024, approved the exemption from having to extend an exit offer and appoint an independent adviser for the exit offer pursuant to Rules 8.06(1)(c) and (d) of the LEAP LR respectively, in connection with the Withdrawal of LEAP Listing ("**Exemption**") subject to the condition that the undertakings set out in the Undertaking Letters provided by all the shareholders of our Company remain valid and binding until the completion of the Withdrawal of LEAP Listing.

Subsequently on 6 March 2024, AmInvestment Bank had, on behalf of our Board, announced that in conjunction with the Transfer of Listing, our Company proposed to undertake the Public Offering, details of which are set out in Section 3 of this Prospectus.

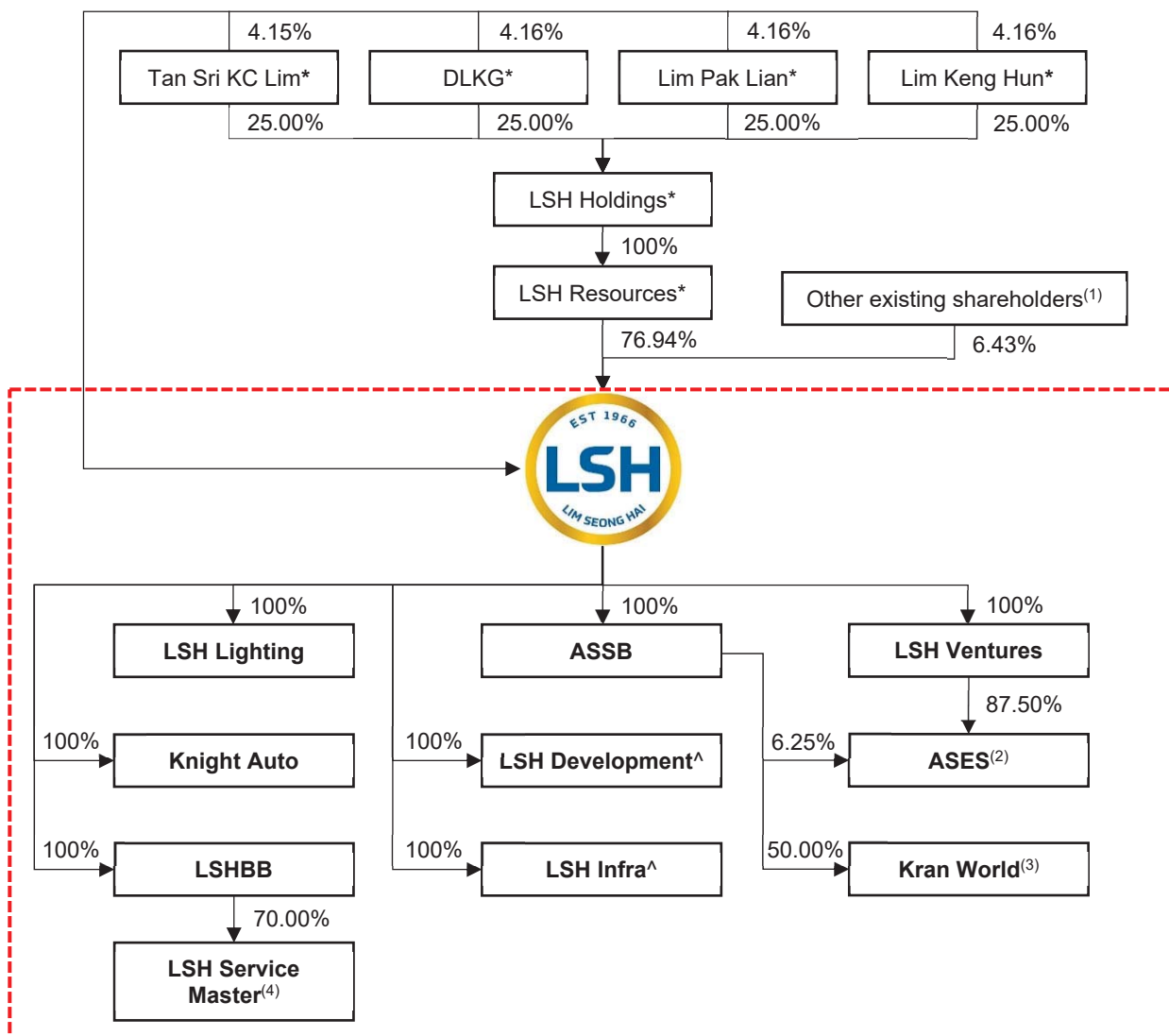
On 19 April 2024, our shareholders had approved the Transfer of Listing and Public Offering at the EGM held on even date.

5. INFORMATION ON OUR GROUP (Cont'd)

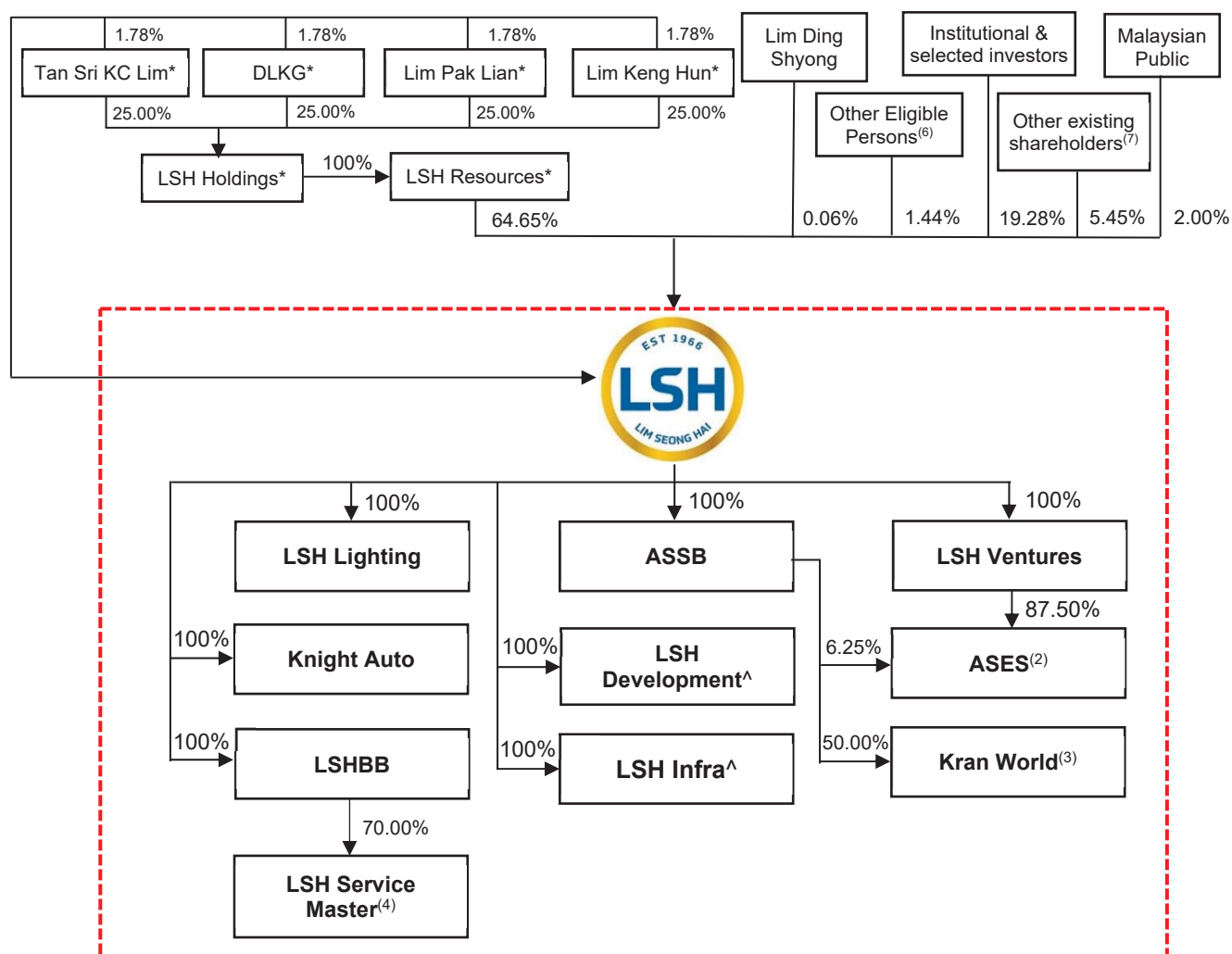
5.2 OUR CORPORATE AND SHAREHOLDING STRUCTURES

The corporate and shareholding structures of our Company as at LPD and after our Public Offering are set out below:

As at LPD



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5. INFORMATION ON OUR GROUP (Cont'd)**After our Public Offering⁽⁵⁾****Notes:**

 Denotes the listing group.

* Denotes Promoter.

^ Dormant.

(1) Comprises 61 shareholders, each holding less than 5% equity interest in our Company. These shareholders include Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob, our Independent Non-Executive Director, holding 2,000,000 Shares representing approximately 0.28% of the issued Shares as at LPD.

(2) The remaining 6.25% equity interest in ASES is held by Euro Saga Sdn Bhd. The shareholders and directors of Euro Saga Sdn Bhd as at LPD are Nor Azman Bin Ahmad @ Saleh (50.00%), Hasnuruddin Bin Hassim (25.00%) and Izzuan Hairi Asfarizal Bin Bahari (25.00%). These individuals are not related to any of our Promoters, substantial shareholders, Directors and Key Senior Management.

(3) The remaining 50.00% equity interest in Kran World is held by Chong Seng Wai, who is not related to any of our Promoters, substantial shareholders, Directors and Key Senior Management. As at LPD, Kran World is in the process of winding up.

5. INFORMATION ON OUR GROUP (Cont'd)

- (4) *The remaining 30.00% equity interest in LSH Service Master is held by Service Master (M) Sdn Bhd. The shareholders of Service Master (M) Sdn Bhd as at LPD are Khairil Faizal Bin Othman (60.00%) and Nardiah Binti Othman (40.00%), while the directors of Service Master (M) Sdn Bhd are Khairil Faizal Bin Othman, Nardiah Binti Othman and Azhar Bin Abdul Aziz. These individuals are not related to any of our Promoters, substantial shareholders, Directors and Key Senior Management.*
- (5) *Assuming all the Eligible Persons subscribe in full for their respective allocations of Issue Shares under the Pink Form Offer, details of which are set out in Section 3.3.1(ii) of this Prospectus.*
- (6) *Excludes Lim Ding Shyong but includes Dato' Seri Ir. Hj Mohd Noor Bin Yaacob, Lee Swee Kheng and Dato' Wang Sze Yao @ Wang Ming Way, all of whom have been allocated 500,000 Issue Shares each under the Pink Form Offer for subscription by our Company.*
- (7) *The composition of shareholders in this category is expected to remain the same immediately upon completion of our Public Offering, in view of the Undertaking Letters provided as further detailed in Section 5.1.2 of this Prospectus. However, as these shareholders are not subject to any moratorium requirements after our Transfer of Listing, the composition of shareholders in this category may vary after the completion of our Transfer of Listing.*

5.3 OUR SUBSIDIARIES AND ASSOCIATED COMPANY

Our subsidiaries and associated company as at LPD are as follows:

Name and registration no.	Date and country of incorporation	Issued share capital	Our effective equity interest	Principal activities
<u>Our directly held subsidiaries</u>				
LSH Lighting (199501018939 (348142-T))	24 June 1995 Malaysia	RM1,000,000	100.00%	Provision of building materials as well as lighting products and related M&E products and services
Knight Auto (199901001459 (476359-M))	29 January 1999 Malaysia	RM1,300,000	100.00%	Provision of hardware and tools and rental of machinery
LSHBB (200101028501 (564259-P))	12 November 2001 Malaysia	RM23,000,000	100.00%	Business of construction and provision of construction and business-related services and solutions
ASSB (201001033681 (917604-H))	10 October 2010 Malaysia	RM5,000,000	100.00%	Business of building construction contractor, property development and investment holdings
LSH Ventures (200501013068 (690116-V))	30 April 2005 Malaysia	RM100,000	100.00%	Business of investment holding
LSH Development (202201006566 (1452263-A))	23 February 2022 Malaysia	RM1,000	100.00%	Dormant ⁽¹⁾
LSH Infra (202201001222 (1446919-H))	10 January 2022 Malaysia	RM500,000	100.00%	Dormant ⁽²⁾
<u>Subsidiary of LSH Ventures</u>				
ASES (200201027772 (595435-T))	11 October 2002 Malaysia	RM2,000,016	93.75%	Property development

5. INFORMATION ON OUR GROUP (Cont'd)

Name and registration no.	Date and country of incorporation	Issued share capital	Our effective equity interest	Principal activities
<u>Subsidiary of LSHBB</u>				
LSH Service Master (202401025891 (1571740-A))	28 June 2024 Malaysia	RM1,000	70.00%	Business activities of building and industrial cleaning, tour operator and real estate activities with own or leased property
<u>Associated company of ASSB</u>				
Kran World (201501018926 (1144261-W))	15 May 2015 Malaysia	RM2,500,000	50.00%	Dormant (in the process of winding up)

Notes:

- (1) As at LPD, LSH Development is dormant and is intended to carry out property development projects to be undertaken by our Group in the future.
- (2) As at LPD, LSH Infra is dormant and is intended to carry out infrastructure construction projects to be secured by our Group in the future.

As at LPD, neither our Company nor our subsidiaries are involved in any winding-up, receivership or similar proceeding.

The details of our subsidiaries and associated company as at LPD are set out below:

5.3.1 LSH Lighting

LSH Lighting was incorporated in Malaysia under the Companies Act 1965 ("CA 1965") on 24 June 1995 as a private limited company under the name of Fabelite Sdn Bhd and is deemed registered under the Act. On 24 November 2014, the company assumed its present name of Lim Seong Hai Lighting Sdn Bhd. LSH Lighting commenced operations in August 1995. It is principally involved in the provision of building materials as well as lighting products and related M&E products and services.

The principal place of business of LSH Lighting is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of LSH Lighting is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of LSH Lighting during the past four (4) FYEs 2021 to 2024 and up to LPD. None of the ordinary shares of LSH Lighting were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSH Lighting does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

LSH Lighting is a wholly-owned subsidiary of our Company. As at LPD, LSH Lighting does not have any subsidiary or associated company.

The directors of LSH Lighting as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.2 Knight Auto

Knight Auto was incorporated in Malaysia under the CA 1965 on 29 January 1999 as a private limited company under its present name and is deemed registered under the Act. It commenced operations in March 1999. Knight Auto is principally involved in the provision of hardware and tools and rental of machinery.

The principal place of business of Knight Auto is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of Knight Auto is RM1,300,000 comprising 1,300,000 ordinary shares. There has been no change in the issued share capital of Knight Auto during the past four (4) FYEs 2021 to 2024 and up to LPD. None of the ordinary shares of Knight Auto were issued at a discount, on special terms or based on instalment payment terms. As at LPD, Knight Auto does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

Knight Auto is a wholly-owned subsidiary of our Company. As at LPD, Knight Auto does not have any subsidiary or associated company.

The directors of Knight Auto as at LPD are Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

5.3.3 LSHBB

LSHBB was incorporated in Malaysia under the CA 1965 on 12 November 2001 as a private limited company under the name of Ozmasjaya Sdn Bhd and is deemed registered under the Act. On 13 December 2019, the company changed its name to Lim Seong Hai Construction (M) Sdn Bhd, and assumed its present name of LSH BEST Builders Sdn Bhd on 28 September 2021. LSHBB commenced operations in June 2002. It was involved in the furniture and timber trading business which subsequently ceased in March 2009. After being dormant for approximately 11 years, LSHBB ventured into the business of construction and provision of construction and business-related services and solutions in 2020, which has been its principal business to-date.

The principal place of business of LSHBB is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of LSHBB is RM23,000,000 comprising 23,000,000 ordinary shares. The movement in the issued share capital of LSHBB during the past four (4) FYEs 2021 to 2024 and up to LPD are as follows:

Date of allotment	No. of shares allotted	Nature of transaction	Cumulative issued share capital (RM)
9 December 2024	22,000,000	Cash	23,000,000

None of the ordinary shares of LSHBB were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSHBB does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

LSHBB is a wholly-owned subsidiary of our Company. As at LPD, LSHBB has one (1) subsidiary, namely LSH Service Master, and does not have any associated company. Please refer to Section 5.3.9 below for further details on LSH Service Master.

The directors of LSHBB as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun, Lim Ding Shyong, Khairunnisa Binti Fadillah and Ir. Timothy Pang Tze Chin.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.4 ASSB

ASSB was incorporated in Malaysia under the CA 1965 on 10 October 2010 as a private limited company under its present name and is deemed registered under the Act. It commenced its business in November 2010. ASSB was initially involved in M&E works and trading of lighting and related M&E products before it ventured into the business of building construction contractor and investment holdings in 2015, and property development in 2017, all of which has been its principal business to-date.

The principal place of business of ASSB is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of ASSB is RM5,000,000 comprising 5,000,000 ordinary shares. The movements in the issued share capital of ASSB during the past four (4) FYEs 2021 to 2024 and up to LPD are as follows:

Date of allotment	No. of shares allotted	Nature of transaction	Cumulative issued share capital (RM)
23 February 2021	2,500,000	Cash	3,750,000.00
10 January 2024	1,250,000	Cash	5,000,000.00

None of the ordinary shares of ASSB were issued at a discount, on special terms or based on instalment payment terms. As at LPD, ASSB does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

ASSB is a wholly-owned subsidiary of our Company. As at LPD, ASSB does not have any subsidiary. However, as at LPD, ASSB has 50.00% equity interest in an associated company, namely Kran World, and 6.25% equity interest in ASES. Please refer to Sections 5.3.10 and 5.3.8 below for further details on Kran World and ASES, respectively.

The directors of ASSB as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun, Lim Ding Shyong and Ariffin Bin Rashid.

5.3.5 LSH Ventures

LSH Ventures was incorporated in Malaysia under the CA 1965 on 30 April 2005 as a private limited company under the name of Gemilang Lighting Sdn Bhd and is deemed registered under the Act. On 4 June 2018, the company assumed its present name of Lim Seong Hai Ventures Sdn Bhd. LSH Ventures commenced operations in July 2005. LSH Ventures was initially involved in trading of lighting and electrical products before it ventured into the business of investment holding in 2017, which has been its principal business to-date.

The principal place of business of LSH Ventures is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of LSH Ventures is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of LSH Ventures during the past four (4) FYEs 2021 to 2024 and up to LPD. None of the ordinary shares of LSH Ventures were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSH Ventures does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

5. INFORMATION ON OUR GROUP (Cont'd)

LSH Ventures is a wholly-owned subsidiary of our Company. As at LPD, LSH Ventures has one (1) subsidiary, namely ASES, and does not have any associated company. Please refer to Section 5.3.8 below for further details on ASES.

The directors of LSH Ventures as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

5.3.6 LSH Development

LSH Development was incorporated in Malaysia under the Act on 23 February 2022 as a private limited company under its present name. As at LPD, LSH Development is dormant and is intended to carry out property development projects to be undertaken by our Group in the future.

As at LPD, the issued share capital of LSH Development is RM1,000 comprising 1,000 ordinary shares. There has been no change in the issued share capital of LSH Development since its incorporation up to LPD. None of the ordinary shares of LSH Development were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSH Development does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

LSH Development is a wholly-owned subsidiary of our Company. As at LPD, LSH Development does not have any subsidiary or associated company.

The directors of LSH Development as at LPD are Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

5.3.7 LSH Infra

LSH Infra was incorporated in Malaysia under the Act on 10 January 2022 as a private limited company under its present name. As at LPD, LSH Infra is dormant and is intended to carry out infrastructure construction projects to be secured by our Group in the future.

As at LPD, the issued share capital of LSH Infra is RM500,000 comprising 500,000 ordinary shares. The movements in the issued share capital of LSH Infra since its incorporation up to LPD are set out below:

Date of allotment	No. of shares allotted	Nature of transaction	Cumulative issued share capital (RM)
16 February 2023	499,000	Cash	500,000.00

None of the ordinary shares of LSH Infra were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSH Infra does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

LSH Infra is a wholly-owned subsidiary of our Company. As at LPD, LSH Infra does not have any subsidiary or associated company.

The directors of LSH Infra as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.8 ASES

ASES was incorporated in Malaysia under the CA 1965 on 11 October 2002 under the name of Bright Beam Sdn Bhd and is deemed registered under the Act. On 17 October 2017, the company assumed its present name of Astana Setia & Euro Saga Sdn Bhd. ASES commenced operations in January 2004. It was principally involved in the business of trading in lighting products and accessories which subsequently ceased in April 2015. After being dormant for about three (3) years, ASES ventured into the property development business in April 2018, which has been its principal business to-date.

The principal place of business of ASES is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of ASES is RM2,000,016 comprising 2,000,016 ordinary shares. There has been no change in the issued share capital of ASES during the past four (4) FYEs 2021 to 2024 and up to LPD. None of the ordinary shares of ASES were issued at a discount, on special terms or based on instalment payment terms. As at LPD, ASES does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

As at LPD, ASES is a 93.75%-owned subsidiary of our Group. The shareholders of ASES as at LPD are as follows:

Name	No. of shares held	%
LSH Ventures	1,750,014	87.50
ASSB	125,001	6.25
Euro Saga Sdn Bhd (" ESSB ") ⁽¹⁾	125,001	6.25

Note:

- (1) *ESSB was incorporated in Malaysia under the CA 1965 on 24 August 1995 as a private limited company and is deemed registered under the Act. ESSB is principally involved in construction activity as a civil and building contractor. The directors and shareholders of ESSB as well as their respective shareholdings in ESSB as at LPD are as follows:*

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Nor Azman Bin Ahmad @ Saleh	1,500,000	50.00	-	-
Hasniruddin Bin Hassim	750,000	25.00	-	-
Izzuan Hairi Asfarizal Bin Bahari	750,000	25.00	-	-

For information purposes, ESSB subscribed for 125,001 ordinary shares representing 50% of the then shareholdings in ASSB on 23 October 2017 to facilitate a collaboration with ASSB to apply for the alienation of land where the Lake Side Homes Project is situated. Subsequently in 2018, ESSB decided not to further invest in ASES when funding was required to pay the said land premium. ASES then obtained equity injection and additional funding from LSH Ventures through its subscription of 1,750,014 ordinary shares in ASSB to conclude the alienation of land and carry out the development of the Lake Side Homes Project, thereby diluting ESSB's and ASSB's respective equity interest in ASES to 6.25%.

Nevertheless, as a minority shareholder of ASES, ESSB provides high-level views such as guidance and insight on the overall strategic direction of ASES' business as well as networking opportunities to ASES, whenever required.

As at LPD, ASES does not have any subsidiary or associated company.

The directors of ASES as at LPD are DLKG, Lim Pak Lian, Lim Keng Hun, Lim Ding Shyong, Lee Chee Guan, Dato' Soo Sze Ching and Izzuan Hairi Asfarizal Bin Bahari.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.9 LSH Service Master

LSH Service Master was incorporated in Malaysia under the Act on 28 June 2024 as a private limited company under its present name. It was jointly established between LSHBB and Service Master (M) Sdn Bhd with the intended principal activity of operations and maintenance management of the Kuala Lumpur Tower.

The principal place of business of LSH Service Master is at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

As at LPD, the issued share capital of LSH Service Master is RM1,000 comprising 1,000 ordinary shares. There has been no change in the issued share capital of LSH Service Master since its incorporation up to LPD. None of the ordinary shares of LSH Service Master were issued at a discount, on special terms or based on instalment payment terms. As at LPD, LSH Service Master does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

LSH Service Master is a 70.00%-owned subsidiary of our Group. The shareholders of LSH Service Master as at LPD are as follows:

<u>Name</u>	<u>No. of shares held</u>	<u>%</u>
LSHBB	700	70.00
Service Master (M) Sdn Bhd (" SMMSB ") ⁽¹⁾	300	30.00

Note:

- (1) *SMMSB was incorporated in Malaysia under the CA 1965 on 16 March 1989 as a private limited company and is deemed registered under the Act. SMMSB is principally involved in supplying, installing, testing and commissioning of M&E works and provision of building maintenance services. The directors of SMMSB are Khairil Faizal Bin Othman, Nardiah Binti Othman and Azhar Bin Abdul Aziz.*

The shareholders of SMMSB and their respective shareholdings in SMMSB as at LPD are as follows:

<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Khairil Faizal Bin Othman	750,002	60.00	-	-
Nardiah Binti Othman	500,001	40.00	-	-

SMMSB, with its over 30 years of experience in the maintenance and engineering services industry, will be providing our Group with the technical inputs relating to facility management services and will be jointly involved with us in the day-to-day operations and maintenance of the Kuala Lumpur Tower once we commence our facility management services segment. Please refer to Section 6.8.3 of this Prospectus for further details.

As at LPD, LSH Service Master does not have any subsidiary or associated company.

The directors of LSH Service Master as at LPD are DLKG, Lim Pak Lian, Lim Ding Shyong and Khairil Faizal Bin Othman.

5. INFORMATION ON OUR GROUP (Cont'd)**5.3.10 Kran World**

Kran World was incorporated in Malaysia under the CA 1965 on 15 May 2015 as a private limited company under the name of Flagship Frontier Sdn Bhd and is deemed registered under the Act. On 14 July 2015, the company assumed its present name of Kran World Sdn Bhd. Kran World commenced operations in July 2015. It was principally a provider of rental service for crane, machinery and equipment, as well as a construction contractor. However, owing to similarities with Knight Auto's principal activities and in conjunction with our Company's listing on the LEAP Market in July 2021, Kran World ceased its business operations in September 2020 to allow for its business activities to be carried out under Knight Auto instead. As at LPD, Kran World is in the process of winding up and a liquidator has been appointed. The winding-up of Kran World is not expected to have a material impact to the financial position of our Group.

As at LPD, the issued share capital of Kran World is RM2,500,000 comprising 2,500,000 ordinary shares. There has been no change in the issued share capital of Kran World during the past four (4) FYEs 2021 to 2024 and up to LPD. None of the ordinary shares of Kran World were issued at a discount, on special terms or based on instalment payment terms. As at LPD, Kran World does not have any outstanding warrant, option, convertible security or uncalled capital in respect of its shares.

Kran World is an associated company of ASSB. As at LPD, Kran World does not have any subsidiary or associated company.

The shareholders of Kran World as at LPD are as follows:

Name	No. of shares held	%
ASSB	1,250,000	50.00
Chong Seng Wai	1,250,000	50.00

The directors of Kran World as at LPD are DLKG, Lee Chee Guan, Chong Seng Wai and Chong Seng Mun.

5.4 PUBLIC TAKE-OVER

None of the following has occurred during the last financial year up to LPD:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by us in respect of other company's shares.

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6. BUSINESS OVERVIEW

6.1 BACKGROUND AND HISTORY

6.1.1 Our history

The history of the 'Lim Seong Hai' trade name can be traced back to 1966 when the late Lim Seong Hai, who was the father of Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun (collectively, the "**Lim Siblings**"), set up a sole proprietorship under the name of Lim Seong Hai Construction. Lim Seong Hai Construction operated as a Class D contractor registered with the Public Works Department of Malaysia, which enabled it to undertake construction projects which are not more than RM100,000 in value at that time. The business of Lim Seong Hai Construction was later transferred to Lim Seong Hai Construction And Company, a partnership which was set up in 1975 and passed on to the Lim Siblings before the passing of their father. Lim Seong Hai Construction And Company is presently owned by the Lim Siblings.

In 1995, Lim Pak Lian set up LSH Lighting (formerly known as Fablelite Sdn Bhd) to supply lighting and related M&E products as well as provide related M&E services for various construction and property development projects. LSH Lighting then ventured into retailing of lighting products under the 'Fablelite' trade name when it opened its first lighting retail store at Jalan Gombak, Kuala Lumpur in 2000. In preserving their late father's namesake, the Lim Siblings changed the company name to Lim Seong Hai Lighting Sdn Bhd in 2014 and has since operated under its present trade name of 'Lim Seong Hai Lighting'. As at LPD, LSH Lighting's retail operations have expanded to include six (6) physical retail stores across the Klang Valley region. LSH Lighting has also established its online presence via its own online store and third-party e-commerce platforms such as Lazada and Shopee. Over the years, LSH Lighting was also involved in several major projects through the supply of building materials, lighting and related M&E products as well as provision of related M&E services for the Labuan Financial Park, Universiti Malaysia Sabah's campus, a residential development project in Danga Bay, Johor Bahru, Kluang Prison Complex, Universiti Tun Hussein Onn's campus, DUKE, EkoCheras mixed development project as well as the LSH 33 Project.

Aside from the establishment of LSH Lighting, Lim Keng Hun and Lim Pak Lian also set up Knight Auto in 1999 to venture into the wholesaling of hardware products, as well as rental of machinery and equipment for the construction industry. With the opening of its first retail store in Kajang Perdana, Selangor in 2004, Knight Auto began expanding its range of hardware products, machinery and equipment to also include tools. Over the years, Knight Auto continued to expand its business footprint and, as at LPD, Knight Auto has six (6) physical retail stores across the Klang Valley region and also operates through its own online store and third-party e-commerce platforms such as Lazada and Shopee.

Given the long-established and resilient businesses of LSH Lighting and Knight Auto, the Lim Siblings selected these two (2) entities as the primary anchor for the beginning of our Group's journey towards becoming a public listed company, which successfully took place following our Group's listing on the LEAP Market on 30 July 2021.

Following our listing on the LEAP Market, we continued our business expansion with the acquisition of 100% equity interest in LSHBB on 15 October 2021 from LSH Resources, which resulted in the diversification of our Group's then principal activities to include construction and provision of construction-related services and solutions. We further diversified our Group's principal activities to include property development activities, following the completion of the acquisitions of 100% equity interest in ASSB and LSH Ventures from our Group's related parties on 17 April 2023.

6. BUSINESS OVERVIEW (Cont'd)

As an integral part of our Group's principal activities, we introduced our BEST Collaboration Framework in end 2021. Our BEST Collaboration Framework functions as a framework for collaboration between our Group and our clients (such as land owners, property developers or contractors) to achieve the shared objective of value-enhancement for construction projects or property development projects undertaken by our clients by leveraging on our extensive experience and expertise in the construction industry. Further details on our BEST Collaboration Framework alongside the construction-related services and solutions which we provide under such framework are elaborated in Section 6.2.1(ii) of this Prospectus.

Over the years, our Group has grown from just a supplier/provider of construction products and M&E services (i.e. building materials, lighting and related M&E products and services, hardware products, tools, construction machinery and equipment) to becoming a full-fledged construction company with capabilities to provide a comprehensive range of construction and engineering works, construction-related services and solutions, construction products as well as being involved in property development.

Looking ahead, our Group plans to establish facility management services as a new business segment which will serve as a source of recurring income for our Group, in line with our organic expansion plans with the aim of diversifying our Group's income stream. As a prelude to the establishment of this new business segment in our Group, we have secured a contract for the provision of facility management services which entails the management of the 'Blue Pool' facility (which features a dancing symphony fountain, blue corridor, fog and lighting effects) under the 'River of Life' transformation project at Kuala Lumpur for a period of three (3) years. In addition, our efforts in exploring new ventures under this segment have thus far culminated in the agreement-in-principle by the Public Private Partnership Unit of the Prime Minister's Department, Malaysia (UKAS) on 7 June 2024 for LSHBB and Service Master (M) Sdn Bhd to jointly manage the operations and maintenance of the Kuala Lumpur Tower ("KL Tower"), further details of which are set out in the future plans of our Group under Section 6.8.3 of this Prospectus.

6.1.2 Our key milestones and achievements

The following table highlights the key events of our business:

Year	Key event/achievement
1995	LSH Lighting was incorporated and commenced its business in supplying lighting and related M&E products as well as providing related M&E services for construction and property development projects
1996	LSH Lighting secured order to supply lighting and related M&E products for the development of the Labuan Financial Park in Victoria, Labuan
1999	- Knight Auto was incorporated and commenced its business in the wholesale and distribution of hardware products, as well as rental of machinery and equipment to serve the construction industry - LSH Lighting secured order to supply lighting and related M&E products for the construction of Universiti Malaysia Sabah's campus in Kota Kinabalu, Sabah
2000	LSH Lighting ventured into retailing of lighting products and opened its first retail store at Jalan Gombak, Kuala Lumpur under the 'Fablelite' trade name
2003	LSH Lighting secured (i) a contract for the supply of landscape lighting fixtures for a residential development project in Danga Bay in Johor Bahru, Johor; and (ii) a contract for the supply of vandal proof light fittings for the construction of the Kluang Prison Complex in Kluang, Johor
2004	- LSH Lighting expanded its retail presence in Klang Valley by opening its second retail store in Kajang Perdana, Selangor - Knight Auto set up its first retail store in Kajang Perdana, Selangor, and expanded its product offerings to include a range of tools
2005	Knight Auto set up its warehouse and second retail store in Balakong, Selangor

6. BUSINESS OVERVIEW (Cont'd)

Year	Key event/achievement
2008	LSH Lighting opened its third retail store in Setapak, Kuala Lumpur
2009	LSH Lighting secured a contract for the supply of decorative street lightings and compound light fittings for the construction of Universiti Tun Hussein Onn's campus in Batu Pahat, Johor
2011	Knight Auto opened its third retail store in Setapak, Kuala Lumpur
2013	- LSH Lighting registered as a G5 contractor with the CIDB - Knight Auto launched its own online store
2014	- LSH Lighting rebranded the 'Fablelite' trade name to 'Lim Seong Hai Lighting' - LSH Lighting secured a contract to supply and install LED street lanterns for the DUKE Phase 2 – Karak link project
2015	LSH Lighting set up its fourth retail store in Kajang, Selangor
2016	LSH Lighting secured a contract to supply and install street lighting for the DUKE Phase 2 – Sri Damansara link project
2017	- LSH Lighting secured a contract to supply and install lighting for a mixed development project known as EkoCheras at Jalan Cheras, Kuala Lumpur - LSH Lighting and Knight Auto began to market and sell their lighting products, hardware products and tools on Lazada, a third-party e-commerce retail platform
2018	- LSH Lighting opened its fifth retail store in Kajang Walk 2, Selangor - LSH Lighting and Knight Auto expanded their online presence by selling their lighting products, hardware and tools on Shopee, another third-party e-commerce retail platform - LSH Lighting secured two (2) contracts to supply light fittings for the 'River of Life' transformation project
2020	- LSH Lighting registered as a G7 contractor with the CIDB - LSH Lighting launched its own online store - LSH Lighting and Knight Auto secured orders to supply building materials, lighting and related M&E products, provide related M&E services as well as rental of construction machinery and equipment for the LSH 33 Project
2021	- Our Company was listed on the LEAP Market - Our Company acquired LSHBB and diversified our Group's then principal activities to include construction and construction-related services and solutions - Knight Auto opened its fourth retail store at Wisma Lim Seong Hai, Jalan Gombak, Kuala Lumpur - LSHBB secured a contract for the upgrading of flood retention and structure works in Pendang, Kedah - LSHBB secured a contract for the construction of road works in Jerantut, Pahang - We introduced our BEST Collaboration Framework
2022	- LSHBB entered into seven (7) BEST Collaboration Framework agreements, i.e. three (3) with Besteel Engtech Sdn Bhd, and one (1) each with LSH Holdings, ASSES, ASSB and SLP Construction Sdn Bhd, for their respective construction or property development projects - LSHBB entered into a three (3)-year collaboration agreement with Gamuda Industrial Building System Sdn Bhd to jointly promote the utilisation of digital IBS through identification of potential projects for joint operation and strategic ventures - LSHBB was awarded its first rating by the CIDB with a three (3)-star SCORE (out of a maximum of five (5) stars) for good management and technical capabilities, compliance with best practices and good project management - LSHBB secured our Group's first contract under the construction of bridge works in Nibong Tebal, Penang - LSH Lighting secured our Group's first contract under the construction of army family homes at Gemas, Negeri Sembilan

6. BUSINESS OVERVIEW (Cont'd)

Year	Key event/achievement
2023	- Our Company acquired ASSB and LSH Ventures to further enhance our construction capabilities and diversify our Group's then principal activities to include property development - Knight Auto set up its fifth retail store in Titiwangsa, Kuala Lumpur - LSHBB entered into two (2) BEST Collaboration Framework agreements with Service Master (M) Sdn Bhd and Arah Jitu Sdn Bhd to identify and tender for construction and engineering projects and any other business opportunities that have been mutually agreed to be suitable - ASSB entered into a BEST Collaboration Framework agreement with KPRJ E&C Sdn Bhd to submit a proposal to jointly undertake the construction for the proposed upgrade of the North-South Expressway - ASES obtained the development order from DBKL for the Lake Side Homes Project
2024	- Our Company entered into a strategic collaboration with Permodalan Negeri Selangor Berhad and IJM Corporation Berhad which is targeted at transforming the road transportation infrastructure in the southern districts of Selangor under the Southern Selangor Integrated Regional Development (IDRISS) initiative outlined by the Selangor State Government in the First Selangor Plan 2021 – 2025 (RS-1), with the aim to harness the economic potential of the Sepang and Kuala Langat districts - LSHBB and Service Master (M) Sdn Bhd received the agreement-in-principle from the Public Private Partnership Unit of the Prime Minister's Department, Malaysia (UKAS) to jointly manage the operations and maintenance of the KL Tower for a period of 20 years - ASSB (as the property developer) and LSHBB (as the main contractor) achieved a Safety and Health Assessment System in Construction ("SHASSIC") score of 87.29% and four (4)-star overall SHASSIC rating (out of a maximum of five (5) stars), for our LSH Segar Project. For information, SHASSIC is an independent method used by the CIDB to assess and evaluate the safety and health performance of a contractor in construction works or projects - LSHBB was awarded a four (4)-star SCORE (out of a maximum of five (5) stars) by the CIDB for visionary leadership, efficient management and technical capabilities, compliance with best practices, innovative, very good integrated system and project management - The developer of LSH 33 Project received the CPC and CCC for the said project in June 2024 and September 2024 respectively, marking the completion of our Group's first building construction project as a main contractor - LSH Lighting and Knight Auto opened their respective sixth retail store at Laman Seri Harmoni (LSH 33), Sentul, Kuala Lumpur - LSHBB secured a three (3)-year contract to operate and manage the 'Blue Pool' facility (which features a dancing symphony fountain, blue corridor, fog and lighting effects) at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur

For information, some of the key events of ASSB and LSHBB prior to our acquisition of these entities are as follows:

Year	Key event
2015	- ASSB secured a contract to construct and complete bridge structure works for the Menjalara Interchange for DUKE Phase 2 – Sri Damansara link project in Sri Damansara, Kuala Lumpur - ASSB secured a contract to construct and complete superstructure works for the EkoCheras mixed development project at Jalan Cheras, Kuala Lumpur

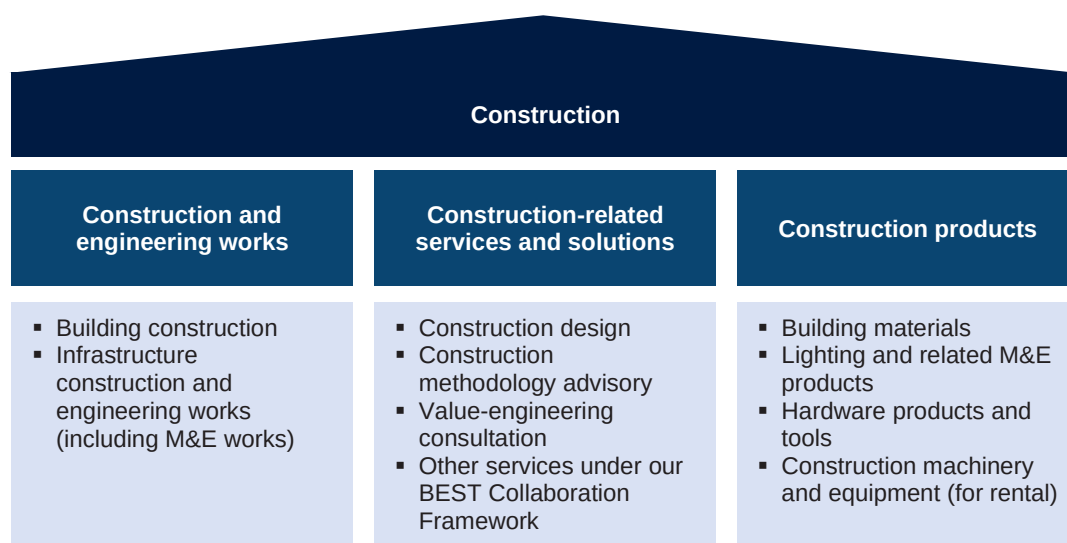
6. BUSINESS OVERVIEW (Cont'd)

Year	Key event
2016	- ASSB registered as a G7 contractor with the CIDB - ASSB secured a contract to construct and complete bridge structure works for the toll plaza mainline and toll plaza ramps for DUKE Phase 2 – Sri Damansara link project at Sri Damansara, Kuala Lumpur - ASSB secured a contract to supply, install, test and commission electrical and telephone communication services for EkoCheras mixed development project at Jalan Cheras, Kuala Lumpur
2017	ASSB secured a contract to design, supply, fabricate and install aluminium glazing and louvre window for EkoCheras mixed development project at Jalan Cheras, Kuala Lumpur
2018	ASSB secured a contract to construct and complete bridge structure works for the mainline for SPE-DUKE Phase 3 Section 1 – Kerinchi to Salak project in Selangor and Kuala Lumpur
2020	- LSHBB registered as a G6 contractor with the CIDB, and subsequently registered as a G7 contractor in the same year - LSHBB secured a contract to construct the LSH 33 Project - ASSB obtained the development order from DBKL for the LSH Segar Project
2022	- ASSB launched the LSH Segar Project - ASSB secured a contract for the upgrading of road works in Tangkak, Johor
2023	- ASSB secured a contract to construct the Sentul Ria Project - ASSB was awarded its first rating by the CIDB with a three (3)-star SCORE (out of a maximum of five (5) stars) for good management and technical capabilities, compliance with best practices and good project management

6.2 OUR PRINCIPAL ACTIVITIES

We are a full-fledged construction company with capabilities to engage in a broad range of construction and engineering works, provide construction-related services and solutions, as well as supply construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry.

The three (3) main pillars of our construction segment are summarised in the following diagram:



6. BUSINESS OVERVIEW (Cont'd)

In addition to our primary focus as a construction company, we are also involved in property development activities which allows our Group to leverage on our strengths and prowess in the construction segment, whilst providing an additional revenue stream for our Group through the sales of property units under our own property development projects.

The following diagram illustrates the broad range of construction and property development activities that we are capable of undertaking:



6.2.1 Construction segment

Through LSH Lighting, ASSB and LSHBB, we are a G7 contractor registered with the CIDB, which allows us to tender and undertake contracts for projects involving construction and engineering works and/or construction-related services and solutions with no limit to contract value. We also supply construction products that are used in our construction and engineering works and for the needs of the wider construction industry through LSH Lighting and Knight Auto.

6. BUSINESS OVERVIEW (Cont'd)

The business activities we undertake under our construction segment can be broadly categorised into three (3) sub-segments:

(i) Construction and engineering works

Our Group has the capability to perform and/or supervise subcontractors to perform a wide range of construction and engineering works across all phases of a construction project, including:

- site preparation, earthworks and slope stabilisation – these include preparing the site for construction and engineering works as well as setting up temporary facilities (such as staging areas for machinery, equipment, formwork and scaffoldings), storage areas for construction materials and other facilities (such as site offices and workers' accommodations);
- substructure construction works – these include piling works and construction of support structures that are below ground level such as foundations and basements;
- superstructure construction works – these include constructing columns, beams, walls and slabs as well as roofing, i.e. structures that are above ground level. For information, we employ aluminium or steel formwork system to form cast in-situ concrete structures. This involves the setting up of the aluminium or steel formwork system on-site to serve as a mould for concrete to be poured in and to form the required concrete structures. We also use IBS, which are pre-fabricated concrete products to form structures for buildings and infrastructures;
- architectural-related works – these include installation of building facades, doors, windows, grills, gates and fencing;
- finishing works – these include flooring, tiling, cladding, coating and painting;
- utility works – these include installation of electrical and power supply system (such as electrical cables and connections, transformers, switchgears, switchboards, earthing systems), communication and information technology network system (such as data and voice communication cables including fibre-optic cables and network cables), lighting system, water supply system, drainage and sewerage system, fire protection system as well as other M&E works; and
- landscaping works – these include softscape and hardscape within the project perimeter.

Further details on the execution of the abovementioned construction and engineering works are set out in our process flow as described in Section 6.9.1 of this Prospectus.

In carrying out the abovementioned construction and engineering works, we may either act as a main contractor or subcontractor.

As a main contractor for our construction projects, we are responsible for project planning which encompasses aspects relating to project scheduling and timeline, costing and procurement. For every construction project that we undertake, we will establish an overall project plan which sets out, among others, the timeline and budget of the project and will serve as the blueprint for the overall management and implementation of the project. We are also responsible for procuring all required resources for the project, including procurement of materials, rental of machinery and equipment, sourcing for labour as well as appointment of subcontractors.

6. BUSINESS OVERVIEW (Cont'd)

In addition, we also act as project manager responsible for the overall management of the construction project throughout the contract period beginning with project planning until the completion and handover of the project, and throughout the DLP. This involves liaising with all relevant project stakeholders, including authorities, consultants, subcontractors and suppliers, as well as reporting to project owners.

Our role as project manager essentially involves ensuring the following objectives are met:

- completing and delivering the project according to the planned timeline and budget;
- completing construction and engineering works according to the design and specifications;
- obtaining all relevant permits required for construction and engineering works;
- complying with all on-site health and safety aspects with the Occupational Safety and Health Act 1994 and its subsequent amendments and subsidiary legislations;
- securing and protecting all machinery, equipment and other assets used to carry out construction and engineering works;
- adequately managing and mitigating risks of unforeseen circumstances, conditions and events; and
- minimising adverse impact of construction and engineering works on the environment as well as neighbouring properties and occupants.

As a subcontractor, we are responsible for carrying out the construction and engineering works in accordance with the scope of work awarded to us by the main contractor for the project.

We generally secure our construction and engineering work projects through tender biddings and submission of proposals and quotation as well as direct referrals through our network of clients and associates in the construction industry, further details of which are set out in Section 6.11.1 of this Prospectus.

The types of construction projects that we undertake can be broadly categorised as follows:

(a) Building construction projects

Our Group has capabilities to undertake construction and engineering works for various types of buildings, including residential such as landed and high-rise residential buildings, as well as non-residential such as industrial and commercial buildings.

Our Group has completed one (1) building construction project, namely the LSH 33 Project following the issuance of CPC on 3 June 2024 and CCC on 12 September 2024. The details of the LSH 33 Project are as follows:

Name of developer : Besteel Engtech Sdn Bhd

Location : Sentul, Kuala Lumpur

6. BUSINESS OVERVIEW (Cont'd)

Project description : Construction of three (3) blocks of residential units comprising 300 condominium units, 300 'Residensi Wilayah' affordable housing units, 300 PPAM affordable housing units, 32 office shop lots and carpark

Commencement date : July 2020

Total contract value : RM259.26 million⁽¹⁾

Note:

- (1) *In addition to the construction works we carry out as main contractor, we also provide value-engineering services and solutions under our Group's BEST Collaboration Framework for the LSH 33 Project. The total contract value as set out herein only represents the value of the contract awarded to us for the construction works and does not include any fee/profit-sharing derived from the value-engineering services and solutions provided under our BEST Collaboration Framework to this client. For further details on our Group's BEST Collaboration Framework and the additional fees which we charge for this project under the said framework, please refer to Section 6.2.1(ii) of this Prospectus.*

Save for this project, there is no other building construction project completed by our Group during the Financial Years Under Review and up to LPD.

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6. BUSINESS OVERVIEW (Cont'd)

As at LPD, our Group's ongoing building construction projects are as follows:

No.	Project name / Location	Client	Project description	Total contract value (RM million)	Outstanding orderbook as at LPD ⁽¹⁾ (RM million)	Construction status as at LPD
1.	LSH Segar Project Cheras, Kuala Lumpur	ASSB	Construction of two (2) blocks of residential units comprising 435 condominium units, 440 'Residensi Wilayah' affordable housing units and carpark	⁽²⁾ 260.57	133.12	Commenced construction works in October 2021, with completion at approximately 48.91% as at LPD and full completion targeted by the third quarter of 2026
2.	Lake Side Homes Project Sungai Besi, Kuala Lumpur	ASES	Construction of five (5) blocks of residential units comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units, 593 PPAM affordable housing units and carpark	⁽²⁾ 779.89	775.84	Preliminary construction works first commenced in March 2024 and were put on hold in April 2024 as a result of the interim stay order ⁽³⁾ . Preliminary construction works subsequently resumed in August 2024, with completion at approximately 0.52% as at LPD and full completion expected by the fourth quarter of 2029
3.	Sentul Ria Project Sentul, Kuala Lumpur	LSH Holdings	Construction of a 29-storey and one (1) mezzanine floor single block mixed development building comprising 268 residential suites, recreational facilities, commercial space and carpark	⁽²⁾ 103.89	95.80	Commenced construction works in March 2023, with completion at approximately 7.78% as at LPD and full completion targeted by the first quarter of 2027
4.	Wisma LSH Extension Project Jalan Gombak, Kuala Lumpur	LSH Holdings	Construction of a five (5)-storey annex building for Wisma Lim Seong Hai comprising a sales gallery, commercial and office area, as well as a link bridge and carpark	8.97	8.20	Commenced construction works in April 2024, with completion at approximately 8.55% as at LPD and full completion targeted by fourth quarter of 2025
Total				1,153.32	1,012.96	

Notes:

(1) This refers to the remaining contract value which we have not recognised as revenue as at LPD.

6. BUSINESS OVERVIEW (Cont'd)

- (2) *In addition to the construction works we carry out as main contractor, we also provide value-engineering services and solutions under our Group's BEST Collaboration Framework for these projects. The total contract value set out in this table only represents the value of the contract awarded to us for the construction works and does not include any fee/profit-sharing derived and/or to be derived from the value-engineering services and solutions provided under our BEST Collaboration Framework to these clients. For further details on our Group's BEST Collaboration Framework and the additional fees which we charge for these projects under the said framework, please refer to Section 6.2.1(ii) of this Prospectus.*

- (3) *Please refer to Section 13.6 of this Prospectus for further information on the interim stay order and the litigation case involving the Lake Side Homes Project.*

(b) Infrastructure construction and engineering work projects

Aside from building construction projects, our Group also has capabilities to undertake various infrastructure construction and engineering works.

Our Group has completed the following material infrastructure construction and engineering work projects during the Financial Years Under Review and up to LPD:

No.	Client	Project description	Total contract value (RM million)	Commencement date	Completion date
1.	Suhati Sdn Bhd	Upkeeping and beautification works of areas along Gombak River and Klang River under Phase 2, Package 1C & 1D of the 'River of Life' transformation project at Dataran Merdeka, Jalan Tun Perak to Jalan Tun Tan Cheng Lock and Masjid India, Kuala Lumpur – supply and delivery of light fittings	11.75	March 2018	April 2021
2.	Suhati Sdn Bhd	Upkeeping and beautification works of areas along Gombak River and Klang River under Phase 2, Package 4A & 4B of the 'River of Life' transformation project at Klang Riverfront from Jalan Kinabalu to Jalan Maarof and Brickfields, Kuala Lumpur – supply and delivery of light fittings	10.56	March 2018	June 2021
3.	Besteel Sdn Bhd	Proposed direct access from DUKE to Lot 10.5, 3571, 3572, 1032 & 340, Kuala Lumpur at Taman Bamboo, Kuala Lumpur – subcontract for supply, delivery, installation, testing and commissioning of infrastructural, M&E, civil and structural works	12.27	May 2021	March 2023
4.	Besteel Sdn Bhd	Proposed direct access to SPE through Jalan Kerinchi Kiri at Kampung Kerinchi, Kuala Lumpur – construction and completion of bridge structure	6.09	October 2021	October 2023

6. BUSINESS OVERVIEW (Cont'd)

As at LPD, our Group's ongoing material infrastructure construction and engineering work projects are as follows:

No.	Client	Project description	Total contract value (RM million)	Outstanding orderbook as at LPD ⁽¹⁾ (RM million)	Construction status as at LPD
1.	Pertama Sdn Bhd	Upgrading of flood retention and structure works at Pendang, Kedah – flood wall, bund, bridges, syphon, leaf gates and regulator works	78.45	33.88	Commenced construction works in October 2021, with completion at approximately 56.81% as at LPD and full completion targeted by July 2026
2.	Euro Saga Sdn Bhd	Construction of road works at Jerantut, Pahang – geotechnical, earthworks, structures, drainage and pavement works	201.00	175.06	Commenced construction works in November 2021, with completion at approximately 12.91% as at LPD and full completion targeted by July 2026
3.	Ganti Juara Sdn Bhd	Construction of road works at Sembrong, Johor – geotechnical, earthworks, structures, drainage and pavement works	23.10	7.06	Commenced construction works in December 2021, with completion at approximately 69.43% as at LPD and full completion targeted by May 2025
4.	Besteel Sdn Bhd	Construction of bridge works at Nibong Tebal, Penang – foundation, substructure and superstructure works	(2)112.08	11.85	Commenced construction works in February 2022, with completion at approximately 89.43% as at LPD and full completion targeted by May 2025
5.	SLP Construction Sdn Bhd	Upgrading of road works at Tangkak, Johor – geotechnical, earthworks, structures, drainage and pavement works	(2)128.10	86.37	Commenced construction works in February 2022, with completion at approximately 32.57% as at LPD and full completion targeted by May 2026
6.	Tekad Warisan Sdn Bhd	Upgrading of road works at Kota Belud, Sabah – geotechnical, earthworks, structures, drainage and pavement works	44.44	5.56	Commenced construction works in April 2022, with completion at approximately 87.50% as at LPD and full completion targeted by April 2025
7.	Besteel Sdn Bhd	Construction of army family homes at Gemas, Negeri Sembilan – supply, delivery, installation, testing and commissioning of cold water and sanitary plumbing services	(2)20.23	12.42	Commenced construction works in October 2022, with completion at approximately 38.57% as at LPD and full completion targeted by May 2026

6. BUSINESS OVERVIEW (Cont'd)

No.	Client	Project description	Total contract value (RM million)	Outstanding orderbook as at LPD ⁽¹⁾ (RM million)	Construction status as at LPD
8.	Besteel Engtech Sdn Bhd	Construction of army family homes at Gemas, Negeri Sembilan – supply, delivery, installation, testing and commissioning of electrical and extra low voltage box	(2)38.43	31.31	Commenced construction works in December 2022, with completion at approximately 18.53% as at LPD and full completion targeted by August 2025
9.	Besteel Engtech Sdn Bhd	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of reinforced concrete works	(2)40.96	6.61	Commenced construction works in March 2023, with completion at approximately 83.87% as at LPD and full completion targeted by June 2025
10.	Besteel Engtech Sdn Bhd	Construction of bridge works at Nibong Tebal, Penang – earthworks, road pavement works, road furniture works, precast New Jersey barrier, galvanized iron railing and reinforced concrete works	(2)23.16	23.14	Commence construction works in October 2024, with completion at approximately 0.07% as at LPD and full completion targeted by July 2025
11.	Besteel Engtech Sdn Bhd	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of architectural works	(2)95.41	87.97	Commenced construction works in June 2024, with completion at approximately 7.80% as at LPD and full completion targeted by March 2026
12.	Besteel Engtech Sdn Bhd	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of infrastructure works	(2)24.13	24.13	Construction targeted to commence in March 2025 and full completion targeted by March 2026
Total			829.49	505.36	

Notes:

(1) This refers to the remaining contract value which we have not recognised as revenue as at LPD.

6. BUSINESS OVERVIEW (Cont'd)

- (2) *In addition to the construction and engineering works we carry out as main contractor or subcontractor, we also provide value-engineering services and solutions under our Group's BEST Collaboration Framework for these projects. The total contract value set out in this table only represents the value of the contract awarded to us for the construction and engineering works and does not include any profit-sharing derived and/or to be derived from the value-engineering services and solutions provided under our BEST Collaboration Framework to these clients. For further details on our Group's BEST Collaboration Framework and the additional fees which we charge for these projects under the said framework, please refer to Section 6.2.1(ii) of this Prospectus.*

(ii) Construction-related services and solutions

In addition to the wide range of construction and engineering works that our Group is capable of undertaking as set out in Section 6.2.1(i) of this Prospectus, our Group also offers construction-related services and solutions to our clients through our BEST Collaboration Framework. The BEST Collaboration Framework that was developed in-house, functions as a framework for collaboration between our Group and our clients (such as land owners, property developers or contractors) to achieve the shared objective of value-enhancement for construction projects or property development projects undertaken by our clients by leveraging on our Group's extensive experience and expertise in the construction industry.

Our BEST Collaboration Framework essentially embodies the following core principles:

- (i) **Blue Ocean Strategy** – to leverage on our experience and knowledge in assisting our clients to secure and manage tenders for infrastructure, building and property development projects from both the public and private sectors. This strategy introduces a new and unconventional approach to construction that is centred around collaboration with stakeholders in the construction industry and leveraging on our experience and knowledge to achieve the mutual objective of value-enhancement;
- (ii) **Enhancement solution for finance** – to formulate financial solutions to our clients, i.e. assisting them in structured financing and cash flow planning in order to meet the financial requirements for the projects and connecting them to financial institutions;
- (iii) **Sustainability made affordable** – to formulate sustainable business policies and project management directives for cost optimisation; and
- (iv) **Transformation and innovation** – to recommend and/or source cost-effective materials and construction methodology as well as to propose suitable alternative designs with similar fit, function and safety to our clients.

The construction-related services and solutions provided under our BEST Collaboration Framework principally involve value-engineering for construction and property development projects undertaken by our clients. The value-engineering services and solutions which we offer to our clients under our BEST Collaboration Framework include the following:

- recommending optimal and suitable alternative engineering designs and/or layouts to those originally proposed by our clients;
- recommending alternative building materials to be used which are more cost-effective whilst achieving the desired objectives and meeting the required specifications;

6. BUSINESS OVERVIEW (Cont'd)

- recommending alternative construction methodology and/or processes which improve construction and operational efficiency as well as mitigate potential risk of overruns in project timelines and budget;
- providing advisory and technical input in terms of construction work programs and pricing for our clients during their contract tendering process; and
- enabling our clients to leverage on our track record and financial position when tendering for new projects through collaboration with us via our BEST Collaboration Framework. Clients, particularly contractors which may not have the necessary track record or financial strength necessary to tender for projects, may have difficulty securing contracts if they were to submit tenders on their own as they may not meet the minimum requirements on financial capability (e.g. cash flow, available financing facilities, credit profile and/or shareholders' equity) as well as submit the requisite performance bonds individually on their own. As such, by jointly tendering as a collaboration partner with our Group, they can leverage on our Group's financial ability and profile to meet the financial requirements for the project. In addition, we will jointly contribute to the requisite sum for the performance bonds, the exact breakdown of which varies on a case-to-case basis according to the terms of collaboration with our partner.

For the avoidance of doubt, our responsibilities under the BEST Collaboration Framework when jointly tender a project with our client, depends on the type of services rendered by us which may include to provide technical input, project management and/or financing solutions. Apart from jointly contributing to the performance bonds as mentioned earlier, there is no other material liabilities to our Group when jointly tender projects with our clients.

Aside from the value-engineering services and solutions stated above, clients under our BEST Collaboration Framework generally benefit from having access to technical expertise and project management support, reduced operational and logistical burdens through centralised coordination, as well as access to our established supplier and subcontractor network.

As part of our commitment to continuously improve the value-engineering services and solutions offered under our BEST Collaboration Framework that we provide to our clients, we have entered into a three (3)-year collaboration agreement with Gamuda Industrial Building System Sdn Bhd on 9 September 2022 to promote the use of digital IBS to boost construction efficiency and support the industry's transition towards Industrial Revolution (IR) 4.0 via digitalisation of work processes and automation of construction works. The digitalisation of work processes is also expected to result in less construction wastage, increased productivity, shorter construction period, as well as reduced reliance on foreign labour as most of the work processes are performed at a manufacturing facility using an automated system as opposed to at the construction site. All of these improvements are in line with the core principles of our BEST Collaboration Framework.

Through this collaboration, our Group will promote the use of digital IBS in construction projects where we provide construction-related services and solutions. Meanwhile, Gamuda Industrial Building System Sdn Bhd will develop conceptual designs, provide technical support and supply digital IBS products at competitive prices to us and our clients.

6. BUSINESS OVERVIEW (Cont'd)

For the avoidance of doubt, our construction contracts may be secured from our clients either with or without the value-engineering services and solutions provided under our BEST Collaboration Framework. For construction contracts carried out under our BEST Collaboration Framework, our clients are given the flexibility to select the relevant value-engineering services and solutions which are typically rendered to them during the initial planning stage in order for them to enjoy and maximise the benefit from such value-engineering, which they can then select to include as part of the overall construction contract awarded to us.

Conversely, for construction contracts secured without the value-engineering services and solutions provided under our BEST Collaboration Framework, we will only be involved in carrying out the construction and engineering works strictly according to the specifications and scope of work set out in the contract without any involvement by us at the design stage or enhancements in design, layout, building materials and/or construction methodology.

In return for providing these value-engineering services and solutions, our Group will be entitled to fees which are negotiated based on a portion of the value of our client's construction or property development projects on a case-to-case basis. In addition, aside from our Group being allowed to tender for any scope of work to be awarded or subcontracted by our client for the project, our Group is also allowed to match the lowest accepted tender for any critical or specialised work scope to be awarded by our client for the project, and our client shall use its best efforts to recommend our Group as the nominated supplier for the project with the objective of ensuring consistent supply and quality of building materials and reliability of rented machineries. In addition, our Group shall have the right of first refusal to undertake the construction works for any alternative design proposed by our Group under our BEST Collaboration Framework which are accepted by our client, subject to such pricing and terms to be mutually agreed between the parties.

As at LPD, save for the Wisma LSH Extension Project, all the building construction projects of our Group include value-engineering services and solutions provided under our BEST Collaboration Framework. The details of the fee arrangement for these building construction projects carried out under our BEST Collaboration Framework are as follows:

No.	Project name	Partner	Fee arrangement ⁽¹⁾	Fee collected as at LPD ⁽⁴⁾ (RM million)
1.	LSH Segar Project	ASSB	75% of the remaining gross profit of the entire project (i.e. after deducting all the relevant operating and administrative expenses attributable to the project) (" Pre-Tax Project Profit ")	10.38
2.	Lake Side Homes Project	ASES	0.80% of the project's GDV ⁽²⁾	-
3.	LSH 33 Project	Besteel Engtech Sdn Bhd	75% of the Pre-Tax Project Profit ⁽³⁾	12.55 (completed)
4.	Sentul Ria Project	LSH Holdings	75% of the Pre-Tax Project Profit ⁽³⁾	-

Notes:

- (1) The total fees payable is billed in parts on a quarterly basis commencing from the first quarter when the project owner recognises progress billings for the project, until full completion of the overall works for the said project.

6. BUSINESS OVERVIEW (Cont'd)

- (2) For information, prior to our acquisitions of ASSB and LSH Ventures (which include their collective equity interests in ASES of 93.75%) in April 2023, our Promoters, holding 93.75% effective equity interest in ASES, had incurred substantial resources and efforts in obtaining the development order for the Lake Side Homes Project over the past seven (7) years. These include funding of the said land, applying for variation of the land's express condition, and applying for and obtaining the development order for the Lake Side Homes Project (including payment of land premium and all relevant charges thereto). In this regard, this fee arrangement was agreed upon with the other shareholder of ASES who holds the remaining 6.25% equity interest therein, to compensate the resources and efforts made by our Promoters thus far through passing on the benefits to LSHBB vide the BEST Collaboration Framework agreement entered into between ASES and LSHBB on 13 April 2022.
- (3) Pursuant to the terms of the BEST Collaboration Framework agreement for the respective projects, upon completion of the said development project, any unsold unit from the said project shall be recognised as the inventory of the project owner and LSHBB shall be entitled to receive 75% of the profits upon the sale of these inventory units, or at its sole discretion, elect to have 75% of the unsold inventory units be transferred to its name. For information purpose, all units under the LSH 33 Project have been fully sold, whilst LSHBB has yet to elect on either approach for the Sentul Ria Project as the construction works for this project is still ongoing.
- (4) Fee collected since the date of the respective BEST Collaboration Framework agreements up to LPD. For information, the total fees collected and to be collected for the LSH Segar Project and Lake Side Homes Project subsequent to our Company's acquisition of ASSB and LSH Ventures in April 2023 will not be recognised as revenue to our Group. The total fee collected for LSH 33 Project of approximately RM12.55 million as indicated in the table above is full and final upon completion of the said project.

In addition to the above, as at LPD, our Group's ongoing infrastructure construction and engineering work projects which include the value-engineering services and solutions provided under our BEST Collaboration Framework are as follows:

No.	Project description	Partner/project owner	Fee arrangement ⁽¹⁾	Fee collected as at LPD ⁽²⁾ (RM million)
1.	Construction of bridge works at Nibong Tebal, Penang	Besteel Engtech Sdn Bhd	75% of the Pre-Tax Project Profit	4.37
2.	Upgrading of road works at Tangkak, Johor	SLP Construction Sdn Bhd	75% of the Pre-Tax Project Profit	1.49
3.	Construction of army family homes in Gemas, Negeri Sembilan	Besteel Engtech Sdn Bhd	75% of the Pre-Tax Project Profit	5.47

Notes:

- (1) The total fees payable is billed in parts on a quarterly basis commencing from the first quarter when the project owner recognises progress billings for the project, until full completion of the overall works for the said project.
- (2) Fee collected since the date the respective BEST Collaboration Framework agreements up to LPD.

Our Group has completed one (1) building construction project under our BEST Collaboration Framework, namely the LSH 33 Project, while the remaining building construction projects as well as infrastructure construction and engineering work projects carried out under our BEST Collaboration Framework are in progress as at LPD. We have been recognising fees under the BEST Collaboration Framework agreements progressively on a quarterly basis.

6. BUSINESS OVERVIEW (Cont'd)

While the abovementioned fee arrangement under our BEST Collaboration Framework is relatively uncommon in the construction industry, our Group has managed to secure seven (7) projects under this fee arrangement as at LPD, i.e. three (3) with Besteel Engtech Sdn Bhd, and one (1) each with LSH Holdings, ASES, ASSB and SLP Construction Sdn Bhd, for their respective construction or property development projects.

(iii) Construction products

Our Group also supplies a wide range of construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry. Our business activities relating to the supply of construction products can be broadly classified under four (4) main categories as follows:

(a) Distribution of building materials

We distribute a variety of building materials which are used for construction and engineering works undertaken by our Group and to third-party clients comprising mainly contractors and property developers in Malaysia.

Some of the key building materials that we offer include the following:

Key building materials	Description
Ready-mixed concrete	Concrete that has been pre-mixed at our suppliers' factory before it is delivered to the construction site. We offer Ordinary Portland Cement (a common type of cement typically made with limestone and clay, amongst other aggregates), blended cement or specialty cement, which are available either in bags or through bulk purchases.
Steel bar	Steel bars typically used inside reinforced concrete products and masonry structures to strengthen and hold the concrete products and/or structures respectively. We offer standard or cut-to-order mild steel or high tensile steel bars.
Steel wire mesh	A reinforcement material used inside concrete products to increase structural integrity of such concrete products. We offer cold reduced mild steel wire or welded steel fabric mesh.

We secure orders for building materials on a purchase order basis. We may also enter into building materials trade agreement with our clients who are contractors or property developers to lock in the building material prices for a term of one (1) year. Such building materials include ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber which the selling prices are generally derived from cost price plus 10% margin.

The building materials that we offer are transported directly by our suppliers to the construction site. This eliminates the need for us to temporarily store building materials in a warehouse, and enables us to only source for building materials as and when we receive orders from our clients or when we require them for our Group's own construction and engineering works.

6. BUSINESS OVERVIEW (Cont'd)

(b) Wholesale and retail of lighting and related M&E products

We offer a variety of lighting and related M&E products to contractors, property developers and retail customers. We secure orders for lighting and related M&E products from our clients who are contractors and property developers on a purchase order basis and do not sign any long-term agreement with them. In addition, we also supply lighting and related M&E products for construction projects which our Group has secured whenever the need arises. As at LPD, we carry 7,079 SKUs of lighting and related M&E products.

As we have access to a network of suppliers for lighting and related M&E products (which typically comprise manufacturers and wholesalers), we are able to source for both standard lighting products as well as custom lighting products which are made to order according to our customers' designs and specifications. These custom-made lighting products will be outsourced to and manufactured by appointed manufacturers located either domestically or overseas.

As at LPD, we operate six (6) physical retail stores across the Klang Valley region under the 'Lim Seong Hai Lighting' trade name. These retail stores enable us to display and engage in retail sales of our lighting products directly with retail customers. By visiting our retail stores, our retail customers are able to physically browse and visualise our lighting products' size, brilliance and colour, thereby enabling them to assess and decide on the suitability of the lighting products based on their needs. In addition, our on-site customer service team at the retail stores are trained to provide advice and recommendation to our retail customers in identifying lighting products that are best suited to their needs and requirements, as well as arrange for delivery and installation if required.



Retail customers can also purchase our lighting and related M&E products through online channels either through our own online store or third-party e-commerce platforms, namely Lazada and Shopee.

Our lighting and related M&E products are all stored at our retail stores and delivered directly from our retail stores to our retail customers, if required, either using our in-house delivery team or through appointed third-party logistic companies.

6. BUSINESS OVERVIEW (Cont'd)

The lighting products that we offer broadly fall within the following three (3) categories:

Type of lighting products	Description
Indoor lighting	These products illuminate the interior of buildings. Examples include ceiling lights, chandeliers, wall lights, table lamps and stand lamps.
Outdoor lighting	These products illuminate outdoor areas, particularly where the area is unsheltered. These products are also known as exterior lighting. Examples include decorative compound lights, floodlights and underwater lights.
Decorative lighting	These products may be used either indoors or outdoors. They typically have unique shapes, designs, colours or patterns. They are generally custom-made products.

Our retail customers can also opt for installation services which are either carried out by our in-house staffs or outsourced to third-party electricians.

For wholesale orders of our lighting and related M&E products for construction projects, we provide installation services alongside a broader range of M&E works as further detailed in Section 6.2.1(i) of this Prospectus.

(c) Wholesale and retail of hardware products and tools

We offer a wide range of hardware products and tools to contractors and retail customers. We secure orders for hardware products and tools from our clients who are contractors on a purchase order basis and do not sign any long-term agreement with them.

As at LPD, we wholesale and retail 2,986 SKUs of hardware products and tools. Our hardware products and tools are sourced from various suppliers, which are typically wholesalers and distributors of hardware and tools located either domestically or overseas from China.

As at LPD, we operate six (6) physical retail stores across the Klang Valley region under the 'Knight Auto' trade name. These retail stores enable us to display and engage in retail sales of our hardware products and tools directly with retail customers. Our retail store at Balakong, Selangor also functions as a warehouse and distribution centre for our hardware products and tools. In addition, our on-site customer service team at the retail stores are trained to assist customers to locate and test the hardware products and tools, in addition to providing advice and recommendation as well as arranging for delivery, if required.

6. BUSINESS OVERVIEW (Cont'd)

Retail customers can also purchase our hardware products and tools through online channels either through our own online store or third-party e-commerce platforms, namely Lazada and Shopee.

Our products are delivered directly from our retail stores or warehouse to our retail customers, if required, either using our in-house delivery team or through appointed third-party logistic companies.

The hardware products and tools that we offer broadly fall within the following six (6) categories:

Type of hardware products and tools	Description
Concrete mixer	A machine which homogenously combines cement, aggregate (i.e. gravel, sand or crushed rock) and water to form concrete using a revolving drum.
Generator sets	A portable equipment consisting of an engine and alternator to provide energy to a construction site.
Air compressors	Air compressors convert ordinary air into denser and more pressurised air. It is used to provide power to a variety of machinery and equipment on a construction site.
Agricultural tools and equipment	These products are used in the agricultural industry. Examples include tillers, chainsaws, blowers, lawn mowers and trimmers, and fogging machines.
Garage tools and equipment	These products are used in workshops or garages. Examples include air sandblaster guns, car jacks, coil spring compressors and tyre equipment.
Others	Other hardware products and tools that we offer include power tools, hand tools, water pumps, high pressure cleaners, welding equipment, cleaning appliances and pneumatic tools.

6. BUSINESS OVERVIEW (Cont'd)**(d) Rental of construction machinery and equipment**

We also offer a variety of construction machinery and equipment for rent to our clients. Our clients mainly comprise construction contractors who require the use of these machineries and equipment for their construction works. We typically sign a rental agreement with our clients for the rental of construction machinery and equipment. The rental terms (particularly on rental rates) differ for each client, depending on our client's requirements in terms of, among other factors, specifications and quantity of construction machinery or equipment required, duration of rental tenure, accessibility of site for delivery of construction machinery or equipment required, length of relationship, as well as requirement of machinery operators.

As at LPD, we offer 88 units of construction machinery for rent, all of which are owned by our Group, the breakdown of which are as follows:

Type of construction machinery	Number of units
Crane	25
Excavator	30
All-terrain vehicles, water truck and lorry	11
Other construction machineries (such as bulldozer, concrete mixer, concrete placing boom, concrete pump, forklift, sky lift and roller)	22
Total	88

In addition, we also offer construction equipment for rent, such as scaffoldings and aluminium or steel formworks.

These construction machineries and equipment are also used for construction and engineering works undertaken by our Group for projects that we have secured.

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6. BUSINESS OVERVIEW (Cont'd)

6.2.2 Property development segment

In addition to our primary focus as a construction company, we are also involved in property development. As at LPD, our Group has two (2) ongoing property development projects, namely the LSH Segar Project and Lake Side Homes Project.

Further details of our Group's ongoing property development projects are as follows:

(i) LSH Segar Project



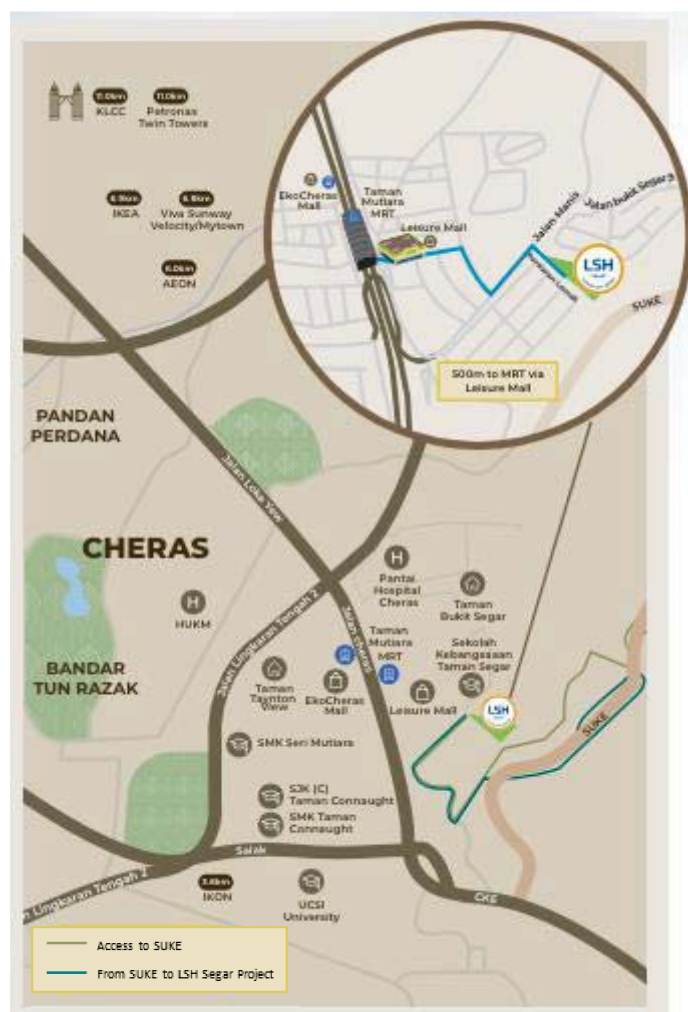
LSH Segar Project is a leasehold residential property development project located at Cheras, Kuala Lumpur comprising 435 condominium units and 440 '*Residensi Wilayah*' affordable housing units as well as 1,670 carpark lots. There are two (2) blocks of residential buildings as follows:

- one (1) 38-storey block of condominium units; and
- one (1) 32-storey block of '*Residensi Wilayah*' affordable housing units.

LSH Segar Project is located along Jalan Cheras and is adjoining to Taman Segar, a housing development in Cheras. LSH Segar Project is easily accessible via the Cheras Highway, Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) and Cheras-Kajang Expressway. It is located nearby to public amenities such as public transportation (i.e. Taman Mutiara Mass Rapid Transit ("**MRT**") station and Taman Connaught MRT station), educational institutions (i.e. Sekolah Kebangsaan Taman Segar, Sekolah Jenis Kebangsaan (C) Taman Connaught, Sri Sempurna International School and UCSI University), healthcare facilities (i.e. Pantai Hospital Cheras, Pusat Perubatan University Kebangsaan Malaysia and Sunway Medical Centre Velocity) as well as shopping malls (i.e. Cheras Leisure Mall, EkoCheras Mall and MyTOWN Shopping Centre).

6. BUSINESS OVERVIEW (Cont'd)

The location of LSH Segar Project is illustrated in the map below:



As at LPD, the GDV of LSH Segar Project is estimated to be RM395.86 million. The size of the condominium units range from 1,000 sq ft to 3,000 sq ft, and have a selling price ranging from RM540,000 to RM2.50 million per unit, while the size of the 'Residensi Wilayah' affordable housing units are all 850 sq ft and have a selling price of RM300,000 per unit, rendering LSH Segar Project accessible by a wide range of purchasers.

The construction of LSH Segar Project commenced in October 2021 and the project was launched in February 2022 with approximately 86.86% of units being sold as at LPD. The construction of LSH Segar Project is expected to be completed by the third quarter of 2026, with construction progress at approximately 48.91% as at LPD.

6. BUSINESS OVERVIEW (Cont'd)

The details of LSH Segar Project are summarised as follows:

Name of developer	ASSB
Title identification	Pajakan Negeri 54330, Lot No. 482098, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure	Leasehold – 99 years (expiring on 8 August 2116)
Total land area	4.14 acres
Type of development	Residential
Total estimated GDV	RM395.86 million
Year launched	February 2022
Total units launched	875 units (435 condominium units and 440 ' <i>Residensi Wilayah</i> ' affordable housing units)
Unit sizes:	
• Condominium units	1,000 sq ft to 3,000 sq ft
• ' <i>Residensi Wilayah</i> ' affordable housing units	850 sq ft
Price range:	
• Condominium units	RM540,000 to RM2.50 million
• ' <i>Residensi Wilayah</i> ' affordable housing units	RM300,000
% of units sold as at LPD	86.86%
Construction commencement	October 2021
Estimated completion	Third quarter of 2026

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6. BUSINESS OVERVIEW (Cont'd)

(ii) Lake Side Homes Project



Lake Side Homes Project is a leasehold residential property development project located at Sungai Besi, Kuala Lumpur comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units and 593 PPAM affordable housing units, as well as 3,809 carpark lots. There are five (5) blocks of residential buildings as follows:

- two (2) 51-storey blocks comprising condominium units;
- one (1) 12-storey block comprising condominium units; and
- two (2) 49-storey blocks, each comprising 'Residensi Wilayah' and PPAM affordable housing units.

Lake Side Homes Project is located near Lake Fields and the Selangor Turf Club. It is easily accessible via the Sungai Besi Expressway and Sungai Besi-Ulu Kelang Elevated Expressway (SUKE). It is located nearby to public amenities such as public transportation (i.e. Sungai Besi MRT station and Serdang Raya Utara MRT station), educational institutions (i.e. Sekolah Kebangsaan Pengkalan Tentara Darat, Universiti Pertahanan Nasional Malaysia, Bukit Jalil Sports School, IMU University and Asia Pacific University of Technology and Innovation), healthcare facilities (i.e. Columbia Asia Hospital – Bukit Jalil and Hospital Canselor Tuanku Muhriz UKM), as well as shopping malls (i.e. The Mines Shopping Mall, South City Plaza and Pavilion Bukit Jalil).

6. BUSINESS OVERVIEW (Cont'd)

The location of Lake Side Homes Project is illustrated in the map below:



As at LPD, the GDV of Lake Side Homes Project is estimated to be RM1,153.96 million. The size of the condominium units is expected to range from 956 sq ft to 1,834 sq ft and the selling price is expected to range from RM400,000 to RM2.00 million per unit. The sizes of the 'Residensi Wilayah' affordable housing units and PPAM affordable housing units are expected to be 869 sq ft and 1,012 sq ft respectively, and both are expected to have a selling price of RM300,000 per unit, rendering Lake Side Homes Project accessible by a wide range of purchasers.

For information, we commenced preliminary construction works for the Lake Side Homes Project in March 2024. However, preliminary construction works were put on hold following the receipt of an interim stay order in April 2024 and were resumed in August 2024 after the said order was uplifted, details of which are set out in Section 13.6 of this Prospectus. The said project is expected to be launched in the second half of 2025, and the construction of the Lake Side Homes Project is estimated to be completed by the fourth quarter of 2029.

The details of Lake Side Homes Project are summarised as follows:

Name of developer	ASES
Title identification	Pajakan Negeri 53100, Lot No. 103675, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Tenure	Leasehold – 99 years (expiring on 13 August 2117)
Total land area	11.85 acres
Type of development	Residential
Total estimated GDV	RM1,153.96 million
Estimated launch date	Second half of 2025

6. BUSINESS OVERVIEW (Cont'd)

Estimated total units	2,369 units (1,183 condominium units, 593 'Residensi Wilayah' affordable housing units and 593 PPAM affordable housing units)
Unit sizes:	
• Condominium units	956 sq ft to 1,834 sq ft
• 'Residensi Wilayah' affordable housing units	869 sq ft
• PPAM affordable housing units	1,012 sq ft
Price range:	
• Condominium units	RM400,000 to RM2.00 million
• 'Residensi Wilayah' affordable housing units	RM300,000
• PPAM affordable housing units	RM300,000
Construction commencement	Preliminary construction works first commenced in March 2024 and were put on hold in April 2024. The works were resumed in August 2024
Estimated completion	Fourth quarter of 2029

6.3 REVENUE CONTRIBUTION BY BUSINESS SEGMENTS

The table below sets out our Group's revenue by business segments for the Financial Years Under Review:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Construction	67,416	100.00	165,866	100.00	343,824	96.10	288,194	79.74
Construction and engineering works	547	0.81	98,982	59.68	258,485	72.25	204,354	56.54
Construction-related services and solutions	-	-	10,165	6.14	9,921	2.77	6,866	1.90
Construction products	66,869	99.19	56,719	34.18	75,418	21.08	76,974	21.30
- Building materials	37,514	55.65	28,270	17.04	42,611	11.91	37,788	10.45
- Lighting products	5,476	8.12	6,227	3.75	5,331	1.49	5,259	1.46
- Hardware products and tools	12,755	18.92	13,061	7.87	12,655	3.54	15,743	4.36
- Rental of construction machinery and equipment	11,124	16.50	9,161	5.52	14,821	4.14	18,184	5.03
Property development	-	-	-	-	13,931	3.90	72,354	20.02
Other⁽¹⁾	-	-	-	-	-	-	857	0.24
Total revenue	67,416	100.00	165,866	100.00	357,755	100.00	361,405	100.00

6. BUSINESS OVERVIEW (Cont'd)

Note:

- (1) *This represents revenue generated from the management of the 'Blue Pool' facility at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur.*

For the FYE 2021, our Group derived all of our revenue from M&E works carried out by LSH Lighting and from our construction products sub-segment (i.e. from LSH Lighting and Knight Auto).

However, following our Group's diversification into construction and construction-related services and solutions after the acquisition of LSHBB in October 2021, our Group's revenue for the FYEs 2022 and 2023 were largely contributed by our construction and engineering works sub-segment, making up approximately 59.68% and 72.25% of our total revenue for the respective FYEs. This was followed by our construction products sub-segment contributing approximately 34.18% and 21.08%, and our construction-related services and solutions sub-segment contributing approximately 6.14% and 2.77% of our total revenue for the FYEs 2022 and 2023, respectively.

Our Group has also diversified our business activities to include property development following the acquisitions of ASSB and LSH Ventures in April 2023, which contributed approximately 3.90% of our total revenue for the FYE 2023.

For the FYE 2024, our Group's revenue was also largely derived from our construction and engineering works sub-segment, making up approximately 56.54% of our total revenue for the said financial year. This was followed by our construction products sub-segment, our property development segment and our construction-related services and solutions sub-segment, which contributed approximately 21.30%, 20.02% and 1.90%, respectively, for the FYE 2024.

6.4 PRINCIPAL MARKETS

We operate entirely in Malaysia where we carry out construction and engineering works, construction-related services and solutions as well as supply of buildings materials for construction projects located in various states in Malaysia. We also engage in the wholesale and retail of lighting and related M&E products as well as hardware products and tools through 12 physical retail stores located across the Klang Valley region, online e-commerce platforms such as Lazada and Shopee, as well as our own online stores. Apart from our wholesale and retail operations, we also provide rental services for machinery and equipment for construction projects based in Malaysia. In addition, the property development projects for which our Group is involved in are all located in the Klang Valley region.

6.5 SEASONALITY

The construction industry and property development industry which our Group is involved in are cyclical in nature and are dependent on the country's general economic conditions and fiscal policies of the Malaysian Government. We have not experienced any material seasonality in our business as the nature of our business operations are not subject to seasonal fluctuations.

6. BUSINESS OVERVIEW (Cont'd)**6.6 LOCATION OF OPERATIONS**

As at LPD, our Group operates from the following premises:

Company	Main function	Approximate built-up area	Location
LSH Capital Group	Head office and retail store for Knight Auto	23,244 sq ft	Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
LSH Lighting	Retail store	1,412 sq ft	No. 3, Block A, Diamond Square, Jalan Semarak Api 1, Off Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
LSH Lighting	Retail store	10,603 sq ft	No. G-1, 1-1, G-2, 1-2, G-3, 1-3 & 1-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia
LSH Lighting	Retail store	5,551 sq ft	No. 1, 1A & 1B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
LSH Lighting	Retail store	12,526 sq ft	No. 1 & 2, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia
LSH Lighting	Retail store	3,740 sq ft	No. 3A, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia
LSH Lighting	Retail store	15,215 sq ft	Lot G-08, 09 & 10, Lot Level 1-08, 09 & 10, Lot Level 2-08, 09 & 10, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Knight Auto	Retail store	1,405 sq ft	No. G-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia
Knight Auto	Retail store and warehouse	14,478 sq ft	Lot 1879, Jalan KPB 5, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia
Knight Auto	Retail store	4,920 sq ft	No. 349, 349A & 349B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Knight Auto	Retail store	11,925 sq ft	No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Knight Auto	Retail store	6,191 sq ft	Lot G-16, 17 & 18, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia

Details of the abovementioned properties are set out in Annexure C of this Prospectus.

6. BUSINESS OVERVIEW *(Cont'd)*

6.7 COMPETITIVE STRENGTHS

6.7.1 We have an integrated business model that is synergistic

As a full-fledged construction company, we have the capability to engage in a broad range of construction and engineering works. In addition to providing construction and engineering works, we are able to provide value-engineering services and solutions for our clients' construction and property development projects under our BEST Collaboration Framework. Our construction and engineering works are further complemented by our construction products sub-segment which supplies building materials, lighting and related M&E products, hardware products and tools as well as construction machinery and equipment required for our construction and engineering works as well as the needs of the wider construction industry.

Meanwhile, our property development business segment also acts as an enabler for our construction segment as it creates new business opportunities for this segment. For information purpose, the total outstanding orderbook for our construction segment stood at approximately RM1.52 billion as at LPD, of which approximately RM908.96 million are derived from our Group's existing property development projects.

On the other hand, our Group's property development business can also achieve cost synergies by leveraging on our construction segment's strengths and prowess in construction and engineering works, as well as provide an additional revenue stream for our Group through the sales of property units.

Integral to our Group's overall business model is our BEST Collaboration Framework, i.e. a framework for collaboration between our Group and our clients (such as land owners, property developers or contractors). The BEST Collaboration Framework essentially allows our clients to tap into our Group's expertise and experience in the construction industry to achieve the shared objective of value-enhancement beyond ordinary construction and engineering works, as further elaborated in Section 6.2.1(ii) of this Prospectus. For construction projects carried out under our BEST Collaboration Framework where we collaborate with project owners or contractors, we are able to jointly combine our resources with our collaboration partners' resources to increase our chances of securing projects. These contractors can also leverage on our track record and financial position when tendering for new projects as well as our extensive experience and expertise in other areas.

In summary, our Group's integrated business model allows us to reap the following benefits:

- (i) improve operational efficiency and optimise cost, especially for contracts carried out under our BEST Collaboration Framework, as we can provide value-engineering services and solutions such as recommending alternative engineering designs, layouts, building materials, construction methodology and/or processes to optimise time and cost, minimise risks of workplace incidences, as well as reduce wastages;
- (ii) improve build quality and ensure timely completion of projects as we have the capability to carry out key processes such as substructure construction, superstructure construction and engineering works in-house, which allows for a seamless coordination of various workflows; and
- (iii) reduce risk of being affected by supply chain disruptions as well as enjoy lower costs through bulk purchases and direct distribution channels, as we are able to supply construction products and provide construction machinery and equipment rental from within our Group.

6. BUSINESS OVERVIEW (Cont'd)

6.7.2 We have a proven track record in the construction industry

Our Group's footprint in the construction industry first began in 1995 via the construction products sub-segment through LSH Lighting and then in 1999 through Knight Auto, as well as M&E works provided through LSH Lighting. Our Group subsequently widened our presence in the construction industry by growing our track record in construction and engineering works following the acquisition of LSHBB on 15 October 2021, which has since elevated our construction and engineering works sub-segment to become the largest revenue contributor for our Group from the FYE 2022 onwards. Our Promoters subsequently consolidated the construction business under ASSB with that of LSH Capital through the acquisition of ASSB in April 2023. Notwithstanding that these companies were only recently acquired by our Company, LSHBB's and ASSB's track record in the construction industry can be traced back to 2020 and 2015 respectively, when they first commenced their respective construction business in those years. As at LPD, LSH Lighting, LSHBB and ASSB have collectively completed 53 construction and engineering work projects (including those that were completed by LSHBB and ASSB prior to the acquisitions of LSHBB and ASSB by our Company in October 2021 and April 2023 respectively) with a total combined value of approximately RM1.22 billion, of which approximately RM701.42 million were awarded by companies in which our Promoters and/or persons connected with them have interest in. Some of the notable construction and engineering work projects completed by LSH Lighting, LSHBB and ASSB include various scope of work done for the DUKE project, EkoCheras mixed development project and SPE project. The completion of the construction of the LSH 33 Project following the issuance of CPC in June 2024 and CCC in September 2024 also marks the completion of our Group's first building construction project as a main contractor.

Meanwhile, through our construction products sub-segment, we have a long-established track record as we have been supplying lighting and related M&E products since 1995, initially under the 'Fablelite' trade name and subsequently under 'Lim Seong Hai Lighting' after its rebranding in 2014. In addition, our Group's track record in the wholesaling and retailing of hardware products and tools as well as the rental of construction machinery and equipment dates back to Knight Auto's establishment in 1999. To-date, our Group has expanded our footprint in the construction products space to 12 physical retail stores across the Klang Valley region, online e-commerce platforms such as Lazada and Shopee as well as our own online stores.

Our experience, track record and in-depth knowledge of the construction industry that we have developed have thus far contributed to our Group's reputation and recognition within the construction industry, and placed us in a competitive position to tender for larger construction contracts alongside other established peers within the construction industry.

6.7.3 We have a diversified range of construction capabilities across various sub-segments within the construction industry

We have a diversified portfolio of construction projects which we have completed and are presently undertaking for various sub-segments within the construction industry. These include building construction as well as infrastructure construction and engineering work projects. In particular, our present portfolio of ongoing building construction projects includes residential and mixed development projects. On the other hand, our infrastructure construction and engineering work projects include various road and bridge works, flood retention and structural works, as well as M&E works.

6. BUSINESS OVERVIEW (Cont'd)

The broad range of expertise and vast experience that we have gained enables us to service various construction sub-segments and tender for a wider range of construction contracts, thereby reducing the risk of over-reliance on the performance of any particular construction sub-segment, whilst enabling us to promptly react to changing market conditions. Having a broad range of expertise also allows us to be more selective in undertaking contracts during times when construction contracts are in abundance (i.e. by having greater emphasis on contracts that yield higher profitability).

Furthermore, our Group, through LSH Lighting, ASSB and LSHBB, is a G7 contractor registered with the CIDB, which allows us to tender and undertake contracts for projects involving construction and engineering works and/or construction-related services and solutions with no tender limit. This essentially broadens the range of construction projects that we are able to tender and undertake without any limitation to contract value.

6.7.4 We have a qualified and experienced Board and management team

Our Group is managed by an experienced management team. Our management team is led by our Executive Vice Chairman, DLKG, who has more than 30 years of in-depth commercial experience in property development and construction related activities, such as building and civil engineering works, design and build, turnkey projects as well as trading in building materials, reconditioning and rental of machinery. DLKG is also supported by our Group Managing Director, Lim Pak Lian who oversees the overall management of our Group's financial and administrative activities as well as the implementation of our Group's business plans, strategies and policies approved by our Board. DLKG is further supported by Lim Keng Hun, who manages our Group's construction products sub-segment, in particular the wholesale and retail of hardware and tools, as well as rental of construction machinery and equipment as our Managing Director of Machinery, Hardware and Tools Division. Our Executive Director, Lim Ding Shyong also brings with him almost 13 years of experience in the construction and property development industries. Other technical aspects of our Group's construction and property development activities are also overseen by Ir. Timothy Pang Tze Chin, our Project Director, who is a trained engineer with almost 10 years of experience.

On the other hand, our Non-Executive Chairman, Tan Sri KC Lim, brings with him over 40 years of experience in the field of construction and property development related industries, including but not limited to building and civil engineering works, design and build, turnkey construction works and projects, machinery trading as well as property development. As our Non-Executive Chairman, Tan Sri KC Lim provides valuable advisory and insight in shaping and chartering the strategic direction and expansion plans of our Group. Our Independent Non-Executive Directors also support our Group in their respective fields, whereby Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob brings with him over 35 years of experience in civil engineering works, Lee Swee Kheng brings with her over 35 years of experience in accounting and finance-related activities especially in the property development field, whilst Dato' Wang Sze Yao @ Wang Ming Way brings with him over 30 years of legal expertise. In addition, our Independent Non-Executive Directors who were appointed on 26 November 2024, namely Nurulhuda Hayati Binti Ibrahim and Ar. Alina Binti Abdullah, each brings with them over 30 years of experience in landscape architecture and over 18 years of architectural experience, respectively.

Our Group is thus able to leverage on our Board and management team's broad range of expertise and vast experience to provide our Group with insights on the needs and market conditions of the construction and property development industries, which allow us to better serve our clients. Further, we are also able to leverage on our Board's network and reputation when securing building and infrastructure projects and orders for construction products, as well as their rapport and experience in dealing with the authorities to expand our business.

6. BUSINESS OVERVIEW *(Cont'd)*

6.7.5 We have a strong construction orderbook that will sustain us in the near or near-mid term

As at LPD, we have 16 ongoing construction and engineering work projects with a total outstanding orderbook value of approximately RM1.52 billion. Of the 16 ongoing construction and engineering work projects, four (4) are building construction projects while 12 are infrastructure construction and engineering work projects. Please refer to Section 6.2.1(i) of this Prospectus for further information on our ongoing construction and engineering work projects.

The nature of our construction and engineering works is largely project-based and typically non-recurring. Revenue to be generated from our outstanding construction and engineering works orderbook is expected to be recognised progressively over the next six (6) financial years up to the FYE 2030. Notwithstanding this, we will continue to participate in tenders and/or submit proposals for construction and engineering work projects to replenish and further enlarge our Group's construction and engineering works orderbook.

6.8 FUTURE PLANS AND STRATEGIES

6.8.1 We plan to continue building our orderbook for construction and engineering works as well as construction-related services and solutions sub-segments, whilst also exploring potential infrastructure concession ownership opportunities

Our overall business strategy is to continue leveraging on our core strength and competency in providing construction and engineering works and construction-related services and solutions. As at LPD, our total outstanding construction and engineering works orderbook stood at approximately RM1.52 billion, which is expected to be recognised as revenue progressively until the FYE 2030.

We will continue to submit tenders and proposals for construction and engineering work projects with a view to further build resilience for our Group's orderbook. We will also endeavour to secure more construction and engineering work projects through our BEST Collaboration Framework by demonstrating the value created from our construction-related services and solutions that we provide, which allows us to recognise an additional revenue stream over and above progress billings from construction and engineering works that we carry out.

As at LPD, our recent efforts in pursuing new infrastructure construction projects have thus far resulted in a strategic collaboration between Permodalan Negeri Selangor Berhad, IJM Corporation Berhad and our Company, which was announced on 8 March 2024 vide the signing of an intent to collaborate agreement. This strategic collaboration will be over a period of three (3) years and focuses on transforming road transportation infrastructure in the Southern Selangor Integrated Regional Development (IDRISS), which itself aims at harnessing the economic potential of the Sepang and Kuala Langat districts. The intent to collaborate agreement is to record parties' intention and understanding to collaborate with each other to procure, implement and own infrastructure projects in the Southern Selangor region ("**Projects**"). The collaboration leverages on our Group's and IJM Corporation Berhad's reputation and expertise in construction, our Group's BEST Framework solutions which includes assistance in tender submissions, project management and cost-effective solutions as well as Permodalan Negeri Selangor Berhad's reputation, expertise and track record on land development matters as it is owned by the Selangor State Government. The collaboration will also involve studying various viable connectivity routes and plans to introduce key transportation links, with the objective of improving connectivity, reducing travel time and creating new development corridors in these districts. Through the strategic collaboration, the parties will collaborate to prepare proposal and/or bid for such Project to the Malaysian Government. In the event any such Project is awarded, our Group will be able to undertake a portion of the construction works related to such Project.

6. BUSINESS OVERVIEW (Cont'd)

In addition, we also intend to be a concession owner for infrastructure construction projects such as highways. As a concession owner, we will not only perform the construction and engineering works for the project, but also be responsible for the operations and maintenance of these assets once construction is completed. This will enable us to recognise recurring income from such operations and maintenance activities, thereby providing sustainable earnings for our Group in the future. As such, as part of our Group's business plan, we intend to identify potential new assets and submit proposals to the relevant parties for their consideration. To this end, we intend to leverage on the expertise of some of our Directors and Key Senior Management in construction and construction-related services (especially in highway projects), as well as build our Group's knowledge and resources on operations and maintenance activities through the proposed establishment of facility management services as a new business segment in our Group as further described in Section 6.8.3 below.

As at LPD, our Group have submitted proposal for a few concession projects, which is still under evaluation by the Malaysian Government. In the event that our Group secures any of these concession projects, we may need to hire additional employees to carry out the management and provision of operations and maintenance services. We also plan to fund this new venture through internal funds, bank borrowings, as well as equity and debt financing (such as sukuk).

To ensure the continued progress of our Group's ongoing construction and engineering work projects, we have allocated RM108.86 million of the gross proceeds to be raised from the Public Issue to fund the working capital required for our Group's ongoing and future construction and engineering work projects, of which RM78.86 million, RM20.00 million and RM10.00 million have been earmarked for building construction projects, infrastructure construction and engineering work projects, as well as future construction project(s), respectively. Such working capital includes costs for subcontractor services, purchase of building and/or construction materials, as well as payment of construction workers' salaries and wages.

Overall, we believe the track record, experience and expertise we have gained from our past projects coupled with our integrated business model provide us with the platform to harness business opportunities within the construction industry.

6.8.2 We intend to complete our existing property development projects and continue expanding our portfolio of property development projects

Aside from overseeing the continued construction of our LSH Segar Project, the focus of our Group's property development division for the immediate future will be on the launch of our Lake Side Homes Project which is expected to be in the second half of 2025. Our LSH Segar Project and Lake Side Homes Project carry estimated GDV of approximately RM395.86 million and RM1,153.96 million respectively, which will enable our Group to recognise revenue from property development activities progressively until the FYE 2030. Collectively, these two (2) properties development projects will establish our Group's brand presence in the property development industry, in particular in the Klang Valley region. The construction costs for LSH Segar Project and Lake Side Homes Project are estimated to amount to approximately RM1.04 billion (in total), which will be funded via the gross proceeds to be raised from the Public Issue as well as internal funds derived from, among others, progress claims and/or bank borrowings.

Building on further from our Group's brand presence in the property development industry, we intend to continue expanding our portfolio of property development projects by identifying new landbank and/or development opportunities.

6. BUSINESS OVERVIEW (Cont'd)

6.8.3 We intend to establish facility management services as a new business segment in our Group

With our experience in construction and engineering works as well as in property development projects, our Group also plans to establish facility management services as a new business segment which will serve as a source of new and recurring income for our Group. Under this segment, we expect to manage the operations of the facility, as well as maintain the facility or asset to ensure its functionality, comfort and safety. We expect the facility management services we offer to include one (1) or more of the following services:

- (i) **Operational management** – Budgeting and implementing cost control measures to manage operational expenses;
- (ii) **Maintenance services** – Regular inspection, upkeep and repair of all M&E and plumbing systems. This includes heating, ventilation and air-conditioning systems, elevators, escalators and fire protection systems;
- (iii) **Housekeeping and cleaning** – Managing cleanliness and sanitation throughout the facility including public areas and restrooms. This may involve daily cleaning routines, waste management and pest control;
- (iv) **Security and surveillance monitoring** – Implementing security protocols to safeguard the premises, including manned guarding, surveillance system monitoring, access control systems and emergency response planning;
- (v) **Health and safety compliance** – Ensuring that the facility meets all health, safety and environmental regulations. This involves conducting regular inspections, maintaining records and implementing necessary improvements. This also involves developing and implementing emergency response plans for various scenarios such as fire, natural disasters or medical emergencies as well as training personnel on emergency procedures; and
- (vi) **Landscaping** – This includes managing outdoor spaces to ensure that it is aesthetically pleasing, safe and environmentally sustainable. This involves mowing lawns, trimming bushes, fertilising, pruning, monitoring irrigation schedules for trees, shrubs and flowers as well as debris cleaning.

In building our Group's capabilities and track record in providing facility management services, we have entered into a BEST Collaboration Framework agreement with Service Master (M) Sdn Bhd, a company that has over 30 years of experience in the maintenance and engineering services industry. This BEST Collaboration Framework entails jointly identifying and tendering construction and engineering projects and any other business opportunities that have been mutually agreed to be suitable such as facilities management.

6. BUSINESS OVERVIEW (Cont'd)

Our joint efforts with Service Master (M) Sdn Bhd have thus far resulted in the agreement-in-principle by the Public Private Partnership Unit of the Prime Minister's Department, Malaysia (UKAS) on 7 June 2024 for LSHBB and Service Master (M) Sdn Bhd to jointly manage the operations and maintenance of the Kuala Lumpur Tower ("**KL Tower**"). As at LPD, we have neither obtained site possession of the KL Tower nor commenced the facility management services at the KL Tower as we are in the midst of negotiating the definitive terms of the concession agreement with the Malaysian Government for the operations and maintenance of the KL Tower. Nevertheless, we estimate that the required working capital (comprising staff salaries, consumables and third-party services such as lift maintenance services, security and parking management) to manage the operations and maintenance of the KL Tower will amount to approximately RM10.30 million annually. The working capital will be funded via internal funds and borrowings, whilst any equity injection (as may be required by the Malaysian Government) and/or guarantees to be provided to obtain the borrowings will be shared between our Group and Service Master (M) Sdn Bhd in proportion to the shareholdings held by each party in the joint-venture company.

We also intend to evaluate and explore opportunities to operate and manage the facilities of residential buildings for which we were involved in the construction and/or development in. This will not only provide additional recurring income to our Group following the completion of the construction of building projects, but also allow us to continue extending our brand presence to our purchasers post-handover of vacant possession by continuing to serve them through maintenance of the residential building.

In addition, as our Group continues to broaden our network and capabilities in facility management services, we intend to also evaluate and explore opportunities to unlock further value in the facilities we manage with the respective asset owners, in particular in areas related to construction wherein our Group is capable of offering synergistic value to the asset owners.

As a prelude to the overall establishment of our facility management services segment in the future, we have secured a contract for the provision of facility management services which entails the management of the 'Blue Pool' facility (which features a dancing symphony fountain, blue corridor, fog and lighting effects) at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur. This three (3)-year project awarded by Call Times Engineering Sdn Bhd carries total contract value of approximately RM6.51 million, and our Group has generated approximately RM0.86 million of revenue from this facility management services contract during the FYE 2024. Once we have built sufficient capabilities and are able to secure other facility management services contracts with greater value and longer term, we will formally establish facility management services as permanent standalone business segment of our Group. Nevertheless, we do not expect this new segment to contribute substantially to our Group's net profit in the near term.

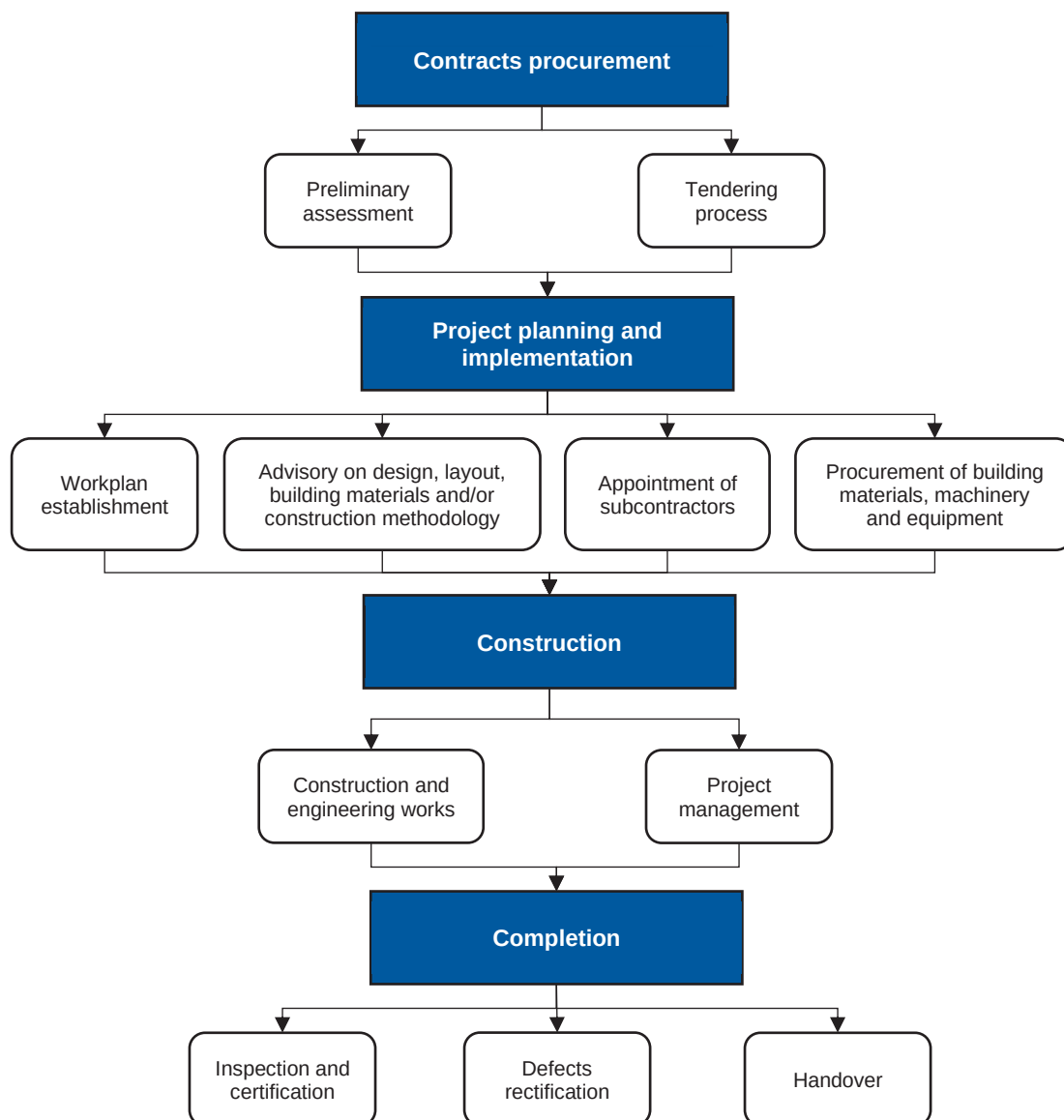
For information purpose, our future plans and strategies as detailed above do not involve the acquisition of any company.

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6. BUSINESS OVERVIEW (Cont'd)

6.9 PROCESS FLOWS

6.9.1 Construction segment – construction and engineering works as well as construction-related services and solutions



(i) Contracts procurement

Our Group's construction and engineering work projects typically commence with the procurement of contracts either through tenders, referrals or invitations from existing or prospective clients. Prior to preparing a tender document or providing a quotation, we will conduct a preliminary assessment on the terms given by the prospective client, the creditworthiness of the prospective client, feasibility of the project as well as the scope of work.

6. BUSINESS OVERVIEW (Cont'd)

Generally, we will assess the site, estimate the costs, perform budgeting, identify statutory and regulatory requirements, evaluate pre-determined designs and specifications as well as plan out the resources required (including manpower and supply of materials, machinery and equipment) and project timeline, before our contracts team commence preparing the tender document or proposal. Some of the key terms stipulated in our tender document or proposal include, among others, contract value, scope of work (including value-engineering services and solutions, if any), expected commencement and completion dates of work, DLP, payment terms and LAD terms. Our procurement team will also provide the estimated cost for sourcing of relevant materials and services to our contracts team for their preparation of tender document or proposal.

Once the tender document or quotation proposal is prepared, we will submit the relevant documents, including information pertaining to our track record and experience to demonstrate our capabilities. Following the submission of the tender, we may be invited to attend a tender interview by the prospective client to review and negotiate the terms of the tender. The tender review process typically takes up to 12 months from our tender submission until the conclusion of the tender exercise.

If we are successful in our tender bidding or our project proposal has been accepted by the client, we will receive a letter of award from the client prior to the signing of contract. We may have further discussions with the client depending on whether there are any changes required to the conditions of the letter of award or the specifications of the project. Once the agreed terms of the contract are finalised, the contracts procurement phase will be concluded with the execution of the contract by the client and us.

(ii) Project planning and implementation

(a) Workplan establishment

Once we have received the letter of award from the client and executed the contract, we will set up a project team comprising personnel from various business functions such as site operations, contracts, procurement, finance and accounts, as well as legal. The project team will then begin establishing a workplan for the project which will involve, among others, the following aspects:

- scheduling in terms of project milestones and timeline;
- detailed project costing and financial resources;
- allocation of resources such as manpower, building materials, machinery and equipment;
- ensuring all the relevant regulatory permits and approvals required for the commencement of the projects have been obtained, such as the construction permit from the local councils for each project site and a valid certificate of fitness for the construction machinery and equipment to be used at the site;
- establishment of worker's health and safety practices and quality assurance programme; and
- other matters such as waste removal and logistics arrangement.

6. BUSINESS OVERVIEW (Cont'd)

Some of the construction and engineering work projects which our Group is involved in will require our Group to submit performance bonds in the form of an approved bank guarantee or a cash deposit (in-lieu of a performance bond) to the awarding party as security for proper and due performance of works, as set out in the contract. Depending on the terms of the contract, such sum usually amounts up to 5% of the total contract sum. The performance bond typically remains in effect until the issuance of CCC or CPC, or the end of the DLP period (as the case may be).

In most cases, a retention sum equivalent to 5% of the total contract sum will also be retained by the client. Depending on the terms of the contract, the retention sum will usually be released in two (2) tranches wherein the first tranche will be released upon issuance of the CCC or CPC (as the case may be), while the second tranche will be released upon expiration of the DLP.

(b) Advisory on design, layout, building materials and/or construction methodology

For contracts under our BEST Collaboration Framework containing value-engineering services and solutions as part of the overall scope of work, our project team will commence planning and coordinating with the relevant third-party consultants who are appointed by us (such as architects, quantity surveyors and engineers) to develop or recommend optimal and suitable alternative conceptual designs, schematic and detailed designs as well as submit the designs to the authorities according to the purpose of the building or structure. While recommending alternative conceptual designs, wherever suitable, we will also recommend alternative building materials to be used or construction methodology or processes to be undertaken, to improve construction and operational efficiency.

Our responsibilities on the design aspects of the project are mainly planning, coordinating and participating in the early stage of conceptual design up to the detailed design covering various areas including, among others, civil engineering, structure, M&E and other elements of the building and infrastructure.

We will also facilitate the submission of the drawings developed during the design phase for our client to the relevant authorities. Generally, the design drawings for a construction project include the following:

- architectural drawings which include, among others, the site plan, floor plan, cross section drawings, elevation and landscape plan as well as finishing drawings stipulating the specification of construction materials such as paint colour, facade materials and flooring type;
- structural drawings which include, among others, the column and beam layout drawings stipulating the position, design, length and sectional design of columns and beams of the building, as well as engineering layout drawings and foundation plan drawings;
- air conditioning and mechanical ventilation (ACMV) drawings which set out the design and layout of the cooling and ventilation systems within the building;

6. BUSINESS OVERVIEW (Cont'd)

- electrical (including extra low to high voltage), plumbing and sewerage drawings which set out the layout of electrical and piping systems within the building;
- firefighting drawings which set out the fire protection plan and safety systems such as the placement of fire hoses, points and water outlets within the building; and
- landscape drawings which show the landscape design of the building and the open areas of the project site.

For the avoidance of doubt, for construction and engineering work that is awarded to us outside of our BEST Collaboration Framework (i.e. without any value-engineering services and solutions as part of the overall scope of work), we will execute it based on the design that has been pre-determined by our client. In this regard, authority submissions pertaining to the design are carried out by our client or their appointed professionals, and we will plan our construction and engineering works according to the approved design.

(c) Appointment of subcontractors

If required, we will identify and appoint suitable subcontractors to provide various construction services such as manual labour, installation of materials, or operation of machinery and equipment. This may be done through a separate tender process carried out by us to select suitable subcontractors from our panel of subcontractors.

Once we receive the quotations from the subcontractors, we will review the proposed quotation and conduct a background check on the subcontractors. The appointment of the subcontractors will be based on the evaluation conducted by our contracts department based on criteria such as quality of work, experience, past record on timely completion of work, responsiveness to instruction, efficiency, reliability, their resources including manpower, plant and materials, financial performance, past working experience with them (if any) as well as their QESH compliance.

Our contracts team will prepare a letter of award based on the contract value and terms negotiated and agreed between us and the identified subcontractors. Some of the information stipulated in the letter of award include the contract value, scope of work, design and specifications, timeline for the commencement and completion of the work, and payment terms.

In most cases, a retention sum equivalent to 5% of the total contract sum with the subcontractor will also be retained by us. Depending on the terms of the contract, the retention sum will usually be released in two (2) tranches wherein the first tranche will be released upon issuance of the CCC or CPC (as the case may be), while the second tranche will be released upon expiration of the DLP.

Depending on the project, subcontractors are also liable for the rectification of defects during the DLP, which typically ranges from 12 months up to 24 months, upon receipt of CCC or CPC (as the case may be).

6. BUSINESS OVERVIEW (Cont'd)**(d) Procurement of building materials, machinery and equipment**

Based on the workplan and budget that have been set, our contracts team will identify the building materials, lighting and/or related M&E products required for the project. Thereafter, our procurement team, together with third-party consultants such as engineers and architects, will source and evaluate the products prior to placing orders with the suppliers. Upon receipt of the building materials, lighting and/or related M&E products at the construction site, our site supervisor will perform checks on these products to ensure that the specifications and quantity of materials is as per our purchase order.

With our experience gained through Knight Auto over the years, we will plan and determine the required machinery and equipment to meet the requirements of our project. Thereafter, we will deploy the machinery and equipment from our existing fleet to the construction site in accordance with the work schedule. If we do not have the required machinery and equipment, we will source or rent the said machinery or equipment from our network of suppliers.

(iii) Construction**(a) Construction and engineering works**

Once we have obtained the required approvals from local authorities, we will proceed with physical construction and engineering works.

Construction works for our projects begin with site preparation and earthworks. Site preparation mainly involves setting up temporary facilities and utilities such as staging areas for machinery, equipment and materials, scaffolding, site office, workers' accommodation and power and water supply at the construction site. These site preparation works may also include clearing of vegetation, overgrown shrubs and trees, removal of boulders, tree stumps and roots, excavation, backfilling and transportation of soil to and from the site as well as levelling and compacting the earth.

Meanwhile, earthworks involve slope stabilisation to prepare the site for construction as well as foundation works to support the load of the entire building, and retaining walls are built to stabilise the structures to hold back the pressure of the soil and/or water for the basement walls.

We may either undertake these processes in-house or engage subcontractors which will be under our supervision to carry out such works.

Generally, our scope of work for our construction and/or engineering works are as follows:

(aa) Substructure construction

Substructure construction mainly covers construction works below ground level such as underground tunnels and carpark. Substructure construction works can be carried out by our in-house construction team. However, we may also engage subcontractors to carry out certain portions of the substructure works, in which case our role is mainly focused on project management, coordinating workflow, supervision of construction work, quality assurance as well as ensuring workers' health and safety.

6. BUSINESS OVERVIEW (Cont'd)

(bb) Superstructure construction

Superstructure construction refers to construction works that are above the ground. Superstructure works involve structural works such as erection of columns, beams, walls, slabs and roofing for building and infrastructure construction. We may either employ aluminium or steel formwork system, or procure IBS pre-cast concrete structures for the construction of superstructures.

In some cases, we may also be responsible for the internal fit-out (which include, among others, the installation of tiling, ceiling, partition and/or furnishing) of the buildings where we will engage subcontractors to conduct the works under our supervision.

(cc) Engineering works

During this stage, we or our appointed subcontractor (depending on the nature of work and/or availability of resources) will perform installation of electrical and power supply system, communication and information technology network system, lighting system, water supply system, drainage and sewerage, fire protection system as well as other M&E works, depending on the requirements of the project.

(b) Project management

Throughout the entire construction phase, our site project manager will monitor all the activities at the construction site to ensure that they are being carried out in accordance with the approved design and plan. Additionally, the construction site will also be monitored to ensure compliance with the relevant QESH guidelines and policies.

Our site operations team will monitor the progress of the construction site, ensure the correct methodology and materials are used for construction, monitor and minimise material wastages, as well as ensure health and safety precautions at the site have been implemented based on our Group's quality assurance system and adhered to by subcontractors and workers. In addition, site visits will be regularly conducted to, among others, identify any potential hazards that may affect the workers or construction progress, and that all health and safety precautions at the site have been implemented.

We will submit progressive claims to our clients (for our Group's external construction and engineering work projects) or our internal property development team (for our Group's own property development projects) based on the percentage of works that we have completed. The approval of the progressive claims is subject to approval by our client together with the certification by the consulting architect and engineer, which then allows us to issue invoice to our client for the work we have performed for their construction or engineering work projects.

During the course of the project, our client may vary part of the works that is necessary for the project. Such variation may include additions, cancellations, substitutions, alterations and changes of work scope. A variation order will usually be issued to us from our client describing the detailed variation works and/or enclosing the revised drawings. We will then submit the cost and time required for the variation work to the client for their approval. The principal terms and settlement of the variation orders are generally the same as those specified in the main contract.

6. BUSINESS OVERVIEW (Cont'd)

(iv) Completion

Upon completion of the construction or engineering works, we will carry out various inspections and checks together with our client or internal property development team and third-party consultants (i.e. consulting architects and engineers), to ensure that the works completed fulfil the scope as stipulated in the contract. The main areas where inspections and checks are carried out are as follows:

- structural works;
- architecture works;
- M&E works (including testing and commissioning of electrical equipment such as elevators and air conditioning); and
- other relevant works as stipulated in the contract.

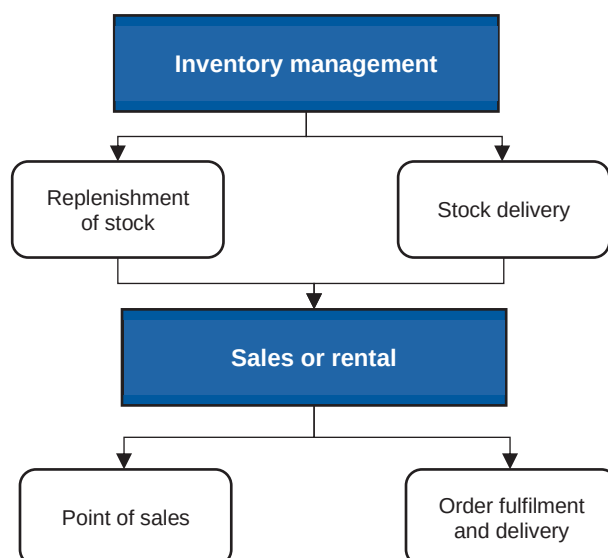
Any defects identified during the inspection will be rectified by us or the appointed subcontractor in a prompt manner and the cost of these works will be borne by us or the appointed subcontractor (as the case may be). At the same time, we will progressively demobilise resources and construction materials from the site before handover, and the as-built drawings and required warranty certificates will be prepared by us or the appointed subcontractors and be handed over to our client. Generally, post construction, each project will have a different timeline for handover from the post-construction stage as it is dependent on, among other factors, whether there is any post-construction rectification works to be undertaken. The project is deemed to be completed upon receiving CPC issued by the third-party consultant (i.e. consulting architect or engineer).

Depending on the project, we are liable for the rectification of defects during the DLP, which typically ranges from 12 months up to 24 months, upon receipt of CPC. The rectification works will be carried out by us with the respective subcontractors including nominated subcontractors who are under our supervision, control and management (as the case may be). If there is a defect liability claim that is attributable to the works carried out by subcontractors, the respective subcontractors will perform the repair and rectification works and the cost of these works will be borne by the subcontractors. Similarly, if the defect is attributable to works carried out by us, we will perform the repair and rectification works and the cost of these works will be borne by us.

Upon the expiration of the DLP, we will receive the CMGD for the project where we will be able to claim the final retention sum. For projects where our Group is required to submit a performance bond or cash deposit, the performance bond or cash deposit will be returned to our Group after the expiration of the DLP.

6. BUSINESS OVERVIEW (Cont'd)

6.9.2 Construction segment – construction products



(i) Inventory management

All building materials that we offer are transported directly by our suppliers to the construction site according to orders and as such, we are not required to maintain any such physical inventory. All of our inventory for lighting and related M&E products are stored at our 'Lim Seong Hai Lighting' retail stores, while our inventory for hardware products and tools are stored at our 'Knight Auto' warehouse and retail stores. We use a real-time inventory management system to track stock levels at the respective retail stores and/or warehouse to enable ease of stock replenishments or stock transfers between the retail stores.

For lighting and related M&E products as well as hardware products and tools, our procurement team will place orders through our network of suppliers, whenever the stocks are low at our retail stores and/or warehouse or if required for our construction and engineering work projects. The lighting and related M&E products, hardware products and tools are delivered from our supplier directly to our retail stores or warehouse. Upon receipt of the products at our premises, our retail team will conduct the necessary inspections to ensure the volume and specifications of the products are as per our purchase order. The products which fail our inspections will be rejected and returned to the respective supplier. Thereafter, we will update our inventory system accordingly. The products will then be sorted and displayed in their relevant aisles at the retail stores for sale to customers.

Our construction machinery and equipment which are available for rental are stored at our construction sites. For purchase of new machineries, our supplier will deliver the machineries to the construction sites. Upon receipt of machinery, our site supervisor or client will inspect the condition of the machinery. We will carry out periodic maintenance for our machineries to ensure that the machineries are able to carry out the required functions.

6. BUSINESS OVERVIEW (Cont'd)

(ii) Sales or rental

Our clients will typically send us a purchase order with details of the specifications and quantity of building materials they wish to purchase. We will then place an order with our network of suppliers. Thereafter, our suppliers will arrange for delivery of the building materials directly to the construction site.

For information, our Group utilises an e-platform material requisition order system which allows us to efficiently plan our procurement activities, as this system is accessible from the construction site and our Group's head office. Please refer to Section 6.16(vii) of this Prospectus for further details on our e-platform material requisition order system.

For our lighting and related M&E products, hardware products and tools which are purchased directly at our physical retail stores, customers are able to immediately take the goods with them. We also provide delivery and installation services, depending on the type of products sold and our retail customers' requirements, in which case our retail sales team will liaise with our retail customers to arrange for a suitable delivery and/or installation time and date. Delivery is carried out either by our in-house delivery team or through appointed third-party logistic companies, while installation is carried out either by our in-house lighting product installer (who is part of our retail sales team) or outsourced to third-party electricians.

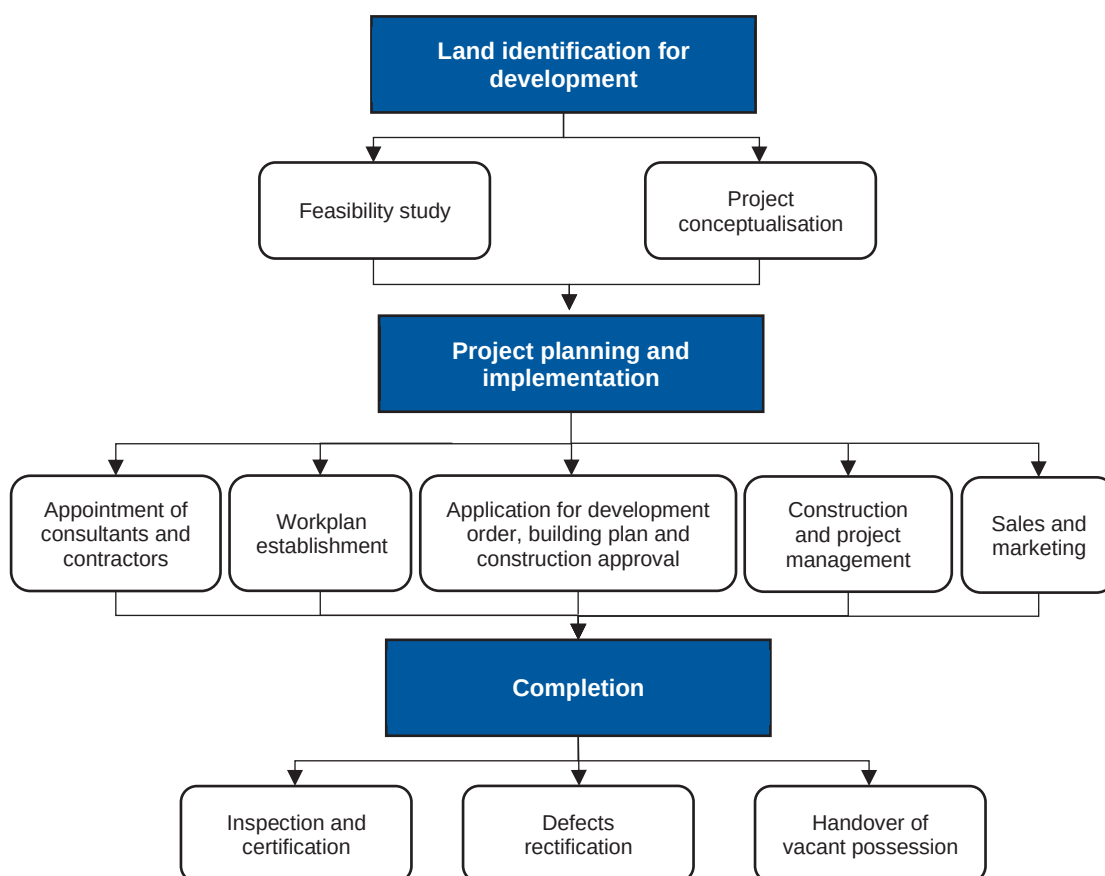
For customers who purchase products from our online store or through e-commerce platforms, our e-commerce team will contact the customer to arrange for delivery. Depending on the availability of products, the products will either be delivered from our retail stores or warehouse to our retail customers using either our in-house delivery team or through appointed third-party logistic companies. Upon delivery, our retail customer is required to sign the delivery order to confirm receipt of products.

For clients who purchase products as part of a construction project, we will procure the products from our supplier and they will deliver the products and building materials to the construction site. Upon delivery, our client is required to sign the delivery order to confirm receipt of products.

For rental of construction machinery and equipment, our clients will typically send us a request for quotation for the rental of machinery or equipment. We will then prepare a quotation based on the specifications and quantity of machinery or equipment required. Thereafter, we will deploy the rented machinery or equipment to the client's construction site on the agreed date. Once the rental tenure is completed, we will demobilise and remove the machinery or equipment from our client's construction site.

6. BUSINESS OVERVIEW (Cont'd)

6.9.3 Property development segment



(i) Land identification for development

Our Group's property development project begins with the identification of a suitable plot of land for development. In identifying the potential site and the proposed type of development, our architecture team will carry out the following:

- title and zoning searches to ascertain the land owner and any land encumbrances as well as to ascertain if the land requires re-zoning into a preferred development type (such as residential, commercial, industrial or mixed-use development);
- research or consultation with other experts such as valuers to ascertain the land's market value and suitable development components, as well as geographical and demographic study to identify the potential target market and purchaser profile;
- contour plan study to ensure the suitability of the land's slope profile for development; and/or

6. BUSINESS OVERVIEW (Cont'd)

- consultation with utilities service providers to ascertain the availability of basic amenities (i.e. water supply, electricity supply and sewerage plant) and carry out surveys on the available infrastructures and other amenities (such as highways and road accessibility, public transportation, healthcare institutions, educational institutions, retail amenities as well as commercial and industrial parks) within close vicinity of the land.

Thereafter, we will develop a conceptual development plan and undertake a project feasibility assessment to forecast the expected returns for developing the identified land. This will entail our architecture team working with necessary consultants such as architects, quantity surveyors and engineers to carry out the following:

- detailed market study by a valuer on the marketability and average selling prices of properties within the vicinity;
- development of the project's concept and ensuring it is differentiated from other property development projects within the vicinity by working with other experts such as architects and engineers, as well as considering inputs from our sales and marketing team;
- detailed feasibility study by a quantity surveyor on the conceptual plan; and/or
- cash flow study on the working capital and cash flow required for the proposed property development project.

(ii) Project planning and implementation

After conducting a conceptual development plan and project feasibility assessment, and a decision is made to proceed with the development, we will appoint the relevant remaining professional consultants (such as architects, engineers, lawyers and registered surveyors, if they have yet to be appointed at this stage). Our project team will also establish a workplan which will involve, among others, scheduling of project milestones and timeline which will serve as a blueprint for the overall management and implementation of the project. Thereafter, we will submit the necessary documents for the application of development orders, building plans and construction approvals.

As we are also a construction company, we will undertake the main contractors' work on our own via LSHBB or ASSB, and/or invite other external contractors with good track record to participate in or carry out certain scope of the construction and engineering works of our development project. The appointment of the subcontractors will be based on the evaluation conducted by our contracts department based on criteria such as quality of work, experience, past record on timely completion of work, responsiveness to instruction, efficiency, reliability, their resources including manpower, plant and materials, financial performance, past working experience with them (if any) as well as their QESH compliance.

Once the necessary approvals are obtained, construction and engineering works will commence, the detailed processes of which are further elaborated in Section 6.9.1 above. Our property development team will also closely monitor the overall progress of the project to ensure that the project's specifications, timeline and budget are adhered to throughout the development process.

6. BUSINESS OVERVIEW (Cont'd)

Concurrent with the construction processes, our sales and marketing team will work with creative agencies to formulate sales and marketing strategies for the project, including designing the appropriate marketing tools such as brochures and videos. Upon finalising the sales and marketing strategies and obtaining the APDL for the project, we will proceed to launch the project for sales to the public.

We generally commence preliminary construction work and conduct all necessary due diligence such as geotechnical and soil investigation studies to determine the appropriate piling design for the site prior to the launch of our property development projects for sale. This allows us to address geotechnical-related issues during the construction of the building's foundation, which enables us to project the estimated completion and handover dates with greater accuracy, thereby minimising our risk of incurring LAD claims.

Sales and marketing activities will be carried out by our in-house sales and marketing team as well as suitable property agents appointed by us. These property agents must be licensed property agents and are appointed based on their track record and experience in the vicinity and type of development. Our sales and marketing team will also assist the property agents in the loan approval process for potential purchasers.

(iii) Completion

Once the construction works are completed, a joint inspection will be conducted by the appointed professional consultants (namely the architect) and the appointed main contractor and/or subcontractor(s) (as the case may be) together with our management and project development team which include inspections and checks on various aspects of the development to certify that the project works have been completed in accordance with authority approvals and contract requirements. Any defective works identified will be recorded and rectified by the relevant contractors. Upon completion of rectification works and the certification by the relevant professional consultants that the rectification works have been satisfactorily completed, the relevant professional consultants will proceed with the issuance of CCC. Simultaneously, we will also appoint a qualified and licensed building management company to assist in the handover process and management of the common areas of the development project. Upon issuance of CCC, we will then deliver the vacant possession of the properties to our purchasers. We will also be liable for rectification works during the DLP of 24 months upon vacant possession.

6.10 QUALITY ASSURANCE AND QUALITY CONTROL PROCEDURES

Our Group places strong emphasis on maintaining quality assurance and quality control measures to ensure that the quality of our works comply with the relevant regulations as well as meet our clients' requirements.

To ensure the quality of our construction projects, we only select subcontractors and consultants that have the relevant experience and proven track record to work on our projects. For our construction projects, we conduct regular inspections at every stage of the construction to ensure that each stage is constructed according to the specifications and prescribed procedures and methods.

Our quality assessment system for building construction is based on the Quality Assessment System in Construction (QLASSIC), a system introduced by the CIDB to measure and evaluate the workmanship quality of a building construction work based on the Construction Industry Standard (CIS 7:2006). QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system. As such, with this system in place, we will ensure that our construction projects achieve a desired level of quality that meets industry-recognised standards.

6. BUSINESS OVERVIEW (Cont'd)

As a testament to our commitment to quality, we have obtained the ISO 9001:2015 certification for the provision of construction and construction-related services and solutions, which certifies that our quality management system complies with international standards, thereby demonstrating our ability to meet the requirements of our clients and regulators. This certification was obtained on 16 October 2023 and will remain valid until 2 August 2026.

In addition, we are also committed to complying with all relevant occupational safety, health and environmental requirements. In this regard, we have also obtained the following two (2) ISO certifications for the provision of construction and construction-related services and solutions, which certifies the following areas:

Standard	Date obtained / expiry date	Description
ISO 14001:2015	16 October 2023 / 2 August 2026	This certifies that our environmental management system complies with international standards, thereby demonstrating our ability to identify and address environmental issues related to our Group's business activities, as well as minimise our environmental footprint in terms of resources and wastages
ISO 45001:2018	16 October 2023 / 2 August 2026	This certifies that our occupational health and safety management system complies with international standards, thereby demonstrating our ability to ensure a safe workplace environment for our employees and workers

Over the course of approximately 0.57 million, 1.34 million, 1.78 million and 1.12 million total annual aggregate man-hours worked for the construction of the LSH 33 Project and LSH Segar Project (being the main construction works carried out by our Group during the past four (4) years) in 2021, 2022, 2023 and 2024 respectively, there were no lost-time incidents that were recorded.

6.11 SALES CHANNEL

6.11.1 Construction segment

(i) Tender biddings and submission of proposals and quotation

We participate in tender biddings to secure construction and engineering work projects. Once we have determined that we have the necessary expertise as well as the required resources to complete the project, we will submit our tender application with a quotation to the potential client. We may also submit proposals relating to construction and engineering work projects alongside our quotation to the relevant project owners, including the Malaysian Government, for consideration. As for the distribution of building materials and rental of construction machinery and equipment, our clients typically request for quotation by reaching out to us directly.

(ii) Direct referrals

With almost 30 years of experience serving various clients in Malaysia who require construction products and related services and through our Directors, we have established a strong network of clients and associates in the construction industry. These clients and associates routinely refer new businesses to us by 'word of mouth' due to their trust in the products and services we provide. As such, we will continue to cultivate and enhance our working relationship with these clients and associates by continuously maintaining our product quality and service excellence.

6. BUSINESS OVERVIEW (Cont'd)**(iii) Retail stores, online stores and third-party e-commerce marketplaces**

As at LPD, we operate 12 physical retail stores across the Klang Valley region, of which six (6) retail stores are operated under the 'Lim Seong Hai Lighting' trade name selling our lighting and related M&E products, while the remaining six (6) retail stores are operated under the 'Knight Auto' trade name selling our hardware products and tools.

To complement our physical retail stores, our lighting and related M&E products, hardware products and tools are also made available for purchase via online channels. We have two (2) online stores that we own and operate internally at www.limseonghailighting.com and www.knightauto.com.my. We also utilise e-commerce marketplace channels such as Shopee and Lazada. These online stores enable us to reach out to a wider audience with fewer geographical restrictions as customers located outside of the Klang Valley region need not travel to our physical retail stores and instead are able to place their orders via our online stores and have the product delivered to any location in Malaysia which they desire.

6.11.2 Property development segment**(i) In-house sales team**

Our sales team manages leads generated from potential purchaser's enquiries regarding our property development projects during exhibitions and roadshows. Our sales team will highlight the project's features, architectural designs, interior layouts and amenities. They will also provide the purchaser with the project's brochure for their reference.

Our sales team is also responsible for managing the booking process and assisting potential purchasers to secure loans from financial institutions and liaising with lawyers to prepare the necessary loan as well as sale and purchase documentations.

(ii) Sales office

We previously operated one (1) sales office which was located at EkoCheras for the sales and marketing activities for our property development project, the LSH Segar Project. Our former sales office was previously managed by our internal sales team. We have since discontinued the operations of this sales office due to the termination of the tenancy agreement.

As at LPD, we do not actively operate any sales office as the only launched property development project of our Group is the LSH Segar Project, which has achieved sales rate of 86.86% as at LPD. Notwithstanding this, potential purchasers may still obtain further information on the LSH Segar Project at the sales office operated by LSH Holdings situated at Laman Seri Harmoni (LSH 33), Sentul, Kuala Lumpur. Potential purchasers may also contact our sales team via telephone, email or social media for further information and enquiries regarding our ongoing and upcoming projects. Further, we may set up a new sales office to manage the sales and marketing activities of our Group's future property launches.

6. BUSINESS OVERVIEW (Cont'd)**(iii) Affordable housing websites**

All of our Group's current property development projects have an affordable housing component, i.e. units offered under the 'Residensi Wilayah' or PPAM programmes. Prospective purchasers who qualify under the criteria of these affordable housing schemes are required to submit their interest at the respective programme's websites. The vetting process to determine the purchaser's eligibility will be conducted either by us or the relevant government agency managing the affordable housing scheme, as the case may be. Upon the purchaser's confirmation to proceed with the purchase of the property, we will assist the purchaser to secure loans from the relevant financial institutions for the loan process and the lawyers for the preparation of loan as well as sales and purchase documentations.

(iv) Property agencies

We also appoint external property agencies to assist us with the sales and marketing activities during property exhibitions and roadshows. These property agencies are tasked to identify and procure new potential purchasers for our property development projects. They will also assist with the purchaser's loan application process and completion of the sales and purchase documentations.

(v) Virtual showroom

Spurred by the growing trend within the property industry, we also utilise virtual reality (VR) software for our potential purchasers to experience our virtual showrooms as part of our marketing activities to showcase our ongoing projects. These virtual showrooms enable prospective purchasers to participate in virtual tours of the rendered virtual show units, where they are able to have a 360-degree visualisation of the show units.

(vi) Property exhibitions and roadshows

We also participate in property exhibitions and roadshows to market our property development projects. These property exhibitions and roadshows are generally held in high-traffic locations such as shopping malls and convention centres. By participating in property exhibitions and roadshows, we are able to enhance our brand visibility, as well as showcase our portfolio of ongoing and upcoming projects. These property exhibitions and roadshows also provide us with wider opportunities to meet new potential purchasers, as well as stay up-to-date with industry trends and demands as well as competitors' pricing.

Some of the property exhibitions that we have participated in the past include the Bumiputera Property Exhibition in Kuala Lumpur in 2023 and 2024, whereby we were invited by DBKL to showcase our properties. We have also participated in roadshows at selected shopping malls, such as the Cheras Leisure Mall, MyTOWN Shopping Centre and Lotus's at Taman Midah, Cheras, Kuala Lumpur, due to its close proximity to the location of our LSH Segar Project.

6. BUSINESS OVERVIEW (Cont'd)

6.12 MARKETING STRATEGIES

(i) Social media platforms

For the wholesale and retail of our lighting and related M&E products, hardware products and tools, we invest in digital media marketing activities to drive traffic to our online stores and third-party e-commerce platforms. In this regard, we have established social media profiles for 'Lim Seong Hai Lighting' and 'Knight Auto' on Instagram, TikTok and Xiaohongshu to promote our products and marketing activities. We also collaborate with content creators on TikTok and Xiaohongshu which allow us to reach out to a wider audience base to promote our Group's products.

For our property development projects, we have also established either a Facebook, Instagram or TikTok page or website for our LSH Segar Project and Lake Side Homes Project to market our property development units. We also utilise 'Facebook Ads' to display brief advertisements and promotions to Facebook users, which helps to increase traffic flow to our LSH Segar Project's Facebook page.

Our sales and marketing personnel manages the content on these social media platforms and ensures that our social media profiles are active with postings of our products and promotional activities during regular intervals. These regular updates are expected to drive online traffic to our online stores and increase our brand presence, as well as attract new customers and maintain engagement with our retail customers, which may lead to higher volume of enquiries and sales.

(ii) Print media

We advertise in newspapers to promote our lighting products, hardware products and tools as well as property development projects. This includes full-page articles and sale advertisements that announce promotions offered and/or ongoing discounts at our retail and online stores as well as for our projects. Print media advertisements allow us to reach a wider audience, improve brand recognition and draw customers to our retail stores and for our projects. As at LPD, we have advertised in newspapers such as The Edge Malaysia, The Star, Nanyang Siang Pau and Sin Chew Daily.

Additionally, we also distribute brochures and pamphlets to residential and commercial buildings nearby our retail stores and/or project sites. As our retail stores and construction sites are generally located in densely-populated neighbourhoods, these brochures and pamphlets work to reinforce brand recognition and introduce our projects, products and stores to potential customers.

(iii) Sales and promotional campaigns

We regularly carry out sales and promotional activities at our retail stores and online stores for our lighting products, hardware products and tools. The timing of these promotional activities typically aligns with national sales campaigns such as year-end sales, festive seasons such as Chinese New Year, Hari Raya Aidilfitri and Christmas and notable online sales dates such as the annual 9.9 and 11.11 online sales. Generally, we promote these sales and promotional activities through social media advertisements to encourage potential customers to visit our stores. By conducting these sales and promotional activities, we are able to develop our brand awareness as well as encourage sales.

6. BUSINESS OVERVIEW (Cont'd)**(iv) Search engine optimisation (“SEO”)**

We use SEO to attract potential customers to our online stores for our lighting products, hardware products and tools, as well as to increase our brand recognition online for other aspects of our Group’s businesses. SEO works by boosting the visibility of both our online store and third-party e-commerce marketplaces in relevant key word searches, which increases the potential for prospective customers to contact us directly, visit our physical stores or purchase our products through our online channels.

(v) Corporate website

We have established our own corporate website at www.limseonghai.com which provides information on the products and services offered by our Group. We also have two (2) other websites which serve as our online stores, i.e. www.limseonghailighting.com for our lighting products, and www.knightauto.com.my for our hardware products and tools.

6.13 MATERIAL MACHINERY AND EQUIPMENT

Details of the material machinery used in our business operations as at 30 September 2024 are as follows:

Name	Description of use	No. of units	Average age*	Audited NBV as at 30 September 2024
			(years)	(RM'000)
Crane	A construction vehicle used to lift (i) heavy objects from one place to another by lifting, lowering and moving them horizontally; or (ii) workers to enable them to work at a higher place	25	16	2,865
Excavator	A construction vehicle used to shovel or dig holes and trenches, as well as demolish structures and surfaces	27	15	2,258
Concrete placing boom	A heavy machinery used to discharge concrete mixture	2	1	558
Sky lift	A lifting vehicle that has a mounted-on aerial platform. It is used to elevate persons working on site to high areas	4	16	346
Vibrator roller	A construction vehicle used to compact soil, gravel or concrete	4	13	226
Concrete pump	A machine used to transfer freshly-mixed concrete to a specific location on a site	3	2	205
Water truck	A vehicle used to transport water to remote job sites, or to distribute water	4	17	167
Bulldozer	A construction vehicle used to push piles of rubble, soil, sand and other loose materials	1	28	98
Forklift	A construction vehicle with a power-operated forked platform attached to the front that can be raised and lowered to lift pallets of goods, typically at warehouses or large storage facilities	2	10	54

6. BUSINESS OVERVIEW (Cont'd)

Name	Description of use	No. of units	Average age* (years)	Audited NBV as at 30 September 2024 (RM'000)
All-terrain vehicle	A vehicle used to transport personnel at the construction site	2	1	12
Lorry	A vehicle used to transport goods	3	<1	136
Concrete mixer	A construction vehicle used to mix ready-mixed concrete	2	<1	8
Road roller	A construction vehicle used to compact soil, gravel, concrete or asphalt to construct road or foundation	2	<1	25
Total				6,958

Note:

* While these material machineries are depreciated over a useful life of 10 years, the actual useful life of these material machineries may be extended to over 20 years if regularly maintained and repaired.

Our Group also owns the following material construction equipment as at 30 September 2024:

Name	Description of use	Quantity	Audited NBV as at 30 September 2024 (RM'000)
Scaffolding	A temporary platform used to elevate workers and/or materials to carry out various activities such as construction, repair or cleaning of a structure or machine	89,958 pieces	1,274
Aluminium or steel formwork systems	A construction system for forming cast in place within a concrete structure of a building	14,914 square metres	9,918
Total			11,192

6.14 OPERATING CAPACITY AND OUTPUT

Measurements of capacity and utilisation do not apply to our business operations as our business activities are service-based and we carry out most of our work at project sites and at our retail stores.

6. BUSINESS OVERVIEW (Cont'd)**6.15 TYPES, SOURCES AND AVAILABILITY OF MATERIALS AND SERVICES**

The following are the major types of materials we purchased and services we engaged for our business operations during the Financial Years Under Review:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Subcontractor costs	465	0.97	31,002	33.80	129,404	53.14	70,260	32.03
- Building and structural works	-	-	17,544	19.13	50,573	20.77	14,930	6.81
- Infrastructure works	-	-	7,727	8.42	35,556	14.60	25,515	11.63
- M&E works	465	0.97	1,081	1.18	19,307	7.93	14,809	6.75
- Architectural works	-	-	797	0.87	16,791	6.89	2,882	1.31
- Other subcontracted services	-	-	3,853	4.20	7,177	2.95	12,124	5.53
Construction material costs	-	-	10,092	11.01	40,289	16.54	35,225	16.06
Costs of construction products	47,638	99.03	40,466	44.12	43,806	17.99	50,026	22.81
- Building materials	34,213	71.12	25,140	27.41	30,326	12.45	31,996	14.59
- Lighting products	3,313	6.89	4,145	4.52	3,492	1.44	3,273	1.49
- Hardware products and tools	9,111	18.94	9,722	10.60	9,006	3.70	11,840	5.40
- Rental of construction machinery and equipment	1,001	2.08	1,459	1.59	982	0.40	2,917	1.33
Overhead and other related costs	-	-	10,156	11.07	19,276	7.91	30,071	13.71
Property development costs	-	-	-	-	10,763	4.42	33,762	15.39
Total purchases	48,103	100.00	91,716	100.00	243,538	100.00	219,344	100.00

For the Financial Years Under Review, all of our suppliers and service providers for the abovementioned materials and services are local suppliers and service providers, save for two (2) foreign suppliers from China which supplies hardware products and tools.

The major types of materials that we use and services that we engage for our business operations can be broadly categorised as follows:

(i) Subcontractor costs

For our construction projects, we engage various subcontractors mainly for the following:

- (a) building and structural works which include reinforced concrete works, flooring, roofing, glazing and finishing works;
- (b) infrastructure works which include earthworks for infrastructure construction and engineering work projects, drainage works and bridge works;

6. BUSINESS OVERVIEW (Cont'd)

- (c) M&E works which include supply and installation of M&E systems such as lifts, fire protection system, air conditioning system, as well as water supply and plumbing systems; and
- (d) architectural works which include installation of windows, glass panels, doors as well as painting and interior finishes.

We also engage subcontractors for earthworks for building construction projects, site preparation, piling works, landscaping works, installation of amenities and facilities, as well as labour supply to carry out on-site construction works.

(ii) Construction material costs

Construction material costs refer to costs of materials used for our construction and engineering work projects only that are not purchased from or for sale by our construction products sub-segment. The major construction materials used for our construction and engineering projects are, among others, plywood, pile, pipe, steel bar, timber, cement, column mould, cement board, bricks, bolts and nuts. Such construction materials are mainly sourced from local suppliers, which are selected based on their pricing, availability and lead time for delivery.

(iii) Costs of construction products

Costs of construction products refer to purchase costs for construction products offered by our construction products sub-segment and does not overlap with the construction material costs that were used for our construction and engineering work projects as mentioned in item (ii) above. Such costs consist of the following:

- (a) purchase of building materials such as ready-mixed concrete, steel bar, steel wire mesh and reinforcing fabric of steel;
- (b) purchase of lighting products which can be broadly categorised as indoor lighting products, outdoor lighting products and decorative lighting products;
- (c) purchase of hardware products and tools such as concrete mixers, generator sets, air compressors, agricultural tools and equipment, garage tools and equipment and other hardware products; and
- (d) expenses incurred for renting of construction machinery and equipment such as repair costs, maintenance costs and parts replacement costs for such machinery and equipment as well as expenses incurred for sub-rent of construction machinery and equipment which we do not own (including rental expenses).

(iv) Overhead and other related costs

Overhead and other related costs include general preliminary and related expenses for construction projects as well as other related costs for our construction products sub-segment, which are miscellaneous in nature. Such overhead and related costs include, among others, hiring of machinery from third parties for our own construction and engineering work projects, professional fees paid to building construction professionals, upkeep expenses, fuel and diesel, insurance, site expenses, levy charges, utilities, freight and customs duties.

6. BUSINESS OVERVIEW (Cont'd)**(v) Property development costs**

Property development costs refer to land and development costs related to our property development projects. The development costs comprise mainly building construction costs, foundation construction costs and infrastructure costs such as road construction.

Prices of certain building materials, particularly steel and concrete materials, are subject to fluctuations based on supply and demand conditions and economic conditions. Please refer to Section 8.1.5 of this Prospectus for further details on the risks relating to fluctuations in prices of construction products.

6.16 TECHNOLOGY USED

We utilise the following systems and applications to carry out our operational activities:

- (i) IBS – the IBS method is used for our superstructure construction and engineering works. IBS is a system or method of building construction in which pre-fabricated construction components are produced in a controlled environment (in a factory or at a construction site). We order the IBS components from our suppliers who have IBS fabrication capabilities.

We mainly use two (2) types of IBS:

- (a) reusable aluminium or steel formwork; and
- (b) pre-cast concrete components.

IBS allows us to enjoy faster completion of construction and engineering works, as we are able to assemble the pre-fabricated construction components at the construction site, instead of having to fabricate the components at the construction site. Thus, it also allows us to reduce material wastages and reduce reliance on foreign labour to carry out the fabrication works;

- (ii) Autodesk Revit – this is a third-party building information modelling software with four (4)-dimensional precision design modelling and rendering. This software enables us to carry out complex design work, with detailed documentation process throughout the construction lifecycle. For example, in addition to designing a building, this software also allows us to input the type of materials and M&E works required for the building, thereby easing our workflow planning.

Building information modelling enables us to enjoy early detection of construction problems (such as conflicting materials), more systematic project planning, as well as increase worker safety with the information available;

- (iii) AutoCAD and SketchUp – these are third-party software used to design three (3)-dimensional or four (4)-dimensional models and scenes of buildings and infrastructure;
- (iv) drones – we use drones to provide us with aerial views of our construction sites. This allows us to enhance our monthly progress reports of our construction sites with aerial images. Drones also enable us to carry out preliminary design work which involves surveying the terrain of the construction site by using light detection and ranging (LiDAR) technology. The use of LiDAR enables us to have accurate data which are collected efficiently (as compared to manual surveyance which is less accurate and lengthier) to carry out design and engineering works for the project. This enables us to complete our construction activities more quickly;

6. BUSINESS OVERVIEW (Cont'd)

- (v) interferometric synthetic-aperture radar system (IfSAR) – a system that uses satellite radar technology to map ground deformation. This system assists us in the design of road alignments for infrastructure projects;
- (vi) custom-made real-time inventory management system – a custom-made inventory management system that enables real-time tracking of our inventories as well as the movement of products sold at our 'Lim Seong Hai Lighting' retail stores. This allows us to monitor our stock levels and manage stock replenishment or transfers stocks between the retail stores of LSH Lighting as LSH Lighting does not presently have a warehouse, thereby improving efficiency of our business operations; and
- (vii) e-platform material requisition order system – a custom-made material request order system at our head office to digitalise the ordering process for building materials, machinery and equipment. This system enables our Group to efficiently plan our procurement activities, as this system is accessible remotely via the internet from any location, including the construction sites of our projects and our Group's head office. This digitalisation also allows us to address the limitations of handling physical documents such as extended preparation time, increased risk of human error and vulnerability to damage or loss if not properly stored.

6.17 RESEARCH AND DEVELOPMENT

Due to the nature of our Group's business, we do not carry out any research and development activities and we have not recognised any research and development expenditure during the Financial Years Under Review. Nevertheless, we keep abreast of the latest market trends and conditions as well as new development designs, materials and methodology in order to remain competitive across all our business segments.

6.18 MAJOR CUSTOMERS

Our top five (5) customers for the Financial Years Under Review are all based in Malaysia. The table below sets out our top five (5) customers for each of the Financial Years Under Review:

No.	Name	Length of relationship as at LPD (Years)	Type of products supplied or services rendered	Revenue contribution (RM'000)	% of total revenue (%)
FYE 2021					
1.	ASSB ⁽¹⁾	10	Building materials, hardware products and tools, as well as rental of construction machinery and equipment	27,752	41.17
2.	SLP Construction Sdn Bhd	9	Building materials	12,461	18.48
3.	Concrete Empire Holdings Sdn Bhd	6	Building materials	4,779	7.09
4.	Besteel Engtech Sdn Bhd ⁽²⁾	9	Building materials, hardware products and tools, as well as rental of construction machinery and equipment	4,538	6.73

6. BUSINESS OVERVIEW (Cont'd)

No.	Name	Length of relationship as at LPD (Years)	Type of products supplied or services rendered	Revenue contribution (RM'000)	% of total revenue (%)
5.	LSHBB ⁽³⁾	4	Building materials, hardware products and tools, rental of construction machinery and equipment, as well as M&E works	3,862	5.73
Total revenue from top five (5) customers				53,392	79.20
Total revenue for the FYE 2021				67,416	100.00

FYE 2022

1.	Besteel Engtech Sdn Bhd ⁽²⁾	9	Building materials, lighting and related M&E products and services, hardware products and tools, rental of construction machinery and equipment, construction works and construction-related services and solutions	89,397	53.90
2.	ASSB ⁽¹⁾	10	Building materials, hardware products and tools, rental of construction machinery and equipment, construction works, as well as construction-related services and solutions	57,879	34.90
3.	Pertama Makmur Sdn Bhd	3	Construction works	5,741	3.46
4.	Ganti Juara Sdn Bhd	3	Construction works	3,409	2.06
5.	SLP Construction Sdn Bhd	9	Building materials	2,651	1.60
Total revenue from top five (5) customers				159,077	95.92
Total revenue for the FYE 2022				165,866	100.00

FYE 2023

1.	Besteel Engtech Sdn Bhd ⁽²⁾	9	Building materials, lighting and related M&E products and services, rental of construction machinery and equipment, construction and engineering works, as well as construction-related services and solutions	208,558	58.30
2.	ASSB ⁽¹⁾	10	Building materials, hardware products and tools, as well as rental of construction machinery and equipment	77,077	21.54
3.	Pertama Makmur Sdn Bhd	3	Construction works	14,240	3.98
4.	Lim Seong Hai Property Sdn Bhd ⁽⁴⁾	1	Residential condominium units	8,523	2.38

6. BUSINESS OVERVIEW (Cont'd)

No.	Name	Length of relationship as at LPD (Years)	Type of products supplied or services rendered	Revenue contribution (RM'000)	% of total revenue (%)
5.	Ganti Juara Sdn Bhd	3	Construction works	7,223	2.02
Total revenue from top five (5) customers				315,621	88.22
Total revenue for the FYE 2023				357,755	100.00
FYE 2024					
1.	Besteel Engtech Sdn Bhd ⁽²⁾	9	Building materials, lighting and related M&E products and services, rental of construction machinery and equipment, construction and engineering works, as well as construction-related services and solutions	150,257	41.58
2.	SLP Construction Sdn Bhd	9	Building materials, rental of construction machinery and equipment, construction works and construction-related services and solutions	40,002	11.07
3.	Pertama Makmur Sdn Bhd	3	Construction works	18,423	5.10
4.	Euro Saga Sdn Bhd	3	Construction works and rental of construction machinery and equipment	16,670	4.61
5.	Tekad Warisan (M) Sdn Bhd	2	Construction works	16,048	4.44
Total revenue from top five (5) customers				241,400	66.80
Total revenue for the FYE 2024				361,405	100.00

Notes:

- (1) As our Company's acquisition of ASSB was only completed on 17 April 2023, ASSB was not yet a subsidiary of our Company during the stipulated FYE. For information, ASSB was previously owned by LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong.
- (2) Besteel Engtech Sdn Bhd is a related party as DLKG, who is our Executive Vice Chairman and major shareholder of our Company, is also a director and major shareholder of Besteel Engtech Sdn Bhd.
- (3) As our Company's acquisition of LSHBB was only completed on 15 October 2021, LSHBB was not yet a subsidiary of our Company during the stipulated FYE. For information, LSHBB was previously owned by LSH Resources.
- (4) Lim Seong Hai Property Sdn Bhd ("**LSH Property**") is a related party due to the following:
- (i) LSH Resources, which is a major shareholder of our Company, is also the holding company of LSH Property; and
 - (ii) Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are major shareholders of LSH Property by virtue of their indirect interest in LSH Resources held through LSH Holdings whilst DLKG, Lim Pak Lian and Lim Keng Hun are directors of LSH Property.

6. BUSINESS OVERVIEW (Cont'd)

Notwithstanding that the standalone revenue contribution by SLP Construction Sdn Bhd and Besteel Engtech Sdn Bhd had, in some of the Financial Years Under Review, exceeded 10% of our Group's revenue for the said Financial Years Under Review, we are not materially dependent on any of these customers. This is due to the nature of our business which is mainly involved in the provision of construction and engineering works (including M&E works) as well as construction-related services and solutions on a project basis, of which the projects secured from any given client may contribute to a significant portion to our Group's revenue for any given financial year. As the implementation of our clients' projects can often be executed across several financial years and/or our clients may engage us for multiple construction and engineering work projects, revenue from these clients may contribute to a significant portion to our Group's revenue over several financial years. However, we are exposed to customer concentration risk, details of which are set out in Section 8.1.9 of this Prospectus.

As at LPD, LSH Lighting, LSHBB and ASSB have collectively completed 53 construction and engineering work projects (including those that were completed by LSHBB and ASSB prior to the acquisitions of LSHBB and ASSB by our Company in October 2021 and April 2023 respectively) with a total combined value of approximately RM1.22 billion. These completed projects represent a combined customer base made up of 18 clients. In this regard, we do not regard SLP Construction Sdn Bhd and Besteel Engtech Sdn Bhd as major customers which our Group is dependent on.

For information purpose, during the Financial Years Under Review, aside from the walk-in customers to our 'Lim Seong Hai Lighting' and 'Knight Auto' retail stores, we have a total of 39, 53, 42 and 73 other customers in FYEs 2021, 2022, 2023 and 2024 respectively. These other customers are mainly contractors and property developers.

6.19 MAJOR SUPPLIERS

Our top five (5) suppliers for the Financial Years Under Review are all based in Malaysia. The table below sets out our top five (5) suppliers for each of the Financial Years Under Review:

No.	Name	Length of relationship as at LPD (Years)	Type of products purchased or services rendered	Purchase value (RM'000)	% of total purchases (%)
FYE 2021					
1.	Engtex Marketing Sdn Bhd	4	Provision of steel bars	9,178	19.08
2.	Megamix Sdn Bhd	8	Provision of ready-mixed concrete	8,082	16.80
3.	Ann Joo Metal Sdn Bhd	8	Provision of steel bars	4,198	8.73
4.	Malaysia Steel Works (KL) Bhd	6	Provision of steel bars	2,964	6.16
5.	C.I. Readymix Sdn Bhd	9	Provision of ready-mixed concrete	2,684	5.58
Total purchases from top five (5) suppliers				27,106	56.35
Total purchases for the FYE 2021				48,103	100.00

6. BUSINESS OVERVIEW (Cont'd)

No.	Name	Length of relationship as at LPD (Years)	Type of products purchased or services rendered	Purchase value (RM'000)	% of total purchases (%)
FYE 2022					
1.	C.I. Readymix Sdn Bhd	9	Provision of ready-mixed concrete	4,281	4.67
2.	Malaysia Steel Works (KL) Bhd	6	Provision of steel bars	3,882	4.23
3.	Costa Sutra Sdn Bhd ⁽¹⁾	9	Provision of lighting products	3,223	3.51
4.	Megamix Sdn Bhd	8	Provision of ready-mixed concrete	3,018	3.29
5.	Ann Joo Metal Sdn Bhd	8	Provision of steel bars	2,636	2.87
Total purchases from top five (5) suppliers				17,040	18.57
Total purchases for the FYE 2022				91,716	100.00
FYE 2023					
1.	C.I. Readymix Sdn Bhd	9	Provision of ready-mixed concrete	10,243	4.21
2.	Malaysia Steel Works (KL) Bhd	6	Provision of steel bars	8,185	3.36
3.	LW Builders & Traders Sdn Bhd	7	Subcontractor for building construction works	7,516	3.09
4.	Metex Steel Sdn Bhd	2	Provision of steel bars	6,976	2.86
5.	Pembinaan Jemerlang Sdn Bhd	2	Subcontractor for infrastructure construction works	6,799	2.79
Total purchases from top five (5) suppliers				39,719	16.31
Total purchases for the FYE 2023				243,538	100.00
FYE 2024					
1.	Malaysia Steel Works (KL) Sdn Bhd	6	Provision of steel bars	6,428	2.93
2.	MDC Concrete Marketing Sdn Bhd	1	Provision of ready-mixed concrete	6,132	2.80
3.	Dofort Earthworks Sdn Bhd	1	Subcontractor for infrastructure construction works	5,962	2.72
4.	Perfect Readymix (Melaka) Sdn Bhd	2	Provision of ready-mixed concrete	5,729	2.61
5.	Pembinaan Jemerlang Sdn Bhd	2	Subcontractor for infrastructure construction works	5,497	2.51
Total purchases from top five (5) suppliers				29,748	13.57
Total purchases for the FYE 2024				219,344	100.00

6. BUSINESS OVERVIEW (Cont'd)

Note:

(1) Costa Sutra Sdn Bhd ("**Costa Sutra**") is a related party as:

- (i) DLKG is a director and major shareholder of Costa Sutra, while Tan Sri KC Lim and Lim Keng Hun are major shareholders of Costa Sutra; and
- (ii) Lor Siew Hung, the spouse of Lim Pak Lian, is a director and major shareholder of Costa Sutra.

DLKG, Tan Sri KC Lim, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company.

Although our Group's purchases from Engtex Marketing Sdn Bhd and Megamix Sdn Bhd on a standalone basis had exceeded 10% of our Group's total purchases for the FYE 2021, our Group is not dependent on any of these suppliers. For information, our Group was principally involved in the trading of construction products during the FYE 2021. As our Group's construction products sub-segment also involves supplying of construction products to various construction projects, the amount purchased for a particular type of construction product from a supplier in any given financial year will largely be dependent on the type of construction projects supplied to and the stage of construction for such projects in that given financial year. In addition, given that the nature of a trading business is principally centred around competitive pricing between suppliers and customers, our Group had in the past purchased materials from some of our suppliers in bulk to obtain competitive pricing, including Engtex Marketing Sdn Bhd and Megamix Sdn Bhd during the FYE 2021.

Following the diversification of our Group's principal activities to include businesses in construction and provision of construction-related services and solutions after the acquisition of LSHBB on 15 October 2021, our Group's supplier base was further diversified to include service providers for various subcontractor works. This diversification reduced the reliance on any single supplier's contribution to our Group's overall purchases for the subsequent financial years. This is further reduced by our Group's subsequent diversification of its principal activities to include property development activities in April 2023.

In this regard, we were not dependent on any supplier nor service provider and have not experienced any difficulty in obtaining materials and services for the Financial Years Under Review as the materials purchased and services procured are widely available and can be sourced from other suppliers and service providers.

6.20 INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

We have not experienced any interruption in our business which had a significant adverse impact on our operations for the past 12 months preceding the date of this Prospectus.

6.21 IMPACT OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic beginning in December 2019 had caused widespread negative effects to the world, including Malaysia. On 16 March 2020, the Malaysian Government announced the first movement control order ("**MCO**") issued under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 ("**MCO 1.0**") to curb the spread of COVID-19 in Malaysia. The MCO 1.0 was implemented from 18 March 2020 and was extended into several phases up to 3 May 2020. Under MCO 1.0, economic activities were halted including the closure of all businesses (except those classified under 'essential services' or businesses that have received written approval from the MITI to operate), restrictions on the movement of people within Malaysia and restrictions on international travel to and from Malaysia.

6. BUSINESS OVERVIEW (Cont'd)

As a result, we were required to temporarily suspend our operations at our head office as well as our 'Lim Seong Hai Lighting' and 'Knight Auto' retail stores during the MCO 1.0 period. Nevertheless, we were still able to sell our lighting products, hardware products and tools through our online stores and third-party e-commerce marketplaces. However, as construction projects were temporarily halted during MCO 1.0, we received less orders from contractors and property developers for building materials, lighting products, hardware products and tools as well as rental of construction machinery and equipment during the period. We subsequently resumed operations at our head office as well as our 'Lim Seong Hai Lighting' and 'Knight Auto' retail stores progressively according to the relevant guidelines issued by the Malaysian Government.

Due to the surge in the number of COVID-19 cases, the Malaysian Government subsequently imposed the full MCO from 1 June 2021 until 28 June 2021 ("**Full MCO**"), where only essential economic and service sectors are allowed to continue operating. Construction and engineering works were limited to works such as repair and maintenance as well as construction of public infrastructures such as tunnels, slopes, bridges and viaducts, highways (those which are at least 80% completed), Mass Rapid Transit, Light Rail Transit, East Coast Rail Link, hospitals and workers' residence at construction sites during the Full MCO period.

In compliance with the Full MCO, we temporarily suspended our operations again at our head office as well as our 'Lim Seong Hai Lighting' and 'Knight Auto' retail stores, but were still able to sell our lighting products, hardware products and tools through our online stores and third-party e-commerce marketplaces. Meanwhile, we continued to fulfil orders from contractors and property developers for building materials, lighting products, hardware products and tools as well as rental of construction machinery and equipment during the period in line with the standard operating procedures of the Full MCO. We subsequently resumed full operations at our head office and retail stores.

Our Group's construction and engineering works, construction-related services and solutions as well as property development were not impacted by the COVID-19 pandemic as our Group only began undertaking these business activities following the completion of the acquisitions of LSHBB in October 2021 as well as ASSB and LSH Ventures in April 2023, which was subsequent to the Malaysian Government's announcement of the National Recovery Plan on 15 June 2021.

Impact on our supply chain

Our supply chain was, to a certain extent, affected during the various MCO periods as our suppliers were equally impacted by the temporary suspension of business operations arising from the various lockdowns and containment measures imposed by the relevant authorities. This includes some delays in the supply of construction products as some of our suppliers were unable to operate at full capacity during the various MCO periods. However, our business activities were not materially affected as we had sufficient inventories for our retail stores. Meanwhile, we also coordinated with our suppliers for the supply of building materials in order to minimise material delays, while adhering to the relevant MCO standard operating procedures that were in effect at that point in time.

6.22 MAJOR LICENCES, PERMITS AND APPROVALS

We have obtained all licences, permits and regulatory approvals required to conduct our business activities.

Please refer to Annexure A of this Prospectus for further details on our major licences, permits and approvals for our operations together with the major conditions attached therein and the corresponding status of compliance as at LPD.

6. BUSINESS OVERVIEW (Cont'd)**6.23 INTELLECTUAL PROPERTIES**

As at LPD, save for the trademark registrations and applications with the Intellectual Property Corporation of Malaysia (MyIPO) as set out in Annexure B of this Prospectus, our Group does not have any other intellectual property right registered and/or in the process of registration.

6.24 MATERIAL DEPENDENCY ON CONTRACTS

As at LPD, our Group is not materially dependent on any commercial or financial contracts for our business and profitability.

6.25 EMPLOYEES

As at LPD, we employ a total of 289 employees, of which 229 are local employees while 60 are foreign workers. Our foreign workers are employed to perform general work at our retail stores as well as at construction sites, and are from Bangladesh and India. All of our foreign workers have valid working permits and we have not been and are not in breach of any immigration laws.

The following table sets out the number of employees in our Group according to the different business functions and nationalities as at 30 September 2024 and LPD:

Business functions	As at 30 September 2024		As at LPD	
	Local	Foreigners	Local	Foreigners
Management team	9	-	9	-
Sales and marketing and business development	12	-	12	-
Procurement and invoicing	8	-	8	-
Retail and e-commerce operations	45	5	49	5
Project and architecture	7	-	7	-
Quantity surveyors and contracts	16	-	16	-
Site operations	73	55	77	55
Engineers	10	-	10	-
Finance and accounts	19	-	21	-
Legal and corporate affairs	5	-	5	-
Human resources and administration	4	-	4	-
Personal assistant, secretary, driver and despatch	10	-	11	-
Total	218	60	229	60

As at 30 September 2024 and LPD, 13 of our local employees are employed on a contractual basis, while the rest are permanent employees of our Group. All 60 foreign workers as at 30 September 2024 and LPD are employed on a contractual basis.

As at LPD, none of our employees are members of any union and there has not been any major industrial dispute pertaining to our employees since we commenced operations.

6. BUSINESS OVERVIEW (Cont'd)

6.26 MATERIAL PROPERTIES

As at LPD, details of the material properties owned and rented by our Group are set out in Annexure C of this Prospectus.

6.27 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We are committed to act responsibly in our business operations in an effort to achieve good environmental, social and governance practices. In this regard, we have put in place, among others, the following:

(i) Environmental practices

We believe in preserving and caring for the environment and we are committed to conduct our business in ways that will minimise the impact caused by our operations on the environment.

Our environmental management system was accredited with the ISO 14001:2015 certification which certifies that our environmental management system complies with international standards, thereby demonstrating our ability to identify and address environmental issues related to our Group's business activities, as well as minimise our environmental footprint in terms of resources and wastages. This includes environmental monitoring to ensure that the sustainability of the environment surrounding our construction sites is well preserved.

We also aim to manage our resources effectively and efficiently. In this respect, we are committed to optimising our use of building materials without compromising on functionality, quality and safety. In doing so, we use aluminium or steel formwork systems in our projects which benefits us in terms of:

- reduced waste generated at construction site as aluminium or steel formwork systems are reusable, as opposed to conventional timber formwork which are not reusable;
- reduced site labour dependency as conventional timber formwork are not reusable and thus, manpower is required to build timber formwork for each use;
- improvement in productivity as we do not need to incur time spent on building the conventional timber formwork; and
- cleaner environment as there is no timber debris.

In addition, we also monitor the proper disposal of scheduled waste such as contaminated soil and used lubricant oil at our construction sites that contain hazardous elements which may adversely affect public health and the surrounding environment. We arrange for these scheduled wastes to be collected by licensed contractors and be sent to approved facilities for disposal. We also conduct scheduled waste training for our construction workers regularly, focusing on the safety and precautionary measures when handling scheduled waste.

6. BUSINESS OVERVIEW (Cont'd)

We also put in place measures to control air, water and noise pollution in order to minimise adverse impact of our construction works on the environment as well as neighbouring properties and occupants. Overall, we strive to ensure continued compliance with the relevant provisions governing construction works such as the Environmental Quality (Industrial Effluents) Regulations 2009 and Environmental Quality Act 1974 issued by the Department of Environment of Malaysia and local authorities' requirements in terms of noise level, construction waste management and permitted working hours for all aspects of our business operations.

(ii) Social

We place emphasis on maintaining a safe and healthy workplace for our employees. We ensure the health and safety of our workers at the project site, and that the project site complies with the Occupational Safety and Health Act 1994 and its subsequent amendments and subsidiary legislations. We also have a quality assurance programme in place for workers' health and safety practices including, among others, formalising health and safety compliance checklists as well as regularly educating and conducting briefing for our employees on workplace hazards and emergency response plan. We also utilise a self-climbing platform (an advanced scaffolding system which provides enhanced worker safety and tidier work environment) for our workers to carry out construction and engineering works at the LSH 33 Project and LSH Segar Project, thereby providing our workers with a safer and more secure working space. As a testament to our commitment to occupational health and safety, we have been accredited with the ISO 45001:2018 certification which certifies that our occupational health and safety management system complies with international standards.

We also place emphasis on the wellbeing and development of our employees. This includes providing our foreign construction workers with accommodations which comply with the minimum requirements as set out under the relevant regulations and have been issued with Certificates for Accommodation by the Department of Labour of Peninsular Malaysia.

We also allocate training budget and plan training courses for our employees' development based on their training needs. These programmes include, among others, accounting conference, as well as housing development seminar. We also support and practise equal opportunity, fair treatment, and gender and cultural diversity for our employees at our workplace.

We are also committed to giving back to our community as we believe that we are responsible to improve quality of life and generate positive social impacts to the community. We have donated to educational institutions, namely Chong Hwa KL Foundation, Adni Bangi School and Sekolah Menengah Kebangsaan St Mary, as well as non-profit associations such as *Yayasan Gerbang Bandar Tun Razak*, as well as *Badan Amal Kasih Ibu Wilayah Persekutuan*. We have also made corporate zakat payments to *Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan*.

6. BUSINESS OVERVIEW (Cont'd)**(iii) Corporate governance**

We are committed to conducting our business ethically and upholding high standards of corporate governance. In doing so, we have established the following policies and guidelines within our Group:

(a) Anti-bribery and anti-corruption policy and guidelines in compliance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments

Our Group is dedicated to carrying out our business operations with integrity, clarity and responsibility. To uphold these values, we have implemented an anti-bribery and anti-corruption policy. This policy is in accordance with the Malaysian Anti-Corruption Commission Act 2009 and outlines our Group's stance against all types of bribery and corruption. We maintain a zero-tolerance approach to such practices, not only within our organisation but also in our dealings with external parties such as clients and suppliers.

(b) Whistleblowing policy and guidelines

Our Group is devoted to managing our business operations ethically, transparently and responsibly. In line with this commitment, we have established an internal whistleblowing policy. This policy enables stakeholders, including employees, clients, suppliers and the local community to report any real suspicions or accusations regarding fraud within our Group, or alleged unethical actions or inappropriate business practices conducted by our employees or external parties in business relations with us. This policy is designed to safeguard our Group's integrity and address concerns that may impact us.

(c) Code of conduct and ethics in compliance with the Malaysian Code on Corporate Governance

Maintaining robust corporate governance practices is essential for promoting and upholding integrity and ethical business behaviour. As such, our Group has adopted an internal code of conduct and ethics that applies to all employees and our Board members. In order to foster a Board that effectively instils these corporate governance practices within our Group, five (5) out of our 10 Board members are independent directors, and we have also formed an Audit and Risk Management Committee as well as a Nomination and Remuneration Committee. The composition of these committees is solely made up of independent non-executive Directors. Please refer to Section 4.2.5 of this Prospectus for further details on the roles of these committees.

6. BUSINESS OVERVIEW (Cont'd)

6.28 GOVERNING LAWS, REGULATIONS, RULES OR REQUIREMENTS

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issues which may materially affect our Group's business or operations are summarised below. The following laws and regulations do not purport to be an exhaustive description of all laws and regulations which our Group is subject to and is only intended to provide general information to investors.

(i) ***Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")***

The CIDB Act regulates the establishment of the CIDB and its function relating to the construction industry and for matters connected therewith.

Section 25 of the CIDB Act stipulates that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction work or hold himself out as a contractor. Any person who fails to register with the CIDB shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM100,000.

As at LPD, our subsidiaries, namely LSH Lighting, ASSB and LSHBB, being the only subsidiaries in our Group which carry out construction and engineering works and/or construction-related services and solutions, hold valid G7 certificates of registration issued by the CIDB which allows them to tender and undertake contracts for projects involving such works with no limit to contract value. Please refer to items (12) to (14) in Annexure A of this Prospectus for further details of these certificates of registration issued to LSH Lighting, ASSB and LSHBB by the CIDB.

In addition, Section 33C of the CIDB Act provides that the CIDB shall, in the manner determined by the CIDB, certify the construction materials used in the construction industry and specified in the Fourth Schedule of the CIDB Act in accordance with the standards specified therein. Section 33D of the CIDB Act further provides that a person shall not deal or undertake to deal, whether directly or indirectly, with the construction materials specified in the Fourth Schedule of the CIDB Act unless the construction materials have been certified by the CIDB. The word "deal" shall mean "to handle, use, manufacture, supply, market, transfer, sell or buy, whether wholesale or retail, import or export". Any person who fails to comply with the above shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM500,000.

In this regard, throughout all business activities undertaken by our Group, we ensure that any construction material being used or dealt with are duly certified by the CIDB. Furthermore, pursuant to Section 34 of the CIDB Act, we are required to declare and submit to the CIDB, in the manner as may be prescribed by the CIDB, any construction contracts which were awarded to us. Additionally, for contracts which were awarded to us as the main contractor with a contract sum of RM500,000 and above, we are also required to pay CIDB a levy at the rate of 0.125% of the contract sum pursuant to *Lembaga Pembangunan Industri Malaysia (Imposition of Levy) (No.2) Order 2024*.

As at LPD, there has been no non-compliance of our Group in relation to the requirements under the CIDB Act that may have a material adverse impact on our business operation.

6. BUSINESS OVERVIEW (Cont'd)**(ii) Occupational Safety and Health Act 1994 and Occupational Safety and Health (Amendment) Act 2022**

The Occupational Safety and Health Act 1994 (“**OSHA 1994**”) makes provisions for securing the safety, health and welfare of persons at work, as well as for protecting others against risks to safety or health in connection with the activities of persons at work. For information, the Occupational Safety and Health (Amendment) Act 2022 which brings about substantial amendments to the initial provisions of the OSHA 1994 has been passed as law and came into effect on 1 June 2024, together with the new subsidiary legislations including the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 and the Occupational Safety and Health (Licensed Person) Order 2024 (collectively, the “**OSHA**”).

Duty to ensure safety, health and welfare of persons at work

The OSHA covers all places of work and introduces obligations that applies to a “principal” who is defined as any person who in the course of or for the purposes of his trade, business, profession or undertaking contracts with a contractor for the execution by or under the contractor of the whole or any part of any work undertaken by the principal.

Under the OSHA, it is the duty of every employer and the principal to ensure, so far as is practicable, the safety, health and welfare at work of all his employees and any contractor the principal engages, including any direct subcontractor, indirect subcontractor or employee employed by such contractor or subcontractor at work who act under the direction of the principal (as the case may be). The matters in which the duty extends include, in particular, the following:

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with construction work activities, use or operation, handling, storage or transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health of the persons at work;
- (d) so far as is practicable, as regards to any place of work under the control of the employer or the principal, the maintenance of the place of work in a condition that is safe and without risks to health, and the provision and maintenance of the means of access to and egress from it that are safe and without such risks;
- (e) the provision and maintenance of a working environment for the persons at work that is, so far as is practicable, safe, without risks to health;
- (f) the development and implementation of procedures for dealing with emergencies that may arise while the persons are at work; and
- (g) the conduct of risk assessment in relation to the safety and health risk posed to any person who may be affected by his undertaking at the place of work, as well as the determination of the risk control.

6. BUSINESS OVERVIEW (Cont'd)

Any person who contravenes the above shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two (2) years or to both.

Requirement for certificate of fitness

Prior to 1 June 2024, the requirements for the registration and inspection of machinery and for matters connected therewith are governed by the Factories and Machinery Act 1967 (Revised 1974) ("**FMA 1967**"). However, the FMA 1967 was repealed following the passing of the Factories and Machinery (Repeal) Act 2002 ("**FM Repeal Act**") into law which came into effect on 1 June 2024. As such, any registration made, or order, notice, direction, written authority, approval, certificate of fitness, special scheme of inspection or certificate of competency given or issued, under the FMA 1967 shall now be dealt with under the OSHA and its subsidiary legislations.

Section 27D of the OSHA provides that no person shall operate or cause or permit to be operated any prescribed plant for which a certificate of fitness is required, unless there is a valid certificate of fitness issued and in force in relation to the operation of the plant. In the case of any contravention, the affected machinery may not be operated until such time a valid certificate of fitness is issued. The person who contravenes Section 27D of the OSHA shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one (1) year or to both.

As at LPD, our Group holds and maintains valid certificates of fitness for the operation of 32 machineries that require certifications under the OSHA. Please refer to items (15) to (46) in Annexure A of this Prospectus for further details of these certificates of fitness.

As at LPD, there has been no non-compliance of our Group in relation to the requirements under the OSHA and its subsidiary legislations that may have a material adverse impact on our business operations.

(iii) **Environmental Quality Act 1974 ("EQA")**

The EQA governs the prevention, abatement, control of pollution and enhancement of the environment, and for purposes connected therewith.

Among others, pursuant to Section 22(1) of the EQA, no person shall, unless licensed, emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere in contravention of the acceptable conditions specified under Section 21 of the EQA.

Any person who contravenes Section 22(1) of the EQA shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 and not exceeding RM1,000,000 or to imprisonment for a term not exceeding five (5) years or to both and to a further fine not exceeding RM1,000 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

Our Group is required to comply with the provisions of the EQA in carrying out our business operations. As at LPD, there has been no non-compliance of our Group in relation to the requirements under the EQA that may have a material adverse impact on our business operations.

6. BUSINESS OVERVIEW (Cont'd)**(iv) Housing Development (Control and Licensing) Act 1966 (“HDA”) and Housing Development (Control and Licensing) Regulations 1989 (“HDA Regulations”)**

The HDA is an act to provide for the control and licensing of the business of housing development in Peninsular Malaysia, the protection of the interest of purchasers and for matters connected therewith.

Developer’s licence

The HDA requires that no housing development shall be engaged in, carried on, undertaken or caused to be undertaken except by a housing developer in possession of a licence issued under the HDA.

Except with the written consent of the Controller of Housing (“**Controller**”), no housing developer other than a licensed housing developer shall assume or use in relation to his business or any part of his business the words “housing developer” or any of its derivatives or any other word or words indicating the carrying on of the business of housing development. A “housing developer” is defined as any person, body of persons, company, firm or society (by whatever name described), who or which engages in or carries on or undertakes or causes to be undertaken a housing development, and in a case where the housing developer is under liquidation, includes a person or body appointed by a court of competent jurisdiction to be the provisional liquidator or liquidator for the housing developer.

Any person who contravenes the above or fails to comply with any of the conditions imposed on the licence granted under the HDA shall be guilty of an offence and shall, on conviction, be liable to a fine which shall not be less than RM250,000 but which shall not exceed RM500,000 or to imprisonment for a term not exceeding five (5) years or to both.

Advertising and sale permit

Pursuant to the HDA Regulations, no advertisement or sale shall be made by any housing developer without an advertising and sale permit having first been obtained from the Controller. Any advertisement and sale shall be in accordance with the advertisement and sale permit as approved by the Controller. Any misleading statement, false representation or description of the particulars or information required pursuant to the advertising and sale permit including the difference in price of property shall be an offence under the HDA Regulations.

Any person who contravenes any of the provisions of the HDA Regulations shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five (5) years or to both. A breach of any condition in the developer’s licence or in any advertising and sale permit shall be deemed to be a contravention of the HDA Regulations.

As at LPD, ASSB holds a valid developer’s licence issued under the HDA and has obtained the advertising and sale permit for the LSH Segar Project. Please refer to items (47) and (48) in Annexure A of this Prospectus for further details. However, ASER has yet to obtain the developer’s licence for the development of the Lake Side Homes Project as it has not obtained the building plan approval for the development. Similarly, it has yet to obtain the advertising and sale permit for the Lake Side Homes Project as it has not commenced any advertising or sale activities for the Lake Side Homes Project.

6. BUSINESS OVERVIEW (Cont'd)**(v) Strata Title Act 1985 (“STA”) and Strata Management Act 2013 (“SMA”)**

The STA provides provision for the subdivision of building or land of shared properties. It includes the procedure for the application of subdivision, registration, issuance of strata titles, management of the strata scheme after the issuance of strata titles and also management of Strata Titles Board. This act is under the jurisdiction of the Department of Land and Mines, which is under the Ministry of Natural Resources and Environment, Malaysia.

The SMA, on the other hand, is enacted to provide for the proper maintenance and management of buildings and common area of a property or building in Peninsular Malaysia and the Federal Territory of Labuan. In this regard, we are subject to, among others, the provisions of the maintenance and management of the building during the developer’s management period and before joint management body is established, and to convene the first annual general meeting of the joint management body.

(vi) Personal Data Protection Act 2010 (“PDPA”) and the Personal Data Protection (Class of Data Users) Order 2013 (“PDP Order”)

Section 15(1) of the PDPA stipulates that a person who belongs to the class of data users as specified in the order made under subsection 14(1) of the PDPA shall submit an application for registration to the Personal Data Protection Commissioner (“**PDP Commissioner**”) in the manner and form as determined by the PDP Commissioner.

Pursuant to the PDP Order, a licensed housing developer under the HDA is required to register with the PDP Commissioner and obtain a valid certificate of registration to process any personal data.

A person who belongs to the class of data users as specified in the PDP Order and who processes personal data without a certificate of registration issued under the PDPA commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding three (3) years or to both.

As at LPD, ASSB, as a licensed housing developer, holds a valid certificate of registration as data user to process personal data. However, ASES does not presently hold such certificate of registration as it has not processed any personal data as at LPD, pending the commencement of the sale activities for the Lake Side Homes Project. Nevertheless, ASES will apply for the certificate of registration as data user prior to the launch of the Lake Side Homes Project.

(vii) Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990 (“EMSHAA”) and Employees’ Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020 (“EMSHAA Regulations”)

The EMSHAA prescribes, among others, the minimum standards for accommodations for employees and centralised accommodations, as well as requires employers to provide health, medical and social amenities to their employees.

The EMSHAA imposes the duty and responsibility on employers or centralised accommodation providers to, among others, ensure that:

- (a) every accommodation provided for employee complies with the minimum standards required under the EMSHAA and any regulations issued under the EMSHAA;

6. BUSINESS OVERVIEW (Cont'd)

- (b) no accommodation will be provided to an employee unless such accommodation is certified with a certificate for accommodation;
- (c) the accommodation provided for employee has decent and adequate amenities in accordance with the EMSHAA and any regulations issued under the EMSHAA; and
- (d) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant written laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

An employer who provides accommodation that is not certified with a certificate of accommodation to an employee commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

Further, the EMSHAA Regulations imposes, among others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, as well as the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities.

As at LPD, our Group has obtained the certificate of accommodation for all the premises used as accommodation for our employees, which comprise one (1) centralised labour quarter and three (3) units of apartment.

(viii) Local Government Act 1976 ("LGA")

The LGA is enacted to revise and consolidate laws relating to local government in Peninsular Malaysia.

Under the LGA, the relevant local authority may exercise and perform within such area all or any powers and duties conferred on them under the LGA or under any by-laws, rules or regulations passed pursuant to the LGA. The power includes the issuance of licenses and the imposition of any conditions and restrictions (if any) on the licenses as they deem fit.

Our Group's business premises located in Kuala Lumpur are subject to the jurisdiction of DBKL whilst our business premises located in Kajang and Balakong are subject to the jurisdiction of the Kajang Municipal Council (*Majlis Perbandaran Kajang*) ("**MPKj**"). The relevant by-laws governing the conduct of our Group's business operation in these premises are the Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016 ("**Kuala Lumpur By-Laws**") and the Licensing, Business Trade and Industrial By-Law (MPKj) 2007 ("**Kajang By-Laws**") respectively. In this regard, we are required to obtain and maintain business and advertisement licences to carry out our operations and to produce our business licences and display our signboard at our business premises.

The Kuala Lumpur By-Laws provides that it is an offence for any person who uses any premises for any prescribed business activity listed therein without a valid business premises licence. Similarly, by virtue of the Kajang By-Laws, no person shall operate any activity of trade, business and industry or use any place or premises in the local area of MPKj for any activity of trade, business and industry without a licence issued by the licensing authority of MPKj.

6. BUSINESS OVERVIEW (Cont'd)

Any person who contravenes any of the provision in these by-laws shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or a term of imprisonment not exceeding one (1) year or to both and in the case of a continuing offence, a sum not exceeding RM200 for each day during which the offence is continued after the conviction.

As at LPD, all our business premises (including those rented by us) are issued with valid business premises licences and signboard licences. Please refer to items (1) to (9) in Annexure A of this Prospectus for further details.

(ix) **Street, Drainage and Building Act 1974 (“SDBA”) and Uniform Building By-Laws 1984 (“UBBL”)**

The SDBA regulates the laws relating to street, drainage and building in local authority areas in Peninsular Malaysia. It provides for the requirement to have a certificate of fitness for occupation to ensure that the building is safe and fit for occupation.

The UBBL, on the other hand, has been put in force pursuant to the exercise of the power conferred by Section 133 of the SDBA. Under the UBBL, a certificate of fitness for occupation in respect of a building shall only be given when:

- (a) the qualified persons (i.e. the architect, registered building draughtsman or engineer) during the course of the work have certified in Form E as set out in the Second Schedule to the UBBL that they have supervised the erection of the building, that to the best of their knowledge and belief, the building has been constructed in accordance with the UBBL and any conditions imposed by the local authority have been satisfied and that they accept full responsibility for those portions which they are respectively concerned with and the local authority or an authorised officer has inspected the building; and
- (b) all essential services including access roads, landscape, car parks, drains, sanitary, water and electricity installation, fire lifts, fire hydrant and other where required, sewerage and refuse disposal requirements have been provided.

Any person who occupies or permits to be occupied any building or any part thereof without a certificate of fitness for occupation, a partial certificate of fitness for occupation or a temporary certificate of fitness for occupation shall, on conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both. Alternatively, the local authority may order for any such building without a certificate of fitness for occupation to be demolished.

As at LPD, save for the Jalan Pahang Owned-Shophouse and Jalan Pahang Rented-Shophouse set out in Section 6.29 of this Prospectus, all of our Group's owned and tenanted properties have been issued with a valid certificate of fitness for occupation. In respect of our residential development projects, our Group will also ensure compliance by obtaining the CCC before handover of vacant possession to our purchasers.

6. BUSINESS OVERVIEW (Cont'd)**(x) Town and Country Planning Act 1976 ("TCPA") and Federal Territory (Planning) Act 1982 ("FTPA")**

The TCPA is enacted for the proper control and regulation of town and country planning in Peninsular Malaysia and for purposes connected therewith or ancillary thereto.

Under Section 18 of the TCPA, no person shall use or be permitted to use any land or building otherwise than in conformity with the local plan. Section 26 of the TCPA states that a person who, whether at his own instance or at the instance of another person uses or permits to be used any land or building in contravention of Section 18 of the TCPA commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two (2) years or to both, and in the case of a continuing offence, to a further fine which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence.

The FTPA, on the other hand, is an act that makes provisions for the control and regulation of proper planning in the Federal Territory of Kuala Lumpur, for the levying of development charges, and for purposes connected therewith or ancillary thereto.

Section 20 of the FTPA provides that save for certain exceptions, no person other than a local authority, shall commence, undertake or carry out development unless planning permission in respect of the development has been granted to him by the local planning authority.

Section 19(1) of the FTPA further provides that no person shall use or permit to be used any land or building or commence, undertake or carry out any development otherwise than in conformity with the development plan or any planning permission granted under the FTPA in respect of the development.

Any person who commences, undertakes or carries out development in contravention of Section 19(1) of the FTPA or uses or permits to be used any land in contravention of the said section is guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000, and in the case of a continuing offence, to a further fine which may extend to RM500 for every day during which the offence continues after conviction for the first commission of the offence.

Under the TCPA and FTPA, we are required to obtain a development order/planning permission for our property development projects. As at LPD, our Group has obtained the development orders in respect of all our ongoing development projects, namely the LSH Segar Project and Lake Side Homes Project, both of which are located at the Federal Territory of Kuala Lumpur.

(xi) National Land Code ("NLC")

The NLC governs land matters within Peninsular Malaysia, where our material properties are situated. Under the NLC, there are three (3) categories of land use, being "building", "industry" and "agriculture". All alienated lands in Peninsular Malaysia are also subject to implied conditions as more particularly described in the NLC and express conditions imposed by the state authority.

Upon any breach of any condition to which any alienated land is for the time being subjected to, the land shall become liable to forfeiture to the state authority and, except in a case where a fine is imposed or where action for the purpose of causing the breach to be remedied is first required to be taken, the land administrator shall proceed with the enforcement of the forfeiture in accordance to the provisions of the NLC.

6. BUSINESS OVERVIEW (Cont'd)

As at LPD, our Group has complied with all land use conditions in relation to the properties owned and tenanted by our Group.

(xii) Water Services Industry Act 2006 ("WSIA")

The WSIA provides for and regulates the water supply services and sewerage services and matters incidental thereto in Peninsular Malaysia and the Federal Territories of Putrajaya and Labuan.

Under Section 45 of the WSIA, no person shall construct, alter, modify, disconnect or close up a water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping unless the relevant plans or specifications which require the approval of the National Water Services Commission (*Suruhanjaya Perkhidmatan Air Negara*) ("**SPAN**") have first been approved in writing by SPAN.

Pursuant to Section 46 of the WSIA, a developer of a new development shall be required to construct a water supply system and a sewerage system or part of the systems in its development in accordance with the requirements set out in any plan and specification approved by SPAN according to Section 45 of the WSIA.

A person who fails to comply with the provisions above commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding five (5) years or to both.

Further to the above, under Section 50(1) of the WSIA, subject to such exemptions as may be specified by SPAN, no person shall:

- (a) carry out any construction, connection, modifications or repairs to water pipes and water fittings which convey or will convey water from the public mains;
- (b) carry out any works necessary to connect a private connection pipe to a sewer or sewerage treatment works;
- (c) construct, install or modify any part of a water supply system or sewerage system;
- (d) carry out maintenance services for a water supply system or a sewerage system but does not involve the operation of such systems; or
- (e) undertake, provide or make available sewerage desludging services or any other sewerage services,

without a written permit issued by SPAN.

A person who fails to comply with Section 50(1) of the WSIA commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding three (3) years or to both.

As at LPD, our Group has obtained all the relevant approvals and permits from SPAN which are required when carrying out construction works for water supply and sewerage systems. In addition, the water supply system and sewerage system for the LSH Segar Project is currently being constructed in accordance with the requirements set out in the plan approved by SPAN. We will also ensure that the water supply system and sewerage system for the Lake Side Homes Project will be constructed in accordance with the requirements to be set out in the plan to be approved by SPAN in due course.

6. BUSINESS OVERVIEW (Cont'd)**(xiii) Electricity Supply Act 1990 ("ESA") and Electricity Regulations 1994 ("Electricity Regulations")**

The ESA regulates the electricity supply industry, the supply of electricity at reasonable prices, the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

Pursuant to Regulation 75 of the Electricity Regulations, no person shall perform or carry out any electrical work unless he holds a valid certificate of registration as an electrical contractor issued under the Electricity Regulations.

A person who contravenes or fails to comply with any provisions of the Electricity Regulations shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one (1) year.

Our Group outsources all electrical work which requires a valid certificate of registration of an electrical contractor. Throughout our procurement process, we ensure that the contractor appointed holds a valid certificate of registration as electrical contractor.

(xiv) Sale of Goods Act 1957 ("SOGA")

The SOGA governs the sale of goods in Peninsular Malaysia. Such legislation sets out the terms and conditions relating to the sale of goods, which include, among others, the condition and warranty, sale by description and implied conditions as to quality. A breach of these terms may give rise to an action for damages and consumers can claim damages for a breach of warranty.

Our Group's obligation as a supplier of construction products under the SOGA primarily includes ensuring that the goods we sell are in line with the standards prescribed under the SOGA. This includes, among others, applicable conditions implied under laws for sale such as having the right to sell the goods before selling the same to our customers, making sure that the goods we sell correspond to the description, as well as ensuring the quality or fitness of the goods for particular purposes.

(xv) Trade Descriptions Act 2011 ("TDA")

The TDA is enforced by the Ministry of Domestic Trade and Consumer Affairs, Malaysia which aims to promote good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services and to provide for matters connected therewith or incidental thereto, thereby protecting the interest of consumers.

Pursuant to Section 5 of the TDA, any body corporate who:

- (a) applies a false trade description to any goods;
- (b) supplies or offers to supply any goods to which a false trade description is applied; or
- (c) exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied,

commits an offence and shall, on conviction, be liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000.

6. BUSINESS OVERVIEW (Cont'd)

Section 16 of the TDA provides that no person shall make any false representation by any means, whether direct or indirect, that any goods or services supplied by him or any methods adopted by him are of a kind supplied to or approved by any person including any government or government department or agency or any international body or agency whether in Malaysia or abroad.

Our Group is required in the course of carrying out our retail operations, distributing construction products and providing construction services, to ensure that we practice good trade practices and to ensure in particular that trade descriptions of the goods and services supplied by us are not misleading to our customers.

(xvi) Consumer Protection Act 1999 (“CPA”)

The CPA provides for the protection of consumers, the establishment of the national consumer advisory council and the tribunal for consumer claims, and for matters connected therewith.

The CPA stipulates, among others, the following:

- (a) no person shall engage in conduct that:
 - (aa) in relation to goods, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, manufacturing process, characteristics, suitability for a purpose, availability or quantity, of the goods; or
 - (bb) in relation to services, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, characteristics, suitability for a purpose, availability or quantity, of the services;
- (b) no person shall supply, or offer to or advertise for supply, any goods or services which do not comply with the safety standards determined under the CPA; and
- (c) the goods supplied to a consumer shall be goods of acceptable quality, fit for any particular purpose, comply with description, and so on.

Any body corporate which contravenes any of the provisions above commits an offence, and shall, on conviction, be liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000. In the case of a continuing offence, the offender shall, in addition to the penalties mentioned earlier, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

Our Group is required in the course of carrying out our retail operations to ensure that we comply with the CPA and in particular, to ensure that the goods and services made available by us are not made on the basis of any false or misleading representations to our customers.

In addition to the above and as set out in Section 6.2.1(i)(b) of this Prospectus, our Group undertakes various infrastructure construction and engineering work projects as subcontractor, some of which may have Bumiputera participation requirements to be adhered to by the main contractor. However, to the best of our Group’s knowledge, as at LPD, there are no restrictions under Bumiputera policies in Malaysia which prohibit our Group’s participation as subcontractor in such projects.

6. BUSINESS OVERVIEW (Cont'd)

6.29 ADDITIONAL DISCLOSURE

As at LPD, there are two (2) properties used by our Group which do not have CCC/CF in place as follows:

- (i) **Our end lot three (3)-storey shophouse located at Jalan Pahang, Kuala Lumpur owned by LSH Ventures and currently rented to Knight Auto for use as its retail store ("Jalan Pahang Owned-Shophouse")**

When the Jalan Pahang Owned-Shophouse was acquired by LSH Ventures from the vendors in April 2007, the CF was not provided. Over the course of the due diligence exercise for the Transfer of Listing, it was discovered that the CF for our Jalan Pahang Owned-Shophouse could not be located which DBKL has also confirmed that they were unable to locate and furnish LSH Ventures with the same as the relevant construction records were too dated. In this regard, our Group has not been complying with the requirement to have a CCC/CF for our Jalan Pahang Owned-Shophouse under the Street, Drainage and Building Act 1974 ("**SDBA**") and Uniform Building By-Laws 1984 ("**UBBL**") since the commencement of Knight Auto's tenancy and occupancy of this premises in January 2009.

To address the abovementioned non-compliance, we had on 5 September 2023 appointed an architect to handle the application and issuance of the CF (now known as CCC) for our Jalan Pahang Owned-Shophouse. However, the appointed architect has advised us that it is unable to commence the application for the said CCC unless LSH Ventures applies to the land office for the alienation of part of the land measuring approximately 425.71 sq ft ("**Affected Land Area**") that is adjacent to our Jalan Pahang Owned-Shophouse in favour of LSH Ventures ("**Alienation Application**").

The Alienation Application is necessary because the staircase of our Jalan Pahang Owned-Shophouse is situated on the Affected Land Area. The staircase is a remnant of the previous shophouses that once stood on both the Affected Land Area and the land where our Jalan Pahang Owned-Shophouse is erected on but were demolished due to the land acquisition by the Malaysian Government for the construction of DUKE. The retention of this staircase is crucial for maintaining the structural integrity of our Jalan Pahang Owned-Shophouse.

The appointed consultant surveyor has submitted the Alienation Application to the land office on 25 April 2024. At this juncture, the approval of the Alienation Application is still pending and we are unable to provide the exact timeframe to obtain the CCC for our Jalan Pahang Owned-Shophouse given that the timing of the land office's approval is beyond our control. Nevertheless, we will endeavour our best efforts to obtain the CCC for our Jalan Pahang Owned-Shophouse by December 2026, considering the Alienation Application may require a lengthier approval process internally within the land office. Our Group, through our consultant surveyor appointed, will continue to engage closely with the land office to expedite the approval process for the Alienation Application and subsequently, the issuance of the CCC for this premises.

6. BUSINESS OVERVIEW (Cont'd)

However, if LSH Ventures is ultimately unable to obtain the said CCC and if we are required by the local authorities to cease occupying our Jalan Pahang Owned-Shophouse, we will relocate this retail store to another property with CCC, or consolidate the operations of this retail store with our other Knight Auto's retail store located at No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("**Wisma Knight Auto Retail Store**") which is adjacent to our Jalan Pahang Owned-Shophouse.

While we expect to incur some fees and charges to obtain the CCC for our Jalan Pahang Owned-Shophouse such as land premium based on value to be determined by Jabatan Penilaian dan Perkhidmatan Harta (JPPH), architect and consultants fees, DBKL plan processing fees, DBKL penalty (if any), and minor construction cost to comply with any condition that may be imposed by the local authorities in granting the approval for the planning permission and building plan, we are unable to quantify the exact amount of such costs at this juncture. In any event, we do not anticipate such fees or charges to exceed RM2.00 million and such fees or charges will be funded using our internal funds.

Furthermore, the relocation cost is expected to be minimal given that Knight Auto has the necessary in-house resources (including crew and lorries) to carry out the relocation on our own. While the downtime from relocating and setting up a new retail store is estimated to range between three (3) to six (6) months, our Group does not anticipate any material adverse impact on our business operations and financial performance considering Knight Auto has several other retail stores located across the Klang Valley region, including the Wisma Knight Auto Retail Store which is adjacent to our Jalan Pahang Owned-Shophouse.

Nevertheless, if the local authority orders us to demolish our Jalan Pahang Owned-Shophouse, we will have to fully impair/write off the NBV of our Jalan Pahang Owned-Shophouse in our statements of profit or loss and other comprehensive income, which amounts to approximately RM0.50 million as at 30 September 2024, representing approximately 1.57% of the total NBV of our property, plant and equipment as at 30 September 2024.

(ii) A corner lot three (3)-storey shophouse located at Jalan Pahang, Kuala Lumpur rented by LSH Lighting from LSH Holdings as its retail store ("Jalan Pahang Rented-Shophouse")

When we requested LSH Holdings, being the landlord of the Jalan Pahang Rented-Shophouse, to provide the CF for the Jalan Pahang Rented-Shophouse during the due diligence exercise for the Proposed Transfer of Listing, we were informed that the CF was not provided to LSH Holdings when it acquired the Jalan Pahang Rented-Shophouse from the vendor in April 2007. Despite efforts by LSH Holdings to retrieve the CF by reaching out to the relevant authority, DBKL has confirmed that they were also unable to locate and furnish LSH Holdings with the CF for the Jalan Pahang Rented-Shophouse as the relevant construction records were too dated. In this regard, our Group has not been complying with the requirement to have a CCC/CF for the Jalan Pahang Rented-Shophouse under the SDBA and UBBL since the commencement of LSH Lighting's tenancy and occupancy of this premises in June 2008.

6. BUSINESS OVERVIEW (Cont'd)

To address the abovementioned non-compliance, LSH Holdings had on 5 September 2023 appointed an architect to handle the application and issuance of the CCC for the Jalan Pahang Rented-Shophouse. The submissions of the planning permission and building plan approval to facilitate the issuance of the said CCC have been made on 9 January 2024, and LSH Holdings had on 31 January 2024 received a conditional approval for the planning permission and building plan from DBKL. The conditions imposed by DBKL include, among others, the removal of the awning and staircase which extends beyond the boundary set out in the building plan ("**Rectification Works**").

On 23 December 2024, LSH Holdings, through the appointed architect, submitted the revised building plan to DBKL based on the conditions imposed by DBKL. The approved planning permission and revised building plan were subsequently endorsed by DBKL on 7 January 2025, subject to the Rectification Works being carried out in compliance with the applicable provisions under the SDBA. In this regard, we expect the remaining processes (including the Rectification Works) until the issuance of the CCC for the Jalan Pahang Rented-Shophouse to take up to six (6) months from the said endorsement date (i.e. by the end of June 2025) to complete.

We do not expect to incur any cost for the rectification as all such costs and expenses incurred will be borne by LSH Holdings as the landlord of the Jalan Pahang Rented-Shophouse.

However, if LSH Holdings is ultimately unable to obtain the CCC for the Jalan Pahang Rented-Shophouse and if we are required by the local authorities to cease occupying the Jalan Pahang Rented-Shophouse, we will relocate this retail store to another property with CCC, or consolidate the operations of this retail store with our other existing 'Lim Seong Hai Lighting' retail stores.

The relocation cost is also expected to be minimal given that LSH Lighting has the necessary in-house resources (including crew and lorries) to carry out the relocation on our own. While the downtime from relocating and setting up a new retail store is estimated to range between three (3) to six (6) months, our Group does not anticipate any material adverse impact on our business operations and financial performance considering LSH Lighting has several other retail stores located across the Klang Valley region.

For information, under Section 70(27) of the SDBA, the maximum penalty that may be imposed by the local authority upon conviction on any occupier of a building without CCC is RM250,000 or imprisonment for a term not exceeding 10 years or both.

However, as at LPD, our Group has not received any fines or penalties imposed by the relevant authorities in respect of these non-compliances.

Furthermore, in the worst-case scenario where enforcement actions lead to forced closures or cessation of our retail operations at our Jalan Pahang Owned-Shophouse and Jalan Pahang Rented-Shophouse, we do not expect any material adverse impact to our financial condition as the revenue generated by these retail stores is not material. For information, the total revenue generated by these two (2) retail stores accounted for less than 1.45% of our Group's total revenue for the FYEs 2023 and 2024.

6. BUSINESS OVERVIEW (Cont'd)

Notwithstanding this, our Group undertakes to procure the necessary and continue making the necessary applications and/or engage with the relevant authorities to resolve any outstanding matter in respect of the CCC for our Jalan Pahang Owned-Shophouse. Our management is actively monitoring and liaising with the relevant authorities to address any queries and requirements raised by the relevant authorities throughout the application and deliberation process until a resolution is achieved in respect of the CCC for our Jalan Pahang Owned-Shophouse. We are also closely monitoring the status of the CCC application for the Jalan Pahang Rented-Shophouse with LSH Holdings.

Further updates on the status of our efforts to remedy or resolve the non-compliance incidents at our Jalan Pahang Owned-Shophouse and Jalan Pahang Rented-Shophouse will be set out in our quarterly report to be issued.

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7. INDUSTRY OVERVIEW



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
67-1, Block D, Jaya One, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

Date: 12 February 2025

The Board of Directors
Lim Seong Hai Capital Berhad
Wisma Lim Seong Hai
33 Jalan Gombak
53000 Kuala Lumpur

Dear Sirs/Madam,

Independent market research ("IMR") report on the construction and property development industries in Malaysia in conjunction with the transfer of listing and quotation of the entire issued share capital of Lim Seong Hai Capital Berhad ("LSH Capital") from the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") to the ACE Market of Bursa Securities

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") has prepared this IMR report on the overview of the construction and property development industries in Malaysia for inclusion in the Prospectus of LSH Capital in relation to its Transfer of Listing.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without prior express written consent from PROVIDENCE.

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has approximately 15 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

7. INDUSTRY OVERVIEW (Cont'd)



LSH Capital and its subsidiaries (collectively referred to as “**LSH Capital Group**” or the “**Group**”) are a full-fledged construction company with capabilities to engage in a broad range of construction and engineering works, provide construction-related services and solutions, as well as supply construction products that are complementary to the Group’s construction and engineering works as well as the needs of the wider construction industry. In addition, LSH Capital Group is also involved in property development.

1 THE CONSTRUCTION AND PROPERTY DEVELOPMENT INDUSTRIES IN MALAYSIA

DEFINITION AND SEGMENTATION

The construction and property development industries are interrelated industries.

Property development involves identifying land for development, undertaking feasibility studies, obtaining planning and development approvals, as well as sales and marketing of properties. There are generally 2 key types of property development projects, namely:

- (i) residential buildings, which are used for dwelling purposes such as landed residential properties (i.e. terrace, semi-detached and detached houses), as well as low-rise and high-rise residential properties (i.e. apartments and condominiums); and
- (ii) non-residential buildings, which are used for commercial purposes such as office buildings, hotels, retail outlets, convention centres and resorts (including theme parks) as well as for industrial purposes for manufacturing, assembly and warehousing activities. It also includes mixed-use buildings, which contain a combination of residential and non-residential components in the building, and can be used for either purpose (e.g. Small Office Home Office (SOHOs)).

Meanwhile, construction is critical for the erection of buildings for property development projects, as well as infrastructure. This includes:

- Residential building construction works;
- Non-residential building construction works;
- Civil engineering works, which refer to the construction of infrastructure for public use such as railways, road, jetties, utilities, bridges, drainage, sewerage and disaster prevention systems, amongst others; and
- Specialised trade activities, which refer to various auxiliary construction works including but not limited to site preparation, demolition and building service works.

These works can be performed for public or private construction projects. Public construction projects are construction projects that are owned and funded by the federal, state or local government, while private construction projects refer to projects that are owned and funded by companies.

There are various services and products related to the construction of buildings and infrastructure, including:

- **Construction and engineering works:** refer to, but not limited to, residential and non-residential building construction works, civil engineering works, and specialised trade activities;
- **Construction-related services and solutions:** refer to value-engineering services. This involves recommending alternative designs or building materials, or suggesting construction methodologies that are more cost-effective; and
- **Construction products:** refer to products used in the construction of buildings and/or infrastructure such as building materials, lighting products, hardware products and tools, plumbing products as well as construction machinery and equipment.

7. INDUSTRY OVERVIEW (Cont'd)



INDUSTRY PERFORMANCE, SIZE AND GROWTH – CONSTRUCTION INDUSTRY

Overview

Gross domestic product (“GDP”) is a key economic indicator that reflects the economic performance of a country without the effects of inflation or deflation. Malaysia's annual GDP grew from RM1.4 trillion in 2019 to RM1.6 trillion in 2023, at a compound annual growth rate (“CAGR”) of 2.4%. In the first three (3) quarters of 2024, Malaysia recorded total GDP of RM1,217.4 billion, compared to RM1,157.7 billion over the same period in 2023. The GDP in Malaysia is forecast to grow within the range of 4.0-5.0% between 2023 and 2024.¹

Meanwhile, the GDP of the construction industry declined from RM66.5 billion in 2019 to RM53.6 billion in 2020 and then to RM50.8 billion in 2021 as the industry was impacted by the Coronavirus Disease 2019 (“COVID-19”) pandemic. The movement control orders (“MCOs”) that were implemented to curb the spread of COVID-19 led to foreign labour shortages, delays in execution of existing projects and exerted cash flow pressures on construction companies. Nevertheless, the GDP of the construction industry in Malaysia recovered after the relaxation of the MCOs in the country, as depicted by the growth in GDP of the construction industry in 2022 and the following years. GDP of the construction industry grew from RM53.4 billion in 2022 to RM56.7 billion in 2023. In the first three (3) quarters of 2024, the construction industry in Malaysia recorded RM49.2 billion GDP, compared to RM42.3 billion over the same period in 2023.

GDP in Malaysia

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
Malaysia's GDP (RM billion)	1,424.0	1,346.2	1,390.9	1,514.1	1,568.0	1,157.7	1,217.4
Malaysia's GDP growth rate (%)	-	(5.5)	3.3	8.9	3.6	-	5.2
Construction GDP (RM billion)	66.5	53.6	50.8	53.4	56.7	42.3	49.2
Construction GDP growth rate (%)	-	(19.4)	(5.2)	5.1	6.2	-	16.3

Source: Department of Statistics Malaysia

Construction and engineering works, and construction-related services and solutions

The value of construction works completed indicates the performance of the construction industry. Civil engineering projects accounted for 39.4% of the total value of construction works completed in 2023, while the remaining 60.6% of the value of construction works completed was mainly from the non-residential and residential sub-sectors in the year.

The construction industry in Kuala Lumpur and Selangor constituted a large proportion of the overall construction industry in Malaysia, i.e. 36.6% of the total value of construction works completed in 2023. The construction industry in Malaysia largely comprised private construction projects, wherein private construction projects constituted 60.4% of total value of construction projects in the country in 2023.

Value of construction works completed by sub-sector in Malaysia ⁽¹⁾

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
	(RM billion)					(RM billion)	
Malaysia	146.4	117.9	112.0	121.9	132.2	98.0	116.8
- Civil engineering	65.6	49.8	43.8	45.0	52.1	37.8	45.5
- Non-residential	37.6	31.1	31.4	37.3	38.4	29.0	32.6
- Residential	35.8	29.6	26.8	27.8	28.8	21.7	25.9

Value of construction works completed by location in Malaysia

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
	(RM billion)					(RM billion)	
Malaysia	146.4	117.9	112.0	121.9	132.2	98.0	116.8
• Kuala Lumpur and Selangor	70.5	58.3	45.8	49.3	48.4	35.8	39.6
• Other states	75.9	59.6	66.2	72.6	83.8	62.2	77.2

¹ Source: Ministry of Finance, Economic Outlook 2024

7. INDUSTRY OVERVIEW (Cont'd)



Value of construction works completed by project owner in Malaysia

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
	(RM billion)					(RM billion)	
Malaysia	146.4	117.9	112.0	121.9	132.2	98.0	116.8
• Private	81.1	65.1	62.4	73.3	80.1	59.8	71.5
• Public	65.3	52.8	49.6	48.6	52.1	38.2	45.3

Note:

- (1) The total value of construction works completed includes specialised trade activities which are not presented in this table.

Source: Department of Statistics Malaysia

The construction industry declined by 19.5% and 5.0% in 2020 and 2021 respectively, in terms of value of construction works completed, from RM146.4 billion in 2019 to RM117.9 billion in 2020 and RM112.0 billion in 2021, as a result of the COVID-19 pandemic. Although the construction industry was deemed an essential service and was allowed to operate throughout the MCOs that were implemented during these years, the pandemic caused economic uncertainties, which led to foreign labour shortages, delays in execution of existing projects and exerted cash flow pressures on construction companies.

Nevertheless, the construction industry recovered in 2022 with a growth of 8.8% between 2021 and 2022, which was largely due to a growth of 17.5% in value of construction works completed for private projects. This growth was mainly due to:

- the re-opening of businesses after the relaxation of the MCOs, following the implementation of the National COVID-19 Immunisation Programme; and
- the announcements of various initiatives under Budget 2021 and various economic stimulus packages such as Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-Term Economic Recovery Plan (PENJANA).

The construction industry in Malaysia continued to grow by 8.4% in 2023. Much of this growth was due to a growth in value of civil engineering works completed in the year as there were several major infrastructure projects that were completed in 2023 such as Phase 2 of the MRT Putrajaya Line project, section 6 of the West Coast Expressway project, and tunnelling works for the East Coast Rail Link project. In the first three (3) quarters of 2024, the value of construction works completed in Malaysia registered a growth of 19.2% compared to the first three (3) quarters of 2023. This growth is driven by a growth in value of civil engineering works completed such as certain portions of Pan Borneo Highway Phase 1, certain portions of the East Coast Rail Link project and certain portions of the Rapid Transit Link project, as well as construction works for residential projects such as Agile Bukit Bintang (Towers B and C) and Setia Sky Seputeh.

Moving forward, the construction industry in Malaysia is estimated to grow at a CAGR of 7.8%, from RM143.6 billion in 2024 to reach RM166.8 billion in 2026.

Construction products

The building materials industry in Malaysia declined by 18.8% from RM66.4 billion in 2019 to RM53.9 billion in 2020 due to slower construction activities during the MCOs that were implemented in the year. The industry recovered in 2021 by 6.9% to RM57.6 billion, and continued to grow to reach RM68.2 billion in 2023. In the first three (3) quarters of 2024, the building materials industry in Malaysia registered a growth of 8.3%, growing to RM66.9 billion from RM61.8 billion in the first three (3) quarters of 2023. Moving forward, the building materials industry in Malaysia is forecast to grow at a CAGR of 6.5%, from RM72.7 billion in 2024 to reach RM82.5 billion in 2026.

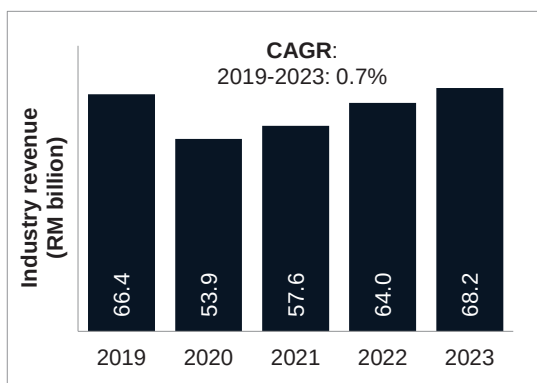
Meanwhile, the lighting and mechanical and electrical (“M&E”) products as well as the hardware, tools and machinery industries were less affected by the MCOs in 2020. This is attributed to consumers purchasing construction products to carry out home improvement and do-it-yourself (DIY) projects as they spend more time at home. The lighting and M&E product industry in Malaysia grew by 47.4% from RM0.9 billion in 2019 to RM1.3 billion in 2020, while the hardware, tools and machinery industry in Malaysia grew by 11.8% from RM7.6 billion in 2019 to RM8.5 billion in 2020. Both the lighting and M&E product as well as hardware, tools and machinery industries in Malaysia continued to grow to reach RM1.8 billion and RM10.7 billion in 2023, respectively. In the first three (3) quarters of 2024, the lighting and M&E products industry in Malaysia stood at RM2.0 billion, growing from RM1.6 billion over the same period in 2023, registering a growth of 25.0%. Meanwhile, the hardware, tools and machinery industry in Malaysia grew by 12.5% from RM9.6 billion in the first three (3) quarters of 2023 to RM10.8 billion over the same period in 2024. Moving forward, the lighting and M&E product as well as hardware, tools and

7. INDUSTRY OVERVIEW (Cont'd)

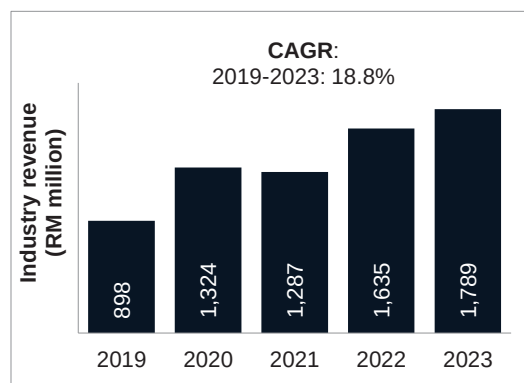


machinery industries in Malaysia are forecast to grow at CAGRs of 11.3% and 8.4%, from RM2.1 billion and RM11.4 billion respectively in 2024 to reach RM2.6 billion and RM13.4 billion, respectively in 2026.

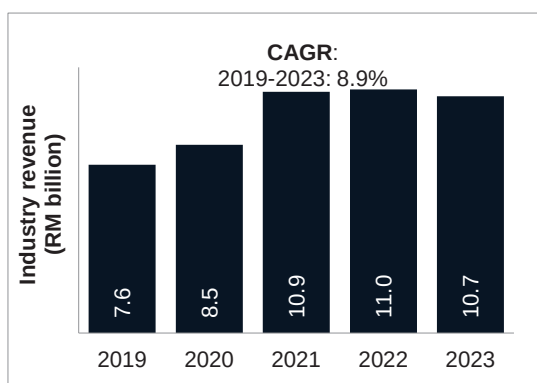
Building materials industry in Malaysia ⁽¹⁾



Lighting and M&E products industry in Malaysia



Hardware, tools and machinery industry in Malaysia



Note:

(1) Building materials consist of refractory mortars and concretes; non-refractory ceramic; precast concrete, cement or artificial stone articles for use in construction; prefabricated structural components for building or civil; cement, concrete or artificial stone; other articles of concrete, cement and plaster; ready-mix and dry-mix concrete and mortars; pig iron and spiegeleisen in pigs, blocks or other primary forms; bars and rods of stainless steel or other alloy steel; seamless tubes, by hot rolling, hot extrusion or hot drawing, or by cold drawing or cold rolling; other basic iron and steel; and veneer sheets and plywood.

Source: Department of Statistics Malaysia

INDUSTRY PERFORMANCE, SIZE AND GROWTH – PROPERTY DEVELOPMENT INDUSTRY

Performance of the residential property development industry

Residential property holds the largest share of the property development industry, contributing RM100.9 billion (or 51.3%) to the total property transaction value in Malaysia in 2023, while the remaining 48.7% are made up of non-residential and mixed-use properties.² Between 2019 and 2023, the residential property development industry in Malaysia has seen growth at a CAGR of 4.6% in terms of number of transactions, and a CAGR of 8.7% in terms of value of transactions.

Residential property transactions by location in Malaysia

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
Volume (units)							
Malaysia	209,295	191,354	198,812	243,190	250,586	183,525	192,484
Kuala Lumpur	11,100	10,606	11,129	13,182	13,752	9,938	10,291
Selangor	51,981	44,034	48,755	56,514	55,035	40,235	42,076
Value (RM billion)							
Malaysia	72.4	65.9	76.9	94.3	100.9	73.2	78.1
Kuala Lumpur	8.3	8.2	9.7	11.8	11.4	8.3	8.8
Selangor	25.4	21.7	26.5	30.6	30.3	21.9	23.5

Source: National Property Information Centre ("NAPIC")

² Source: NAPIC

7. INDUSTRY OVERVIEW (Cont'd)



In particular, residential property industry in Kuala Lumpur grew, in terms of the volume of residential property transactions, at a higher CAGR of 5.5% than the overall residential property transactions in Malaysia between 2019 and 2023. Meanwhile, the volume of residential property transactions in Selangor recorded a lower CAGR of 1.4% over the same period. In terms of value of property transactions, Kuala Lumpur and Selangor recorded CAGRs of 8.3% and 4.5%, respectively, between 2019 and 2023.

The overall property development industry was adversely affected by the COVID-19 pandemic in 2020, resulting in a decline in residential property transaction volumes and values in the year.

To aid the recovery of the industry, the Government of Malaysia introduced several initiatives to stimulate the property development industry and provided financial relief to homebuyers and homeowners. This included the Home Ownership Campaign 2020-2021, which allowed homebuyers to enjoy stamp duty exemptions on the instruments of transfer and loan agreements for the residential properties priced between RM0.3 million and RM2.5 million, subject to a discount of at least 10.0% from the developer. Additionally, homeowners looking to sell their properties were exempted from paying Real Property Gains Tax (RPGT) on the disposal of up to three (3) residential properties per individual between 1 June 2020 and 31 December 2021. Furthermore, the existing 70.0% financing limit on a third housing loan for a residential property valued at RM600,000 and above was lifted during the period.

As a result of these initiatives, the volume and value of residential property transactions rebounded in 2021 by 3.9% and 16.7% between 2020 and 2021, respectively. The residential property development industry continued to grow to reach 250,586 units in terms of volume of residential property transactions, and RM100.9 billion in value of residential property transactions by 2023.

In the first three (3) quarters of 2024, the volume and value of residential property transactions grew by 4.9% and 6.7% compared to the same period in 2023, respectively.

Moving forward, the volume and value of residential property transactions are estimated to grow at CAGRs of 3.4% and 9.4% between 2024 and 2026, from 258,855 and RM105.1 billion in 2024 respectively to reach 277,024 and RM125.7 billion in 2026, respectively.

Overhang properties in Malaysia

Overhang properties refer to properties that have been completed yet remained unsold for more than 9 months after they were launched. A high level of overhang properties is an indicator for lower number of development projects launched in the property development industry as property developers may be discouraged from developing new properties until the overhang situation improves.

In Malaysia, the number and value of overhang residential properties have reduced between 2021 and 2023. The volume of overhang residential properties fell from 36,863 units in 2021 to 25,816 units in 2023. Meanwhile, the value of overhang residential properties also fell from RM22.8 billion in 2021 to RM17.7 billion in 2023. In the first three (3) quarters of 2024, both the volume and value of overhang residential properties continued to decline, reaching 21,968 units and RM13.8 billion.

Overhang residential properties by location in Malaysia

	2019	2020	2021	2022	2023	Q1-Q3 2023	Q1-Q3 2024
Volume (units)							
Malaysia	30,664	29,565	36,863	27,746	25,816	25,311	21,968
Kuala Lumpur	2,605	3,023	3,908	3,429	3,535	3,111	3,273
Selangor	4,687	4,889	6,095	3,698	3,405	3,296	2,304
Value (RM million)							
Malaysia	18,819.4	18,918.6	22,789.7	18,414.3	17,680.4	17,400.3	13,846.9
Kuala Lumpur	2,600.3	2,915.0	3,166.1	3,149.2	3,632.5	3,318.8	3,118.3
Selangor	3,750.7	4,287.9	5,281.2	3,358.9	3,632.3	3,480.7	1,815.5

Source: NAPIC

DEMAND DRIVERS

Long-term economic and population growth signify growth opportunities for the residential property development industry, which in turn would create demand for the construction industry

Between 2019 and 2023, the GDP per capita in Malaysia grew from RM46,513 to RM54,612, registering a CAGR of 4.1%.³ The rise in GDP per capita indicates a growing economy which signifies growing disposable income and improving standard of living of the population, leading to a more affluent

³ Source: Department of Statistics Malaysia

7. INDUSTRY OVERVIEW (Cont'd)



population with greater spending power. Thus, the increasing disposable income of Malaysia's population correlates with the demand for residential properties, and would also result in a higher demand for higher-value residential properties.

In addition, the residential property development industry can also be driven by a growing population as more properties need to be constructed to support the needs of the population. The population of Malaysia grew from 32.5 million to an estimated of 34.1 million between 2019 and 2024.³

The growth in demand for residential properties will lead to a higher number of residential properties being developed, thus creating demand for the construction industry in the country.

Availability of loans and stable interest rates can encourage construction activities and demand for residential properties

The growth of the construction industry depends on the availability of loans and the interest rates charged to companies to fund their working capital for construction works. The availability of loans and interest rates charged will also impact the population's ability to purchase residential properties. Meanwhile, the availability of loans and interest rates charged depend on factors such as liquidity in the market, financial institutions' internal lending policies, and the Malaysian Government and Bank Negara Malaysia's policies and guidelines.

Between 2019 and 2024, loans for construction activities grew at a CAGR of 18.2%. Loans for construction activities increased by 26.6% between 2023 and 2024. Meanwhile, the Bank Negara Malaysia has kept the Overnight Policy Rate (OPR) unchanged at 3.0% since 3 May 2023.⁴

This indicates that loans have been available in the market, and stable interest rates were charged for loans. As such, this would ease the ability for construction companies and property buyers to source for financing, which would in turn enable them to carry out construction works or purchase properties.

Various Malaysian Government projects, measures, initiatives and plans will contribute to boosting the growth of the construction industry and property development industry

The Malaysian Government has announced various projects, measures, initiatives and plans which will contribute to the growth of the construction industry and property development industry. These include:

- (i) The ongoing development of large-scale construction projects within the country is expected to continue to drive demand for construction services and products. Among the ongoing and upcoming major development projects in Malaysia include the Pan-Borneo Highway, Central Spine Road, Sarawak-Sabah Link Road Phase 2 and Penang Light Rapid Transit (LRT);
- (ii) **Budget 2023** – Under Budget 2023, the Malaysian Government had declared full stamp duty exemption for first homes valued up to RM500,000, effective until the end of 2025;
- (iii) **Budget 2024** – Under Budget 2024, the Malaysian Government has allocated funds for infrastructure and residential projects, such as:
 - (a) RM10.0 billion allocation under the Housing Credit Guarantee Scheme, a scheme established to help individuals without a steady income to attain home ownership;
 - (b) RM2.8 billion allocation for maintenance of federal roads and bridges;
 - (c) RM2.4 billion to build, maintain and repair quarters for civil servants, teachers, hospitals, police, armed forces and firefighters; and
 - (d) RM2.5 billion for the implementation of people's housing projects (including reviving abandoned projects, continuing the implementation of 'Program Perumahan Rakyat' and 'Rumah Mesra Rakyat', as well as providing aid for the renovation and construction of low-cost houses) in 2024.
- (iv) **Budget 2025** – Under Budget 2025, the Malaysian Government has allocated funds for residential and infrastructure projects, such as:
 - (a) RM900.0 million allocation for the implementation of 48 new 'Program Perumahan Rakyat' projects and 14 new 'Rumah Mesra Rakyat' projects;
 - (b) RM12.8 billion Malaysian Government guarantees has been approved for over 57,000 first-time home buyers;
 - (c) RM200.0 million for the maintenance of low-cost and medium-cost public housing;
 - (d) Approximately RM100.0 million for upgrading 48 MADANI Public Parks;
 - (e) RM84.0 million for upgrading of basic and social amenities in Kampung Baru Cina;

⁴ Source: Bank Negara Malaysia

7. INDUSTRY OVERVIEW (Cont'd)



- (f) Up to RM7,000 of individual income tax relief on housing loan interest payment to first home owners, for 3 consecutive years of assessments on sale and purchase agreements completed between 1 January 2025 and 31 December 2027;
 - (g) RM1.8 million allocation for the construction and repair of village roads such as in Kota Belud in Sabah, Pasir Puteh in Kelantan and Kuala Lipis in Pahang;
 - (h) RM2.8 billion allocation for maintenance of federal roads; and
 - (i) RM5.5 billion of Malaysia Road Records Information System (MARRIS) funds 2025 allocation for improvement of state roads.
- (v) **'Rumah Selangorku'** – Introduced by the Selangor State Government, the *'Rumah Selangorku'* scheme aims to provide low-cost, low-medium and medium-cost housing for the people. In January 2014, the *'Pekeliling Dasar Rumah Selangorku Bil 1 Tahun 2013'* took effect and thereafter, all developments of affordable homes in Selangor have been included under the *'Rumah Selangorku'* scheme. The scheme benefits citizens with low-to middle incomes within the state of Selangor, offering homes priced between RM42,000 and RM250,000. Applicants are restricted to 1 purchase, and the scheme supports households with a maximum income of RM10,000, facilitating their first home purchases and fostering the development of affordable housing in Selangor;
- (vi) **'Residensi Wilayah' (previously known as 'Rumah Mampu Milik Wilayah Persekutuan' (RUMAWIP))** – Initiated by the Ministry of Federal Territories in 2019, the *'Residensi Wilayah'* scheme aims to offer affordable housing to the middle-income groups in Kuala Lumpur, Putrajaya and Labuan. It also serves to educate people about property ownership. The scheme plans to construct 80,000 houses over ten years (2019-2028), with a maximum price cap of RM300,000 per unit. Eligibility is open to applicants born, residing or working in the federal territories, with single applicants earning less than RM10,000 per month and married applicants earning a combined income below RM15,000. Each household can submit only 1 application for any project under the *'Residensi Wilayah'* initiative;
- (vii) **Mesra Rakyat Housing programme** – The housing programme, initiated in 2002 to aid the lower income group in homeownership, has seen adjustments by the Malaysian Government. The monthly household income eligibility has been raised from RM3,000 to RM5,000, and the monthly instalment period extended from 16 to 25 years with a fixed rate of RM300. These changes are intended to benefit a broader segment of the population. Additionally, the Malaysian Government has allocated RM358 million in 2024 to construct 3,500 units under this programme; and
- (viii) **Twelfth Malaysia Plan ("12MP")** – Several strategies will be undertaken to increase the supply of quality affordable housing for the population, especially to the low-income group. This includes improving access to affordable housing through the provision of financing facilities for first-time home buyers, managing housing construction costs by developing a cost-sharing mechanism between the Government of Malaysia and private developers, and building a total of 500,000 affordable houses at strategic locations.

The abovementioned projects, measures, initiatives and plans will not only drive demand for properties, but also lead to growth in construction works in Malaysia which are beneficial to companies such as LSH Capital Group. For example, homeowner incentives (such as the stamp duty exemption for first homes as well as affordable housing schemes (such as *Residensi Wilayah* and the *Mesra Rakyat Housing programme*) are expected to increase demand for properties. The increased demand for properties would benefit property developers such as LSH Capital Group, which has featured the *'Residensi Wilayah'* affordable housing units in its LSH Segar and Lake Side Homes residential development projects. This would also encourage property developers to develop and launch new property development projects, thereby increasing demand for construction and engineering works, construction-related services and solutions and construction products, all of which are principal activities of LSH Capital Group.

New technologies and trends will benefit the construction industry

The advent of new technologies brought about by the fourth industrial revolution (IR4.0) will drive change and new developments in the construction industry. The Construction Industry Development Board ("**CIDB**") is responsible for promoting various technologies within the construction industry, such as the Industrialised Building System ("**IBS**"), which involves the pre-fabrication or production of components in a factory, after which they are transported and installed at the construction site. The benefits of IBS include reduced use of workers on site, quicker installation process, better safety, reduced construction material waste, time-saving and cost-effectiveness. CIDB has an IBS Component Gallery which showcases the information, benefits and samples of IBS components.

7. INDUSTRY OVERVIEW (Cont'd)



Sustainability is also an on-going trend in the construction industry, whereby there has been a shift towards more sustainable and green practices in the industry. The 12MP mentions the implementation of green construction practices such as green building design; the use of sustainable, durable, biodegradable and recycled construction materials; application of various technologies including IBS and building information modeling; as well as adoption of sustainable certification and performance tools including the Sustainable Infrastructure Rating Tool, Green Building Index and GreenRE.

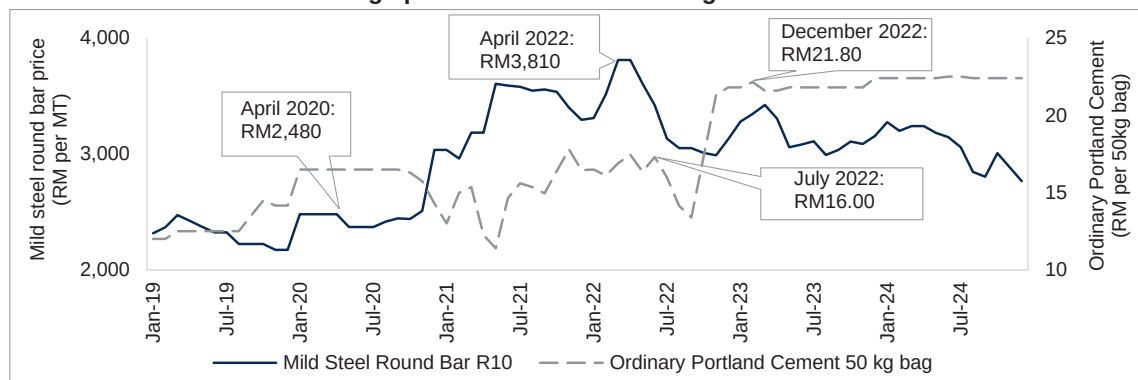
The adoption of these new technologies will improve the efficiency and productivity of the construction process, thus benefiting the construction industry.

SUPPLY CONDITIONS

Cost and supply of construction products

Construction products are critical components in the construction industry and property development industry. These construction products include building materials, lighting products, hardware products and tools and construction machinery and equipment. The cost of these products may be subject to global price fluctuations and supply disruptions. In 2022, the average price of building materials, particularly steel, increased due to the uncertainties caused by the Russia-Ukraine war. Meanwhile, the average price of cement also rose in end of 2022 due to rising coal prices (raw material for cement) and shipping costs.

Average prices of selected building materials ⁽¹⁾



Note:

(1) Prices in Selangor

Source: CIDB

Availability of human resources

The construction industry is labour-intensive and relies on both local and foreign workers to perform construction works. As such, the construction industry may be adversely impacted should there be a shortage of workers. The number of persons employed in the construction industry has remained between 1.2 and 1.3 million persons between 2019 and 2023. Further, any changes in labour and immigration policies would affect the ability of industry players to apply for or renew visas for foreign workers. For example, the Malaysian Government's intention to increase the minimum wage in Malaysia to RM2,000 by 2025 would also impact construction costs, thus impacting costs of property development. In 2024, the Malaysian Government introduced the Progressive Wage Policy pilot which has set the minimum wage at RM1,800.

COMPETITIVE OVERVIEW

The competitive landscape of the construction industry in Malaysia is fragmented, with various industry players competing. There were over 137,000 contractors registered with the CIDB as at 31 January 2025, of which about 10,000 were registered as G7 construction contractors with no tender limit⁵, which is similar to LSH Capital Group.

We have identified the following industry players that meet the following criteria as competitors to LSH Capital Group ⁽¹⁾⁽²⁾:

- (i) The company, or its subsidiary(ies), is principally involved in the provision of main construction services for residential, commercial and/or infrastructure projects in Malaysia;

⁵ Based on data extracted as at 31 January 2025

7. INDUSTRY OVERVIEW (Cont'd)



- (ii) The company has a profit after tax ("PAT") of RM5.0 million and above for the latest audited financial year ended ("FYE");
- (iii) The company has a revenue of RM200.0 million and above for the latest audited FYE;
- (iv) The company, or its subsidiary(ies), holds a G7 registration grade from CIDB; and
- (v) The company is listed on the construction sector of the ACE Market or Main Market of Bursa Securities.

Company name	Involved in businesses other than providing construction services ^(v)						Latest audited FYE	Revenue (RM'000)	Gross profit ("GP") (RM'000)	GP margin (%)	Profit after tax ("PAT") (RM'000)	PAT margin ⁽⁴⁾ (%)
	Building materials	Lighting and M&E products	Hardware products and tools	Machinery sale or rental	Property development							
YTL Corporation Berhad	✓	-	-	-	✓		30 June 2024	30,490,671	9,133,528	30.0	3,884,731	12.7
Gamuda Berhad	✓	-	-	-	✓		31 July 2024	13,346,712	*	*	943,016	7.1
IJM Corporation Berhad	✓	-	-	-	✓		31 March 2024	5,918,814	1,550,238	26.2	665,192	11.2
Sunway Construction Group Berhad	✓	-	-	✓	-		31 December 2023	2,671,225	434,182	16.3	145,847	5.5
Malaysian Resources Corporation Berhad	✓	-	-	-	✓		31 December 2023	2,537,490	330,542	13.0	101,086	4.0
Chin Hin Group Berhad	✓	-	-	-	✓		31 December 2023	2,057,210	188,422	9.2	162,702	7.9
Kerjaya Prospek Group Berhad	-	✓	-	-	✓		31 December 2023	1,472,781	197,663	13.4	131,696	8.9
Protasco Berhad	✓	-	-	✓	✓		31 December 2023	1,131,559	135,383	12.0	21,073	1.9
MGB Berhad	✓	-	-	-	✓		31 December 2023	971,828	148,560	15.3	50,462	5.2
Kimlun Corporation Berhad	✓	-	-	-	✓		31 December 2023	852,569	61,582	7.2	6,878	0.8
Kumpulan Kitacon Berhad	-	-	-	-	-		31 December 2023	780,875	93,952	12.0	36,369	4.7
AME Elite Consortium Berhad	✓	-	-	-	✓		31 March 2024	716,876	172,150	24.0	126,013	17.6
TRC Synergy Berhad	-	-	-	-	✓		31 December 2023	679,457	46,076	6.8	25,603	3.8
Inta Bina Group Berhad	-	-	-	-	-		31 December 2023	650,107	52,723	8.1	22,886	3.5
Pesona Metro Holdings Berhad	✓	-	-	-	-		31 December 2023	515,414	39,728	7.7	12,389	2.4
Binastra Corporation Berhad	-	-	-	-	-		31 January 2024	425,202	60,576	14.2	40,773	9.6
LSH Capital Group	✓	✓	✓	✓	✓		30 September 2024	361,405	128,187	35.5	74,283	20.6
Vestland Berhad	-	-	-	-	-		31 December 2023	349,242	51,327	14.7	27,765	8.0
Crescendo Corporation Berhad	✓	-	-	-	✓		31 January 2024	341,345	116,904	34.2	57,026	16.7
Gabungan AQRS Berhad	✓	-	-	-	✓		30 June 2024 ⁽⁶⁾	426,280	63,052	14.8	18,500	0.4
GDB Holdings Berhad	-	-	-	-	-		31 December 2023	319,649	13,423	4.2	8,334	2.6
Gagasan Nadi Cergas Berhad	✓	-	-	-	✓		31 December 2023	318,349	33,821	10.6	5,582	1.8
Naim Holdings Berhad	✓	-	-	-	✓		31 December 2023	316,952	35,624	11.2	35,313	11.1
Mitrajaya Holdings Berhad	-	-	-	-	✓		31 December 2023	294,777	48,850	16.6	13,401	4.5
Azam Jaya Berhad	✓	-	-	-	✓		31 December 2023	280,766	77,578	27.6	25,983	9.3

Notes:

- (1) Information in the table above is based on publicly available information as at 31 January 2025, and is not an exhaustive list.
- (2) The table above has been sorted based on revenue, in descending order.

7. INDUSTRY OVERVIEW (Cont'd)



- (3) Businesses may be performed by the company, its subsidiary(ies), associated company(ies) and/or joint venture company(ies).
- (4) PAT margin was computed based on PAT and revenue.
- (5) * Not available as Gamuda Berhad's GP is not published in its annual report. Instead, Gamuda Berhad publishes its profit from operations, which amounted to approximately RM945.88 million for its latest audited FYE 31 July 2024, representing a margin of approximately 7.1%.
- (6) Gabungan AQRS Berhad's has changed its financial year end from 31 December 2023 to 30 June 2024. Accordingly, the current audited financial period covers a period of 18 months from 1 January 2023 to June 2024.

Source: PROVIDENCE analysis, various company websites, Companies Commission of Malaysia

The barriers of entry to the construction industry, particularly amongst industry players that hold a G7 registration grade from CIDB, include having adequate funding for the working capital requirements throughout the construction phase of the projects, as well as having an established track record and the requisite credit profile and financial position to secure financing, especially for large-scale construction projects. For the property development industry, the barriers of entry include having access to suitable land, adequate capital for land acquisition, as well as adequate funding for the working capital requirements throughout the development phase of the property development project.

MARKET SHARE

The market share for LSH Capital Group are as follows:

	Construction and engineering works		
	Market size (⁽¹⁾ (RM billion)	LSH Capital Group's revenue (⁽²⁾ (RM million)	LSH Capital Group's market share (⁽³⁾ (%)
2022	121.9	99.0	0.08
2023	132.2	258.5	0.20

	Property development		
	Market size (⁽¹⁾ (RM billion)	LSH Capital Group's revenue (⁽²⁾ (RM million)	LSH Capital Group's market share (⁽³⁾ (%)
2022	94.3	-	-
2023	100.9	(⁽⁴⁾)13.9	0.01

	Construction products		
	Market size (⁽¹⁾ (RM billion)	LSH Capital Group's revenue (⁽²⁾ (RM million)	LSH Capital Group's market share (⁽³⁾ (%)
2022	76.6	56.7	0.07
2023	80.7	75.4	0.09

Notes:

- (1) Based on calendar year.
- (2) Based on LSH Capital's FYE 30 September 2022 and 2023.
- (3) LSH Capital Group's revenue for the respective business segment during the respective FYE, divided by market size.
- (4) LSH Capital only started recognising revenue from its property development segment following the completion of the acquisitions of Astana Setia Sdn Bhd and Lim Seong Hai Ventures Sdn Bhd on 17 April 2023.

Source: LSH Capital Group, Department of Statistics Malaysia and NAPIC

2 PROSPECTS AND OUTLOOK

As LSH Capital Group's primary focus is in the construction industry where it provides construction and engineering works, construction-related services and solutions and construction products, the Group stands to benefit from the positive outlook of the construction industry in Malaysia. The growing value of civil engineering and residential works completed in the country in the first three (3) quarters of 2024 compared to the first three (3) quarters of 2023 is also an indicator that the construction segments in which LSH Capital Group has built their track record are growing. This will bode well for LSH Capital Group, particularly in their efforts to grow their orderbook for their construction and engineering works, and construction-related services and solutions sub-segments.

Further, the Group's property development segment also stands to benefit from the growing property development industry in Malaysia. In particular, the residential property development industry segment, which is where LSH Capital Group operates, has been growing and is expected to continue growing in the future. Thus, this indicates potential demand for LSH Capital Group's existing and future property development projects.

8. RISK FACTORS

YOU SHOULD EVALUATE AND CAREFULLY CONSIDER THE FOLLOWING RISKS ALONG WITH OTHER INFORMATION IN THIS PROSPECTUS BEFORE INVESTING IN OUR COMPANY.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 Our business and financial performance are largely dependent on our ability to secure new projects to replenish our orderbook

We undertake construction works for various types of buildings and infrastructure, as well as engineering works. We also supply construction products that are required for our construction and engineering works, as well as the needs of the wider construction industry. In addition to our primary focus as a construction company, we are also involved in property development activities which allow our Group to leverage on our strengths and prowess in construction activities, whilst providing an additional revenue stream for our Group through the sales of property units.

For the FYEs 2022, 2023 and 2024, our Group's revenue was mainly contributed from our construction and engineering works as well as construction-related services and solutions sub-segments, which collectively accounted for approximately 65.82% (RM109.15 million), 75.02% (RM268.41 million) and 58.44% (RM211.22 million) of our Group's total revenue respectively, while the remaining revenue of our Group was contributed from our construction products sub-segment (i.e. FYE 2022: 34.18% (RM56.72 million); FYE 2023: 21.08% (RM75.42 million); and FYE 2024: 21.30% (RM76.97 million)) and property development segment (i.e. FYE 2022: nil; FYE 2023: 3.90% (RM13.93 million); and FYE 2024: 20.02% (RM72.35 million)).

As a construction company, the nature of our construction business is largely project-based. As such, our revenue, profit and operating cash flow in any given financial year may fluctuate depending on the number, value, progress and stage of completion of the projects we undertake. For information, the duration to complete a construction project typically range between three (3) to five (5) years depending on our clients' requirements and scope of works to be performed.

In this regard, our business and financial performance are largely dependent on our ability to continually secure new projects to replenish our orderbook. As it is common for construction and engineering work projects to be awarded based on tender exercises, we have to continue submitting competitive tenders and proposals for every contract which we wish to undertake. As at LPD, we have 16 ongoing construction and engineering work projects ranging from building construction to infrastructure construction and engineering works with a total outstanding orderbook of approximately RM1.52 billion, the details of which are set out in Section 6.2.1(i) of this Prospectus. Although we have an orderbook which will be recognised progressively over the next six (6) financial years, there is no assurance that we will be able to continue to secure new projects in the future. In the event we are unable to secure any new projects on a continuous basis, our orderbook will decline over time and consequently result in adverse effects on our financial performance in the future.

Our orderbook is also subject to variations in the scope of works which may occur during the construction period. Should there be any variation in the scope of work for the projects secured which result in reduction in the contract value, the total value of our orderbook and revenue to be generated from the project may reduce, which in turn may also adversely affect our financial performance. As such, there can be no assurance that our current orderbook can be continually maintained at a healthy level in the future.

8. RISK FACTORS *(Cont'd)***8.1.2 We are exposed to credit and liquidity risks as a result of delays in collection, non-recoverability and/or settlement of trade receivables and/or retention sums through contra payment via payment-in-kind**

We are exposed to delays in collection and/or non-recoverability of trade receivables and/or retention sums from our clients. At present, the credit terms granted to our clients ranges from 30 to 90 days from the date of our invoice or progress billings depending on the terms of the contract, whilst the retention sums are generally expected to be released by our clients in two (2) tranches where the first tranche will be released upon issuance of the CCC or CPC (as the case may be), while the second tranche will be released upon expiration of the contracted DLP and upon issuance of CMGD, depending on the terms of the contract.

For information, our Group's total trade receivables as at 30 September 2024 which exceeded the credit period (excluding retention sums and unbilled receivables) and remain outstanding as at LPD stood at approximately RM0.46 million, whilst our retention sums which remain unclaimed as at LPD stood at approximately RM21.76 million and are due for release between 12 to 18 months. We did not have bad debts written off during the Financial Years Under Review save for the FYE 2022 in which the amount is about RM1,000.

In addition, we may face circumstances where our clients are unable to settle amounts owing to us in cash, and instead request for such amounts to be settled through contra payment via payment-in-kind. In such circumstances, this may reduce our Group's cash flow available to fund our business operations. While it is common for contractors in the construction industry to enter into contra payment arrangements, our Group will only consider such arrangements when other conventional debt recovery methods have been exhausted or if the Group sees opportunities in ownership of the asset offered, beyond for contra payments. Notwithstanding this, we will also give consideration to the quality of the contra asset offered in lieu of cash before entering into and effecting any contra payment arrangement. This includes assessing the contra asset's marketability, potential for appreciation, ease of disposal, and/or financial impact if such debt is not settled at all. While our Group has not experienced this risk in the past, we have on one (1) occasion accepted a contra payment proposal, wherein ASSB had agreed with one of its clients on 15 April 2024 to accept three (3) residential apartment units and a three (3)-storey shop in exchange for the settlement of a total amount of RM5.09 million due to ASSB in relation to the progress claims and retention sums for two (2) projects which were completed prior to our Company's acquisition of ASSB on 17 April 2023 purely for expediency purpose. Further details of the contra payment are set out in Sections 11.8(i) and 13.5(ix) of this Prospectus, whilst details of the said properties used as contra payment are set out in items (7) to (10) in Annexure C.1 of this Prospectus.

Although our cash flow or liquidity positions have not been materially affected by the delays in collection and/or non-recoverability of trade receivables and/or retention sums and/or contra payment via payment-in-kind in the past, there is no assurance that we will not face potential cash flow and working capital constraints should there be any delay and/or non-collection of any trade receivables and/or retention sums and/or contra payment via payment-in-kind in the future. Should this occur, this may result in a material adverse impact on our financial condition, our ability to pay our subcontractors and/or suppliers, and/or the progress and completion of our projects.

8.1.3 Our success depends on our leadership team

The success of our Group is, to a large extent, dependent on the experience, industry knowledge and network, as well as skills of our leadership team which comprises our Directors and our Key Senior Management. All of them play vital roles in our daily business operations, overall strategic direction, as well as the development and implementation of our business strategies.

Our Executive Vice Chairman, DLKG, our Group Managing Director, Lim Pak Lian and our Managing Director of Machinery, Hardware and Tools Division, Lim Keng Hun, each has over

8. RISK FACTORS (Cont'd)

30 years of experience in the field of construction and property development industries, while our Executive Director, Lim Ding Shyong, who is the youngest Director in our Company, has almost 13 years of experience in the same industries. Our Executive Directors are further supported by our Non-Executive Chairman, Tan Sri KC Lim, who has over 40 years of experience in the same industries, as well as our Key Senior Management who possesses a broad spectrum of expertise including engineering, procurement, sales and marketing, corporate, legal, finance and accounting. Further details on the experience of our Directors and Key Senior Management are set out in Sections 4.2.2 and 4.4.2 of this Prospectus respectively.

Our success and future growth also depend on our ability to identify, hire, train and retain employees who are capable, skilled and qualified in performing their roles and responsibilities. As such, we recognise that if we are unable to find suitable and timely replacement for the departure of any of our Key Senior Management and other key employees in the future, our business, financial condition, results of operations and prospects may be adversely affected.

8.1.4 Our business and financial performance may be affected if there is any delay or cancellation of our projects

Our construction and engineering work projects as well as property development projects are required to be completed within the timeframe specified in the contracts awarded by our clients and SPAs entered into with the purchasers respectively. Although we closely monitor the progress and adhere to the project execution schedule for our projects, there remains a risk that we may not be able to complete our projects within the specified timeframe. Aside from potential cost overruns as detailed in Section 8.1.5 of this Prospectus, we may also be liable for LAD claims and/or penalties from our clients or purchasers as a result of any delay in the completion of our construction and engineering work projects or property development projects (as the case may be). Consequently, this may adversely affect our reputation, profitability and financial performance.

Delay in project completion may occur from time to time due to various unforeseen factors including delay in obtaining permits or approvals from regulatory authorities, delay caused by the subcontractors appointed by us in delivering their work, disputes with subcontractors, shortages of construction materials, equipment or labour, adverse weather conditions such as flood or haze, economic downturn, changes in government policies such as those relating to foreign labour, as well as legal proceedings affecting our property development projects. In the event we experience any unforeseen circumstances which may lead to a delay in the completion of our construction or engineering work project, we will seek an extension of time from our client. As an extension of time is still subject to the approval of our client, there is no assurance that we will not experience any claim for LAD and/or penalties as a result of delays in the completion of our construction or engineering work projects.

For information purpose, notwithstanding that our Group is presently involved in a legal proceeding involving the parcel of land owned by ASER for which the Lake Side Homes Project is to be constructed on and an interim stay order was granted by the High Court of Kuala Lumpur which halted the construction works of the said project from 17 April 2024 to 21 August 2024, as the construction works for the said project are still at a preliminary stage and we have not launched the said project for sales to the public, we have not experienced any delay in project completion resulting in LAD claims and/or penalties during the Financial Years Under Review as well as up to LPD. For further details on this legal proceeding, please refer to Section 13.6 of this Prospectus.

8. RISK FACTORS (Cont'd)

In addition, our business and financial performance may also be affected if our construction or engineering work projects are cancelled or terminated by our clients (including as a result of the termination of their own projects by the relevant project owners). For instance, main contractors whom we acquire subcontract works from may be bound by certain specific requirements and/or policies, such as Bumiputera participation requirements for certain projects in compliance with the Malaysian Government's Bumiputera policies, where applicable. Any non-compliance by the main contractor with such requirements and/or policies may lead to the suspension or revocation of such projects by the relevant project owners, which in turn may require us to suspend our works as subcontractor. In such event, there is no assurance that our clients will pay our outstanding progress claims in full for work done until the cancellation or termination of the said project, or return any outstanding retention sums in full. However, our Group has not experienced any cancellation or termination of our construction or engineering work projects during the Financial Years Under Review as well as up to LPD.

Notwithstanding the above, there is no assurance that we will not experience any delay in our ongoing and future construction, engineering works or property development projects resulting in LAD claims and/or penalties, or cancellation or termination of construction or engineering work projects in the future, which may materially and adversely impact our business and financial performance.

8.1.5 We face the risk of cost overruns for our construction and engineering work projects

In preparation for the submission of tenders or proposals, we will conduct a preliminary assessment on the terms given by the prospective client, the creditworthiness of the prospective client, feasibility of the project as well as the scope of work. We will also perform cost and budget estimations based on quotations from our suppliers and subcontractors, as well as our own cost estimations. However, our construction and engineering work projects' profitability and eventually our Group's financial performance is susceptible to any unforeseen cost increases which may arise after the tender or proposal submission until the completion of the construction or engineering work projects, which may take up to five (5) years to complete. Any unfavourable fluctuations in prices of construction materials, subcontractor costs and/or labour costs during this period may result in cost overruns which may adversely affect our construction and engineering work projects' profitability and financial performance if we are unable to pass any of these cost increases to our clients. In addition, any prolonged delay in project execution will not only increase the period for which we may be exposed to further price fluctuations, but also require us to extend the contract period with our labour workers, subcontractors and/or rental of construction machinery and equipment, which may result in further cost overruns and adversely affect our construction and engineering work projects' profitability and financial performance.

For the last three (3) FYEs 2022, 2023 and 2024, the cost of construction materials accounted for approximately 10.26%, 15.84% and 15.10% of our Group's total cost of sales respectively. During these FYEs, ready-mixed concrete and steel bars constitute one of the two (2) main construction materials purchased by our Group and they are subject to price fluctuations. The average unit purchase price of ready-mixed concrete increased by approximately 9.98% from the FYE 2022 to FYE 2023, and approximately 14.98% from the FYE 2023 to FYE 2024. On the other hand, the average unit purchase price of steel bar decreased by approximately 6.82% from the FYE 2022 to FYE 2023, but increased by approximately 9.78% from the FYE 2023 to FYE 2024. Although our Group has experienced price fluctuations in construction materials during these FYEs, such price fluctuations have not adversely affected our financial performance, as we have anticipated these price fluctuations and have priced in the risk when tendering for construction and engineering work projects.

8. RISK FACTORS (Cont'd)

Other than construction materials, our Group's total cost of sales are also made up of subcontractor costs and labour costs. For the last three (3) FYEs 2022, 2023 and 2024, subcontractor costs accounted for approximately 31.53%, 50.89% and 30.13% of our Group's total cost of sales respectively, while direct labour costs accounted for approximately 5.79%, 3.31% and 4.75% of our Group's total cost of sales respectively. As these costs are also significant components to our Group's total cost of sales, any increase in cost of subcontracted services and labour cost due to, among others, shortage of workers, will also adversely affect our financial performance.

While we have experience in estimating the project costs (including price fluctuations of construction materials) for the submission of tenders and proposals, there is no assurance that we will not face any unanticipated cost increase that are beyond our prediction or control which may adversely affect our profitability and financial performance.

8.1.6 Our actual sales value may be lower than the estimated GDVs of our property development projects

The GDVs of our Group's ongoing property development projects are estimated based on our market study including the average selling price of similar properties in the surrounding areas and other assumptions which may ultimately prove to be inaccurate. The actual sales value may be different due to changes over time which are subjected to, among others, factors affecting the demand and supply for such properties, ease of obtaining financing, economic growth rate of the country and interest rates.

As such, there is no assurance that the estimated GDVs will reflect the actual sales value achieved by our property development projects as the estimated GDVs are subject to the various assumptions as mentioned above as well as the timing of the launch of our property development projects. Any unfavourable change in prevailing conditions of the property market as well as market sentiment may result in our Group's property development projects achieving lower than anticipated selling prices and/or take-up rates, which will result in our Group not being able to realise our projected GDVs. This, in turn, may adversely affect our Group's business and financial performance.

8.1.7 We may not be able to renew or obtain licenses and permits required to carry out our business operations

Our business is subject to various laws, rules and regulations. In particular, we are required to obtain and hold a valid certificate of registration as contractor with the CIDB for our construction activities. The registration with the CIDB as a contractor is classified into seven (7) grades with each grade having a different tendering capacity. In this respect, a registered contractor is not permitted to tender for any construction project that exceeds the value of the construction works specified in the respective registration grade.

Our subsidiaries, LSH Lighting, LSHBB and ASSB, are registered with the CIDB as G7 contractors which allow us to tender and undertake construction projects with no limit to contract value. In order to retain our registration, we are required to comply with the restrictions and conditions imposed by the CIDB under the *Lembaga Pembangunan Industri Pembinaan Malaysia* Act 1994 (CIDB Act) and/or any other relevant government authorities. Should we fail to comply with such restrictions and conditions, our registration with the CIDB may be suspended or revoked. Furthermore, the certificate of registration issued by the CIDB are valid for a specified period of time and subject to periodic review and renewal by the CIDB. As such, there is also a risk of delay or refusal for the renewal of our certificates of registration upon its expiry.

8. RISK FACTORS *(Cont'd)*

In addition to the certificate of registration as a contractor with the CIDB, we are also required to obtain certain licences and permits to operate our construction products sub-segment and undertake property development activities. These licences and permits may also be subject to periodic reviews and renewals by the relevant authorities or agencies. Please refer to Annexure A of this Prospectus for details of the major licences, permits and approvals obtained by our Group which we are dependent on for our business operations as at LPD.

Furthermore, new laws, regulations or changes on the standards of compliance or conditions may be introduced by the CIDB or any other relevant authorities or agencies from time to time. In such event, there is no assurance that we will be able to adapt ourselves to such new or revised laws, regulations, standards or conditions with respect to our business operations and consequently, this may result in the delay of the completion of our projects which may have a material adverse effect on our business operations and financial performance and/or affect our profitability.

As at LPD, our Group's occupancy of an end lot three (3)-storey shophouse and a corner lot three (3)-storey shophouse as the retail store of Knight Auto and LSH Lighting respectively, both of which are located at Jalan Pahang, Kuala Lumpur, do not meet the requirement of having CCC under the Street, Drainage and Building Act 1974 and Uniform Build By-Laws 1984, further details of which are set out in Section 6.29 of this Prospectus. In addition, our Group had other past non-compliances, such as late renewal of some of our subsidiaries' business and advertisement licences, which have then been rectified. Although our Group has not experienced any penalties or enforcement action from the relevant authorities in respect of such non-compliances, there is no assurance that we will not be subject to any enforcement action, including fines and penalties from these authorities. There can also be no assurance that our certificates of registration and other licences and permits will not be suspended or revoked in the future. Any suspension, revocation or non-renewal of our certificates of registration or any of our major licences and permits may, in the future, have a material impact on our ability to continue our business operations which may materially and adversely affect our business activity, reputation and prospect.

8.1.8 We are exposed to the risk of defect liability claims from our clients and purchasers

Depending on the terms of the construction or engineering work project, we are liable for rectification of defects during the DLP, which typically ranges from 12 to 24 months from the issuance of the CPC. For our property development projects, we are also liable for rectification works during the DLP of 24 months upon handover of vacant possession to the purchasers.

During the DLP, we are obliged to repair, rectify and make good of any defects at our own cost. If there is a defect liability claim that is attributable to the works carried out by our subcontractor, the relevant subcontractor will perform the repair and rectification works and the cost of such works will be borne by such subcontractor.

However, there is no assurance that any claim towards such subcontractor or supplier for rectification works, damages and/or compensation that should rightfully be borne by them can be asserted, nor is there any certainty that we can successfully seek recourse from such subcontractor or supplier. Under such circumstance, we will ultimately be liable for the repair costs and damages which will result in an increase of our overall construction costs for the project, and if such defects are material, our business operations and financial performance will be adversely affected.

8. RISK FACTORS (Cont'd)

For the Financial Years Under Review as well as up to LPD, we have not experienced any material defect liability claim or any claim for compensation and retention sum asserted by our clients against us for our construction and engineering work projects that has materially affected our business operations and financial performance. As we have yet to complete any of our property development projects during the Financial Years Under Review as well as up to LPD, we have yet to undergo any DLP for our property development projects. Nevertheless, there can be no guarantee that we will not be subject to any material defect liability claims in the future which may have an adverse impact on our business operations and financial performance.

8.1.9 Our business is concentrated on a few major customers, some of which are related parties

Some of our major customers, including those which are related parties, had contributed substantially to our Group's revenue during the Financial Years Under Review as follows:

Name	% of total revenue of our Group			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(%)	(%)	(%)	(%)
Related parties:				
ASSB ⁽¹⁾	41.17	34.89	21.54	N/A
Besteel Engtech Sdn Bhd ⁽²⁾	6.73	53.90	58.30	41.58
LSHBB ⁽³⁾	5.73	N/A	N/A	N/A
Lim Seong Hai Property Sdn Bhd ⁽⁴⁾	*	*	2.38	*
Subtotal	53.63	88.79	82.22	41.58
Non-related parties:				
SLP Construction Sdn Bhd	18.48	1.60	*	11.07
Concrete Empire Holdings Sdn Bhd	7.09	*	*	*
Pertama Makmur Sdn Bhd	*	3.46	3.98	5.10
Ganti Juara Sdn Bhd	*	2.06	2.02	*
Euro Saga Sdn Bhd	*	*	*	4.61
Tekad Warisan (M) Sdn Bhd	*	*	*	4.44
Subtotal	25.57	7.12	6.00	25.22
Total % from top five (5) customers	79.20	95.91	88.22	66.80

Notes:

* Denotes major customers which are not within the top five (5) for the relevant Financial Years Under Review.

(1) As our Company's acquisition of ASSB was only completed on 17 April 2023, ASSB was not yet a subsidiary of our Company during the stipulated FYE. For information, ASSB was previously owned by LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong and hence, was formerly a related party prior to becoming a subsidiary of our Company.

(2) Besteel Engtech Sdn Bhd is a related party as DLKG, who is our Executive Vice Chairman and major shareholder of our Company, is also a director and major shareholder of Besteel Engtech Sdn Bhd.

(3) As our Company's acquisition of LSHBB was only completed on 15 October 2021, LSHBB was not yet a subsidiary of our Company during the stipulated FYE. For information, LSHBB was previously owned by LSH Resources and hence, was formerly a related party prior to becoming a subsidiary of our Company.

(4) Lim Seong Hai Property Sdn Bhd ("**LSH Property**") is a related party due to the following:

- (a) LSH Resources, which is a major shareholder of our Company, is also the holding company of LSH Property; and
- (b) Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are major shareholders of LSH Property by virtue of their indirect interest in LSH Resources held through LSH Holdings whilst DLKG, Lim Pak Lian and Lim Keng Hun are directors of LSH Property.

8. RISK FACTORS (Cont'd)

Moving forward, these major customers are expected to collectively contribute approximately 33.27% of our total outstanding orderbook as at LPD as follows:

Name	Project description	Expected completion date	% of outstanding orderbook as at LPD (%)
Besteel Engtech Sdn Bhd	Construction of bridge works at Nibong Tebal, Penang – foundation, substructure and superstructure works	May 2025	0.78
	Construction of bridge works at Nibong Tebal, Penang – earthworks, road pavement works, road furniture works, precast New Jersey barrier, galvanized iron railing and reinforced concrete works	July 2025	1.52
	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of reinforced concrete works	June 2025	0.43
	Construction of army family homes at Gemas, Negeri Sembilan – supply, delivery, installation, testing and commissioning of cold water and sanitary plumbing services	May 2026	0.82
	Construction of army family homes at Gemas, Negeri Sembilan – supply, delivery, installation, testing and commissioning of electrical and extra low voltage box	August 2025	2.06
	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of architectural works	March 2026	5.79
	Construction of army family homes at Gemas, Negeri Sembilan – supply of materials, labour, equipment and tools for construction and completion of infrastructure works	March 2026	1.59
Subtotal			12.99
SLP Construction Sdn Bhd	Upgrading of road works at Tangkak, Johor – geotechnical, earthworks, structures, drainage and pavement works	May 2026	5.69
Pertama Makmur Sdn Bhd	Upgrading of flood retention and structure works at Pendang, Kedah – flood wall, bund, bridges, syphon, leaf gates and regulator works	July 2026	2.23
Ganti Juara Sdn Bhd	Construction of road works at Sembrong, Johor – geotechnical, earthworks, structures, drainage and pavement works	May 2025	0.46
Euro Saga Sdn Bhd	Construction of road works at Jerantut, Pahang – geotechnical, earthworks, structures, drainage and pavement works	July 2026	11.53
Tekad Warisan Sdn Bhd	Upgrading of road works at Kota Belud, Sabah – geotechnical, earthworks, structures, drainage and pavement works	April 2025	0.37
Total			33.27

8. RISK FACTORS (Cont'd)

Notwithstanding that the standalone revenue contribution by SLP Construction Sdn Bhd and Besteel Engtech Sdn Bhd had, in some of the Financial Years Under Review, exceeded 10% of our Group's revenue for the said Financial Years Under Review, we are not materially dependent on any of these customers. This is due to the nature of our business which is mainly involved in the provision of construction and engineering works (including M&E works) as well as construction-related services and solutions on a project basis, of which the projects secured from any given client may contribute to a significant portion to our Group's revenue for any given financial year. As the implementation of our clients' projects can often be executed across several financial years and/or our clients may engage us for multiple construction and engineering work projects, revenue from these clients may contribute to a significant portion to our Group's revenue over several financial years. In this regard, our Group is exposed to customer concentration risk from time to time depending on the quantum of the projects secured and the tenure of contracts.

As such, our financial performance may be materially and adversely affected if we were to lose one (1) or more of our major customers (including any substantial reduction in the amount of products supplied and services provided to them) and/or are unable to replace them with new customers in a timely manner, encounter difficulty in collecting payments from these major customers, or if there is any substantial delay or termination of the projects undertaken with these major customers.

Although we have not encountered difficulty in securing new customers, there is no assurance that we are able to continue to secure contracts with new customers with equivalent or higher value to replace existing contracts that have been completed, deferred or terminated.

8.1.10 We are exposed to workplace hazards and potential workmen's compensation claims as well as loss and damage of our machinery and equipment

We are exposed to certain health and safety risks and our employees, workers as well as subcontractors (including their workers) are exposed to potential hazards such as bodily injuries and loss of life due to accidents at the project sites as well as contagious diseases. We are also exposed to risk of loss and physical damage to our machinery and equipment arising from theft, improper usage or fire.

Any injuries or fatal accidents at the project sites or general deterioration in the health and safety standards could put our employees, workers, subcontractors (including their workers) and/or the general public at risk, which may result in claims or legal proceedings initiated against us and/or may damage our reputation. We may also be subject to fines and penalties, investigation by the Department of Occupational Safety and Health, Malaysia ("**DOSH**") or any other relevant authorities or prohibition notices and/or stop-work orders issued by the relevant authorities which may result in suspension and/or delay in the completion of our projects.

Over the course of approximately 0.57 million, 1.34 million, 1.78 million and 1.12 million total annual aggregate man-hours worked for the construction of the LSH 33 Project and LSH Segar Project (being the main construction works carried out by our Group during the past four (4) years) in 2021, 2022, 2023 and 2024 respectively, there were no lost-time incidents that were recorded. In addition, we have also received a score of 87.29% and rating of four (4)-star out of a maximum of five (5) stars for our LSH Segar Project as assessed by the CIDB under the Safety and Health Assessment System in Construction ("**SHASSIC**") on 13 May 2024. For information, SHASSIC is an independent method used by the CIDB to assess and evaluate the safety and health performance of a contractor in construction works or projects.

During the Financial Years Under Review as well as up to LPD, there was also no material occurrence of accident arising from workplace hazards, workmen's compensation claims as well as loss and damage of our machinery and equipment, save for a damaged tower crane in FYE 2023 which we were compensated with RM267,000 by our insurance coverage for repair costs incurred.

8. RISK FACTORS (Cont'd)

Although we have put in place safety measures and procedures in performing our work, there is no assurance that our workers and subcontractors (including their workers) will ultimately adhere strictly to the safety measures and procedures that we have put in place, nor are we able to prevent accidents from occurring. In the event there are any claims by the workers, fines and penalties issued, investigation by DOSH or any other relevant authorities in relation to accidents at the project sites or prohibition notices and/or stop-work orders issued by the relevant authorities, our business operations and financial performance may be adversely affected.

8.1.11 There is no assurance that our insurance coverage would be adequate

Other than the risk of accidents at project sites as well as loss and physical damage to our machinery and equipment as mentioned in Section 8.1.10 of this Prospectus, we are also exposed to other risks such as pilferage, robbery and energy supply disruption at our physical retail stores, fire or flood as well as public liability.

As part of our operational practices for construction and engineering works, we have maintained certain insurance policies including but not limited to contractors' all risks insurance (which covers us against damages and losses incurred to our contract works or property, third-party liability in the event of accidental bodily injury and accidental loss of or damage to property belonging to a third-party), workmen's compensation insurance for each of our construction and engineering work projects based on contract requirements, as well as coverage for our machinery and equipment. For our retail operations, we maintain insurance policies for coverage against fire and burglary risk for each of our retail stores, as well as personal accident insurance for all despatch personnel and lighting products installer employed by our Group. We also have other insurance policies in place including money insurance policy, plate glass insurance policy, all risk insurance policy and public liabilities insurance policy, where necessary to meet the risks associated with our retail stores. However, we do not have insurance policies covering losses from certain types of events such as wars, riots, acts of terrorism and acts of God because they are either not economically insurable or uninsurable.

For the Financial Years Under Review as well as up to LPD, we have made two (2) minor insurance claims under our insurance policies and have been compensated with approximately RM11,000 for burglary and RM267,000 for repair cost of a damaged tower crane respectively. Whilst we have taken the necessary steps to ensure that our insurance coverage is adequate for our operations and assets, it may not be adequate to fully compensate for the loss that we may suffer in the future. If we suffer losses that exceed the coverage provided by the insurance policies, it may have an adverse impact on our business, financial condition and results of operations.

8.1.12 We may be involved in legal and other proceedings as well as subjected to negative publicity from time to time

We may from time to time be involved in disputes with various parties such as main contractors, subcontractors, professional consultants, clients, directors, employees and/or other parties involved in the construction and property development value chain. These disputes may lead to legal and/or other proceedings and may cause us to incur additional costs and potential delays in completing our construction and engineering work projects as well as property development projects. Such disputes, if they arise, may also occupy a significant amount of our management's time and attention. In addition, our Group may, from time to time, be required to deal with issues or disputes in connection with regulatory bodies over the course of our operations which may result in our Group being subject to legal or administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses and delay the progress of our projects. Any negative publicity arising from such claims such as negative media reports against us, may also affect our reputation.

8. RISK FACTORS (Cont'd)

As at LPD, our Group is involved in a legal proceeding involving the parcel of land owned by ASES for which the Lake Side Homes Project is to be constructed on. If the final outcome of the legal proceeding is not in favour of ASES after all parties have exhausted all avenues for appeal, we may ultimately not be able to realise the full GDV of the Lake Side Homes Project based on the existing development order, which is estimated to be approximately RM1,153.96 million. For further details on this legal proceeding, please refer to Section 13.6 of this Prospectus.

There is no assurance that these disputes will be settled or settled on terms which are favourable or reasonable to our Group. If such disputes are not settled or are not settled on terms which are favourable or reasonable to our Group, the business, financial condition, results of operations and prospects of our Group may be adversely affected.

8.1.13 We are dependent on the services and quality of our subcontractors to perform certain works for our projects

We outsource some of our construction and engineering works to third-party subcontractors to perform certain specialised works such as building and structural works, infrastructure works, M&E works as well as architectural works. Subcontractor costs accounted for approximately 0.93% (RM0.47 million), 31.53% (RM31.00 million), 50.89% (RM129.40 million) and 30.13% (RM70.26 million) of our Group's total cost of sales for the last four (4) FYEs 2021, 2022, 2023 and 2024, respectively.

Once we receive the quotations from the subcontractors, we will review the proposed quotation and conduct a background check on the subcontractors. The appointment of the subcontractors will be based on evaluation conducted by our contracts department based on criteria such as quality of work, experience, past record on timely completion of work, responsiveness to instruction, efficiency, reliability, their resources including manpower, plant and materials, financial performance, past working experience with them (if any) as well as their QESH compliance.

We rely on our subcontractors to ensure that their works are completed in accordance with the specified timeline and quality required. In this regard, there is a risk that these third-party subcontractors may experience financial or other difficulties over the course of their operations, which may affect their ability to carry out or complete the works which we have subcontracted to them. In addition, there is a risk associated with the health and safety practices performed by our contractors and their workers which may either result in suspension of works or fines from the authorities. As mentioned in Section 8.1.4 of this Prospectus, any delay in completing our project will expose us to claim for LAD and/or penalties, which may in turn adversely affect our results of operations and financial performance. Furthermore, if our subcontractors' performance is not up to the expectations of our clients or purchasers, our reputation may also be adversely affected.

We have not experienced any delays in completing our construction and engineering work projects that have materially and adversely impacted our financial performance or received complaints from our clients relating to the work completed by our subcontractors for the Financial Years Under Review as well as up to LPD. As we have yet to complete any of our property development project during the same Financial Years Under Review as well as up to LPD, we have also not experienced any claim or complaint from purchasers relating to the work completed by our subcontractors for our property development projects. Nevertheless, there is no assurance that we will not experience any claims or complaints from our clients or purchasers relating to unsatisfactory, late or non-performance of our subcontractors in the future.

8. RISK FACTORS *(Cont'd)*

8.1.14 We are dependent on labour supply

The construction industry in Malaysia is labour intensive and requires both local and foreign workers to perform the relevant construction activities. As such, our construction activities are dependent on an adequate supply of labour, either by us or our subcontractors, to meet our project requirements.

Labour supply is subject to potential disruption or scarcity which may be caused by changes in regulations, conditions or policies set by the Malaysian Government. If there is shortage of workers, our projects may be affected as we may not be able to find suitable or timely replacement for labour. This may then cause our construction and engineering work projects as well as our property development projects to be delayed, which may then subject us to the risk of LAD claims from our clients and/or purchasers.

In particular, the timely completion of our construction and engineering work projects as well as our property development projects are subject to the availability of foreign workers in the construction industry. Although majority of the foreign workers may not be directly employed by us but by our subcontractors, shortages in the supply of foreign labour in the construction industry may impact our ability to complete our projects within the given timeframe. This could consequently subject us to the risk of LAD claims from our clients for our construction projects and purchasers for our property development projects.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We are vulnerable to risks inherent in the construction and property development industries

We are involved in the construction of buildings and infrastructure as well as engineering works for both the private and public sectors. In addition, we are also involved in the supply of construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry. We are also involved in the property development activities. As such, our business is subject to risks inherent in the construction and property development industries which include, among others, the performance of property market in Malaysia including property overhang in the residential and commercial sectors, changes in Malaysian Government's initiatives and budget allocation for infrastructure development, changes in Malaysian Government's policies such as affordable housing schemes, changes in lending policies and practices by financial institutions as well as general economic conditions.

While we seek to minimise these risks through prudent management of our business, any unfavourable changes in conditions that govern or affect the construction and property development industries may adversely affect our business operations and financial performance.

8. RISK FACTORS *(Cont'd)*

8.2.2 We operate in a competitive environment

The construction industry in Malaysia is highly competitive and fragmented. It comprises various construction companies ranging from small independent proprietorships or partnerships to large public listed companies. Based on the IMR Report, there were over 137,000 contractors registered with the CIDB as at LPD, of which about 10,000 were registered as G7 contractor with no tender limit, which is similar to us.

We compete in a highly competitive industry. Despite the competitive strengths of our Group as set out in Section 6.7 of this Prospectus, we compete with our competitors in terms of range of products, services and solutions, pricing, availability of financial and manpower resources, technical expertise, quality of workmanship and timeliness of delivery, among others. Some of our competitors may have longer operating track record, more resources in terms of capital, machinery and equipment, as well as manpower and/or wider range of products and/or services to offer as compared to us. If we are unsuccessful in tendering new projects, or if there is intense price competition, our prospects and financial performance may be adversely affected.

For our property development segment, we also face competition from other property developers in respect of factors such as location, facilities and supporting infrastructure, services and pricing. Competition between property developers may result in increased costs for land acquisition, more competitive bidding for property projects via tenders, oversupply of new properties, lower selling prices as well as a slowdown in the approval process for new property development projects by the relevant authorities. Therefore, stiff competition with other property developers may also adversely affect our business operations and financial performance.

Although we strive to remain competitive in the construction and property development industries, there can be no assurance that we will be able to compete effectively with other players in these industries in the future.

8.2.3 We are subject to risks related to political, social, economic and regulatory conditions as well as the outbreak of diseases in Malaysia

Our operations are solely in Malaysia. As such, any adverse developments or uncertainties in the political, social, economic and regulatory conditions in Malaysia such as changes in political leadership, risks of war or civil unrest, changes in import tariffs and related duties as well as regulatory structures, could adversely affect our business operations and financial performance. Similarly, any regional or global economic downturn would also affect overall business and consumer confidence, sentiments as well as investments, which will subsequently affect the demand for our products and services.

Our business is also susceptible to the risks of any outbreak of diseases that could result in localised or global epidemics or pandemics causing interruptions in our business operations while adversely affecting our financial performance. Although we experienced slower payments from our customers in the FYE 2021 due to cashflow constraints experienced during the movement control order (MCO) period implemented by the Malaysian Government, our financial performance and cash flow position were not materially affected by the COVID-19 pandemic. Nevertheless, there can be no assurance that any other outbreak of diseases in the future which are beyond our control will not materially affect our business and financial performance.

8. RISK FACTORS (Cont'd)**8.3 RISKS RELATING TO INVESTMENT IN OUR SHARES AND OUR TRANSFER OF LISTING****8.3.1 No prior established market for our Shares and there is no certainty for an active liquid market to be established for our Shares after the Transfer of Listing**

The trading of our Shares on the LEAP Market is restricted to sophisticated investors as specified under Part I of Schedules 6 and 7 of the CMA. Upon completion of the Transfer of Listing, our Shares will be traded on the ACE Market which is accessible by a significantly wider pool of investors. However, this does not guarantee that an active market for our Shares will develop after completion of the Transfer of Listing, or if developed, that such market can be sustained.

Furthermore, as we are seeking a transfer of listing to the ACE Market which is an alternative market designed primarily for emerging corporations that may carry higher investment risk when compared with larger or more established corporations listed on the Main Market of Bursa Securities, there is also no assurance for any of the following to be achieved after completion of the Transfer of Listing:

- (i) a liquid market being developed for our Shares; or
- (ii) ability for our shareholders to sell our Shares at prices which they desire or at all.

8.3.2 The trading price and trading volume of our Shares may be volatile following the Transfer of Listing as a result of market vagaries

The performance of our Shares on the ACE Market is very much dependent on external factors such as the performance of regional and global stock exchanges and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volume on Bursa Securities, thus adding risks to the market price of our Shares once they are traded on the ACE Market.

In addition, the market price of our Shares may fluctuate significantly and rapidly in response to, among others, the following factors:

- (i) general operational and business risks of our Group;
- (ii) variations in our financial results and operations;
- (iii) success or failure of our Key Senior Management in implementing our business and growth strategies;
- (iv) additions or departures of our Key Senior Management;
- (v) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (vi) changes in market valuations of listed shares in general or shares of companies comparable to ours;
- (vii) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related events or factors;
- (viii) fluctuation in stock market prices and volume;
- (ix) involvement in claims, litigation, arbitration or other form of dispute resolution; and/or
- (x) changes in government policy, legislation or regulation.

8. RISK FACTORS (Cont'd)

Furthermore, the price fluctuation of our Shares may be exacerbated as it tends to be more volatile when trading volume is low. Accordingly, there is no assurance that the market price of our Shares will not be subject to volatility or trade at prices below the Offering Price after completion of the Public Offering and Transfer of Listing. Should our Shares trade at prices below the Offering Price after completion of the Transfer of Listing, successful applicants for the Offering Shares under the Public Offering will experience an immediate unrealised loss to the value of the Shares subscribed by them.

8.3.3 We may not be able to pay or may pay lower dividends to our shareholders

Notwithstanding that our Company has established a dividend policy with a target dividend payout ratio of 30% of our annual audited consolidated profit attributable to the owners of our Company, the payment of dividends is not guaranteed, and our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends at all or at a lower payout ratio if it is not in the best interest of our Company. The absence of dividends or any dividend payment which is at a level lower than that anticipated by investors may negatively affect the market price of our Shares.

It should be highlighted that we are a holding company. Accordingly, our Company's income, and therefore our ability to pay dividends, is dependent on the dividends and other distributions that we receive from our subsidiaries. Some of our subsidiaries have entered or may in the future enter into facility agreements which contain negative and financial covenants and hence, may affect our ability to pay dividends.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditures or future projects as well as our ability to make interest and principal repayments on any outstanding borrowing that we may have at the time. As a result, we may be required to borrow additional funds or raise capital by issuing equity securities, which may not be on favourable terms or feasible to undertake at all. Further, if we incur new borrowings in future, we may be subject to additional covenants restricting our ability to pay dividends.

For further details on our dividend policy, please refer to Section 11.12 of this Prospectus.

8.3.4 There may be a delay in or termination of our Transfer of Listing

Our Transfer of Listing could be delayed or terminated due to the possible occurrences of certain events, which include any of the following:

- (i) our Sole Underwriter exercises its rights under the Retail Underwriting Agreement to discharge itself from its obligations thereunder;
- (ii) we are unable to meet the public shareholding spread requirement under Rule 3.10(1) of the ACE LR of having at least 25% of the total number of Shares for which our ACE Listing is sought to be held by a minimum of 200 public shareholders, each holding not less than 100 Shares at the point of our ACE Listing; and
- (iii) revocation of the approvals from the relevant authorities for our Transfer of Listing for any reason whatsoever.

If any of these events occur, investors will not receive any of the Offering Shares and we will return in full without interest, all monies paid in respect of the Applications within 14 days, failing which our Company and the Selling Shareholders (including the officers of our Company and the Selling Shareholders, where relevant) shall then be jointly and severally liable to return such monies with interest at the rate of 10% per annum or such other rate as may be specified by the SC from the expiration of that 14-day period.

8. RISK FACTORS *(Cont'd)*

If our Transfer of Listing is aborted and/or terminated subsequent to the issuance and allotment of the Offering Shares, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:

- (a) consent of our creditors (unless dispensation for such consent has been granted by the High Court of Malaya) and confirmation by the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
- (b) a solvency statement from our Directors.

Nonetheless, if the Transfer of Listing is not implemented, our Company will remain listed on the LEAP Market and shall remain accessible by sophisticated investors specified under Part I of Schedules 6 and 7 of the CMA.

8.3.5 The interests of our Promoters who control our Company may not be aligned with the interests of our other shareholders

Upon completion of the Transfer of Listing, our Promoters will collectively hold approximately 71.77% of our enlarged number of issued Shares. As a result, they will be able to effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends as well as having substantial voting control and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting either by law, or the relevant guidelines or regulations. Therefore, there can be no assurance that the interests of our Promoters will always be aligned with those of our other shareholders.

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9. RELATED PARTY TRANSACTIONS

9.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

9.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered or to be entered into by our Group with related parties for the Financial Years under Review and for the period from 1 October 2024 up to LPD:

(i) Our Company and the Promoters for the acquisition of our Company's subsidiaries

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD (RM'000)
1.	Our Company (<i>purchaser</i>) and LSH Resources (<i>vendor</i>)	- LSH Resources is a major shareholder of our Company - LSH Holdings through its interest in LSH Resources, is also a major shareholder of our Company - DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company and LSH Resources (through their interests in LSH Holdings)	(i) Acquisition by our Company of 100% equity interest in LSH Lighting from LSH Resources in accordance with the conditional share sale agreement dated 8 December 2020 entered into between our Company and LSH Resources. The said acquisition was completed on 6 January 2021 and all such consideration Shares were issued and allotted to LSH Resources at an issue price of RM0.10 each. This transaction was one-off.	22,133 (51.06% of our Group's NA)	-	-	-	-
		- Tan Sri KC Lim is a director and major shareholder of our Company, as well as a major shareholder of LSH Resources (through his interest in LSH Holdings) - Lim Ding Shyong*, a director of LSH Resources, is the son of Tan Sri KC Lim	(ii) Acquisition by our Company of 100% equity interest in LSHBB from LSH Resources in accordance with the conditional share sale agreement dated 8 October 2021 entered into between our Company and LSH Resources ("LSHBB Acquisition"). The LSHBB Acquisition was completed on 15 October 2021 and settled in cash. This transaction was one-off.	-	3,500 (4.40% of our Group's NA)	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD (RM'000)
2.	Our Company (purchaser) and Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun (collectively, vendors)	Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company	Acquisition by our Company of 100% equity interest in Knight Auto from Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun in accordance with the conditional share sale agreement dated 8 December 2020 entered into between our Company and the said vendors. The said acquisition was completed on 6 January 2021 and all such consideration Shares were issued and allotted to the said vendors at an issue price of RM0.10 each.	9,785 (22.57% of our Group's NA)	-	-	-	-
This transaction was one-off.								
3.	Our Company (purchaser) and LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong (collectively, vendors)	- LSH Resources is a major shareholder of our Company - LSH Holdings through its interest in LSH Resources, is also a major shareholder of our Company - DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company and LSH Resources (through their interests in LSH Holdings) - Lim Ding Shyong* is a director of LSH Resources. He is also the son of Tan Sri KC Lim who is a director and major shareholder of our Company and a major shareholder of LSH Resources (through his interest in LSH Holdings)	Acquisition by our Company of 100% equity interest in ASSB from LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong in accordance with the conditional share sale agreement dated 28 March 2022 entered into between our Company and the said vendors ("ASSB Acquisition") ⁽¹⁾ . The ASSB Acquisition was completed on 17 April 2023 and all such consideration Shares were issued and allotted to the said vendors and/or its nominee at an issue price of RM0.45 each.	-	-	95,000 (22.57% of our Group's NA)	-	-
This transaction was one-off.								

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD (RM'000)
4.	Our Company (purchaser) and Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong (collectively, vendors), directors of LSH Ventures, LSH Ventures and LSH Resources	- LSH Resources is a major shareholder of our Company - LSH Holdings through its interest in LSH Resources, is also a major shareholder of our Company - DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company and LSH Resources (through their interests in LSH Holdings). They are also directors of LSH Ventures	(i) Acquisition by our Company of 100% equity interest in LSH Ventures from Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong in accordance with the conditional amended and restated debt settlement cum share subscription agreement dated 20 February 2023 entered into between our Company, the said vendors, the directors of LSH Ventures, LSH Ventures and LSH Resources ("Amended and Restated DSCSSA") ("LSH Ventures Acquisition")⁽¹⁾. The LSH Ventures Acquisition was completed on 17 April 2023 and all such consideration Shares were issued and allotted directly to LSH Resources at an issue price of RM0.45 each. (ii) Settlement by our Company of the advances owed by LSH Ventures to its directors, namely DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong pursuant to the Amended and Restated DSCSSA ("Debt Settlement")⁽¹⁾. The Debt Settlement was completed on 17 April 2023 and all such consideration Shares were issued and allotted directly to LSH Resources at an issue price of RM0.45 each.	-	-	25,699 (6.11% of our Group's NA)	-	-

These transactions were one-offs⁽²⁾.

9. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

* Lim Ding Shyong was not a director of our Company when such transactions were entered. He was appointed as the Executive Director of our Company on 6 March 2024.

(1) These transactions were approved by the shareholders of our Company at the EGM held on 28 March 2023.

(2) For information, our Company had on 28 March 2022 entered into the following:

- (i) a conditional assets exchange agreement (“**AEA**”) with LSH Ventures to rationalise the exchange of all the properties and land of LSH Ventures for a total exchange consideration of RM8.14 million which was to be satisfied via the issuance of 18,088,888 new Shares at an issue price of RM0.45 each (“**Proposed Assets Exchange**”); and
- (ii) a conditional debt settlement cum share subscription agreement (“**Initial DSCSSA**”) with LSH Ventures, the directors of LSH Ventures (namely DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) and LSH Resources for the following:
 - (a) proposed settlement by our Company of the amount owing by LSH Ventures to the directors of LSH Ventures amounting to approximately RM54.50 million via the issuance of 121,114,916 new Shares at an issue price of RM0.45 each (“**Proposed Settlement**”); and
 - (b) proposed subscription of 9,900,000 new ordinary shares in LSH Ventures by our Company, representing 99.00% of the enlarged equity interest in LSH Ventures by way of partial capitalisation of the amount owing by LSH Ventures to our Company amounting to approximately RM15.76 million arising from the Proposed Settlement.

The parties to the AEA had on 29 November 2022 aborted the AEA for the Proposed Assets Exchange, and the parties to the Initial DSCSSA had on 20 February 2023 entered into the Amended and Restated DSCSSA to supersede the provisions, terms and conditions of the Initial DSCSSA.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(ii) Our Group and the respective subsidiaries (prior to their inclusion within our Group)

(a) Our Group and LSHBB (prior to the LSHBB Acquisition)

Transacting parties	Nature of transaction	Transaction value					From 1 October 2024 up to LPD
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Our Group and LSHBB (prior to the LSHBB Acquisition)	(i) Consideration sum received by LSH Lighting (<i>subcontractor</i>) from LSHBB (<i>employer</i>) for the delivery, installation, testing and commissioning of electrical, extra low voltage, air conditioning and mechanical ventilation services for the LSH 33 Project ⁽¹⁾ .	284 (0.42% of our Group's revenue)	171 (0.10% of our Group's revenue)	N/A	N/A	N/A	N/A
	(ii) Sale of building materials by LSH Lighting (<i>seller</i>) to LSHBB (<i>buyer</i>) on an ad-hoc basis ⁽²⁾ .	1,580 (2.34% of our Group's revenue)	5 (<0.01% of our Group's revenue)	N/A	N/A	N/A	N/A
	(iii) Sale of hardware and machinery by Knight Auto (<i>seller</i>) to LSHBB (<i>buyer</i>) on an ad-hoc basis.	13 (0.02% of our Group's revenue)	3 (<0.01% of our Group's revenue)	N/A	N/A	N/A	N/A
	(iv) Rental of crane, other construction machinery and scaffolding from Knight Auto (<i>lessor</i>) by LSHBB (<i>lessee</i>) on an ad-hoc basis ⁽³⁾ .	1,985 (2.94% of our Group's revenue)	-	N/A	N/A	N/A	N/A
	(v) Reimbursement by Knight Auto to LSHBB for the purchase of scaffolding by LSHBB on behalf of Knight Auto (<i>buyer</i>). This transaction was one-off.	132 (0.30% of our Group's NA)	-	N/A	N/A	N/A	N/A

9. RELATED PARTY TRANSACTIONS (Cont'd)**Notes:**

(1)

LSH Lighting has been granted subcontract work from LSHBB for the delivery, installation, testing and commissioning of electrical, extra low voltage, air conditioning and mechanical ventilation services for the LSH 33 Project at an agreed sum of approximately RM17.74 million vide a letter of award dated 5 September 2020 which was subsequently varied vide variation orders dated 20 January 2021, 2 June 2021, 5 October 2021, 3 March 2022 and 11 August 2023. The subcontract work has been completed following the issuance of CPC on 3 June 2024 and CCC on 12 September 2024 for the LSH 33 Project.

(2)

Prior to 1 October 2020, the sale of building materials by LSH Lighting to LSHBB was transacted on an ad-hoc basis via purchase orders. LSH Lighting has then entered into a building materials trade agreement dated 1 October 2020 with LSHBB for the supply and delivery of building materials such as ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber to LSHBB for a term of one (1) year commencing from 1 October 2020 to 30 September 2021 at selling price that is derived from cost price plus 5% margin. Any such sale is payable by LSHBB within 30 days from the date of invoice issued by LSH Lighting for the building materials supplied and delivered in accordance with the specifications of the building materials enclosed to the delivery order.

(3)

Prior to 1 October 2020, the rental of cranes and other construction machinery and equipment by Knight Auto to LSHBB was transacted on an ad-hoc basis via purchase orders. Knight Auto has then entered into an agreement dated 1 October 2020 with LSHBB for the rental of cranes and other construction machinery and equipment by LSHBB for a term of one (1) year commencing from 1 October 2020 to 30 September 2021 at an agreed-upon monthly and daily rate for each type of cranes and other construction machinery and equipment as specified in the said agreement. The rental shall be payable by LSHBB within 30 days from the date of invoice issued by Knight Auto.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Our Group and ASSB (prior to the ASSB Acquisition)

Transacting parties	Nature of transaction	Transaction value				
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 October 2024 up to LPD
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Our Group and ASSB (prior to the ASSB Acquisition)	(i) Consideration sum received by our Group (<i>supplier</i>) from ASSB (<i>client</i>) for the following for the LSH 33 Project ⁽¹⁾ :	9,815 (14.56% of our Group's revenue)	18,869 (11.38% of our Group's revenue)	27,877 (7.79% of our Group's revenue)	N/A	N/A
	(a) supply and delivery of ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber by LSH Lighting to ASSB; and					
	(b) rental of scaffolding, steel mould and aluminium framework from Knight Auto by ASSB.					
	(ii) Consideration sum received by LSHBB (<i>subcontractor</i>) from ASSB (<i>employer</i>) for the design and build of the LSH Segar Project ⁽²⁾ .	N/A	15,408 (9.29% of our Group's revenue)	19,217 (5.37% of our Group's revenue)	N/A	N/A
	(iii) Profit-sharing whereby LSHBB (<i>service provider</i>) has been engaged by ASSB (<i>client</i>) to provide consultancy services for the LSH Segar Project ⁽³⁾ .	N/A	3,204 (1.93% of our Group's revenue)	23 (<0.01% of our Group's revenue)	N/A	N/A
	(iv) Consideration sum paid by LSHBB (<i>employer</i>) to ASSB (<i>subcontractor</i>) for the construction and completion of reinforced concrete works, floor hardener and waterproofing works for the LSH 33 Project ⁽⁴⁾ .	N/A	19,913 (20.25% of our Group's cost of sales)	46,788 (18.40% of our Group's cost of sales)	N/A	N/A

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of transaction	Transaction value					From 1 October 2024 up to LPD
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
	(v) Sale of building materials by LSH Lighting (<i>seller</i>) to ASSB (<i>buyer</i>) on an ad-hoc basis ⁽⁶⁾ .	11,889 (17.64% of our Group's revenue)	18,693 (11.27% of our Group's revenue)	23,791 (6.65% of our Group's revenue)	N/A	N/A	N/A
	(vi) Sale of hardware and machinery by Knight Auto (<i>seller</i>) to ASSB (<i>buyer</i>) on an ad-hoc basis.	42 (0.06% of our Group's revenue)	17 (0.01% of our Group's revenue)	11 (<0.01% of our Group's revenue)	N/A	N/A	N/A
	(vii) Rental of cranes and other construction machinery from Knight Auto (<i>lessor</i>) by ASSB (<i>lessee</i>) on an ad-hoc basis ⁽⁶⁾ .	6,006 (8.91% of our Group's revenue)	5,859 (3.53% of our Group's revenue)	1,058 (0.30% of our Group's revenue)	N/A	N/A	N/A
	(viii) Rental of scaffolding and steel mould from Knight Auto (<i>lessor</i>) by ASSB (<i>lessee</i>) ⁽⁷⁾ .	-	1,213 (0.73% of our Group's revenue)	4,307 (1.20% of our Group's revenue)	N/A	N/A	N/A
	(ix) Acquisition of cranes and other construction machinery by Knight Auto (<i>purchaser</i>) from ASSB (<i>vendor</i>). This transaction was one-off.	2,209 (5.10% of our Group's revenue)	797 (1.00% of our Group's revenue)	1,371 (0.33% of our Group's revenue)	N/A	N/A	N/A
	(x) Secondment of staff by ASSB (<i>provider</i>) to support the operations of LSH Lighting (<i>client</i>) on an ad-hoc basis. This has ceased since August 2021. This transaction was one-off.	18 (0.17% of our Group's PBT)	-	-	N/A	N/A	N/A

9. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

(1) ASSB has granted the following letters of award to our Group for the LSH 33 Project:

- (a) supply and delivery of ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber by LSH Lighting at an agreed sum of approximately RM51.20 million vide a letter of award dated 15 October 2020; and
- (b) rental of scaffolding, steel mould and aluminium framework from Knight Auto at an agreed sum of approximately RM4.98 million vide a letter of award dated 26 June 2022.

The LSH 33 Project has been completed following the issuance of CPC on 3 June 2024 and CCC on 12 September 2024.

For information, the value of construction products provided by our Group to ASSB for the LSH 33 Project has exceeded the agreed sums stated in the letters of award. In this regard, the additional construction products required from our Group for the LSH 33 Project amounting to approximately RM0.38 million were transacted on an ad-hoc basis via purchase orders as per industry practice.

(2) LSHBB has been appointed by ASSB as the main contractor for the LSH Segar Project. As the main contractor, LSHBB is responsible for the design and build for the LSH Segar Project, overseeing both the project's design phase and construction phase to ensure delivery according to the specifications at an agreed contract sum of approximately RM260.57 million vide a letter of award dated 7 May 2021. The construction works for the LSH Segar Project commenced in October 2021 and is targeted to complete by third quarter of 2026.

(3) LSHBB has entered into a BEST Collaboration Framework agreement dated 13 April 2022 with ASSB to provide value-engineering services and solutions for the LSH Segar Project. The construction works for the LSH Segar Project commenced in October 2021 and the full completion of the overall works for this project is targeted to be completed by the third quarter of 2026. The service fee payable by ASSB to LSHBB is on a profit-sharing basis (i.e. based on 75% of the remaining gross profit of the said entire project (i.e. after deducting all the relevant operating and administrative expenses attributable to the said project)), and such profit is to be recognised and payable to LSHBB on a quarterly basis commencing from the first quarter when ASSB recognises progress billings for the said project, until full completion of the overall works for the said project.

(4) LSHBB has granted subcontract work to ASSB for the construction and completion of reinforced concrete works, floor hardener and waterproofing works for the LSH 33 Project at an agreed sum of approximately RM102.48 million vide a letter of award dated 1 September 2020 which was subsequently varied vide variation orders dated 18 April 2023 and 7 August 2023. The contract work was completed following the issuance of CPC on 3 June 2024 and CCC on 12 September 2024 for the LSH 33 Project.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(5)

Prior to 1 November 2021, the sale of building materials by LSH Lighting to ASSB was transacted on an ad-hoc basis via purchase orders. LSH Lighting has then entered into a building materials trade agreement dated 1 November 2021 with ASSB for the supply and delivery of building materials such as ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber to ASSB for a term of one (1) year commencing from 1 November 2021 to 31 October 2022 at selling price that is derived from cost price plus 10% margin. Any such sale is payable by ASSB within 90 days from the date of invoice issued by LSH Lighting for the building materials supplied and delivered in accordance with the specifications of the building materials enclosed to the delivery order.

Prior to the ASSB Acquisition, the parties have also entered into two (2) new building materials trade agreements dated 1 November 2022 and 1 November 2023 for two (2) extended terms of one (1) year each till 31 October 2024 at the same terms and conditions.

(6)

Prior to 1 November 2021, the rental of cranes and other construction machinery from Knight Auto by ASSB was transacted on an ad-hoc basis via purchase orders. Knight Auto has then entered into an agreement dated 1 November 2021 with ASSB for the rental of cranes and other construction machinery by ASSB for a term of one (1) year commencing from 1 November 2021 to 31 October 2022 at an agreed-upon monthly and daily rate for each type of cranes and other construction machinery as specified in the said agreement. The rental shall be payable by ASSB within 90 days from the date of invoice issued by Knight Auto. The agreement has been renewed by parties for two (2) successive terms by way of renewal letters dated 1 November 2022 and 1 November 2023 (which has expired on 31 October 2024) at the same terms and conditions, save for the revised rental rate for each type of cranes and other construction machinery..

(7)

Knight Auto has entered into an agreement dated 1 September 2022 with ASSB for the rental of scaffolding and steel mould for the construction of Wisma Knight Auto at Jalan Pahang, Setapak that is presently used as one of Knight Auto's retail stores. The term of the agreement commences from the date of the first delivery order placed by ASSB and expires on the date on which all equipment is returned. The rental shall be payable by ASSB within 90 days from the date of invoice issued by Knight Auto.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Our Group and LSH Ventures (prior to the LSH Ventures Acquisition)

Transacting parties	Nature of transaction	Transaction value					From 1 October 2024 up to LPD
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
LSH Lighting and Knight Auto (respectively, the tenant) and LSH Ventures (landlord) (prior to the LSH Ventures Acquisition)	Rental paid for the tenancy of the following⁽¹⁾: (i) a corner lot three (3)-storey corner shophouse at No. 1, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by LSH Lighting vide a tenancy agreement. This property is being used as part of LSH Lighting's retail store; (ii) an intermediate two (2)-storey shophouse at No. 3A, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by LSH Lighting vide a tenancy agreement. This property is being used as LSH Lighting's retail store; and (iii) an end lot three (3)-storey shophouse at No. 349, 349A & 349B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by Knight Auto vide a tenancy agreement. The property is being used as Knight Auto's retail store.	(RM'000) 228 (2.10% of our Group's PBT)	(RM'000) 234 (0.42% of our Group's PBT)	(RM'000) 140 (0.18% of our Group's PBT)	(RM'000) N/A	(RM'000) N/A	

9. RELATED PARTY TRANSACTIONS (Cont'd)

Note:

(1) The salient terms of the tenancy agreements between LSH Ventures as well as the respective tenants of our Group are as follows:

Tenant/property	Date of tenancy agreement	Tenure	Monthly rental rate	
LSH Lighting ^(a) No. 1, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 February 2020	Two (2) years commencing from 1 February 2020 to 31 January 2022	RM10,500	From 1 February 2020 to 31 January 2024
	3 November 2021 (renewal)	Two (2) years commencing from 1 February 2022 to 31 January 2024		
	1 February 2019	One (1) year commencing from 1 February 2019 to 31 January 2020	RM6,500	From 1 February 2019 to 31 January 2024
LSH Lighting ^(a) No. 3A, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	2 January 2020 (renewal)	Two (2) years commencing from 1 February 2020 to 31 January 2022		
	3 November 2021 (renewal)	Two (2) years commencing from 1 February 2022 to 31 January 2024		
	1 April 2011	Five (5) years commencing from 1 April 2011 to 31 March 2016	RM2,000	From 1 April 2011 to 31 March 2022
Knight Auto ^(b) No. 349, 349A & 349B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	1 April 2016 (renewal)	Three (3) years commencing from 1 April 2016 to 31 March 2019		
	1 April 2019 (renewal)	Three (3) years commencing from 1 April 2019 to 31 March 2022		
	3 November 2021 (renewal)	Three (3) years commencing from 1 April 2022 to 31 March 2025	RM3,000	From 1 April 2022 to 31 March 2025

- (a) The renewal term of the tenancy shall be agreed in writing between the parties at least two (2) months prior to the expiration of the existing term. The deposit equivalent to two (2) months' rental shall be forfeited to the landlord if the tenant unilaterally terminates the tenancy before the expiry of one (1) year from the commencement of the term. Nevertheless, the tenant may terminate the tenancy without any compensation by serving a written notice on the landlord of not less than two (2)-month period after the expiry of one (1) year from the commencement of the term.
- (b) The renewal term of the tenancy shall be agreed in writing between the parties at least two (2) months prior to the expiration of the existing term. The tenant may unilaterally terminate the tenancy before the expiry of the tenure without any compensation to the landlord.

9. RELATED PARTY TRANSACTIONS (Cont'd)**(d) Our Group and ASES (prior to the LSH Ventures Acquisition)**

Transacting Parties	Nature of transaction	Transaction value					From 1 October 2024 up to LPD
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
Our Group and ASES (prior to the LSH Ventures Acquisition)	Profit-sharing whereby LSHBB (service provider) has been engaged by ASES (client) to provide consultancy services for the Lake Side Homes Project ⁽¹⁾ .	(RM'000) N/A	(RM'000) -	(RM'000) -	(RM'000) N/A	(RM'000) N/A	

Note:

- (1) LSHBB has entered into a BEST Collaboration Framework agreement dated 13 April 2022 with ASES to provide value-engineering services and solutions for the Lake Side Homes Project, the preliminary construction work of which has commenced in March 2024, with full completion of the overall works expected by the fourth quarter of 2029. The service fee payable by ASES to LSHBB is 0.80% of the GDV of the Lake Side Homes Project and is to be recognised and payable to LSHBB on a quarterly basis commencing from the first quarter when ASES recognises progress billings for the said project, until full completion of the overall works for the said project.

(iii) Our Group and LSH Holdings for the tenancy of properties

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
Our Group (tenants) and LSH Holdings (landlord)	- LSH Holdings through its interest in LSH Resources, is a major shareholder of our Company - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company and LSH Holdings	Rental paid for the tenancy of the following: (i) part of Wisma Lim Seong Hai, No. 33 Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by LSH Lighting, Knight Auto, LSHBB and ASSB vide four (4) separate tenancy agreements with the respective tenant⁽²⁾. The property is being used as an office for our Group and retail store for Knight Auto;	(RM'000) 588 (5.41% of our Group's PBT)	(RM'000) 689 (1.25% of our Group's PBT)	(RM'000) 1,289 (1.70% of our Group's PBT)	(RM'000) 1,767 (1.81% of our Group's PBT)	(RM'000) 578	

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)		
	Lim Ding Shyong, a director of our Company, is the son of Tan Sri KC Lim	(ii) a corner lot three (3)-storey shophouse at No. 1, 1A & 1B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by LSH Lighting vide a tenancy agreement⁽³⁾. The property is being used as LSH Lighting's retail store;						
		(iii) ground floor and first floor of all three (3) adjoining intermediate units of a four (4)-storey shophouse at No. G1, 1-1, G-2, 1-2, G-3 and 1-3, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by LSH Lighting vide two (2) separate tenancy agreements⁽³⁾. These properties are being used as part of LSH Lighting's retail store;						
		(iv) a single-storey residential house bearing postal address at Lot 5810, No. 25, Jalan Bunga Tanjung, Taman P Ramlee, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by LSH Lighting and ASSB vide two (2) separate tenancy agreements⁽³⁾. Part of the property was previously used as employees' accommodation by LSH Lighting whilst the other part of the property was previously used for storage by ASSB;						
		(v) three (3) wooden houses erected on the land located at Lot 274, No. 111A-D, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by LSH Lighting vide a tenancy agreement (which the wooden houses were then torn down to build the current Wisma Knight Auto (see item (vi) below))⁽⁴⁾. The property was being used as workers' quarter and warehouse for LSH Lighting;						

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)		
		(vi) a three (3)-storey detached building at No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by Knight Auto vide a tenancy agreement ⁽³⁾ . The property is being used as Knight Auto's retail store;						
		(vii) a three (3)-storey building with a single-storey detached warehouse at Lot 1879, Jalan KPB 5, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan by Knight Auto vide a tenancy agreement ⁽³⁾ . The property is being used as Knight Auto's retail store and warehouse; and						
		(viii) an office suite identified as Parcel No. A-03-05 at a mixed development known as EkoCheras at No. 693, Batu 5, Jalan Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by ASSB vide a tenancy agreement ⁽⁶⁾ . The property was previously used for ASSB's storage.						
		Save for items (iv), (v) and (viii) above which have ceased, these transactions are recurrent in nature and will subsist after the ACE Listing.						

9. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) The salient terms of the four (4) separate tenancy agreements between LSH Holdings and LSH Lighting, Knight Auto, LSHBB and ASSB in respect of their respective tenancies at Wisma Lim Seong Hai are as follows:

Tenant	Date of tenancy agreement	Tenure	Monthly rental rate	
LSH Lighting	1 October 2020	Three (3) years commencing from 1 October 2020 to 30 September 2023	RM6,100	From 1 October 2020 to 30 September 2022
			RM5,600	From 1 October 2022 to 30 September 2023
Knight Auto	8 August 2023 (renewal)	Two (2) years commencing from 1 October 2023 to 30 September 2025	RM11,000	From 1 October 2023 to 30 September 2025
			RM13,600	From 1 October 2020 to 30 September 2022
	1 October 2020	Three (3) years commencing from 1 October 2020 to 30 September 2023	RM16,000	From 1 October 2022 to 30 September 2023
LSHBB	8 August 2023 (renewal)	Two (2) years commencing from 1 October 2023 to 30 September 2025	RM22,000	From 1 October 2023 to 30 September 2025
			RM6,100	From 1 October 2020 to 30 September 2022
	1 October 2020	Three (3) years commencing from 1 October 2020 to 30 September 2023	RM30,650	From 1 October 2022 to 30 September 2023
ASSB	8 August 2023 (renewal)	Two (2) years commencing from 1 October 2023 to 30 September 2025	RM52,000	From 1 October 2023 to 30 September 2025
			RM72,800	From 1 October 2020 to 30 September 2022
	1 October 2020	Three (3) years commencing from 1 October 2020 to 30 September 2023	RM51,200	From 1 October 2022 to 30 September 2023
	8 August 2023 (renewal)	Two (2) years commencing from 1 October 2023 to 30 September 2025	RM21,000	From 1 October 2023 to 30 September 2025

9. RELATED PARTY TRANSACTIONS (Cont'd)

The renewal term of the respective tenancies shall be agreed in writing between the respective parties at least two (2) months prior to the expiration of their respective existing terms. The deposit equivalent to two (2) months of the respective rentals shall be forfeited to the landlord if the tenant unilaterally terminates the tenancy before the expiry of one (1) year from the commencement of the term. Nevertheless, the tenants may terminate their respective tenancies without any compensation by serving a written notice on the landlord of not less than two (2)-month period after the expiry of one (1) year from the commencement of the respective terms.

(3) The salient terms of the other tenancy agreements between LSH Holdings and our Group are as follows:

Tenant/property	Date of tenancy agreement	Tenure	Monthly rental rate	
			Monthly rental rate	From 1 January 2020 to 31 December 2026
LSH Lighting No. 1, 1A & 1B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	1 January 2020	Three (3) years commencing from 1 January 2020 to 31 December 2022	RM12,000	From 1 January 2020 to 31 December 2026
	5 October 2022 (renewal)	Two (2) years commencing from 1 January 2023 to 31 December 2024		
	1 January 2025	Two (2) years commencing from 1 January 2025 to 31 December 2026		
LSH Lighting No. G-1 and 1-1, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 November 2020	Three (3) years commencing from 1 November 2020 to 31 October 2023	RM3,500	From 1 November 2020 to 31 October 2023
	1 November 2023 (renewal)	Two (2) years commencing from 1 November 2023 to 31 October 2025	RM4,500	From 1 November 2023 to 31 October 2025
LSH Lighting No. G-2, 1-2, G-3 and 1-3, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 May 2019	Three (3) years commencing from 1 May 2019 to 30 April 2022	RM7,000	From 1 May 2019 to 30 April 2022
	3 November 2021 (renewal)	Two (2) years commencing from 1 May 2022 to 30 April 2024	RM7,000	From 1 May 2022 to 31 November 2023
	1 May 2024 (renewal)	Two (2) years commencing from 1 May 2024 to 30 April 2026	RM9,000	From 1 December 2023 to 30 April 2026
LSH Lighting Part of Lot 5810, No. 25, Jalan Bunga Tanjung, Taman P Ramlee, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	1 August 2023	One (1) year commencing from 1 August 2023 to 31 July 2024	RM1,000	From 1 August 2023 to 31 July 2026
	1 August 2024	Two (2) years commencing from 1 August 2024 to 31 July 2026 ^(a)		

9. RELATED PARTY TRANSACTIONS (Cont'd)

Tenant/property	Date of tenancy agreement	Tenure	Monthly rental rate	
			Monthly rental rate	
ASSB Part of Lot 5810, No. 25, Jalan Bunga Tanjung, Taman P Ramlee, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	1 December 2019	Two (2) years commencing from 1 December 2019 to 30 November 2021	RM2,000	From 1 December 2019 to 30 November 2021
	15 November 2021 (renewal)	Two (2) years commencing from 1 December 2021 to 30 November 2023	RM5,000	From 1 December 2021 to 30 November 2025
	1 December 2023 (renewal)	Two (2) years commencing from 1 December 2023 to 30 November 2025 ^(e)		
Knight Auto No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	1 August 2023	Two (2) years commencing from 1 August 2023 to 31 July 2025	RM6,000	From 1 August 2023 to 31 July 2025
Knight Auto Lot 1879, Jalan KPB 5, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan	1 January 2018	Three (3) years commencing from 1 January 2018 to 31 December 2020	RM4,100	From 1 January 2018 to 31 December 2026
	1 December 2020 (renewal)	Two (2) years commencing from 1 January 2021 to 31 December 2022		
	5 October 2022 (renewal)	Two (2) years commencing from 1 January 2023 to 31 December 2024		
	1 January 2025	Two (2) years commencing from 1 January 2025 to 31 December 2026		

The other salient terms of these tenancies are similar to those set out in Note (2) above.

(a) These two (2) tenancies had ceased in November 2024.

(4) LSH Holdings had previously entered into a tenancy agreement dated 1 January 2020 with LSH Lighting over this premises for a term of three (3) years commencing from 1 January 2020 to 31 December 2022 for monthly rental of RM3,000. On 30 September 2022, LSH Lighting terminated this tenancy agreement, and this premises was subsequently demolished and replaced by the erection of a three (3)-storey detached building known as Wisma Knight Auto.

(5) ASSB ceased paying monthly rental of RM11,500 to LSH Holdings following the disposal of this premises by LSH Holdings to a third-party purchaser on 7 September 2023.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(iv) Our Group and LSH Holdings for other transactions

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD ⁽¹⁾ (RM'000)
Our Group and LSH Holdings	- LSH Holdings through its interest in LSH Resources, is a major shareholder of our Company - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company and LSH Holdings	(i) Service fees paid by LSH Lighting, Knight Auto, LSHBB and ASSB (collectively, users) to LSH Holdings (vendor) for the provision of on-site facility management and office services at Wisma Lim Seong Hai vide four (4) separate virtual office service and facility agreements entered with LSH Holdings ⁽²⁾ .	25 (0.23% of our Group's PBT)	54 (0.10% of our Group's PBT)	257 (0.34% of our Group's PBT)	398 (0.41% of our Group's PBT)	133
	Lim Ding Shyong, a director of our Company, is the son of Tan Sri KC Lim	(ii) Payment of interest to LSH Holdings (lender) in relation to the loans provided by LSH Holdings to ASSB and ASE (collectively, borrowers) for working capital and payment of development charges to DBKL for the Lake Side Homes Project respectively ⁽³⁾ .	N/A	N/A	530 (0.70% of our Group's PBT)	946 (0.97% of our Group's PBT)	193
		This transaction will recur until the full repayment of the said loans.					
		(iii) Profit-sharing whereby LSHBB (service provider) has been engaged by LSH Holdings (client) to provide consultancy services for the Sentul Ria Project ⁽⁴⁾ .	N/A	-	-	-	-
		(iv) Consideration sum received by ASSB (main contractor) from LSH Holdings (employer) for the design and build of the Sentul Ria Project ⁽⁵⁾ .	N/A	N/A	-	8,196 (2.27% of our Group's revenue)	8,388

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
			N/A	N/A	N/A	670	421	
		(v) Consideration sum received by ASSB (main contractor) from LSH Holdings (employer) for the design and build of the Wisma LSH Extension Project ⁽⁶⁾ .				(0.19% of our Group's revenue)		
		(vi) Sale of M&E products by LSH Lighting (seller) to LSH Holdings (buyer) on an ad-hoc basis.	1	23	11	6	41	
			(<0.01% of our Group's revenue)	(0.01% of our Group's revenue)	(<0.01% of our Group's revenue)	(<0.01% of our Group's revenue)		
		This transaction is recurrent in nature and will subsist after the ACE listing.						

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) The transactions commenced since 1 October 2020 and will continue to subsist after the ACE Listing at a service fee that is determined based on the total expenses incurred for, among others, utilities (including WiFi network), building maintenance and cleaning, security fees and refreshments at Wisma Lim Seong Hai. The service fee also takes into account the office fit-out with full furnishing provided to our Group. The rate derived is then multiplied by the headcount or number of tables occupied by each company (tenant) at Wisma Lim Seong Hai to arrive at the service fee to be paid by the respective companies (tenants).

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9. RELATED PARTY TRANSACTIONS (Cont'd)

- (3) These interest payments relate to the following borrowings obtained by our Group from LSH Holdings at the following interest rate per annum pursuant to the terms of the respective moneylending agreements and their respective outstanding balance as at LPD are as follows:

Borrower	Date of moneylending agreement	Term	Interest rate per annum (%)	Principal amount (RM'000)	Outstanding as at LPD (RM'000)
ASSB	5 December 2022	3 years	3.0	2,500	-
	28 December 2022	5 years	3.0	5,200	-
	5 January 2023	5 years	3.0	5,500	-
ASES	9 November 2023	5 years	3.0	12,000	11,564
	6 May 2024	5 years	1.0	1,000	1,012

- (4) LSHBB has entered into a BEST Collaboration Framework agreement dated 13 April 2022 with LSH Holdings to provide value-engineering services and solutions for the Sentul Ria Project. The construction works for the Sentul Ria Project commenced in March 2023 and the full completion of the overall works for this project is targeted to be completed by the first quarter of 2027. The service fee payable by LSH Holdings to LSHBB is on a profit-sharing basis (i.e. based on 75% of the remaining gross profit of the said entire project (i.e. after deducting all the relevant operating and administrative expenses attributable to the said project)), and such profit is to be recognised and payable to LSHBB on a quarterly basis commencing from the first quarter when LSH Holdings recognises progress billings for the said project, until full completion of the overall works for the said project. Pursuant to the terms of this agreement, upon completion of the said development project, any unsold unit from the Sentul Ria Project shall be recognised as the inventory of LSH Holdings and LSHBB shall be entitled to receive 75% of the profits upon the sale of these inventory units, or at its sole discretion, elect to have 75% of the unsold inventory units be transferred to its name.

For information, as at LPD, LSHBB has not received any amount from LSH Holdings pursuant to this agreement as LSH Holdings has not recognised any progress billings for the said project to-date.

- (5) ASSB was appointed by LSH Holdings to design and build the Sentul Ria Project at an agreed contract sum of approximately RM103.89 million vide a letter of award dated 8 February 2023. The construction works commenced in March 2023 and is targeted to complete by first quarter of 2027.
- (6) ASSB was appointed by LSH Holdings to design and build of the Wisma LSH Extension Project at an agreed contract sum of approximately RM8.97 million vide a letter of award dated 11 October 2023. The construction works were commenced in April 2024 and is targeted to complete by fourth quarter of 2025.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(v) Our Group and Lim Pak Lian

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 October 2024 up to LPD ⁽¹⁾
			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
LSH Lighting and Knight Auto (respectively, the tenant) and Lim Pak Lian (landlord)	Lim Pak Lian is a director and major shareholder of our Company	Rental paid for the tenancy of the following:	42	42	42	52	18
		(i) first floor of an intermediate unit of a four (4)-storey shophouse at No. 1-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by LSH Lighting vide a tenancy agreement ⁽²⁾ . The property is being used as part of LSH Lighting's retail store; and	(0.39% of our Group's PBT)	(0.08% of our Group's PBT)	(0.06% of our Group's PBT)	(0.05% of our Group's PBT)	
		(ii) ground floor of an intermediate unit of a four (4)-storey shophouse at No. G-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by Knight Auto vide a tenancy agreement ⁽²⁾ . The property is being used as Knight Auto's retail store.					
		These transactions are recurrent in nature and will subsist after the ACE Listing.					
LSH Lighting (tenant) and Lim Pak Lian and Lor Siew Hung (collectively, landlords)	- Lim Pak Lian is a director and major shareholder of our Company - Lor Siew Hung is the spouse of Lim Pak Lian	Rental paid for the tenancy of an intermediate unit of a two (2)-storey shophouse at No. 2, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan by LSH Lighting vide a tenancy agreement ⁽³⁾ . The property is being used as part of LSH Lighting's retail store.	76	76	76	77	26
		This transaction is recurrent in nature and will subsist after the ACE Listing.	(0.70% of our Group's PBT)	(0.14% of our Group's PBT)	(0.10% of our Group's PBT)	(0.08% of our Group's PBT)	

9. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) The salient terms of the tenancy agreement between Lim Pak Lian as well as the respective tenants of our Group are as follows:

Tenant/property	Date of tenancy agreement	Tenure ^(a)	Monthly rental rate
LSH Lighting No. 1-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 May 2019	Three (3) years commencing from 1 May 2019 to 30 April 2022	RM2,000
	3 November 2021 (renewal)	Two (2) years commencing from 1 May 2022 to 30 April 2024	RM2,000
	1 May 2024	Two (2) years commencing from 1 May 2024 to 30 April 2026 ^(b)	RM1,500
Knight Auto No. G-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 May 2015	Five (5) years commencing from 1 May 2015 to 30 April 2020	RM1,500
	1 April 2020 (renewal)	Three (3) years commencing from 1 May 2020 to 30 April 2023	RM1,500
	27 February 2023 (renewal)	Two (2) years commencing from 1 May 2023 to 30 April 2025 ^(c)	RM1,500
			RM3,000

- (a) The renewal term of the tenancy shall be agreed in writing between the parties at least two (2) months prior to the expiration of the existing term.
- (b) The deposit equivalent to two (2) months' rental may be forfeited to the landlord if the tenant terminates the tenancy before the expiry of the term for any reason whatsoever other than due to an event of default by the landlord.
- (c) The deposit equivalent to two (2) months' rental shall be absolutely forfeited to the landlord if the tenant unilaterally terminates the tenancy before the expiry of one (1) year from the commencement of the renewal term. Nevertheless, the tenant may terminate the tenancy without any compensation by serving a written notice on the landlord of not less than two (2)-month period after the expiry of one (1) year from the commencement of the renewal term.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(3) The salient terms of the tenancy agreement between Lim Pak Lian and Lor Siew Hung as well as LSH Lighting are as follows:

Tenant/property	Date of tenancy agreement	Tenure	Monthly rental rate
LSH Lighting No. 2, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	1 February 2015	Two (2) years commencing from 1 February 2015 to 31 January 2017	RM6,000
	7 February 2017 (renewal)	One (1) year commencing from 1 February 2017 to 31 January 2018	
	2 January 2018 (renewal)	One (1) year commencing from 1 February 2018 to 31 January 2019	RM6,300
	2 January 2019 (renewal)	One (1) year commencing from 1 February 2019 to 31 January 2020	
	2 January 2020 (renewal)	Two (2) years commencing from 1 February 2020 to 31 January 2022	
	3 November 2021 (renewal)	Two (2) years commencing from 1 February 2022 to 31 January 2024	
	1 February 2024	Two (2) years commencing from 1 February 2024 to 31 January 2026	RM6,500
			From 1 February 2015 to 31 January 2018
			From 1 February 2018 to 31 January 2024
			From 1 February 2024 to 31 January 2026

The other salient terms of this tenancy are similar to those set out in Notes (2)(a) and 2(b) above.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

(vi) Our Group and Lim Seong Hai Construction And Company ("LSHCC")

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				From 1 October 2024 up to LPD ⁽¹⁾ (RM'000)
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	
Our Group and LSHCC	Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company. They are also partners and ultimate owners of LSHCC	(i) Sale of building materials by LSH Lighting (seller) to LSHCC (buyer) ⁽²⁾ .	-	165 (0.10% of our Group's revenue)	33 (<0.01% of our Group's revenue)	578 (0.16% of our Group's revenue)	265
	Lim Ding Shyong, a director of our Company, is also the son of Tan Sri KC Lim	(ii) Rental of cranes and other construction machinery from Knight Auto (lessor) by LSHCC (lessee) on an ad-hoc basis ⁽³⁾ . These transactions are recurrent in nature and will subsist after the ACE Listing.	* (<0.01% of our Group's revenue)	-	6 (<0.01% of our Group's revenue)	113 (0.03% of our Group's revenue)	-
		(iii) Consideration sum paid by ASSB (main contractor) to LSHCC (subcontractor) for the piling and reinforced concrete works for the Wisma LSH Extension Project ⁽⁴⁾ .	-	-	-	495 (0.21% of our Group's cost of sales)	69

Notes:

* Less than RM1,000.

(1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.

(2) Prior to 1 October 2022, the sale of building materials by LSH Lighting to LSHCC was transacted on an ad-hoc basis via purchase orders. LSH Lighting has then entered into a building materials trade agreement dated 1 October 2022 with LSHCC for the supply and delivery of building materials such as ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber to LSHCC for a term of one (1) year commencing from 1 October 2022 to 30 September 2023 at selling price that is derived from cost price plus 10% margin. Any such sale is payable by LSHCC within 90 days from the date of invoice issued by LSH Lighting for the building materials supplied and delivered in accordance with the specifications of the building materials enclosed to the delivery order. The parties have subsequently entered into renewal agreements dated 1 November 2023 and 1 November 2024 for two (2) extended terms of one (1) year each till 30 October 2025 at the same terms and conditions.

9. RELATED PARTY TRANSACTIONS (Cont'd)

- (3) Prior to 1 October 2022, the rental of cranes and other construction machinery from Knight Auto by LSHCC was transacted on an ad-hoc basis via purchase orders. Knight Auto has then entered into an agreement dated 1 October 2022 with LSHCC for the rental of cranes and other construction machinery by LSHCC for a term of one (1) year commencing from 1 October 2022 to 30 September 2023 at an agreed-upon monthly and daily rate for each type of cranes and other construction machinery as specified in the said agreement. The rental shall be payable by LSHCC within 30 days from the date of invoice issued by Knight Auto. The agreement has been renewed by parties for another one (1) year commencing from 1 November 2023 to 31 October 2024 by way of a renewal letter dated 1 November 2023 at the same terms and conditions, save for the revised rental rate for each type of cranes and other construction machinery.
- On 9 December 2024, Knight Auto (lessor) entered into an equipment lease agreement with LSHCC (lessee) for an agreement to rent cranes, lorries, machines, equipment, workers or agents owned by Knight Auto to LSHCC for a term of three (3) years commencing from 1 November 2024 to 31 October 2027 for the construction of Wisma LSH Extension Project. Salient terms of the agreement are as follows:
- (i) The rental rate for each piece of equipment, whether on a monthly or daily basis, will be mutually agreed upon by parties in advance before the lessee issues a purchase order to the lessor confirming the equipment specification to be rented and the rental period. Rental payment shall be made by the lessee within 90 days from the date of the lessor's invoice;
 - (ii) The parties' respective responsibilities, including the lessor's obligation to maintain insurances coverage for the equipment and the lessee's liability and indemnity for any damage arising from its use;
 - (iii) The lessee may terminate the agreement by providing written notice within seven (7) days of an equipment breakdown that the lessor is unable to repair within 14 days of being notified. Upon termination, the lessee shall allow the lessor to retrieve the equipment, and upon receipt thereof, the lessor shall refund the rental or waive any remaining rental on a pro-rata basis from the date of return; and
 - (iv) The lessor may terminate this agreement immediately by providing written notice upon the occurrence of any event of default as specified in the agreement. Upon termination, the lessee shall settle all outstanding due as of the termination date and grant the lessor access to retrieve the equipment.
- (4) ASSB has granted subcontract work to LSHCC for the piling and reinforced concrete works for the Wisma LSH Extension Project at an agreed sum of approximately RM1.87 million vide a letter of award dated 11 October 2023. The subcontract work is scheduled to be completed by fourth quarter of 2025.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(vii) Our Group and Infinity Crane & Engineering Sdn Bhd ("ICESB")

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 October 2024 up to LPD ⁽¹⁾
Our Group and ICESB			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	•	LSH Holdings, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are major shareholders of our Company and ICESB	21 (0.04% of our Group's cost of sales)	38 (0.04% of our Group's cost of sales)	158 (0.06% of our Group's cost of sales)	783 (0.34% of our Group's cost of sales)	4
	•	DLKG and Lim Pak Lian are directors of our Company and ICESB	N/A	N/A	326 (0.13% of our Group's cost of sales)	444 (0.19% of our Group's cost of sales)	25
	•	Lim Ding Shyong, a director of our Company, is also the son of Tan Sri KC Lim					
		(iii)	* (<0.01% of our Group's revenue)	-	-	4 (<0.01% of our Group's revenue)	-
		(iv)	10 (0.01% of our Group's revenue)	17 (0.01% of our Group's revenue)	9 (<0.01% of our Group's revenue)	4 (<0.01% of our Group's revenue)	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021	FYE 2022	FYE 2023	FYE 2024		
			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
		(v) Secondment of staff by ASSB (provider) to support the operations of ICESB (client) on an ad-hoc basis. This has ceased since April 2024.	N/A	N/A	19 (0.03% of our Group's PBT)	23 (0.02% of our Group's PBT)	-	
		Save for item (ii) which is on project basis and item (v) which ASSB has ceased providing the support to ICESB, these transactions are recurrent in nature and will subsist after the ACE Listing.						

Notes:

- * Less than RM1,000
- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) Notwithstanding that our Group provides rental of cranes and other construction machinery, the size, capacity and/or specifications of machinery which Knight Auto specialises in are different from those of ICESB, e.g. Knight Auto specialises in smaller capacity cranes (ranging from 8 to 55 tonnes), whilst ICESB specialises in heavy lifting machinery (i.e. larger capacity cranes ranging from 80 to 700 tonnes).
- In this regard, our Group may require the deployment of heavy lifting machinery offered by ICESB to undertake certain specific works over the course of our construction and engineering works, depending on the type and/or phase of the construction project undertaken by our Group. In addition, should any of our Group's clients require the use of heavy lifting machinery which is not within Knight Auto's fleet of machinery, Knight Auto may procure such heavy lifting machinery from ICESB to fulfil the needs of our clients, and vice versa.
- (3) LSHBB has granted subcontract work to ICESB for the precast beam launching works for the Transkrian Project at an agreed sum of approximately RM1.15 million vide a letter of award dated 22 May 2023. The subcontract work is scheduled to be completed by 3 March 2025.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(viii) LSH Lighting and Costa Sutra Sdn Bhd ("Costa Sutra")

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
LSH Lighting and Costa Sutra	- Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are directors and major shareholders of our Company - DLKG is a director and major shareholder of Costa Sutra, while Tan Sri KC Lim and Lim Keng Hun are the major shareholders of Costa Sutra - Lim Ding Shyong, a director of our Company, is also the son of Tan Sri KC Lim - Lor Siew Hung, the spouse of Lim Pak Lian is a director and major shareholder of Costa Sutra	Purchase of lighting products by LSH Lighting (buyer) from Costa Sutra (seller) on an ad-hoc basis. This transaction is recurrent in nature and will subsist after the ACE Listing.	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
			2,412	3,223	2,593	2,948	1,320	
			(4.81% of our Group's cost of sales)	(3.28% of our Group's cost of sales)	(1.02% of our Group's cost of sales)	(1.26% of our Group's cost of sales)		

Note:

(1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(ix) Our Group and Besteel Engtech Sdn Bhd ("BESB")

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾ (RM'000)
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)		
Our Group and BESB	• DLKG is a director and major shareholder of our Company and BESB	(i) Profit-sharing whereby LSHBB (<i>service provider</i>) has been engaged by BESB (<i>client</i>) to provide consultancy services for the following projects ⁽²⁾ : (a) LSH 33 Project; (b) Transkrian Project; and (c) army family homes in Gemas, Negeri Sembilan (" Gemas YESB Project ").	N/A	6,899 (4.16% of our Group's revenue)	9,788 (2.74% of our Group's revenue)	5,700 (1.58% of our Group's revenue)	-	
		(ii) Consideration sum received by our Group (<i>subcontractor</i>) from BESB (<i>employer</i>) for various construction and engineering work projects ⁽³⁾ .	-	59,802 (36.05% of our Group's revenue)	132,790 (37.12% of our Group's revenue)	137,256 (37.98% of our Group's revenue)	19,130	
		(iii) Sale of building materials by LSH Lighting (<i>seller</i>) to BESB (<i>buyer</i>) on an ad-hoc basis ⁽⁴⁾ .	3,576 (5.30% of our Group's revenue)	2,946 (1.78% of our Group's revenue)	16,621 (4.65% of our Group's revenue)	14,099 (3.90% of our Group's revenue)	6,970	
		(iv) Sale of hardware and machinery by Knight Auto (<i>seller</i>) to BESB (<i>buyer</i>) on an ad-hoc basis.	18 (0.03% of our Group's revenue)	23 (0.01% of our Group's revenue)	59 (0.02% of our Group's revenue)	69 (0.02% of our Group's revenue)	22	
		(v) Rental of cranes and other construction machinery from Knight Auto (<i>lessor</i>) by BESB (<i>lessee</i>) on an ad-hoc basis ⁽⁵⁾ .	944 (1.40% of our Group's revenue)	2,893 (1.74% of our Group's revenue)	6,224 (1.74% of our Group's revenue)	11,041 (3.05% of our Group's revenue)	5,140	

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021	FYE 2022	FYE 2023	FYE 2024	(RM'000)	
			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
		(vi) Rental of scaffolding, metal steel plate and sheet pile from Knight Auto (lessor) by BESB (lessee) on an ad-hoc basis ⁽⁶⁾ .	-	290 (0.17% of our Group's revenue)	459 (0.13% of our Group's revenue)	2,667 (0.74% of our Group's revenue)	748	
		(vii) Secondment of staff by ASSB (provider) to support the operations of BESB (client) on an ad-hoc basis. This has ceased since April 2024.	N/A	N/A	40 (0.05% of our Group's PBT)	48 (0.05% of our Group's PBT)	-	
		Save for items (i), (ii) and (vi) above which are on project basis and item (vii) which ASSB has ceased providing the support to BESB, these transactions are recurrent in nature and will subsist after the ACE Listing.						

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
 - (2) LSHBB has entered into three (3) BEST Collaboration Framework agreements, all dated 13 April 2022 with BESB to provide value-engineering services and solutions for these projects. The service fee payable by BESB to LSHBB for these projects are on profit-sharing basis (i.e. based on 75% of the remaining gross profit of the respective entire project (i.e. after deducting all the relevant operating and administrative expenses attributable to the said project)), and such profit is to be recognised and payable to LSHBB on a quarterly basis commencing from the first quarter when BESB recognises progress billings for the said projects, until full completion of the overall works for the said projects. For information, the overall works for the LSH 33 Project has been completed following the issuance of CPC on 3 June 2024 and CCC on 12 September 2024, while the full completion of the overall works for the Transkrian Project and Gemas YESB Project are scheduled to be completed by third quarter of 2025 and second quarter of 2026 respectively.
- In addition to the above, in the case of LSH 33 Project, pursuant to the terms of its agreement, upon completion of the said development project, any unsold unit from the LSH 33 Project shall be recognised as the inventory of BESB and LSHBB shall be entitled to receive 75% of the profits upon the sale of these inventory units, or at its sole discretion, elect to have 75% of the unsold inventory units be transferred to its name. For information purposes, all units under the LSH 33 Project have been fully sold.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(3) Our Group has been appointed by BESB to carry out the following construction and engineering works:

No.	Project description	Date of letter of award	Agreed contract sum	Amount billed up to LPD	Commencement date	Completion date
(i)	Design and build of the LSH 33 Project by LSHBB	18 May 2020	RM259.26 million	RM259.26 million	July 2020	June 2024
(ii)	Supply, delivery, installation, testing and commissioning of infrastructural, M&E, civil and structural works for DUKE by LSHBB	10 May 2021	RM12.27 million	RM12.27 million	May 2021	March 2023
(iii)	Construction and completion of bridge structure at Kampung Kerinchi, Kuala Lumpur by LSHBB	10 October 2021	RM6.21 million	RM6.21 million	October 2021	October 2023
(iv)	Foundation, substructure and superstructure works for Transkrian Project by LSHBB	25 November 2021	RM112.08 million	RM85.36 million	February 2022	May 2025
(v)	Supply, delivery, installation, testing and commissioning of cold water and sanitary plumbing services for Gemas YESB Project by LSH Lighting	20 September 2022	RM20.23 million	RM6.48 million	October 2022	May 2026
(vi)	Supply, delivery, installation, testing and commissioning of electrical and extra low voltage box for Gemas YESB Project by LSH Lighting	20 December 2022	RM38.43 million	RM3.25 million	December 2022	August 2025
(vii)	Supply of materials, labour, equipment and tools for construction and completion of reinforced concrete works for the Gemas YESB Project by ASSB	1 March 2023	RM40.96 million	RM34.57 million	March 2023	June 2025
(viii)	Supply of materials, labour, equipment and tools for construction and completion of architectural works for the Gemas YESB Project by ASSB	13 June 2024	RM95.41 million	RM7.27 million	June 2024	March 2026
(ix)	Construction and completion of earthworks, road pavement works, road furniture works, precast New Jersey barrier, galvanized iron railing and reinforced concrete works for Transkrian Project by ASSB	13 June 2024	RM23.16 million	RM0.19 million	October 2024	July 2025

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Project description	Date of letter of award	Agreed contract sum	Amount billed up to LPD	Commencement date	Completion date
(x)	Supply of materials, labour, equipment and tools for construction and completion of infrastructure works for the Gemas YESB Project by ASSB	19 November 2024	RM24.13 million	-	Expected to commence in March 2025	March 2026

(4) Prior to 1 November 2021, the sale of building materials by LSH Lighting to BESB was transacted on an ad-hoc basis via purchase orders, LSH Lighting has then entered into a building materials trade agreement dated 1 November 2021 with BESB for the supply and delivery of building materials such as ready-mixed concrete, reinforcement bar, fabric reinforcement mesh, plywood and timber to BESB for a term of one (1) year commencing from 1 November 2021 to 31 October 2022 at selling price that is derived from cost price plus 10% margin. Any such sale is payable by BESB within 90 days from the date of invoice issued by LSH Lighting for the building materials supplied and delivered in accordance with the specifications of the building materials enclosed to the delivery order.

The parties have subsequently entered into three (3) new building materials trade agreements dated 1 November 2022, 1 November 2023 and 27 December 2024 for three (3) extended terms of one (1) year each till 31 October 2025 at the same terms and conditions.

(5) Prior to 1 November 2021, the rental of cranes and other construction machinery from Knight Auto by BESB was transacted on an ad-hoc basis via purchase orders. Knight Auto has then entered into an agreement dated 1 November 2021 with BESB for the rental of cranes and other construction machinery by BESB for a term of one (1) year commencing from 1 November 2021 to 31 October 2022 at an agreed-upon monthly and daily rate for each types of cranes and other construction machinery as specified in the said agreement. The rental shall be payable by BESB within 90 days from the date of invoice issued by Knight Auto. The agreement has been renewed by parties for two (2) successive terms by way of renewal letters dated 1 November 2022 and 1 November 2023 at the same terms and conditions, save for the revised rental rate for each type of cranes and other construction machinery. The agreement has expired on 31 October 2024.

Subsequent to the expiry of the abovementioned agreement, Knight Auto (lessor) entered into two (2) separate equipment lease agreements, both dated 1 November 2024 with BESB (lessee), for an agreement to rent cranes, lorries, machines, equipment, workers or agents owned by Knight Auto to BESB for a term of three (3) years commencing from 1 November 2024 to 31 October 2027 for the Gemas YESB Project and Transkrian Project respectively.

The salient terms of these agreements are similar to the equipment lease agreement entered into between Knight Auto and LSHCC dated 9 December 2024 as set out in Note (3) of Section 9.1.1(vi) above.

(6) Prior to 1 October 2022, the rental of scaffolding, metal steel plate and sheet pile from Knight Auto by BESB was transacted on an ad-hoc basis via purchase orders. Knight Auto has then entered into an agreement dated 1 October 2022 with BESB for the rental of scaffolding, metal steel plate and sheet pile by BESB for the Transkrian Project at an agreed-upon monthly rate for each type of building materials as specified in the said agreement. The term of the agreement commences from the date of the first delivery order placed by BESB and expires on the date on which all equipment is returned. The rental shall be payable by BESB within 90 days from the date of invoice issued by Knight Auto.

9. RELATED PARTY TRANSACTIONS (Cont'd)

(x) Our Group and Ekovest Construction Sdn Bhd ("Ekovest Construction"), a subsidiary of Ekovest Berhad ("Ekovest")

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽⁴⁾
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	(RM'000)	
Our Group and Ekovest Construction	- Tan Sri KC Lim, a director of our Company, was a director of Ekovest Construction and a Managing Director of Ekovest. He has resigned as a director of Ekovest Construction and re-designated to a Non-Independent Non-Executive Director of Ekovest on 6 March 2024 - Lim Ding Shyong, a director of our Company and the son of Tan Sri KC Lim, was an alternate director to Tan Sri KC Lim in Ekovest (which he has resigned on 6 March 2024)	(i) Consideration sum received by LSH Lighting (<i>subcontractor</i>) from Ekovest Construction (<i>employer</i>) for the following subcontract work for the EkoCheras mixed development project: - supply, delivery and unloading of high tension panels and power transformer⁽²⁾; and - supply and delivery of light fittings for towers and installation of façade and landscape lighting⁽³⁾.	112 (0.17% of our Group's revenue)	-	-	-	-	-
		(ii) Consideration sum received by LSH Lighting (<i>subcontractor</i>) from Ekovest Construction (<i>employer</i>) for the subcontract of street lighting work along Jalan Mohd Yatim Yahya Minor Road in Kuala Lumpur ⁽⁴⁾ .	186 (0.28% of our Group's revenue)	-	-	-	-	-
		(iii) Sale of lighting products by LSH Lighting (<i>seller</i>) to Ekovest Construction (<i>buyer</i>) on an ad-hoc basis.	1 (<0.01% of our Group's revenue)	2 (<0.01% of our Group's revenue)	3 (<0.01% of our Group's revenue)	3 (<0.01% of our Group's revenue)	2	2
		(iv) Sale of hardware by Knight Auto (<i>seller</i>) to Ekovest Construction (<i>buyer</i>) on an ad-hoc basis.	2 (<0.01% of our Group's revenue)	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) LSH Lighting was granted the subcontract work at an agreed contract sum of approximately RM8.41 million vide a letter of award dated 1 March 2017. The statement of final account for the contract work was issued in March 2021.
- (3) LSH Lighting was granted the subcontract work at an agreed contract sum of approximately RM7.84 million vide a letter of award dated 28 December 2017. The statement of final account for the contract work was issued in March 2021.
- (4) LSH Lighting was granted the subcontract work at an agreed contract sum of approximately RM0.53 million vide a letter of award dated 4 July 2016. The statement of final account for the contract work was issued in March 2021.

(xi) Other related party transactions

Transacting parties	Nature of relationship	Nature of transaction	Transaction value					From 1 October 2024 up to LPD ⁽¹⁾
			FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	(RM'000)	
1. ASSB (seller) and Lim Ding Shyong, Lim Wei Xin, Lim Wei Ling and Lim Seong Hai Property Sdn Bhd ("LSH Property") (collectively, buyers)	- LSH Resources is a major shareholder of our Company and the holding company of LSH Property - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are major shareholders of our Company and LSH Property by virtue of their indirect interest in LSH Resources held through LSH Holdings. They are also directors of our Company whilst DLKG, Lim Pak Lian and Lim Keng Hun are directors of LSH Property	(i) Purchase of one (1) residential condominium unit of LSH Segar Project by Lim Ding Shyong, Lim Wei Xin and Lim Wei Ling (collectively, buyers) from ASSB (seller) vide a SPA dated 14 August 2023; and (ii) Purchase of eight (8) residential condominium units and two (2) units of Sky Bungalows of LSH Segar Project by LSH Property (buyer) from ASSB (seller) vide 10 separate SPAs, all dated 31 August 2023. These transactions were one-offs.	-	-	(2)2,075 (0.58% of our Group's revenue)	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD ⁽¹⁾ (RM'000)
2.	Our Group (tenants) and LSH Property (Landlord)	Lim Ding Shyong, Lim Wei Xin and Lim Wei Ling are the children of Tan Sri KC Lim. Lim Ding Shyong is also a director of our Company	Rental paid for the tenancy of the following:	-	-	-	-	234
			(i) all three (3) adjoining intermediate units of commercial shop lot located at the ground, first and second floors of the completed LSH 33 Project, also known as Laman Seri Harmoni (LSH 33) at Lot G-08, 09 & 10, Lot Level 1-08, 09 & 10, Lot Level 2-08, 09 & 10, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by LSH Lighting vide a tenancy agreement⁽³⁾. These properties are being used as LSH Lighting's retail store; and (ii) all three (3) adjoining intermediate units of commercial shop lot located at the ground floor of LSH 33 at Lot G-16, 17 & 18, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur by Knight Auto vide a tenancy agreement⁽³⁾. The property is being used as Knight Auto's retail store.					

These transactions are recurrent in nature and will subsist after the ACE Listing.

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	From 1 October 2024 up to LPD ⁽¹⁾ (RM'000)
3.	Our Company (issuer) and Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob ("DSMN") (subscriber)	DSMN is the Independent Non-Executive Director of our Company	Subscription of 1,000,000 new Shares at an issue price of RM0.42 each by DSMN for a total cash consideration of RM420,000 vide a conditional share subscription agreement dated 28 March 2022. The said subscription was completed on 27 May 2022.	-	420 (0.53% of our Group's NA)	-	-	-

This transaction was one-off.

Notes:

- (1) Percentage contributions are not available as there are no audited financial statements for the period from 1 October 2024 up to LPD for our Group.
- (2) Represents the discounted selling price as set out in the respective SPAs, notwithstanding that such revenue will be recognised by our Group on a progressive basis.
- (3) The salient terms of the tenancy agreements between LSH Property and our Group are as follows:

Tenant/property	Date of tenancy agreement	Tenure	Monthly rental rate
LSH Lighting Lot G-08, 09 & 10, Lot Level 1-08, 09 & 10, Lot Level 2-08, 09 & 10, Laman Seri Harmoni (LSH 33)	29 November 2024	Three (3) years commencing from 29 November 2024 to 28 November 2027	RM51,148.30 From 29 November 2024 to 28 November 2027
Knight Auto Lot G-16, 17 & 18, Laman Seri Harmoni (LSH 33)	29 November 2024	Three (3) years commencing from 29 November 2024 to 28 November 2027	RM26,621.30 From 29 November 2024 to 28 November 2027

The renewal term of the respective tenancies shall be agreed in writing between the respective parties at least six (6) months prior to the expiration of their respective existing terms. All the deposits payable under the tenancy agreement (which comprises rental, utilities, fit-out restoration and letter box deposit) shall be forfeited to the landlord if the tenant unilaterally terminates the tenancy before the expiry of the term. Additionally, the tenant shall forthwith pay to the landlord a sum equal to the monthly rental for the whole of the unexpired period of the tenancy term.

9. RELATED PARTY TRANSACTIONS (Cont'd)

The related party transactions entered into by our Company with the Promoters in relation to the acquisitions of the subsidiaries to form the current composition of our Group which are set out in Section 9.1.1(i) above, were transacted on fair, reasonable and on normal commercial terms, and are not detrimental to the interest of the non-interested shareholders of our Company. For information, the related party transactions listed under items (3) and (4) of Section 9.1.1(i) above were approved by the non-interested shareholders of our Company at the EGM held on 28 March 2023.

In addition, the Directors confirm that all the other related party transactions as set out above were carried out on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to our Group nor the minority shareholders, save for the following:

- (i) tenancy arrangements with the related parties as listed under item (iii) of Section 9.1.1(ii)(c) as well as items (v) to (vii) of Section 9.1.1(iii) above, the rental rates of which are lower than the market rate for similar types of properties situated within the same localities, which are beneficial to our Group;
- (ii) lower interest rate of 1.0% and 3.0% per annum for the loans provided by LSH Holdings to ASSB and ASES (as listed under item (ii) of Section 9.1.1(iv) above) as compared to the interest rate loan provided by a commercial bank, which are beneficial to our Group;
- (iii) profit received and to be received under the BEST Collaboration Framework from related clients for the provision of consultancy services for their projects (as listed under item (iii) of Section 9.1.1(ii)(b), Section 9.1.1(ii)(d), item (iii) of Section 9.1.1(iv) and item (i) of Section 9.1.1(ix) above), the profit arrangement of which is commercially negotiated and agreed upon between the parties after taking into consideration the market practice and industry norm of a joint venture or collaboration arrangement of similar sort, and are not detrimental to the interest of the non-interested shareholders of our Company;
- (iv) acquisition of cranes and other construction machinery by Knight Auto from ASSB (prior to the ASSB Acquisition) (as listed under item (ix) of Section 9.1.1(ii)(b) above), the terms of which are neither beneficial nor detrimental to our Group as the acquisition was transacted at carrying value and did not result in any gain or loss being recorded by our Group upon acquisition; and
- (v) secondment of staff to support the operations of the related parties (as listed under item (x) of Section 9.1.1(ii)(b), item (v) of Section 9.1.1(vii) and item (vii) of Section 9.1.1(ix) above), the transacted values of which were substantially based on actual staff cost (i.e. staff salary and the relevant statutory contributions) and did not result in any substantial gain or loss being recorded by our Group. For information purpose, our Group has ceased such secondment activities since April 2024.

Save for the recurrent related party transactions ("RRPTs") which will subsist after the ACE Listing as disclosed above, the Directors also confirm that there are no other material related party transactions that have been effected after LPD or entered by our Group but not yet effected up to the date of this Prospectus.

In this regard, after the ACE Listing, we will seek the shareholders' ratification and mandate for the RRPTs mentioned above at the next annual general meeting, unless otherwise exempted under the ACE LR. In this respect, all interested shareholders as well as persons connected with them will abstain from voting on the resolutions with regard to such RRPTs.

9. RELATED PARTY TRANSACTIONS (Cont'd)

After the ACE Listing, we will also be required to seek the shareholders' approval each time we enter into a material related party transaction in accordance with the ACE LR. However, if the related party transactions are deemed as recurrent related party transactions, we may seek a general mandate from the shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

9.1.2 Related party transactions entered into that are unusual in their nature or condition

Our Group has not entered into any transaction that is unusual in its nature or condition, involving goods, services, tangible or intangible assets, with a related party for the Financial Years Under Review and for the period from 1 October 2024 up to LPD.

9.1.3 Loans made to or for the benefit of a related party

Our Group has not granted any loan to or for the benefit of a related party that is material to our Group for the Financial Years Under Review and for the period from 1 October 2024 up to LPD.

9.1.4 Financial assistance provided to or for the benefit of a related party

Save as disclosed below, our Group has not provided any financial assistance to or for the benefit of a related party for the Financial Years under Review and for the period from 1 October 2024 up to LPD:

Nature of transaction and purpose	Amount				As at LPD
	As at 30 September				
	2021	2022	2023	2024	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Provision of corporate guarantee by ASSB to AmBank Islamic Berhad for credit facilities granted to Infinity Crane & Engineering Sdn Bhd ("ICESB") for the purchase of cranes with specific requirement that is required to complete ASSB's projects ^{(1),(2)} .	-	-	4,161 (0.99% of our Group's NA)	2,060 (0.43% of our Group's NA)	-

For the relationship between ICESB and the related parties, please refer to Section 9.1.1(vii) above.

Notes:

- (1) *To facilitate the overall construction of bridge structure works for the mainline for SPE-DUKE Phase 3 Section 1 – Kerinchi to Salak project ("Kerinchi Project"), heavy lifting cranes with certain specifications were required. As neither Knight Auto nor ICESB had such cranes in their then existing fleet, and cranes of such specifications fall under the category of heavy lifting machinery offered by ICESB, ASSB had provided the abovementioned corporate guarantee to facilitate ICESB's purchase and deployment of such crane to ensure the Kerinchi Project is completed expeditiously.*
- (2) *The said corporate guarantee has been fully discharged on 15 October 2024.*

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

9.2.1 Audit and Risk Management Committee's review

Our Audit and Risk Management Committee:

- (i) reviews related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (ii) reviews the adequacy of the procedures and processes in place in monitoring the related party transactions and conflict of interest situations to ensure compliance with the Act, the ACE LR and other legislative and reporting requirements; and
- (iii) sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to the minority shareholders, including ensuring related parties who are in a position of conflict with the interest of our Group to abstain from deliberation and/or voting on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

9.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. As disclosed in this Prospectus, some of the Directors and/or major shareholders are also directors and, in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and/or in aggregate have conflict of interest.

It is the policy of our Group that –

- (i) all related party transactions that are transacted based on purchase order ("**PO-based RPTs**") and are below our Group's materiality threshold shall be subject to review, deliberation and approval by our Management before proceeding. Our Audit and Risk Management Committee and non-interested Directors shall review and deliberate all PO-based RPTs entered by our Management on a quarterly basis;
- (ii) all PO-based RPTs that are valued above our Group's materiality threshold shall be subject to review and deliberation by our Management and Audit and Risk Management Committee as well as approval by the non-interested Directors of our Board;
- (iii) all contract-based related party transactions regardless of value shall be subject to review and deliberation by our Audit and Risk Management Committee as well as approval by the non-interested Directors of our Board; and
- (iv) as part of the review and deliberation by our Management and/or Audit and Risk Management Committee under items (i) to (iii) above, our Management and/or Audit and Risk Management Committee must ensure that the terms of such related party transactions are negotiated, agreed upon and carried out in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to the minority shareholders.

9. RELATED PARTY TRANSACTIONS (Cont'd)

We have adopted a governance framework that meets best practice principles to mitigate any potential conflict of interest situation and this framework complies with the ACE LR and adheres to the best extent possible with the guidance principles set out in the Malaysian Code on Corporate Governance. The procedures which form part of this framework include the requirement of our Directors to declare any direct or indirect interest that they may have in any business arrangement, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction. All existing or potential related party transactions would also be required to be disclosed by the interested party for management reporting. Our Management will then propose the transactions to our Audit and Risk Management Committee for review and deliberation which would in turn, make the appropriate recommendations for approval by the non-interested Directors of our Board.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN BUSINESSES AND CORPORATIONS WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

As at LPD, save as disclosed below, none of our Directors and/or substantial shareholders have any interest, whether direct or indirect, in other businesses or corporations which are (i) carrying on a similar trade as that of our Group; or (ii) our customers or suppliers:

No.	Name of entity	Principal activity	Nature of interest as at LPD
1.	LSH Holdings ^{(i), (ii)}	Investment holding, property development and provision of moneylending service	- LSH Holdings through its interest in LSH Resources, is our Promoter and substantial shareholder - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are our Promoters, directors and substantial shareholders. They are also directors and shareholders of LSH Holdings, each holding 25.00% direct equity interest therein
2.	Lim Seong Hai Construction And Company ("LSHCC") ^{(i), (ii)}	General contractor including civil engineering contractor	Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun are our Promoters, directors and substantial shareholders. They are also partners and ultimate owners of LSHCC
3.	Infinity Crane & Engineering Sdn Bhd ("ICESB") ^{(i), (ii)}	Transportation and rental of crane, machinery and equipment	- LSH Holdings which is our Promoter and substantial shareholder, also holds 50.00% direct equity interest in ICESB - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun who are our Promoters, directors and substantial shareholders, also have interest in ICESB through their interests in LSH Holdings - DLKG and Lim Pak Lian are also directors of ICESB
4.	Costa Sutra Sdn Bhd ("Costa Sutra") ^{(i), (ii)}	Trader in lighting and electrical products and its related accessories	- Tan Sri KC Lim, DLKG and Lim Keng Hun are our Promoters, directors and substantial shareholders. They are also shareholders of Costa Sutra, each holding 16.67% direct equity interest therein - DLKG is also a director of Costa Sutra - Lim Pak Lian is our Promoter, director and substantial shareholder. Her spouse, Lor Siew Hung, is a director and shareholder of Costa Sutra, holding the remaining 50.00% direct equity interest therein
5.	Besteel Engtech Sdn Bhd ("BESB") ^{(i), (ii)}	Property development, construction, project management, engineering services, maintenance services and general trading	DLKG is our Promoter, Non-Independent Executive Vice Chairman and substantial shareholder. He is also a director and shareholder of BESB, holding 39.00% direct equity interest therein

10. CONFLICT OF INTEREST (Cont'd)

No.	Name of entity	Principal activity	Nature of interest as at LPD
6.	Ekovest Berhad ("Ekovest") ^{(i), (ii)}	Investment holding company principally involved in civil engineering and construction works, property development and investment, toll operations, as well as plantation and agricultural (through its 61.57% equity interest in PLS Plantations Berhad as at LPD, a public company listed on the Main Market of Bursa Securities) Among others, Ekovest's subsidiaries include Nuzen Corporation Sdn Bhd ("NCSB"), which is the holding company of: (i) Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Kesturi") and Lebuhraya Duke Fasa 3 Sdn Bhd ("LDF3SB"), both of which are principally involved in the design, construction, operation, management and maintenance of highways; and (ii) Lebuhraya Duke Fasa 2A Sdn Bhd ("LDF2ASB"), which is inactive	- Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a Non-Independent and Non-Executive Director of Ekovest, the Managing Director of Kesturi and a director of NCSB, LDF3SB and LDF2ASB - LSH Holdings which is our Promoter and substantial shareholder, also holds approximately 2.89% direct equity interest in Ekovest - Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun who are our Promoters, directors and substantial shareholders, also have interest in Ekovest through their interests in LSH Holdings
7.	Credence Resources Sdn Bhd ("Credence") ⁽ⁱ⁾	Investment holding company which holds 63.13% equity interest in Iskandar Waterfront Holdings Sdn Bhd ("IWH") as at LPD, a company that is principally engaged in the business of investment holding under the Public-Private-Partnership (PPP) model under which its key subsidiaries are master developers focusing on urban and economic corridor development within Flagship Zone A of Iskandar Malaysia, Johor For information, IWH also holds 33.42% equity interest in Iskandar Waterfront City Berhad ("IWCity") as at LPD, a public company listed on the Main Market of Bursa Securities and through its subsidiaries, is principally involved in property development and investment	- Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director and shareholder of Credence, holding 5.00% equity interest therein - Tan Sri KC Lim is also a director of some of the subsidiaries, associates and joint ventures of Credence which are principally involved in, among others, property development and construction works as follows: (i) Casa Green City Sdn Bhd; (ii) Cendana Tunggal Sdn Bhd; (iii) Danga Bay Sdn Bhd; (iv) Danga Heights Development Sdn Bhd; (v) Global Corporate Development Sdn Bhd; (vi) Iskandar Waterfront Sdn Bhd ("IWSB"); (vii) KST Assets Sdn Bhd; (viii) Rampai Fokus Sdn Bhd; (ix) Riverside Terra Sdn Bhd; (x) Sanctuary Bay Sdn Bhd; (xi) Selat Cipta Sdn Bhd; (xii) Tropicana Danga Bay Resort Sdn Bhd;

10. CONFLICT OF INTEREST (Cont'd)

No.	Name of entity	Principal activity	Nature of interest as at LPD
			(xiii) Tropicana Danga Bay Sdn Bhd; (xiv) Tropicana Danga Cove Sdn Bhd; (xv) Vestfield Project Management Sdn Bhd; (xvi) Vestfield Properties Sdn Bhd; (xvii) Vestfield Waterfront Development Sdn Bhd; (xviii) Vestfield Waterfront Sdn Bhd; and (xix) Vestfield World Sdn Bhd. • DLKG is our Promoter, Non-Independent Executive Vice Chairman and substantial shareholder. He is also a Non-Independent Non-Executive Director of IWCity and an alternate director to Tan Sri KC Lim in IWSB, Tropicana Danga Cove Sdn Bhd and Vestfield World Sdn Bhd
8.	Affluent Venue Sdn Bhd (“ Affluent Venue ”) ⁽ⁱ⁾	Property development	• Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director and shareholder of Affluent Venue, holding 5.00% direct equity interest therein
9.	Cempaka Jujur Sdn Bhd (“ Cempaka Jujur ”) ⁽ⁱ⁾	Property development	• Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director with interest in Cempaka Jujur vide his shareholding of 5.00% in Kapital Rezeki Sdn Bhd (“Kapital Rezeki”), the holding company of Kris Metro Sdn Bhd (“Kris Metro”) which is a 70.00%-shareholder of Cempaka Jujur
10.	Falcon Unigreen Sdn Bhd (“ Falcon Unigreen ”) ⁽ⁱ⁾	Property development, civil engineering and contractor works	• Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director with interest in Falcon Unigreen vide his shareholding of 5.00% in Swan Atlantic Sdn Bhd, being the indirect holding company of Falcon Unigreen through Strait Bay Sdn Bhd
11.	Teras Hijaujaya Sdn Bhd (“ Teras Hijaujaya ”) ⁽ⁱ⁾	Property development	• Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director and shareholder of Teras Hijaujaya, holding 5.00% direct equity interest therein
12.	Uniregion Sdn Bhd (“ Uniregion ”) ⁽ⁱ⁾	Property development, civil engineering works and building contractor	• Tan Sri KC Lim is our Promoter, Non-Independent Non-Executive Chairman and substantial shareholder. He is also a director with interest in Uniregion vide his shareholding of 5.00% in Swan Atlantic Sdn Bhd, the holding company of Uniregion

10. CONFLICT OF INTEREST (Cont'd)

No.	Name of entity	Principal activity	Nature of interest as at LPD
13.	Seal Incorporated Berhad ("Seal Incorporated") ⁽ⁱ⁾	Property investment, building contractor, project manager for property development, and extraction and sale of timber	Lee Swee Kheng is our Independent Non-Executive Director. She is also the Independent Non-Executive Chairman of Seal Incorporated
14.	Miramas Properties Sdn Bhd ("Miramas Properties") ⁽ⁱ⁾	Real property and housing development	Dato' Wang Sze Yao @ Wang Ming Way is our Independent Non-Executive Director. He is also a shareholder of Miramas Properties, holding 5.00% direct equity interest therein

Notes:

(i) Similar trade as that of our Group.

(ii) Customer and/or supplier of our Group.

For information purposes, Tan Sri KC Lim also has interest in the following investment holding companies that hold land banks for investment purposes (collectively, the "**Other Investment Holding Companies**"):

No.	Name of entity	Nature of investment	Nature of interest as at LPD
1.	Nautical Triangle Sdn Bhd ⁽¹⁾	Property investment holding one (1) piece of vacant land in Johor	Director
2.	Tunas Melati Sdn Bhd ⁽¹⁾	Property investment holding one (1) piece of vacant land in Negeri Sembilan	Director
3.	Empomas Holdings Sdn Bhd ⁽²⁾	Property investment holding of vacant lands in Johor	Director
4.	Layar Suria Sdn Bhd ⁽²⁾	Property investment holding one (1) piece of vacant land in Johor	Director
5.	Strait Bay Sdn Bhd ⁽²⁾	Property investment holding of vacant lands in Johor	Director
6.	Ritz Care Sdn Bhd ⁽³⁾	Property investment holding one (1) piece of vacant land in Johor	Director
7.	Trident World Sdn Bhd	Property investment holding one (1) piece of vacant land in Johor	Director and shareholder with 5.00% direct equity interest

Notes:

(1) This entity is wholly-owned by Chai Choon Holdings Sdn Bhd, a company which Tan Sri KC Lim is also a director and shareholder holding 6.00% direct equity interest therein.

(2) This entity is wholly-owned Swan Atlantic Sdn Bhd, a company which Tan Sri KC Lim is also a director and shareholder holding 5.00% direct equity interest therein.

(3) This entity is a subsidiary of Affluent Venue.

10. CONFLICT OF INTEREST (Cont'd)

In addition to the above, Lee Swee Kheng is also a director of Mighty Symphony Sdn Bhd ("**Mighty Symphony**"), a company that is principally involved in investment holding and owns two (2) parcels of residential lands in Selangor which are held for investment purposes.

(i) LSH Holdings

LSH Holdings, our Promoter and substantial shareholder, is principally involved in investment holding, property development and provision of moneylending service, some of which are similar trade as that of our Group. For the avoidance of doubt, LSH Holdings is not part of the listing Group.

As at LPD, LSH Holdings and its indirect subsidiary, Airman Sdn Bhd, own several parcels of vacant lands across the Klang Valley region. In addition, LSH Holdings is also a customer of our Group as LSH Holdings has:

- (a) engaged our Group to undertake construction works and/or provide construction-related services and solutions under our BEST Collaboration Framework for the design and build of the Sentul Ria Project and for its Wisma LSH Extension Project; and
- (b) purchased M&E products from our Group.

Please refer to Section 9.1.1(iv) of this Prospectus for further details of these transactions between our Group and LSH Holdings.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation as a result of the involvement and interest of our Promoters in LSH Holdings are mitigated by the following:

- (a) LSH Holdings has appointed our subsidiary, ASSB, as the main contractor for the construction of the Sentul Ria Project and engaged LSHBB to provide value-engineering constructions services and solutions under our BEST Collaboration Framework for the Sentul Ria Project. In doing so, LSH Holdings has effectively transferred a substantial portion of the economic benefits that can be derived from the Sentul Ria Project to our Group without having our Group incur a high amount of upfront capital outlay to acquire the land where the Sentul Ria Project is situated or to secure the development right for the Sentul Ria Project. Such economic benefits include the total contract value of approximately RM103.89 million for construction works carried out as main contractor, as well as 75% of the remaining gross profit of the Sentul Ria Project (i.e. after deducting all the relevant operating and administrative expenses attributable to the said project) for value-engineering constructions services and solutions provided under our BEST Collaboration Framework. This approach also allows us to dispense with the need to go through the long and arduous process involved in transferring/re-applying for the development approvals for the Sentul Ria Project to/under our Company's name, thereby enabling our Group to participate in the project's financial gains without disrupting the project's development timeline;
- (b) LSH Holdings has also appointed our subsidiary, ASSB, as the main contractor for the construction of its Wisma LSH Extension Project, entitling our Group to the construction orderbook for the scope of construction works that was awarded to our Group;

10. CONFLICT OF INTEREST (Cont'd)

- (c) the Promoters have jointly and severally granted a right of first refusal (“**ROFR**”) to our Group to participate in the development of the vacant lands which are currently owned or that may be owned in the future by LSH Holdings, its subsidiaries or other entities directly or indirectly owned or controlled by the Promoters (“**Existing and Future Lands**”), if the Promoters wish to develop the Existing and Future Lands. In this regard, depending on which approach is more economically advantageous for our Group, our Group shall have the following options to participate in the development of the Existing and Future Lands:
- (aa) direct acquisition of the Existing and Future Lands or the entities holding the ownership of the Existing and Future Lands by our Group at a purchase consideration of no more than the market value appraised by an independent valuer;
 - (bb) acquisition of the development rights attached to the Existing and Future Lands by our Group to undertake the development as the developer based on market value appraised by an independent valuer and on normal commercial terms that are on arm’s length basis; or
 - (cc) appointment of our Group as the main contractor for the development of the Existing and Future Lands, i.e. similar to the business arrangement for the Sentul Ria Project as mentioned above.

For the avoidance of doubt, the Promoters can only proceed with their own plans with the Existing and Future Lands if we decline the ROFR to participate in the development of such landbank;

- (d) the Promoters have also provided their written undertaking to our Company to not engage in any property development and construction activities outside our Group, save for the Sentul Ria Project which is currently ongoing, the Existing and Future Lands for which our Group has declined to exercise the ROFR as detailed in item (c) above, as well as the minimum number and value of construction projects required by LSHCC to remain active to facilitate the renewal of its certificate of registration as a G4 contractor with the CIDB as further detailed in Section 10.1(ii) below; and
- (e) any related party transactions involving LSH Holdings will be governed by our internal controls and corporate governance policies. These policies and procedures include the following:
 - (aa) full disclosure and declaration by all Directors of any direct or indirect interest that they may have in any transaction;
 - (bb) abstention by the interested Directors from deliberating and voting on the resolution relating to such related party transaction at the relevant Board meetings;
 - (cc) the review by our Audit and Risk Management Committee on all related party transactions to ensure that the terms of the related party transactions are fair and based on arm’s length principles, reflecting normal commercial terms which are not more favourable to the related party than what is typically available to third parties, and are not detrimental to our minority shareholders; and

10. CONFLICT OF INTEREST (Cont'd)

- (dd) abstention by the interested Directors and person(s) connected with the interested Directors who are also our shareholders from voting on the resolution relating to such related party transaction at the relevant shareholders' meeting if shareholders' approval is required.

(collectively referred to as the “**RPT Policies and Procedures**”)

For further details of the RPT Policies and Procedures, please refer to Section 9.2.2 of this Prospectus.

(ii) LSHCC

LSHCC is a partnership established in 1975 to take over the construction business of Lim Seong Hai Construction, a sole proprietorship founded by Mr. Lim Seong Hai in 1966, the late father of Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun (collectively, the “**Lim Siblings**”). As at LPD, the Lim Siblings are the partners and ultimate owners of LSHCC. For the avoidance of doubt, LSHCC is not part of the listing Group.

LSHCC is a G4 contractor registered with the CIDB with a tender limit of RM3.00 million. As such, LSHCC is involved in similar trade as that of our Group.

As at LPD, the only ongoing construction project undertaken by LSHCC is for the piling and reinforced concrete works for LSH Holdings' Wisma LSH Extension Project, the contract of which was awarded by ASSB as the main contractor. LSHCC has also purchased building materials and rented cranes and other construction machinery from our Group to perform its construction works. Please refer to Section 9.1.1(vi) of this Prospectus for further details of these transactions between our Group and LSHCC.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation as a result of the involvement and interest of the Lim Siblings in LSHCC are mitigated by the following:

- (a) LSHCC is not in direct competition with our Group due to its classification as a G4 contractor with a tender limit of RM3.00 million, whereas our Group's construction activities span broader horizons as a G7 contractor without any tender limit, which is the principal focus of our Group having considered our Group's limited capacity and resources;
- (b) the Lim Siblings and LSHCC have also provided written undertaking to our Company that:
 - (aa) they will not upgrade the certificate of registration of LSHCC as construction contractor with the CIDB beyond the existing G4 grade;
 - (bb) LSHCC will only, to the extent practicable, undertake such minimum number and value of construction projects required to remain active to facilitate the renewal of its certificate of registration as a G4 contractor, and in any event the total value of construction projects that it undertake shall not exceed RM3.00 million annually or such other minimum requirement as may be imposed by the CIDB as a criterion for the renewal of the certificate of registration as a G4 contractor from time to time; and
 - (cc) LSHCC shall only undertake construction projects in the form of subcontract works offered by our Group through an open tender; and

10. CONFLICT OF INTEREST (Cont'd)

- (c) any related party transactions involving LSHCC will be governed by our RPT Policies and Procedures.

For information, LSHCC carries significant sentimental value to the Lim Siblings given that LSHCC traces its roots back to the original sole proprietorship founded by their late father. In this regard, the Lim Siblings have maintained LSHCC's operations over the years by taking on small scale construction projects to facilitate the renewal of its certificate of registration as G4 contractor upon its expiry as a means of honouring their late father's legacy, and they intend to continue to do so and preserve the legacy of their late father.

(iii) ICESB

ICESB is principally involved in the transportation and rental of crane, machinery and equipment, which is similar trade to one of the business segments of our Group. In addition, ICESB is a supplier of our Group for construction works (as subcontractor) and the rental of lorries, cranes and other construction machinery. ICESB is also a customer of our Group which purchases our M&E products, hardware and machinery, and also rents our cranes. Please refer to Section 9.1.1(vii) of this Prospectus for further details of these transactions between our Group and ICESB.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that the involvement and interest of our Promoters in ICESB does not give rise to any existing and potential conflict of interest situation with our Group for the following reasons:

- (a) whilst our Group is also engaged in the business of rental of construction machinery and equipment through Knight Auto, ICESB is not in competition with our Group. The size, capacity and/or specifications of machinery which Knight Auto specialises in providing rental services for are different from that of ICESB. For example, Knight Auto specialises in smaller capacity cranes (ranging from 8 to 55 tonnes), whilst ICESB specialises in heavy lifting machinery (i.e. larger capacity cranes ranging from 80 to 700 tonnes). ICESB also possesses expertise in specialised services such as dismantling and removing large capacity cranes upon completion of a construction project, an expertise which Knight Auto does not possess;
- (b) ICESB is managed by its own management team and neither DLKG nor Lim Pak Lian participate in any day-to-day management or operations and decision making at ICESB. As such, the involvement of DLKG and Lim Pak Lian as directors in ICESB does not involve any executive capacity and does not affect their executive roles in our Group; and
- (c) any related party transactions involving ICESB will be governed by our RPT Policies and Procedures.

(iv) Costa Sutra

Costa Sutra is principally involved in the trading of lighting and electrical products and its related accessories as a wholesaler, which is similar trade to one of the business segments of our Group. Costa Sutra is also a supplier of lighting products for our Group. Please refer to Section 9.1.1(viii) of this Prospectus for further details of these transactions between our Group and Costa Sutra.

10. CONFLICT OF INTEREST (Cont'd)

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that the involvement and interest of our Promoters in Costa Sutra does not give rise to any existing and potential conflict of interest situation with our Group for the following reasons:

- (a) Costa Sutra is not in competition with our Group's business of the provision of lighting products given that we have distinct and separate customer bases. Costa Sutra only operates as an importer and wholesale supplier of lighting products for lighting retailers and outlets. Unlike our Group, Costa Sutra does not supply lighting goods to project contractors and property developers and does not have any retail outlets for the sale of its lighting products directly to retail customers;
- (b) our Group is not dependent on Costa Sutra as a supplier of lighting products as our Group sources our lighting products from a wide network of suppliers which are able to offer similar lighting products which could serve as alternatives for our Group. For the FYEs 2021, 2022, 2023 and 2024, the total value of lighting products supplied by Costa Sutra to our Group amounted to approximately RM2.41 million, RM3.22 million, RM2.59 million and RM2.95 million, representing approximately 4.81%, 3.28%, 1.02% and 1.26% of our Group's cost of sales, respectively;
- (c) Costa Sutra is managed by its own management team and neither DLKG nor the other Promoters participate in any day-to-day management or operations and decision making at Costa Sutra. As such, DLKG's involvement as a director in Costa Sutra does not involve any executive capacity and does not affect his executive role in our Group; and
- (d) any related party transactions involving Costa Sutra will be governed by our RPT Policies and Procedures.

(v) BESB

The principal activities of BESB are property development, construction, project management, engineering services, maintenance services and general trading, some of which are similar trade as that of our Group.

Similar to our Group, BESB is also a G7 contractor and is eligible to bid for construction projects with no tender limit. However, unlike our Group, BESB holds a 'Sijil Taraf Bumiputera' (Bumiputera Status Certificate) ("**STB**") issued by the Ministry of Entrepreneur and Cooperatives Development, Malaysia which allows it to participate in tenders issued for Bumiputera contractors only.

Furthermore, BESB is also eligible to participate in government procurement in the field of construction according to the qualifications set out in the Treasury Circular No. 6 of 2012 and the amended Treasury Instruction No. 3 of 2012 by the Ministry of Finance, Malaysia ("**Government Procurement**") given that it also holds the 'Sijil Perolehan Kerja Kerajaan' (Government Employment Certificate) ("**SPKK**") issued by the CIDB. For information, presently, our Group does not hold the SPKK and is unable to participate in Government Procurement. However, our Group may apply for the SPKK in the future, and participate in Government Procurement on its own, provided that such tenders are not restricted to Bumiputera contractors only.

10. CONFLICT OF INTEREST (Cont'd)

In addition, BESB is also a customer of our Group as it has engaged our Group to undertake several construction and engineering works as well as provide construction-related services and solutions under our Group's BEST Collaboration Framework for its projects. BESB also rents cranes, other construction machinery and equipment, as well as purchases building materials, M&E products, hardware and machinery from our Group. Please refer to Section 9.1.1(ix) of this Prospectus for further details of these transactions between our Group and BESB.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation as a result of the involvement and interest of DLKG in BESB are mitigated by the following:

- (a) BESB and our Group do not compete with each other in the same construction space. In regulating competition between BESB and our Group, the parties have on 5 August 2024 executed a letter of collaboration based on the following terms:
 - (aa) BESB will only bid for construction projects for which the tender specifies the STB and/or SPKK as requirement(s);
 - (bb) if our Group obtains the SPKK in the future, BESB will immediately cease to bid for construction projects for which the tender specifies the SPKK as a requirement unless such tender is restricted to Bumiputera contractors with STB only; and
 - (cc) in the event BESB carries out any other property development projects in the future, it will endeavour to, wherever possible, grant a ROFR to our Group to participate as a main contractor in the said project.

Such undertaking provides a clear demarcation between the type of contracts which BESB and our Group will bid for in the future;

- (b) BESB has been appointing our Group as the main contractor or subcontractor (as the case may be) and BEST Collaboration Framework partner for several of its construction and property development projects, entitling our Group to the construction orderbook for the scope of construction works that our Group is able and has been appointed to undertake, as well as the profit of some of these projects (i.e. 75% of the remaining gross profit of the projects (i.e. after deducting all the relevant operating and administrative expenses attributable to the project)) within the BEST Collaboration Framework;
- (c) BESB is managed by its own management team and DLKG does not participate in any day-to-day management or operations and decision making at BESB. DLKG's involvement as a director in BESB is purely an oversight role and does not involve any executive capacity which affects his executive role in our Group; and
- (d) any related party transactions involving BESB will be governed by our RPT Policies and Procedures.

10. CONFLICT OF INTEREST (Cont'd)**(vi) Ekovest**

Ekovest is a public company listed on the Main Market of Bursa Securities. Through its subsidiaries and jointly-controlled entities, Ekovest is principally involved in, among others, civil engineering and construction works as well as property development, which are similar trade as that of our Group.

Ekovest Construction Sdn Bhd, a wholly-owned subsidiary of Ekovest, is also a customer of our Group which purchases our hardware, lighting and related M&E products as well as engages our Group for engineering works. Please refer to Section 9.1.1(x) of this Prospectus for further details of these transactions between our Group and Ekovest Construction Sdn Bhd.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation which may arise from the involvement and interest of the Promoters in Ekovest are mitigated by the following:

- (a) Tan Sri KC Lim does not hold any executive position in our Group. The day-to-day management or operations and decision making of our Group is carried out by our Directors who hold executive roles and our Key Senior Management. Tan Sri KC Lim's role as our Non-Independent Non-Executive Chairman is only to provide strategic directions to our Group and to act as oversight to our Board;
- (b) For information, Tan Sri KC Lim was re-designated from the position of Managing Director to Non-Independent Non-Executive Director of Ekovest with effect from 6 March 2024. He no longer participates in the day-to-day management or operations and decision making at Ekovest since then.

He has also resigned from his directorships in Ekovest Construction Sdn Bhd and all other subsidiaries of Ekovest, save for NCSB and its subsidiaries, namely (i) Kesturi and LDF3SB which both are presently involved in the operation and maintenance of highways, the business activities of which are dissimilar to that of our Group as at LPD; and (ii) LDF2ASB which is currently inactive. In this regard, Tan Sri KC Lim has also provided a written undertaking to our Company that he will relinquish his directorships in all of these subsidiaries of Ekovest that are involved in the operation and maintenance of highways, should our Group venture into the design, construction, operation, management and maintenance of highways in the future;

- (c) the Promoters' shareholding in Ekovest of approximately 2.89% (i.e. which is held through LSH Holdings) as at LPD is not substantial and is held purely for investment purpose;
- (d) our Group is not dependent on Ekovest and its group of companies ("**Ekovest Group**") as our customer as the value of transactions involving Ekovest Group as a customer represents approximately 0.45% of our Group's revenue for the FYE 2021, and less than 0.01% of our Group's revenue for the FYEs 2022, 2023 and 2024; and
- (e) any related party transactions involving Ekovest Group will be governed by our RPT Policies and Procedures. Similarly, Ekovest being a public listed company also has its internal controls and corporate governance policies to oversee and regulate matters relating to conflict of interest and related party transactions.

10. CONFLICT OF INTEREST (Cont'd)**(vii) Credence**

Credence is an investment holding company with interest in several entities which carry on similar trade as that of our Group, i.e. construction and property development.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation which may arise from the involvement and interest of Tan Sri KC Lim and/or DLKG in Credence and some of its entities are mitigated by the following:

- (a) Tan Sri KC Lim does not hold any executive position in our Group. The day-to-day management or operations and decision making of our Group is carried out by our Directors who hold executive roles and our Key Senior Management. Tan Sri KC Lim's role as our Non-Independent Non-Executive Chairman is only to provide strategic directions to our Group and to act as oversight to our Board;
- (b) Tan Sri KC Lim's shareholding in Credence of 5.00% is held purely for investment purpose. Tan Sri KC Lim's and DLKG's directorships in Credence and some of its entities only serve to safeguard Tan Sri KC Lim's minority shareholdings in these entities as the value of Tan Sri KC Lim's 5.00% shareholdings in Credence is substantial.

For information, DLKG was re-designated from the position of Executive Director to Non-Independent Non-Executive Director of IWCity, a subsidiary of Credence, with effect from 8 March 2024 and is no longer involved in any executive capacity in IWCity. As such, both Tan Sri KC Lim and DLKG are not involved in the day-to-day management or operations and decision making of Credence group; and

- (c) any related party transactions involving Credence will be governed by our RPT Policies and Procedures. Similarly, IWCity being a public listed company, also has its internal controls and corporate governance policies to oversee and regulate matters relating to conflict of interest and related party transactions.

(viii) Other entities which Tan Sri KC Lim has interest in

Tan Sri KC Lim also has interest in the following entities which carry on similar trade as that of our Group:

- (a) Affluent Venue, Cempaka Jujur and Teras Hijaujaya, which are principally involved in property development;
- (b) Falcon Unigreen and Uniregion, which are principally involved in property development, civil engineering and building contractor works.

Tan Sri KC Lim also has interest in the Other Investment Holdings Companies.

Our Board (save for Tan Sri KC Lim, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) is of the view that any existing and potential conflict of interest situation which may arise from the involvement and interest of Tan Sri KC Lim in Affluent Venue, Cempaka Jujur, Teras Hijaujaya, Falcon Unigreen, Uniregion and Other Investment Holdings Companies (collectively, the "**Other Related Entities**") are mitigated by the following:

- (aa) Tan Sri KC Lim does not hold any executive position in our Group. The day-to-day management or operations and decision making of our Group is carried out by our Directors who hold executive roles and our Key Senior Management. Tan Sri KC Lim's role as our Non-Independent Non-Executive Chairman is only to provide strategic directions to our Group and to act as oversight to our Board;

10. CONFLICT OF INTEREST (Cont'd)

- (bb) similar to the non-executive directorship held by Tan Sri KC Lim in our Group, Tan Sri KC Lim's involvement as director in the Other Related Entities does not involve any executive capacity and he is not involved in the day-to-day management or operations of any of these entities; and
- (cc) Tan Sri KC Lim's effective equity interest ranging from 3.50% to 6.00% in the Other Related Entities are held purely for investment purpose.

(ix) Seal Incorporated

Seal Incorporated is a public company listed on the Main Market of Bursa Securities. Seal Incorporated is principally involved in property investment, building contractor, project manager for property development and extraction and sale of timber, while its subsidiaries are involved in, among others, property development and construction of buildings, which are similar trade as that of our Group.

Our Board (save for Lee Swee Kheng) is of the view that the involvement of Lee Swee Kheng as the Independent Non-Executive Chairman of Seal Incorporated does not give rise to any existing or potential conflict of interest situation with our Group as she is not involved in the day-to-day operations of the business of Seal Incorporated as its daily operations are managed by its own key senior management team, similar to her non-executive directorship held in our Company. Lee Swee Kheng only attends meetings of the board of directors on which she serves and accordingly discharges her principal areas of responsibilities as an independent director of the company.

(x) Miramas Properties

Miramas Properties is principally involved in the real property and housing development, which are similar trade as that of our Group.

Our Board (save for Dato' Wang Sze Yao @ Wang Ming Way) is of the view that the interest of Dato' Wang Sze Yao @ Wang Ming Way in Miramas Properties does not give rise to any existing or potential conflict of interest situation with our Group as his 5.00% direct equity interest therein is held purely for investment purpose. Similar to his non-executive directorship held in our Company, Dato' Wang Sze Yao @ Wang Ming Way is not involved in the day-to-day operations of Miramas Properties as its daily operations are managed by its own management team.

(xi) Mighty Symphony

Mighty Symphony is principally involved in investment holding and owns two (2) parcels of residential lands in Selangor which are held for investment purposes.

Our Board (save for Lee Swee Kheng) is of the view that the involvement of Lee Swee Kheng in Mighty Symphony does not give rise to any existing or potential conflict of interest situation with our Group as she is not involved in the day-to-day operations of Mighty Symphony as its daily operations are managed by its own management team, similar to her non-executive directorship held in our Company.

10. CONFLICT OF INTEREST *(Cont'd)*

10.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

10.2.1 AmInvestment Bank

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad (“**AMMB**”). AMMB and its group of companies (collectively, “**AmBank Group**”) form a diversified financial group and are engaged in a wide range of transactions relating to, among others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management as well as credit transaction services businesses. AmBank Group’s securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of the AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its existing or future clients, may have interests or take actions that may conflict with the interests of our Group.

As at 4 February 2025, AmBank Group has extended credit facilities with an aggregate credit limit of RM88.00 million (with an outstanding amount of approximately RM32.40 million) to our Group.

Notwithstanding the above, AmInvestment Bank confirms that there is no conflict of interest situation that exists or is likely to exist in its roles as the Principal Adviser and Sponsor to our Company for the Transfer of Listing as well as the Sole Underwriter and Sole Placement Agent for our Public Offering premised on the following:

- (i) the credit facilities were provided by AmBank Group in its ordinary course of business, and the said credit facilities, which represents approximately 0.45% of the audited NA of AmBank Group as at 31 March 2024 of approximately RM19.44 billion, are not material;
- (ii) AmBank Group forms a diversified financial group and is engaged in a wide range of transactions as highlighted above. In addition, AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser and Sponsor for the Transfer of Listing as well as the Sole Underwriter and Sole Placement Agent for our Public Offering is in the ordinary course of business;
- (iii) the credit facilities were not determined in contemplation of and are not conditional upon AmInvestment Bank being appointed as the Principal Adviser and Sponsor for the Transfer of Listing as well as the Sole Underwriter and Sole Placement Agent for our Public Offering; and
- (iv) each of the entities and departments of the AmBank Group are also subject to internal controls and checks, which regulate the sharing of information between the entities and departments. Additionally, each department and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

Our Board has also confirmed that it has been informed and is aware of the situations as described above and is agreeable to the role of AmInvestment Bank as the Principal Adviser and Sponsor for the Transfer of Listing as well as the Sole Underwriter and Sole Placement Agent for our Public Offering.

10. CONFLICT OF INTEREST (Cont'd)**10.2.2 Crowe Malaysia PLT**

Crowe Malaysia PLT confirms that there is no conflict of interest situation that exists or is likely to exist in relation to its role as the Auditors and Reporting Accountants to our Company for the Transfer of Listing.

10.2.3 Lee Hishammuddin Allen & Gledhill

Lee Hishammuddin Allen & Gledhill confirms that there is no conflict of interest situation that exists or is likely to exist in relation to its role as the Solicitors to our Company for the Transfer of Listing.

10.2.4 Providence Strategic Partners Sdn Bhd

Providence Strategic Partners Sdn Bhd confirms that there is no conflict of interest situation that exists or is likely to exist in relation to its role as the Independent Market Researcher to our Company for the Transfer of Listing.

10.2.5 Boardroom Share Registrars Sdn Bhd

Boardroom Share Registrars Sdn Bhd confirms that there is no conflict of interest situation that exists or is likely to exist in relation to its role as the Share Registrar to our Company for the Transfer of Listing.

10.2.6 Malaysian Issuing House Sdn Bhd

Malaysian Issuing House Sdn Bhd confirms that there is no conflict of interest situation that exists or is likely to exist in relation to its role as the Issuing House to our Company for the Transfer of Listing.

10.2.7 Astramina Advisory Sdn Bhd (former Continuing Adviser and current Corporate Advisor to our Company)

Astramina Advisory Sdn Bhd ("**Astramina Advisory**") was formerly the Continuing Adviser to our Company until it ceased its role on 9 December 2024 pursuant to Rule 3.12(1) of the LEAP LR. The said announcement was made by our Company on 11 December 2024.

For information, Astramina Advisory was the appointed Approved Adviser for our Company's listing on the LEAP Market which took place on 30 July 2021. Subsequently, it was also appointed as the Adviser to our Company for the various corporate proposals undertaken by our Company prior to our Company embarking on the Transfer of Listing.

As part of the services provided for the LEAP Market and the various corporate exercises by our Company for which Astramina Advisory was the appointed Adviser, Astramina Advisory is entitled for a success fees amounting to RM1,800,000 ("**Success Fees**").

On 1 November 2024, LSH Resources (being the major shareholder and one of the Promoters of our Company) and Astramina Advisory agreed for the Success Fees to be paid to Astramina Advisory via the transfer of 2,045,555 Shares at RM0.88 each ("**Success Fee Shares**") by LSH Resources ("**Share Transfer Agreement**"). In accordance with the Share Transfer Agreement, the Success Fee Shares were to be transferred from LSH Resources to Astramina Advisory after the expiry of a period of six (6) months from the date of our admission to the Official List in accordance with the moratorium requirement which LSH Resources is required to observe pursuant to the Transfer of Listing as further detailed in Section 1.2 of this Prospectus. For information purpose, the Success Fee Shares represent approximately 0.29% of the existing total number of Shares as at LPD and approximately 0.24% of the enlarged total number of Shares upon completion of the Transfer of Listing.

10. CONFLICT OF INTEREST (Cont'd)

On 3 January 2025, Astramina Advisory, our Company and LSH Resources entered into a letter of agreement to address any potential perceived conflict of interests. Under this mutual termination, Astramina Advisory waived its entire entitlement to the Success Fees, and the parties agreed to rescind the Share Transfer Agreement. All previous agreements were nullified, releasing our Company and LSH Resources from any present or future liabilities related to the Success Fees and Success Fee Shares with Astramina Advisory.

On 22 January 2025, our Company accepted the engagement of Astramina Advisory as Corporate Advisor to source investors for the Institutional Offering comprising up to 161,657,400 Offering Shares, in which Astramina Advisory will be entitled to introducer fees equivalent to 1.00% of the total value of Offering Shares successfully placed out under the Institutional Offering.

As at LPD, Datin Wong Muh Rong (the Managing Director and shareholder of Astramina Advisory) also held 32,000 Shares, representing approximately 0.005% of the existing total number of Shares as at LPD.

Notwithstanding the above, Astramina Advisory confirms that, with the termination as set out above, there was no conflict of interest situation that existed or was likely to exist or perceived to exist, in its capacity as the former Continuing Adviser to our Company. In addition, Astramina Advisory confirms that there is no conflict of interest situation that exists or is likely to exist in its role as the Corporate Advisor to our Company.

Astramina Advisory is a corporate finance advisory firm licensed by the SC and an Approved Adviser and Continuing Adviser licensed by Bursa Securities for the LEAP Market. Its appointments as the former Continuing Adviser to our Company and Corporate Advisor to our Company for the Institutional Offering align with its ordinary course of business. Furthermore, the conduct of Astramina Advisory is strictly regulated by the CMSA and governed by its internal control policies and procedures.

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11. FINANCIAL INFORMATION

11.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout the Financial Years Under Review have been extracted from the Accountants' Report as included in Section 12 of this Prospectus. Our historical financial information for the Financial Years Under Review were prepared in accordance with MFRS.

The historical financial information presented below should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 11.2 of this Prospectus, together with the Accountants' Report with its related notes as included in Section 12 of this Prospectus.

11.1.1 Consolidated statements of profit or loss and other comprehensive income

The table below sets out the audited consolidated statements of profit or loss and other comprehensive income of our Group for the Financial Years Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	67,416	165,866	357,755	361,405
Cost of sales	(50,138)	(98,346)	(254,283)	(233,218)
GP	17,278	67,520	103,472	128,187
Other income	358	1,756	1,296	930
Selling and marketing expenses	(521)	(663)	(2,306)	(3,838)
Administrative expenses	(4,842)	(9,418)	(17,595)	(26,202)
Other expenses	(1,207)	(1,839)	(3,427)	(3,353)
Finance costs	(201)	(277)	(1,102)	(2,335)
(Loss allowance)/reversal of loss allowance on financial assets and contract assets	-	(2,013)	(4,605)	4,362
Share of loss of equity accounted associate	-	-	(9)	(8)
PBT	10,865	55,066	75,724	97,743
Income tax expense	(2,935)	(13,254)	(16,841)	(23,460)
PAT/Total comprehensive income	7,930	41,812	58,883	74,283
PAT/(Loss after tax)/Total comprehensive income/(expenses) attributable to:				
- Owners of our Company	7,930	41,812	58,888	74,331
- Non-controlling interests	-	-	(5)	(48)
	7,930	41,812	58,883	74,283

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
EBIT ⁽¹⁾	10,901	55,092	76,373	99,898
EBITDA ⁽¹⁾	12,525	57,916	82,064	106,039
GP margin (%) ⁽²⁾	25.63	40.71	28.92	35.47
PBT margin (%) ⁽³⁾	16.12	33.20	21.17	27.05
PAT margin (%) ⁽⁴⁾	11.76	25.21	16.46	20.55
Effective tax rate (%) ⁽⁵⁾	27.01	24.07	22.24	24.00
Basic and diluted EPS (sen) ⁽⁶⁾	2.38	11.77	11.45	10.52

Notes:

(1) EBIT and EBITDA are computed as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
PAT	7,930	41,812	58,883	74,283
Less: Interest income	(165)	(266)	(459)	(276)
Add: Finance costs ^(a)	201	292	1,108	2,431
Add: Income tax expenses	2,935	13,254	16,841	23,460
EBIT	10,901	55,092	76,373	99,898
Add: Depreciation and amortisation	1,624	2,824	5,691	6,141
EBITDA	12,525	57,916	82,064	106,039

(a) Including finance costs recognised in cost of sales as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Finance costs recognised in cost of sales	-	15	6	96

(2) GP margin is computed based on GP over revenue of our Group.

(3) PBT margin is computed based on PBT over revenue of our Group.

(4) PAT margin is computed based on PAT over revenue of our Group.

(5) Effective tax rate is computed based on tax expenses divided by PBT of our Group.

11. FINANCIAL INFORMATION (Cont'd)

- (6) *Basic and diluted EPS is computed based on PAT attributable to owners of our Company for the Financial Years Under Review over weighted average number of Shares in issue during the respective Financial Years Under Review, details of which are as follows:*

	Audited			
	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>
<i>PAT/Total comprehensive income attributable to owners of our Company (RM'000)</i>	<u>7,930</u>	<u>41,812</u>	<u>58,888</u>	<u>74,331</u>
<i>Weighted average number of Shares in issue ('000)</i>	<u>333,726</u>	<u>355,393</u>	<u>514,407</u>	<u>706,360</u>
<i>Basic and diluted EPS (sen)</i>	<u>2.38</u>	<u>11.77</u>	<u>11.45</u>	<u>10.52</u>

There are no potential dilutive securities in issue during the Financial Years Under Review.

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11. FINANCIAL INFORMATION (Cont'd)**11.1.2 Consolidated statements of financial position**

The table below sets out the audited consolidated statements of financial position of our Group as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024:

	Audited			
	As at 30 September			
	2021	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Assets				
Non-current assets				
Investment in an associate	-	-	1,382	1,274
Property, plant and equipment	6,881	13,956	29,996	31,590
Investment properties	-	-	3,692	3,671
Right-of-use assets	3,274	3,249	3,664	1,936
Intangible assets	-	758	454	303
Deferred tax assets	-	265	1,924	2,172
Goodwill ⁽¹⁾	-	-	148,967	148,967
	<u>10,155</u>	<u>18,228</u>	<u>190,079</u>	<u>189,913</u>
Current assets				
Project-in-progress	-	16	-	-
Inventories	9,849	12,221	167,577	171,734
Trade receivables	29,257	66,534	115,022	99,181
Other receivables, deposits and prepayments	913	4,399	18,037	8,467
Contract assets	222	8,638	69,411	123,849
Current tax assets	329	470	851	-
Fixed deposits with licensed banks	4,609	16,167	14,823	8,595
Cash and bank balances	<u>10,766</u>	<u>28,049</u>	<u>13,874</u>	<u>40,143</u>
	<u>55,945</u>	<u>136,494</u>	<u>399,595</u>	<u>451,969</u>
Total assets	<u>66,100</u>	<u>154,722</u>	<u>589,674</u>	<u>641,882</u>

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 30 September			
	2021	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Equity and liabilities				
Equity				
Share capital	36,580	37,000	334,768	334,768
Merger deficit	(29,619)	(29,619)	(29,619)	(29,619)
Retained profits	36,390	72,120	115,679	170,160
Equity attributable to owners of our Company	43,351	79,501	420,828	475,309
Non-controlling interests	-	-	55	9
Total equity	43,351	79,501	420,883	475,318
Liabilities				
Non-current liabilities				
Term loans	422	354	7,380	8,729
Lease liabilities	2,471	2,433	2,124	433
Hire purchase payables	358	524	519	1,185
Deferred tax liabilities	479	1,123	1,733	1,908
	3,730	4,434	11,756	12,255
Current liabilities				
Trade payables	7,393	20,402	84,690	64,157
Other payables and accruals	1,460	23,115	38,520	16,767
Contract liabilities	15	16,949	22,133	33,504
Term loans	66	68	1,984	17,469
Lease liabilities	868	1,224	2,037	1,789
Hire purchase payables	350	609	928	504
Bankers' acceptances	8,457	2,224	3,230	12,098
Current tax liabilities	410	6,196	3,513	8,021
	19,019	70,787	157,035	154,309
Total liabilities	22,749	75,221	168,791	166,564
Total equity and liabilities	66,100	154,722	589,674	641,882

Note:

- (1) The goodwill arose from the difference between the purchase consideration paid by our Company for the acquisition of ASSB and the fair values of the net identifiable assets of ASSB.

11. FINANCIAL INFORMATION**11.1.3 Consolidated statements of cash flows**

The table below sets out the audited consolidated statements of cash flows of our Group for the Financial Years Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Cash flows (for)/from operating activities				
PBT	10,865	55,066	75,724	97,743
<u>Adjustments for:</u>				
Amortisation of intangible assets	-	-	303	152
Depreciation:				
- property, plant and equipment	785	1,671	3,584	4,263
- investment properties	-	-	9	21
- right-of-use assets	839	1,153	1,795	1,705
Inventories written down	146	81	406	1
Interest expense	201	292	1,108	2,431
Loss allowance:				
- trade receivables	-	2,013	2,878	354
- other receivables	-	-	-	678
- contract assets	-	-	1,727	411
Property, plant and equipment written off	-	56	1	*
Reversal of loss allowance:				
- trade receivables	-	-	-	(5,214)
- contract assets	-	-	-	(590)
Bargain purchase gain on acquisition of a subsidiary	-	(1,019)	-	-
Gain on disposal of property, plant and equipment	(1)	(11)	(94)	(38)
Gain on reassessment of lease liabilities	(12)	(69)	(1)	(24)
Interest income	(165)	(266)	(459)	(276)
Reversal of inventories previously written down	(275)	(68)	(81)	(57)
Share of net loss of equity accounted associates	-	-	-	8
Operating profit before working capital changes	12,383	58,899	86,900	101,568

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(Increase)/Decrease in project-in-progress	-	(16)	16	-
Decrease/(Increase) in inventories	656	(2,386)	(3,211)	(4,100)
(Increase)/Decrease in trade and other receivables	(15,365)	(6,326)	(53,562)	29,594
Increase in contract assets	(216)	(8,415)	(13,384)	(54,260)
(Decrease)/Increase in trade and other payables	(4,476)	17,743	36,686	(42,286)
Increase in contract liabilities	16	81	4,212	11,370
Cash (for)/from operations	(7,002)	59,580	57,657	41,886
Interest paid	(6)	(8)	(231)	(545)
Income tax paid	(3,158)	(7,269)	(19,072)	(18,184)
Income tax refunded	-	7	-	11
Net cash (for)/from operating activities	(10,166)	52,310	38,354	23,168
Cash flows for investing activities				
Dividend received	-	-	-	100
Interest income received	165	266	459	276
Proceeds from disposal of property, plant and equipment	14	104	222	39
Purchase of property, plant and equipment	(3,570)	(6,832)	(11,445)	(4,540)
Acquisition of subsidiaries, net cash	-	(3,486)	(8,682)	*
Withdrawal of fixed deposit	82	-	-	-
(Addition)/Withdrawal of fixed deposit with tenure more than three (3) months	-	(2,000)	2,000	-
Net cash for investing activities	(3,309)	(11,948)	(17,446)	(4,125)

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Cash flows from/(for) financing activities				
Dividends paid	-	(6,082)	(15,328)	(19,849)
Interest paid	(195)	(284)	(877)	(1,579)
Drawdown of bankers' acceptances	8,457	5,944	3,230	30,371
Drawdown of term loans	500	-	10,166	49,768
Proceeds from issuance of shares	4,662	420	-	-
Repayment of bankers' acceptances	-	(12,176)	(2,224)	(21,550)
Repayment of lease liabilities	(879)	(741)	(1,541)	(1,894)
Repayment of term loans	(12)	(66)	(26,495)	(33,192)
Repayment of hire purchase obligations	(179)	(536)	(1,358)	(1,077)
(Increase)/Decrease in pledged fixed deposits with licensed banks	-	(7,638)	4,149	(347)
Net cash from/(for) financing activities	12,354	(21,159)	(30,278)	651
Net (decrease)/increase in cash and cash equivalents	(1,121)	19,203	(9,370)	19,694
Cash and cash equivalents at beginning of the financial year	11,887	10,766	29,969	20,599
Cash and cash equivalents at end of the financial year	10,766	29,969	20,599	40,293
Cash and cash equivalents at end of the financial year comprise:				
Fixed deposits with licensed banks	4,609	16,167	14,823	8,595
Cash and bank balances	10,766	28,049	13,874	40,143
	15,375	44,216	28,697	48,738
Less: Fixed deposits pledged to licensed banks	(4,609)	(12,247)	(8,098)	(8,445)
Less: Fixed deposits with tenure more than three (3) months	-	(2,000)	-	-
	10,766	29,969	20,599	40,293

Note:

* Less than RM500.

11. FINANCIAL INFORMATION *(Cont'd)*

11.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis relates to the historical financial information of our Group for the FYEs 2021, 2022, 2023 and 2024 and should be read with the Accountants' Report included in Section 12 of this Prospectus.

11.2.1 Overview of our operations

Our Group was principally involved in the provision of construction products and its related services (i.e. lighting and related M&E products and services, hardware products and tools, as well as rental of construction machinery and equipment) during the FYE 2021. We subsequently expanded our business during the FYE 2022 following the completion of the acquisition of 100% equity interest in LSHBB in October 2021, which resulted in the diversification of our Group's then business to include construction and construction-related services and solutions. We further diversified our Group's principal activities to include property development activities during the FYE 2023 following the completion of the acquisitions of 100% equity interest in ASSB and LSH Ventures in April 2023.

(i) Principal activities

We are a full-fledged construction company with capabilities to engage in a broad range of construction and engineering works, provide construction-related services and solutions, as well as supply construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry.

The business activities we undertake under our **construction segment** can be broadly categorised into three (3) sub-segments:

(a) Construction and engineering works

Our Group has the capability to perform and/or supervise subcontractors to perform a wide range of construction and engineering works across all phases of a construction project, including:

- site preparation, earthworks and slope stabilisation;
- substructure construction works;
- superstructure construction works;
- architectural-related works;
- finishing works;
- utility works; and
- landscaping works.

As a main contractor for our construction projects, we are responsible for project planning which encompasses aspects relating to project scheduling and timeline, costing and procurement. We are also responsible for procuring all required resources for the project, including procurement of materials, rental of machinery and equipment, sourcing for labour as well as appointment of subcontractors. In addition, we also act as a project manager responsible for the overall management of the construction project throughout the contract period beginning with project planning until the completion and handover of the project and throughout the DLP. This involves liaising with all relevant project stakeholders, including authorities, consultants, subcontractors and suppliers, as well as reporting to project owners.

11. FINANCIAL INFORMATION (Cont'd)

The types of construction projects that our Group undertakes can be broadly categorised as follows:

- **building construction works** which includes various types of buildings, including residential such as landed and high-rise residential buildings, as well as non-residential such as industrial and commercial buildings; and
- **Infrastructure construction and engineering works.**

(b) Construction-related services and solutions

Our Group also offers construction-related services and solutions to our clients through our BEST Collaboration Framework, i.e. a framework that was developed in-house to facilitate the collaboration between our Group and our clients (such as land owners, property developers or contractors) to achieve the shared objective of value-enhancement for construction and property development projects undertaken by our clients by leveraging on our Group's extensive experience and expertise in the industry. The value-engineering services and solutions which we offer to our clients under our BEST Collaboration Framework include construction design, construction methodology advisory, value-engineering consultation and other services.

For the avoidance of doubt, our construction contracts may be secured from our clients either with or without the value-engineering services and solutions provided under our BEST Collaboration Framework. For construction contracts carried out under our BEST Collaboration Framework, our clients are given the flexibility to select the relevant value-engineering services and solutions which are typically rendered to them during the initial planning stage in order for them to enjoy and maximise the benefit from such value-engineering, which they can then select to include as part of the overall construction contract awarded to us.

In return for providing these value-engineering services and solutions, our Group will be entitled to fees which are negotiated based on a portion of the value of our client's construction or property development projects on a case-to-case basis.

(c) Construction products

Our Group also supplies a wide range of construction products that are complementary to our construction and engineering works as well as the needs of the wider construction industry. Our business activities relating to the supply of construction products can be broadly classified under four (4) main categories as follows:

- (aa) distribution of building materials;
- (bb) wholesale and retail of lighting and related M&E products;
- (cc) wholesale and retail of hardware products and tools; and
- (dd) rental of construction machinery and equipment.

In addition to our primary focus as a construction company, we are also involved in **property development** activities which allows our Group to leverage on our strengths and prowess in the construction segment, whilst providing an additional revenue stream for our Group through the sales of property units under our own property development projects.

11. FINANCIAL INFORMATION (Cont'd)

As at LPD, our Group has two (2) ongoing property development projects as follows:

- (a) **LSH Segar Project** – a leasehold residential property development project located at Cheras, Kuala Lumpur comprising 435 condominium units and 440 'Residensi Wilayah' affordable housing units as well as 1,670 carpark lots. The construction of LSH Segar Project commenced in October 2021 and the project was launched in February 2022. The said project is expected to be completed by the third quarter of 2026; and
- (b) **Lake Side Homes Project** – a leasehold residential property development project located at Sungai Besi, Kuala Lumpur comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units and 593 PPAM affordable housing units, as well as 3,809 carpark lots.

For information, we have commenced preliminary construction works for this project in March 2024. However, the said project was put on hold following the receipt of an interim stay order in April 2024 and was resumed in August 2024 after the said order was uplifted, details of which are set out in Section 13.6 of this Prospectus. The said project is expected to be launched in the second half of 2025 and the construction of the Lake Side Homes Project is estimated to be completed by the fourth quarter of 2029.

Our Group operates entirely in Malaysia where we carry out construction and engineering works, construction-related services and solutions as well as supply of building materials for construction projects located in various states in Malaysia. Our Group also engages in the wholesale and retail of lighting and related M&E products as well as hardware products and tools through 12 physical retail stores located across the Klang Valley region, online e-commerce platforms such as Lazada and Shopee, as well as our own online stores. Apart from our wholesale and retail operations, our Group also provides rental services for machinery and equipment for construction projects based in Malaysia. In addition, the property development projects that our Group is involved in are all located in the Klang Valley region.

Please refer to Section 6.2 of this Prospectus for further information on our Group's principal activities.

(ii) Recent developments

Save as disclosed below, there were no other significant developments within our Group since 30 September 2024, being the end of our most recent audited financial year, up to LPD:

- (a) developments of the material litigation as disclosed in Section 13.6 of this Prospectus; and
- (b) payment of an interim single-tier dividend of 1.94 sen per Share amounting to approximately RM13.70 million in respect of the FYE 2024 that was paid on 13 December 2024.

(iii) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during the Financial Years Under Review. In addition, our audited financial statements for the Financial Years Under Review were not subject to any audit qualifications.

11. FINANCIAL INFORMATION (Cont'd)**(iv) Significant factors affecting our business**

Our financial condition and results of operations are subject to, among others, the following key factors:

(a) Our ability to secure new projects to replenish our orderbook

Our revenue for the FYEs 2022, 2023 and 2024 was mainly contributed by our construction and engineering works as well as construction-related services and solutions sub-segments, which collectively contributed approximately 65.82%, 75.02% and 58.44% of our total revenue, respectively.

Hence, our financial performance depends on our ability to secure new projects to sustain our orderbook. If we are unable to secure new projects on a continuous basis or there is a significant decline in our contract value due to variations in the scope of works which may occur during the construction period or if the new projects that we secured are not commercially favourable to us, our business growth and financial performance will be adversely affected.

(b) Exposure to credit and liquidity risks as a result of delays in collection, non-recoverability and/or settlement of trade receivables and/or retention sums through contra payment via payment-in-kind

We are exposed to the risk of delays in collection and/or non-recoverability of our trade receivables and/or retention sums. We may also face circumstances where our clients are unable to settle amounts owing to us in cash, and instead request for such amounts to be settled through contra payment via payment-in-kind. In such circumstances, this may have a material and adverse effect on our cash flow.

Although our cash flow or liquidity positions have not been materially affected by the delays in collection and/or non-recoverability of trade receivables and/or retention sums and/or contra payment via payment-in-kind in the past, there is no assurance that we will not face potential cash flow and working capital constraints should there be any delay and/or non-collection of any trade receivables and/or retention sums and/or contra payment via payment-in-kind in the future. Should this occur, this may result in a material adverse impact on our financial condition, our ability to pay our subcontractors and/or suppliers, and/or affect the progress and completion of our projects.

(c) Unexpected delay in the completion of our projects

We may be subject to external factors that are beyond our control and which may affect the timely completion of our projects. These include, among others, timely receipt of regulatory approvals and permits required to carry out the projects, satisfactory performance of subcontractors appointed, continuous supply of construction materials, equipment or labour, adverse weather conditions, economic downturn, changes in government policies as well as legal proceedings affecting our property development projects.

Any delays in completing a project may affect our revenue recognition and billings, which, in turn, may adversely affect our financial performance. Project delays could also lead to cost overruns and/or LAD claims or penalties being imposed on us by our customers, which will further affect our financial performance. Our reputation and future business opportunities may also be detrimentally affected by project delays caused by us.

11. FINANCIAL INFORMATION (Cont'd)

During the Financial Years Under Review and up to LPD, we have not experienced any delay in project completion. Notwithstanding this, there is no assurance that we will not experience any delay in our ongoing and future construction, engineering works or property development projects resulting in LAD claims and/or penalties in the future, which may materially and adversely impact our business and financial performance.

We are also subject to unexpected project cancellations or postponement of the project, which may occur from time to time. Any such cancellations or postponements would adversely affect our prospects and financial performance.

(d) Fluctuations in the prices of construction materials

Our building material costs, such as steel and concrete materials are subjected to price fluctuations. As such, any fluctuation in the prices of building materials, which are beyond our control, could result in increased costs and may adversely impact our financial performance.

Any unfavourable fluctuations in prices of construction materials, subcontractor costs and/or labour costs during the period of our construction and engineering work projects may result in cost overruns which may adversely affect our construction and engineering work projects' profitability and financial performance if we are unable to pass any of these cost increases to our clients.

Although our Group experienced price fluctuations in construction materials during the Financial Years Under Review, such price fluctuations have not adversely affected our financial performance as we have anticipated these price fluctuations and priced in the risk when tendering for construction and engineering work projects. Nevertheless, there is no assurance that we will not face any unanticipated cost increases beyond our prediction or control in the future, which may adversely affect our profitability and financial performance.

(e) Our actual sales value may be lower than the estimated GDVs of our property development projects

The GDVs of our Group's ongoing property development projects are estimated based on our market study including the average selling price of similar properties in the surrounding areas and other assumptions which may ultimately prove to be inaccurate. The actual sales value may be different due to changes over time which are subjected to, among others, factors affecting the demand and supply for such properties, ease of obtaining financing, economic growth rate of the country and interest rates.

As such, there is no assurance that the estimated GDVs will reflect the actual sales value achieved by our property development projects as the estimated GDVs are subject to the various assumptions as mentioned above as well as the timing of the launch of our property development projects. Any unfavourable change in prevailing conditions of the property market as well as market sentiment may result in our Group's property development projects achieving lower than anticipated selling prices and/or take-up rates, which will result in our Group not being able to realise our projected GDVs. This, in turn, may adversely affect our Group's business and financial performance.

11. FINANCIAL INFORMATION (Cont'd)**(f) Concentration risks**

Some of our major customers had contributed substantially to our Group's revenue during the Financial Years Under Review, the details of our major customers of which are set out in Sections 6.18 and 8.1.9 of this Prospectus. Moving forward, some of these major customers are expected to collectively contribute approximately 33.27% of our total outstanding orderbook as at LPD, further details of which are set out in Section 8.1.9 of this Prospectus.

While we are not materially dependent on any of these customers, our Group is exposed to customer concentration risk from time to time depending on the quantum of the projects secured and the tenure of contracts.

As such, our financial performance may be materially and adversely affected if we were to lose one (1) or more of our major customers (including any substantial reduction in the amount of products supplied and services provided to them) and/or are unable to replace them with new customers in a timely manner, encounter difficulty in collecting payments from these major customers, or if there is any substantial delay or termination of the projects undertaken with these major customers.

Although we have not encountered difficulty in securing new customers, there is no assurance that we are able to continue to secure contracts with new customers with equivalent or higher value to replace existing contracts that have been completed, deferred or terminated.

(g) Outbreaks of diseases in Malaysia

Our business is also susceptible to the risks of any outbreak of diseases that could result in localised or global epidemics or pandemics causing interruptions in our and our customers' business operations while adversely affecting our financial performance. For example, during the outbreak of the COVID-19 pandemic which caused widespread negative effects nationwide, our Group experienced slower payments from customers in the FYE 2021 due to cashflow constraints experienced during the movement control order (MCO) period implemented by the Malaysian Government, thereby affecting their timeliness of payments to our Group and as a result, increased our Group's trade receivables. Although the effects of the COVID-19 pandemic did not materially affect our Group, there can be no assurance that any other outbreak of diseases in the future which are beyond our control will not materially affect our business and financial performance.

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11. FINANCIAL INFORMATION (Cont'd)**11.2.2 Review of our results of operations****(i) Revenue**

Our revenue is generated from the provision of construction and engineering works, provision of construction-related services and solutions, supply of construction products as well as property development. All of our revenue is derived from Malaysia.

For construction and engineering works, our Group recognises revenue over time in the period in which the services are rendered using the input method i.e. determined based on the proportion of construction costs incurred for work performed to date over the total estimated construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. Billings to customers are based on agreed milestones under the agreement/contract, certified by architects.

For the provision of construction-related services and solutions under our BEST Collaboration Framework, our Group will be entitled to fees which are negotiated based on a portion of the value of our client's construction or property development projects on a case-to-case basis. The total fees payable under the said agreements are billed in parts on a quarterly basis commencing from the first quarter when the project owners recognise progress billings for the projects, until full completion of the overall works for the said projects.

Revenue from the sale of our construction products (i.e. building materials, lighting and related M&E products as well as hardware products and tools) are recognised at the point in time when our Group has transferred control of these goods to the customers, being when the goods have been delivered to the customers and upon their acceptance.

As for the revenue from the rental of construction machinery and equipment, it is accounted for on a straight-line method over the lease term.

Our Group also recognises revenue from the sale of property units under the property development segment. Our Group recognises property development revenue as and when the control of the asset is transferred to the end purchasers, and it is probable that our Group will collect the consideration to which we are entitled. Our Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the complete satisfaction of the SPA. Billings to end purchasers are based on agreed milestones under the SPAs, certified by architects.

11. FINANCIAL INFORMATION (Cont'd)**Analysis of revenue by business segments**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Construction	67,416	100.00	165,866	100.00	343,824	96.10	288,194	79.74
Construction and engineering works	547	0.81	98,982	59.68	258,485	72.25	204,354	56.54
Construction-related services and solutions	-	-	10,165	6.14	9,921	2.77	6,866	1.90
Construction products	66,869	99.19	56,719	34.18	75,418	21.08	76,974	21.30
- Building materials	37,514	55.65	28,270	17.04	42,611	11.91	37,788	10.45
- Lighting products	5,476	8.12	6,227	3.75	5,331	1.49	5,259	1.46
- Hardware products and tools	12,755	18.92	13,061	7.87	12,655	3.54	15,743	4.36
- Rental of construction machinery and equipment	11,124	16.50	9,161	5.52	14,821	4.14	18,184	5.03
Property development	-	-	-	-	13,931	3.90	72,354	20.02
Other⁽¹⁾	-	-	-	-	-	-	857	0.24
Total	67,416	100.00	165,866	100.00	357,755	100.00	361,405	100.00

Note:

- (1) This represents revenue generated from the management of the 'Blue Pool' facility at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur.

For the FYE 2021, our Group derived all of our revenue from M&E works carried out by LSH Lighting and from our construction products sub-segment (i.e. from LSH Lighting and Knight Auto).

However, following our Group's diversification into construction and construction-related services and solutions after the acquisition of LSHBB in October 2021, our Group's revenue for the FYEs 2022 and 2023 were largely contributed by our construction and engineering works sub-segment, making up approximately 59.68% and 72.25% of our total revenue for the respective FYEs. This was followed by our construction products sub-segment contributing approximately 34.18% and 21.08%, and our construction-related services and solutions sub-segment contributing approximately 6.14% and 2.77% of our total revenue for the FYEs 2022 and 2023, respectively.

Our Group has also diversified our business activities to include property development following the acquisitions of ASSB and LSH Ventures in April 2023, which contributed approximately 3.90% of our total revenue for the FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)

For the FYE 2024, our Group's revenue was also largely derived from our construction and engineering works sub-segment, making up approximately 56.54% of our total revenue for this financial year. This was followed by our construction products sub-segment, our property development segment and our construction-related services and solutions sub-segment, which contributed approximately 21.30%, 20.02% and 1.90% of our total revenue for the FYE 2024, respectively.

For the FYEs 2022, 2023 and 2024, our Group's revenue derived from the construction and engineering works, construction-related services and solutions and property development projects are as follows:

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	(1)%	(RM'000)	(1)%	(RM'000)	(1)%
Construction and engineering works	98,982	59.68	258,485	72.25	204,354	56.54
<u><i>Building construction projects</i></u>						
- LSH 33 Project	48,169	29.04	112,533	31.45	54,835	15.17
- LSH Segar Project ⁽²⁾	10,024	6.04	34,161	9.55	-	-
- Sentul Ria Project	-	-	213	0.06	6,258	1.73
- Wisma LSH Extension Project	-	-	-	-	551	0.15
<u><i>Infrastructure construction and engineering work projects</i></u>						
- Construction of bridge works at Nibong Tebal, Penang	15,507	9.35	39,625	11.08	36,677	10.15
- Upgrading of road works at Kota Belud, Sabah	138	0.08	18,772	5.25	16,048	4.44
- Upgrading of flood retention and structural works at Pendang, Kedah	5,742	3.46	14,240	3.98	18,423	5.10
- Construction of army family homes at Gemas, Negeri Sembilan						
a. supply of materials, labour, equipment and tools for construction and completion of reinforced concrete works	-	-	14,465	4.04	17,778	4.92
b. supply, delivery, installation, testing and commissioning of cold water and sanitary plumbing services	-	-	3,991	1.11	2,954	0.82
c. supply, delivery, installation, testing and commissioning of electrical and extra low voltage box	-	-	1,197	0.33	3,892	1.08
d. supply of materials, labour, equipment and tools for construction and completion of architectural works	-	-	-	-	4,488	1.24
- Construction of road works at Sembrong, Johor	3,409	2.06	7,223	2.02	3,992	1.10
- Construction of road works at Jerantut, Pahang	3,324	2.00	6,652	1.86	10,610	2.94
- Subcontract work for direct access from DUKE to Taman Bamboo, Kuala Lumpur	8,136	4.91	3,327	0.93	140	0.04
- Mainline and other associated works for Sungai Besi-Ulu Kelang Elevated Expressway (Suke) ⁽³⁾	-	-	1,342	0.38	15	*
- Construction and completion of bridge structure for direct access to SPE through Jalan Kerinchi Kiri at Kampung Kerinchi, Kuala Lumpur	4,533	2.74	219	0.06	1,342	0.37
- Upgrading of road works at Tangkak, Johor	-	-	202	0.06	24,770	6.85
- Others	-	-	323	0.09	1,581	0.44

11. FINANCIAL INFORMATION (Cont'd)

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	(1)%	(RM'000)	(1)%	(RM'000)	(1)%
Construction-related services and solutions	10,165	6.14	9,921	2.77	6,866	1.90
- LSH 33 Project	4,927	2.97	5,902	1.65	1,722	0.48
- LSH Segar Project ⁽²⁾	3,204	1.94	22	0.01	-	-
- Construction of army family homes at Gemas, Negeri Sembilan	1,193	0.72	2,046	0.57	2,230	0.62
- Construction of bridge works at Nibong Tebal, Penang	779	0.47	1,840	0.51	1,748	0.48
- Upgrading of road works at Tangkak, Johor	62	0.04	111	0.03	1,166	0.32
Property development	-	-	13,931	3.90	72,354	20.02
- LSH Segar Project ⁽²⁾	-	-	13,931	3.90	72,354	20.02

Notes:

* Less than 0.01%.

(1) Represent the percentage to our Group's total revenue for the respective Financial Years Under Review.

(2) Prior to the acquisition of ASSB in April 2023, our Group undertook the construction activities for the LSH Segar Project via LSHBB as awarded by ASSB (i.e. the project owner). As such, upon completion of the acquisition of ASSB in April 2023, LSH Segar Project became the property development project of our Group.

(3) Our involvement in the project is on request basis.

Comparison between FYE 2021 and FYE 2022

Our revenue for the FYEs 2021 and 2022 was derived solely from our construction segment.

For the FYE 2021, our Group derived all of our revenue from M&E works carried out by LSH Lighting and from our construction products sub-segment (i.e. from LSH Lighting and Knight Auto). Revenue generated from the supply of construction products is the main revenue contributor for the FYE 2021, contributing approximately RM66.87 million or 99.19% of our total revenue for the said FYE.

For the FYE 2022, our Group recorded revenue of approximately RM165.87 million, representing an increase of approximately RM98.45 million or 146.02% from the preceding financial year's revenue of approximately RM67.42 million. The significant improvement in revenue was mainly attributable to our newly acquired subsidiary, namely LSHBB, which is principally involved in construction and construction-related services and solutions.

Following our Group's diversification into construction and construction-related services and solutions via the acquisition of LSHBB in October 2021, our Group's revenue for the FYE 2022 was largely generated from the provision of construction and engineering works as well as the supply of construction materials, which contributed approximately RM98.98 million or 59.68% and RM56.72 million or 34.18% of our total revenue for the FYE 2022 respectively.

11. FINANCIAL INFORMATION (Cont'd)**Construction segment**Construction and engineering works

Revenue from our construction and engineering works sub-segment increased by approximately RM98.43 million or 17,896.36% to approximately RM98.98 million for the FYE 2022 (FYE 2021: RM0.55 million). This was attributable to the increased revenue from construction and engineering works following the completion of the acquisition of LSHBB in October 2021. Such revenue was primarily contributed by our building construction projects, namely LSH 33 Project and LSH Segar Project, and our infrastructure construction and engineering work projects which include, among others, the construction of bridge works at Nibong Tebal, Penang, subcontract work for the direct access from DUKE to Taman Bamboo, Kuala Lumpur and upgrading of flood retention and structural works at Pendang, Kedah, which collectively contributed approximately RM87.58 million or 88.48% of our total revenue generated from construction and engineering works sub-segment for the FYE 2022 (approximately 52.80% of our Group's total revenue).

Construction-related services and solutions

Following the acquisition of LSHBB, our Group, through LSHBB, also provides construction-related services and solutions to our clients through our BEST Collaboration Framework. In return, our Group will be entitled to fees negotiated based on a portion of the value of our client's construction or property development projects on a case-to-case basis. In the FYE 2022, our Group recorded revenue of approximately RM10.17 million from the provision of construction-related services and solutions, mainly from the LSH 33 Project and LSH Segar Project, which collectively contributed approximately RM8.13 million or 79.94% of our total revenue generated from our construction-related services and solutions sub-segment for the FYE 2022 (approximately 4.90% of our Group's total revenue).

Construction products

Our Group recorded lower revenue from the construction products sub-segment by approximately RM10.15 million or 15.18% to approximately RM56.72 million for the FYE 2022 as compared to the previous financial year of approximately RM66.87 million. The decrease was mainly attributable to lower orders of building materials from one of our major customers, namely SLP Construction Sdn Bhd, which recorded lower sale of approximately RM9.81 million or 78.73% to approximately RM2.65 million for the FYE 2022 (FYE 2021: RM12.46 million) as the structural works for its construction project was near to completion.

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11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our Group recorded an increase in revenue of approximately RM191.89 million or 115.69% to approximately RM357.76 million for the FYE 2023 (FYE 2022: RM165.87 million). This was mainly due to higher revenue recorded from the provision of construction and engineering works and the supply of construction products, which collectively making up approximately RM333.90 million or 93.33% of our total revenue for the FYE 2023 as compared to approximately RM155.70 million or 93.87% of our total revenue for the FYE 2022.

During the FYE 2023, we acquired two (2) new subsidiaries, namely ASSB and LSH Ventures (which collectively own 93.75% equity interest in ASES) in April 2023. These acquisitions have also contributed to the increase in our revenue generated from construction works as well as diversified our Group's business into property development activities. Accordingly, our Group recorded total revenue of approximately RM13.93 million from the property development segment (FYE 2022: Nil).

Construction segment**Construction and engineering works**

Revenue from our construction and engineering works sub-segment increased by approximately RM159.51 million or 161.15% to approximately RM258.49 million for the FYE 2023 (FYE 2022: RM98.98 million). This was primarily contributed by the following building and infrastructure construction and engineering work projects:

- (a) LSH 33 Project recorded an increase in revenue of approximately RM64.36 million or 133.61% to approximately RM112.53 million in the FYE 2023 (FYE 2022: RM48.17 million) due to this project achieving a higher percentage of completion, with a further completion stage of approximately 42.69% during the FYE 2023 (FYE 2022: 18.94%), contributed mainly from the building and structural works, M&E works and architectural works;
- (b) LSH Segar Project recorded an increase in revenue of approximately RM24.14 million or 240.92% to approximately RM34.16 million in the FYE 2023 (FYE 2022: RM10.02 million) due to this project achieving a further completion stage of approximately 13.21% during the FYE 2023 (FYE 2022: 3.85%), contributed mainly from the architectural works and earthworks;
- (c) the construction of bridge works at Nibong Tebal, Penang, for which we recorded an increase in revenue of approximately RM24.12 million or 155.51% to approximately RM39.63 million in the FYE 2023 (FYE 2022: RM15.51 million). This was mainly due to this project achieving a higher percentage of completion, with a further completion stage of approximately 41.43% during the FYE 2023 (FYE 2022: 16.21%), contributed primarily from the structural works and drainage works;
- (d) the upgrading of road works at Kota Belud, Sabah, for which we recorded an increase in revenue of approximately RM18.63 million or 13,307.14% to approximately RM18.77 million in the FYE 2023 (FYE 2022: RM0.14 million). This was mainly due to this project achieving a higher percentage of completion, with a further completion stage of approximately 42.24% during the FYE 2023 (FYE 2022: 0.31%), contributed primarily from the earthworks, geotechnical works and drainage works; and
- (e) three (3) subcontracted works (including the reinforced concrete works awarded to ASSB) for the construction of army family homes at Gemas, Negeri Sembilan which contributed revenue of approximately RM19.65 million to our Group in the FYE 2023 (FYE 2022: Nil).

11. FINANCIAL INFORMATION (Cont'd)*Construction-related services and solutions*

During the FYE 2023, our Group recorded marginal decrease in revenue of approximately RM0.25 million or 2.46% to approximately RM9.92 million for the FYE 2023 from the provision of construction-related services and solutions as compared to approximately RM10.17 million for the FYE 2022. The decrease was contributed by the lower revenue recorded for the LSH Segar Project, which decreased by approximately RM3.18 million or 99.38% for the FYE 2023 as a result of intercompany elimination of such revenue recognised by LSHBB for the provision of construction-related services and solutions to ASSB for the LSH Segar Project with the costs incurred by ASSB following the acquisition of ASSB in April 2023.

The above decrease was narrowed by the increased revenue generated from the provision of construction-related services and solutions for the LSH 33 Project, the construction of army family homes at Gemas, Negeri Sembilan project and the construction of bridge works at Nibong, Tebal, Penang project, which collectively contributed to the increased revenue of approximately RM2.89 million or 41.88% to approximately RM9.79 million for the FYE 2023 (FYE 2022: RM6.90 million).

Construction products

Our revenue from the supply of construction products increased by approximately RM18.70 million or 32.97% to approximately RM75.42 million for the FYE 2023 (FYE 2022: RM56.72 million), predominantly due to the higher revenue from the sale of building materials by approximately RM14.34 million or 50.73% to approximately RM42.61 million in the FYE 2023 (FYE 2022: RM28.27 million). This was mainly contributed by higher revenue from the sale of ready-mixed concrete, steel wire meshes and piles products to meet one of our major customers' ongoing projects, namely Besteel Engtech Sdn Bhd who contributed to an increase of approximately RM13.52 million in revenue for the sale of such building materials.

In addition, the increase in revenue was also attributed to the increase in rental revenue of our construction machinery and equipment, which increased by approximately RM5.66 million or 61.79% to approximately RM14.82 million for the FYE 2023 (FYE 2022: RM9.16 million). During the FYE 2023, we have experienced higher demand for the rental of our construction machinery and equipment from two (2) of our customers, one of whom is our major customer, namely Besteel Engtech Sdn Bhd, which collectively contributed to the increased revenue of approximately RM5.38 million in the FYE 2023.

Property development segment

Following the acquisition of ASSB in April 2023, our Group recorded our first revenue from the property development activities of approximately RM13.93 million (FYE 2022: Nil), making up approximately 3.90% of our total revenue for the FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our Group recorded an increase in revenue of approximately RM3.65 million or 1.02% to approximately RM361.41 million for the FYE 2024 (FYE 2023: RM357.76 million). This was mainly due to higher revenue recorded from our property development segment by approximately RM58.42 million or 419.38%, which was derived solely from ASSB's LSH Segar Project, due to the reasons as explained below.

The above increase in revenue was narrowed by lower revenue generated from the provision of construction and engineering works of approximately RM54.14 million or 20.94% during the FYE 2024. The said decrease was mainly due to the absence of revenue generated from the construction works carried out by LSHBB for ASSB's LSH Segar Project under the construction and engineering works sub-segment for the FYE 2024 (FYE 2023: RM34.16 million) following the acquisition of ASSB in April 2023. Notwithstanding this, our Group recognised revenue from the sale of property units derived from ASSB's LSH Segar Project under the property development segment. In addition, the lower revenue generated from the provision of construction and engineering works was also contributed by lower revenue recorded for the LSH 33 Project due to the reasons as explained below.

For the FYE 2024, our construction products sub-segment and our construction-related services and solutions sub-segment contributed to our Group's remaining revenue of approximately 21.30% and 1.90% of our total revenue, respectively.

Construction segment**Construction and engineering works**

Revenue from our construction and engineering works sub-segment decreased by approximately RM54.14 million or 20.94% to approximately RM204.35 million for the FYE 2024 (FYE 2023: RM258.49 million). This was mainly contributed by the following building and infrastructure construction and engineering work projects:

- (a) LSH 33 Project recorded lower revenue of approximately RM57.69 million or 51.27% to approximately RM54.84 million in the FYE 2024 (FYE 2023: RM112.53 million) as the construction work approached completion and was completed in June 2024. Hence, our Group recognised revenue for its remaining completion stage of approximately 19.22% during the FYE 2024 (FYE 2023: 42.69%), contributed mainly from the project's building and structural works as well as M&E works;
- (b) the absence of revenue from the construction works carried out by LSHBB for ASSB's LSH Segar Project under the construction and engineering works sub-segment for the FYE 2024 (FYE 2023: RM34.16 million) as explained above;
- (c) the construction of road works at Sembrong, Johor, for which we recorded a decrease in revenue of approximately RM3.23 million or 44.74% to approximately RM3.99 million for the FYE 2024 (FYE 2023: RM7.22 million) due to this project achieving a lower percentage of completion, with a further completion stage of approximately 17.28% in the FYE 2024 (FYE 2023: 31.27%); and

11. FINANCIAL INFORMATION (Cont'd)

- (d) the subcontract work for the direct access from DUKE to Taman Bamboo, Kuala Lumpur, for which we have recorded a decrease in revenue of approximately RM3.19 million to approximately RM0.14 million for the FYE 2024 (FYE 2023: RM3.33 million). This was due to the completion of the project in FYE 2023 and the additional revenue recorded for the FYE 2024 was a result of the finalisation of the project's contract value during the current financial year.

However, the above decreases were offset by the increase in revenue attributable mainly from the following building and infrastructure construction and engineering work projects:

- (a) the construction of road works at Jerantut, Pahang, for which we recorded an increase in revenue of approximately RM3.96 million or 59.55% to approximately RM10.61 million for the FYE 2024 (FYE 2023: RM6.65 million) as this project achieved a higher percentage of completion, with a further completion stage of approximately 6.77% during the FYE 2024 (FYE 2023: 3.31%), contributed primarily from structural works and earthworks;
- (b) the upgrading of flood retention and structural works at Pendang, Kedah, for which we recorded an increase in revenue of approximately RM4.18 million or 29.35% to approximately RM18.42 million for the FYE 2024 (FYE 2023: RM14.24 million) as this project achieved a higher percentage of completion, with a further completion stage of approximately 23.48% during the FYE 2024 (FYE 2023: 18.15%), contributed mainly from the infrastructure works; and
- (c) the acquisition of ASSB in April 2023 has also further contributed to the increase in our Group's revenue for the FYE 2024, primarily from the following projects:
- (aa) the upgrading of road works at Tangkak, Johor for which we recorded higher revenue for the FYE 2024, which increased by approximately RM24.57 million or 12,285.00% to approximately RM24.77 million in the FYE 2024 (FYE 2023: RM0.20 million). This was also mainly due to this project achieving a higher percentage of completion, with a further completion stage of approximately 20.50% during the FYE 2024 (FYE 2023: 0.15%), contributed primarily from earthworks;
- (bb) the two (2) subcontracted works for the construction of army family homes at Gemas, Negeri Sembilan (i.e. reinforced concrete works and architectural works), for which we collectively recorded an increase in revenue of approximately RM7.80 million or 53.90% to approximately RM22.27 million in the FYE 2024 (FYE 2023: RM14.47 million). This was mainly due to the additional architectural subcontract works awarded to ASSB during the FYE 2024, which contributed approximately RM4.49 million to our revenue for the FYE 2024. In addition, we also recorded higher revenue from the reinforced concrete works of approximately RM3.31 million due to a variation order received for additional works carried out; and
- (cc) the construction works for the Sentul Ria Project, for which we recorded an increase in revenue of approximately RM6.05 million or 2,880.95% to approximately RM6.26 million in the FYE 2024 (FYE 2023: RM0.21 million). This was also mainly due to the achievement of a higher percentage of completion, with an additional completion stage of approximately 6.03% during the FYE 2024 (FYE 2023: 0.20%), contributed mainly from piling works and earthworks.

11. FINANCIAL INFORMATION (Cont'd)*Construction-related services and solutions*

For the FYE 2024, our Group recorded a decrease in revenue of approximately RM3.05 million or 30.75% to approximately RM6.87 million from the provision of construction-related services and solutions as compared to approximately RM9.92 million for the FYE 2023. The decrease was mainly contributed by the lower revenue recorded for the LSH 33 Project, which decreased by approximately RM4.18 million or 70.85% for the FYE 2024 as the said project was nearing completion and completed during the FYE 2024 as mentioned earlier.

The above decrease was mainly narrowed by the increased revenue arising from the provision of construction-related services and solutions for the upgrading of road works at Tangkak, Johor of approximately RM1.06 million or 963.64% to approximately RM1.17 million for the FYE 2024 (FYE 2023: RM0.11 million).

Construction products

Our revenue from the supply of construction products increased by approximately RM1.55 million or 2.06% to approximately RM76.97 million for the FYE 2024 (FYE 2023: RM75.42 million), predominantly due to the following:

- (a) increase in rental revenue for our construction machinery and equipment by approximately RM3.36 million or 22.67% to approximately RM18.18 million for the FYE 2024 (FYE 2023: RM14.82 million), mainly due to higher demand for the rental of our construction machinery and equipment from one of our major customers, namely Besteel Engtech Sdn Bhd which contributed approximately RM7.22 million to the increase in revenue of this sub-segment.

Such increase was partially offset by the decrease in rental revenue for our construction machinery and equipment generated from ASSB after our Group acquired ASSB as our subsidiary in April 2023 (i.e. intercompany elimination); and

- (b) increase in revenue from the wholesale and retail of hardware products and tools by approximately RM3.08 million or 24.33% to approximately RM15.74 million for the FYE 2024 (FYE 2023: RM12.66 million). This was mainly attributable to higher demand from our retail customers and the full 12-month operational results of our new retail store at Wisma Knight Auto which commenced its business operation in August 2023.

However, the above increases were mainly offset by the decrease in revenue from the sale of building materials of approximately RM4.82 million or 11.31% to approximately RM37.79 million for the FYE 2024 (FYE 2023: RM42.61 million) as our Group experienced lower sales of steel bars and steel wire meshes products from our customers during the said financial year.

Property development segment

During the FYE 2024, our revenue from the property development segment increased by approximately RM58.42 million or 419.38% to approximately RM72.35 million (FYE 2023: RM13.93 million). Such an increase was mainly attributable to a full 12-month property development revenue recognised during the FYE 2024 as compared to the 6-month property development revenue recognised from the LSH Segar Project during the FYE 2023 following the completion of the acquisition of ASSB in April 2023. In addition, the increase was also attributable to further progress in the development activities achieved for this project during the FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)**(ii) Cost of sales, GP and GP margin****Analysis of cost of sales by cost component**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Subcontractor costs	465	0.93	31,002	31.53	129,404	50.89	70,260	30.13
- Building and structural works	-	-	17,544	17.84	50,573	19.89	14,930	6.40
- Infrastructure works	-	-	7,727	7.86	35,556	13.98	25,515	10.94
- M&E works	465	0.93	1,081	1.10	19,307	7.59	14,809	6.35
- Architectural works	-	-	797	0.81	16,791	6.60	2,882	1.24
- Other subcontracted services	-	-	3,853	3.92	7,177	2.83	12,124	5.20
Construction material costs	-	-	10,092	10.26	40,289	15.84	35,225	15.10
Costs of construction products	47,638	95.02	40,466	41.15	43,806	17.23	50,026	21.45
- Building materials	34,213	68.24	25,140	25.56	30,326	11.93	31,996	13.72
- Lighting products	3,313	6.61	4,145	4.22	3,492	1.37	3,273	1.40
- Hardware products and tools	9,111	18.17	9,722	9.89	9,006	3.54	11,840	5.08
- Rental of construction machinery and equipment	1,001	2.00	1,459	1.48	982	0.39	2,917	1.25
Direct labour costs	1,612	3.21	5,701	5.79	8,425	3.31	11,083	4.75
Overhead and other related costs	423	0.84	11,085	11.27	21,596	8.49	32,862	14.09
Property development costs	-	-	-	-	10,763	4.24	33,762	14.48
	50,138	100.00	98,346	100.00	254,283	100.00	233,218	100.00

(a) Subcontractor costs

Since our Group's diversification into construction business in October 2021, subcontractor costs have become a significant cost component of our Group's cost of sales, which accounted for approximately 31.53%, 50.89% and 30.13% of our total cost of sales in the FYEs 2022, 2023 and 2024, respectively.

For our construction projects, we engage various subcontractors mainly for the following:

- building and structural works which include reinforced concrete works, flooring, roofing, glazing and finishing works;

11. FINANCIAL INFORMATION (Cont'd)

- infrastructure works which include earthworks for infrastructure construction and engineering work projects, drainage works and bridge works;
- M&E works which include supply and installation of M&E systems such as lifts, fire protection system, air conditioning system, as well as water supply and plumbing systems; and
- architectural works which include installation of windows, glass panels, doors as well as painting and interior finishes.

We also engage subcontractors for earthworks for building construction projects, site preparation, piling works, landscaping works, installation of amenities and facilities, as well as labour supply to carry out on-site construction works.

For the Financial Years Under Review, subcontractor costs accounted for approximately RM0.47 million, RM31.00 million, RM129.40 million and RM70.26 million for the past four (4) FYEs 2021, 2022, 2023 and 2024, respectively.

The significant increase in subcontractor costs since the FYE 2022 was mainly attributed to the ongoing building construction projects and infrastructure construction and engineering work projects of our newly acquired subsidiary, LSHBB, which we acquired in October 2021. LSHBB is principally involved in construction and construction-related services and solutions. Additionally, the acquisition of ASSB in April 2023 has further contributed to the increased subcontractor costs in the FYE 2023. However, in the FYE 2024, the subcontractor costs decreased in tandem with the decrease in revenue generated from our construction and engineering works as explained in item (i) above.

(b) Construction material costs

Construction material costs refer to costs of materials used for our construction and engineering work projects that are not purchased from or for sale by our construction products sub-segment. The major construction materials used for our construction and engineering projects are, among others, plywood, pile, pipe, steel bar, timber, cement, column mould, cement board, bricks, bolts and nuts. Such construction materials are mainly sourced from local suppliers, which are selected based on their pricing, availability and lead time for delivery. Whilst we have maintained long-term business relationships with our approved list of suppliers, we also source construction materials from new suppliers if the need arises. Prices of some of these materials, particularly steel and concrete materials, are subject to fluctuations based on supply and demand conditions and economic conditions.

For the Financial Years Under Review, construction material costs accounted for approximately RM Nil, RM10.09 million, RM40.29 million and RM35.23 million for the past four (4) FYEs 2021, 2022, 2023 and 2024, respectively.

11. FINANCIAL INFORMATION (Cont'd)

The significant increase in construction material costs since the FYE 2022 was mainly attributed to the ongoing building construction projects and infrastructure construction and engineering work projects of our newly acquired subsidiary, LSHBB, which we acquired in October 2021. LSHBB is principally involved in construction and construction-related services and solutions. Additionally, the acquisition of ASSB in April 2023 has further contributed to the increased construction material costs in the FYE 2023. However, in the FYE 2024, the construction material costs decreased in tandem with the decrease in revenue generated from our construction and engineering works as explained in item (i) above.

(c) Costs of construction products

We purchase and supply a wide range of building materials to meet the needs of the wider construction industry, wholesale and retail of lighting and related M&E products to contractors, property developers and retail customers, wholesale and retail of hardware products and tools to contractors and retail customers as well as rent construction machinery and equipment (including sub-rent of construction machinery and equipment which we do not own) to contractors. Such construction products costs consist of the following:

- (aa) purchase of building materials such as ready-mixed concrete, steel bar, steel wire mesh and reinforcing fabric of steel;
- (bb) purchase of lighting products which can be broadly categorised as indoor lighting products, outdoor lighting products and decorative lighting products;
- (cc) purchase of hardware products and tools such as concrete mixers, generator sets, air compressors, agricultural tools and equipment, garage tools and equipment and other hardware products; and
- (dd) expenses incurred for renting of construction machinery and equipment such as repair costs, maintenance costs and parts replacement costs for such machinery and equipment as well as expenses incurred for sub-rent of construction machinery and equipment which we do not own (including rental expenses).

Save for two (2) suppliers from China who supply some of our Group's hardware and tools, our construction products are mainly sourced from local suppliers who are selected based on their pricing, availability and lead time for delivery. Whilst we have maintained long-term business relationships with our approved list of suppliers, we also source construction products from new suppliers if the need arises.

For the Financial Years Under Review, the costs of construction products accounted for approximately RM47.64 million, RM40.47 million, RM43.81 million and RM50.03 million for the past four (4) FYEs 2021, 2022, 2023 and 2024, respectively. During the Financial Years Under Review, the costs of construction products fluctuated in tandem with the revenue generated from the supply of construction products.

11. FINANCIAL INFORMATION (Cont'd)**(d) Direct labour costs**

Our direct labour costs comprise salaries, wages, bonuses and other staff-related costs of the workers who are directly involved in our construction and engineering works and rental of construction machinery activities. For our construction and engineering work projects, the workers are either directly employed by us or outsourced from general worker service providers.

During the Financial Years Under Review, the direct labour costs accounted for approximately RM1.61 million, RM5.70 million, RM8.43 million and RM11.08 million for the past four (4) FYEs 2021, 2022, 2023 and 2024, respectively.

The significant increase in direct labour costs since the FYE 2022 was mainly attributed to the ongoing building construction projects and infrastructure construction and engineering work projects of our newly acquired subsidiary, LSHBB, which we acquired in October 2021. LSHBB is principally involved in construction and construction-related services and solutions. Additionally, the acquisition of ASSB in April 2023 has further contributed to the increased direct labour costs in the FYEs 2023 and 2024.

(e) Overhead and other related costs

Overhead and other related costs include general preliminary and related expenses for construction projects as well as other related costs for our construction products sub-segment, which are miscellaneous in nature. Such overhead and related costs include, among others, hiring of machinery from third parties for our own construction and engineering work projects, professional fees paid to building construction professionals, indirect labour costs, upkeep expenses, fuel and diesel, insurance, depreciation for plant and machinery, site expenses, levy charges, utilities, freight and customs duties.

For the Financial Years Under Review, the overhead and other related costs accounted for approximately RM0.42 million, RM11.09 million, RM21.60 million and RM32.86 million for the past four (4) FYEs 2021, 2022, 2023 and 2024, respectively.

The significant increase in overhead and other related costs since the FYE 2022 was mainly attributed to the ongoing building construction projects and infrastructure construction and engineering work projects of our newly acquired subsidiary, LSHBB, which we acquired in October 2021. LSHBB is principally involved in construction and construction-related services and solutions. Additionally, the acquisition of ASSB in April 2023 has further contributed to the increased overhead and other related costs in the FYEs 2023 and 2024.

(f) Property development costs

Property development costs refer to land and development costs related to our property development projects. The development costs comprise mainly building construction costs, foundation construction costs and infrastructure costs such as road construction.

Our Group acquired ASSB in April 2023, which ASSB is the project developer for the LSH Segar Project. As such, we only recorded property development costs in the FYE 2023 onwards, which accounted for approximately RM10.76 million and RM33.76 million for the FYEs 2023 and 2024, respectively.

11. FINANCIAL INFORMATION (Cont'd)**Analysis of cost of sales by business segments**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Construction	50,138	100.00	98,346	100.00	243,520	95.77	198,898	85.28
Construction and engineering works and construction-related services and solutions ⁽¹⁾	465	0.93	54,948	55.87	195,657	76.95	143,968	61.73
Construction products	49,673	99.07	43,398	44.13	47,863	18.82	54,930	23.55
- Building materials	34,213	68.24	25,140	25.56	30,326	11.93	31,996	13.72
- Lighting products	3,313	6.61	4,145	4.22	3,492	1.37	3,273	1.40
- Hardware products and tools	9,111	18.17	9,722	9.89	9,006	3.54	11,840	5.08
- Rental of construction machinery and equipment	3,036	6.05	4,391	4.46	5,039	1.98	7,821	3.35
Property development	-	-	-	-	10,763	4.23	33,762	14.48
Other⁽²⁾	-	-	-	-	-	-	558	0.24
	<u>50,138</u>	<u>100.00</u>	<u>98,346</u>	<u>100.00</u>	<u>254,283</u>	<u>100.00</u>	<u>233,218</u>	<u>100.00</u>

Notes:

- (1) The construction-related services and solutions provided by our Group under our BEST Collaboration Framework principally involve value-engineering for construction and property development projects undertaken by our clients. As such services and solutions are provided alongside with the construction works carried out by the same project team and personnel for the construction and property development projects, and there are no other costs incurred to render such services and solutions, the costs of sales for construction and engineering works and construction-related services and solutions are combined and shown together.
- (2) Comprised mainly insurance and sub-contractor costs in relation to the management of the 'Blue Pool' facility at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur.

11. FINANCIAL INFORMATION (Cont'd)**Analysis of GP and GP margin by business segments**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Construction	17,278	25.63	67,520	40.71	100,304	29.17	89,296	30.98
Construction and engineering works and construction-related services and solutions ⁽¹⁾	82	14.99	54,199	49.66	72,749	27.10	67,252	31.84
Construction products	17,196	25.72	13,321	23.49	27,555	36.54	22,044	28.64
- Building materials	3,301	8.80	3,130	11.08	12,285	28.83	5,792	15.33
- Lighting products	2,163	39.50	2,082	33.44	1,839	34.50	1,986	37.76
- Hardware products and tools	3,644	28.57	3,339	25.56	3,649	28.83	3,903	24.79
- Rental of construction machinery and equipment	8,088	72.71	4,770	52.06	9,782	66.00	10,363	56.99
Property development	-	-	-	-	3,168	22.74	38,592	53.34
Other⁽²⁾	-	-	-	-	-	-	299	34.89
	17,278	25.63	67,520	40.71	103,472	28.92	128,187	35.47

Notes:

- (1) The construction-related services and solutions provided by our Group under our BEST Collaboration Framework principally involve value-engineering for construction and property development projects undertaken by our clients. As such services and solutions are provided alongside with the construction works carried out by the same project team and personnel for the construction and property development projects, and there are no other costs incurred to render such services and solutions, the costs of sales for construction and engineering works and construction-related services and solutions are combined and shown together. As such, the GP and GP margin for these two (2) sub-segments are also presented in a single category.
- (2) This represents GP and GP margin generated from the management of the 'Blue Pool' facility at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our cost of sales for the FYEs 2021 and 2022 was derived solely from our construction segment.

For the FYE 2021, our cost of sales was incurred for the M&E works carried out by LSH Lighting and the supply of construction products (i.e. from LSH Lighting and Knight Auto). The costs of construction products made up most of our Group's cost of sales for the FYE 2021, contributing approximately RM49.67 million or 99.07% of our total cost of sales for the FYE 2021.

Our cost of sales increased by approximately RM48.21 million or 96.15% to approximately RM98.35 million for the FYE 2022 (FYE 2021: RM50.14 million). The significant increase in cost of sales for the FYE 2022 was mainly attributable to the construction projects carried out by our newly acquired subsidiary, LSHBB, which is principally involved in construction and construction-related services and solutions.

In tandem with the increase in revenue, our Group recorded higher GP of approximately RM67.52 million for the FYE 2022 as compared to GP of approximately RM17.28 million for the preceding financial year, representing an increase in our GP of approximately RM50.24 million or 290.74%. However, as our GP for the FYE 2022 increased at a rate higher than our revenue growth rate of 146.02%, our Group recorded higher GP margin of approximately 40.71% for the FYE 2022 as compared to 25.63% for the preceding financial year.

Construction segment**Construction and engineering works and construction-related services and solutions**

In tandem with the increase in revenue, the cost of sales for our construction and engineering works and construction-related services and solutions sub-segments increased by approximately RM54.48 million or 11,591.49% to approximately RM54.95 million for the FYE 2022 (FYE 2021: RM0.47 million). This was mainly contributed by the cost of sales from the construction projects carried out by LSHBB, which was largely derived from the LSH 33 Project, the LSH Segar Project, the construction of bridge works at Nibong Tebal, Penang and the upgrading of flood retention and structural works at Pendang, Kedah, which collectively contributed to the increased cost of sales of approximately RM45.24 million for the FYE 2022.

Correspondingly, our GP for our construction and engineering works construction-related services and solutions sub-segments increased by approximately RM54.12 million or 67,650.00% to approximately RM54.20 million for the FYE 2022 (FYE 2021: RM0.08 million).

Nevertheless, our Group recorded higher GP margin for our construction and engineering works and construction-related services and solutions sub-segments of approximately 49.66% for the FYE 2022 as compared to approximately 14.99% for the FYE 2021. This was mainly attributable to higher contract revenue and fees being recognised by LSHBB under the BEST Collaboration Framework as compared to the cost of sales recognised during the same financial year as a result of a one-off value enhancement exercise carried out by LSHBB for the LSH 33 Project during the said financial year. In addition, the higher GP margin for the FYE 2022 was also contributed by the higher GP margins recorded for the LSH Segar Project, the construction of bridge works at Nibong Tebal, Penang and the construction of army family homes at Gemas, Negeri Sembilan, as well as the fees recognised under the BEST Collaboration Framework for these projects.

11. FINANCIAL INFORMATION (Cont'd)*Construction products*

In tandem with the decrease in revenue for construction products, the cost of sales for the supply of construction products sub-segment also decreased by approximately RM6.27 million or 12.62% to approximately RM43.40 million for the FYE 2022 (FYE 2021: RM49.67 million).

The GP for the supply of construction products sub-segment also decreased by approximately RM3.88 million or 22.56% to approximately RM13.32 million for the FYE 2022 (FYE 2021: RM17.20 million). However, our Group recorded a lower GP margin for the supply of construction products of approximately 23.49% in the FYE 2022 as compared to approximately 25.72% in the FYE 2021. This was primarily attributable to the following:

- (a) GP margin for the rental of construction machinery and equipment decreased from approximately 72.71% for the FYE 2021 to approximately 52.06% for the FYE 2022 as a result of the lower rental revenue recorded for the FYE 2022 while majority of the operating costs for this sub-segment such as depreciation and direct labour costs which are relatively fixed in nature, remained unchanged;
- (b) GP margin for the wholesale and retail of lighting products decreased from approximately 39.50% for the FYE 2021 to approximately 33.44% for the FYE 2022, mainly attributable to discounts given for walk-in purchases of chandeliers to drive sales during the post-pandemic recovery phase, as well as higher sales of fan products that yielded lower GP margins; and
- (c) GP margin for the wholesale and retail of hardware products and tools decreased from approximately 28.57% for the FYE 2021 to approximately 25.56% for the FYE 2022, mainly attributable to higher sales of certain equipment and tools that yielded lower GP margins.

The above decreases in the GP margin were narrowed by the increase in our GP margin for the supply of building materials, which improved from approximately 8.80% for the FYE 2021 to approximately 11.08% for the FYE 2022, mainly due to higher sales of I-beams, pre-stressed concrete steel strand, bored piles and spun piles that yielded higher GP margins.

Comparison between FYE 2022 and FYE 2023

Our cost of sales further increased by approximately RM155.93 million or 158.55% to approximately RM254.28 million in the FYE 2023 (FYE 2022: RM98.35 million). This was mainly due to the increased cost of sales from our construction and engineering works and construction-related services and solutions sub-segments, which increased by approximately RM140.71 million or 256.07% to approximately RM195.66 million for the FYE 2023 (FYE 2022: RM54.95 million).

However, despite our Group recorded higher GP of approximately RM103.47 million during the FYE 2023 (FYE 2022: RM67.52 million), our GP margin declined from approximately 40.71% for the preceding financial year to approximately 28.92% for the FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)**Construction segment***Construction and engineering works and construction-related services and solutions*

In tandem with the increase in revenue generated from our construction and engineering works, the cost of sales for our construction and engineering works and construction-related services and solutions sub-segments increased by approximately RM140.71 million or 256.07% to approximately RM195.66 million for the FYE 2023 (FYE 2022: RM54.95 million). Correspondingly, we recorded higher GP from our construction and engineering works and construction-related services and solutions sub-segments of approximately RM18.55 million or 34.23% to approximately RM72.75 million for the FYE 2023 as compared to approximately RM54.20 million for the FYE 2022.

Despite the increase in our GP, our Group recorded lower GP margin from our construction and engineering works and construction-related services and solutions sub-segments from approximately 49.66% in the FYE 2022 to approximately 27.10% in the FYE 2023. This was mainly resulted from the following:

- (a) decrease in GP margin for the LSH 33 Project from approximately 48.32% for the FYE 2022 to approximately 19.62% for the FYE 2023, primarily resulting from the absence of the higher contract revenue and fees recognised by LSHBB under the BEST Collaboration Framework as a result of a one-off value enhancement exercise carried out by LSHBB for the LSH 33 Project which our Group enjoyed in the preceding financial year and the ratio of contract revenue and fees to cost of sales recognised by LSHBB thereto has since normalised during the FYE 2023. The decrease in GP margin for the LSH 33 Project was also due to upward revision in the project costs arising from the enhancement of architectural and furnishing works carried out for the LSH 33 Project;
- (b) decrease in GP margin for the LSH Segar Project from approximately 47.63% for the FYE 2022 to approximately 24.63% for the FYE 2023, primarily due to the upward revision in the project costs arising from the enhancement of preliminary works as well as additional reinforced concrete works carried out; and
- (c) lower GP margin of approximately 23.92% recorded for the three (3) subcontracted works for the construction of army homes at Gemas, Negeri Sembilan for the FYE 2023 as compared to a higher GP margin generated in the FYE 2022 which was derived solely from the fees under the BEST Collaboration Framework that yielded higher margin.

Additionally, the increase in construction material prices also affected the GP margin for all our Group's construction projects albeit at a lower rate.

Construction products

In tandem with the increase in revenue generated from our construction products sub-segment, the cost of sales for the supply of construction products increased by approximately RM4.46 million or 10.28% to approximately RM47.86 million for the FYE 2023 (FYE 2022: RM43.40 million). Correspondingly, our GP increased by approximately RM14.24 million or 106.91% to approximately RM27.56 million for the FYE 2023 (FYE 2022: RM13.32 million).

11. FINANCIAL INFORMATION (Cont'd)

As the cost of sales for the supply of construction products increased at a rate lower than the revenue growth rate of approximately 32.97% for the FYE 2023, our Group recorded higher GP margin of approximately 36.54% for the FYE 2023 (FYE 2022: 23.49%). This was mainly attributable to the following:

- (a) increase in our GP margin for the supply of building materials from approximately 11.08% for the FYE 2022 to approximately 28.83% for the FYE 2023, mainly due to higher sales of internal fit-out materials for building construction projects (which the sales include installation of tiling, ceiling, partition and/or furnishing that allowed us to charge at a higher fee); and
- (b) higher GP margin for the rental of construction machinery and equipment of approximately 66.00% for the FYE 2023 as compared to approximately 52.06% for the FYE 2022, mainly attributable to higher rental revenue received vis-à-vis the majority of our operating costs for the rental of construction machinery and equipment which comprised primarily depreciation for property, plant and equipment and direct labour costs are relatively fixed in nature.

Property development segment

Following the acquisition of ASSB in April 2023, our Group recorded our first property development costs of approximately RM10.76 million (FYE 2022: Nil), contributing approximately 4.23% of our total cost of sales for the FYE 2023. The property development costs were solely derived from the LSH Segar Project.

For the FYE 2023, our Group recorded GP and GP margin from our property development segment of approximately RM3.17 million and 22.74% respectively.

Comparison between FYE 2023 and FYE 2024

Our cost of sales decreased by approximately RM21.06 million or 8.28% to approximately RM233.22 million in the FYE 2024 (FYE 2023: RM254.28 million). This was mainly due to the lower cost of sales incurred for our construction and engineering works and construction-related services and solutions sub-segments, which decreased by approximately RM51.69 million or 26.42% to approximately RM143.97 million for the FYE 2024 (FYE 2023: RM195.66 million). Such a decrease was partially narrowed by higher property development costs incurred for the FYE 2024, which increased by approximately RM23.00 million or 213.75% to approximately RM33.76 million in the FYE 2024 (FYE 2023: RM10.76 million).

In view of the decrease in our cost of sales alongside a revenue growth of approximately 1.02% during the same financial year, our Group recorded higher GP of approximately RM128.19 million for the FYE 2024 as compared to GP of approximately RM103.47 million for the preceding financial year, representing an increase in our GP of approximately RM24.72 million or 23.89%. This also translates to a higher GP margin of approximately 35.47% for the FYE 2024 as compared to 28.92% for the preceding financial year, mainly due to the reasons as explained below.

Construction segment**Construction and engineering works and construction-related services and solutions**

In tandem with the decrease in revenue, the cost of sales for our construction and engineering works and construction-related services and solutions sub-segments decreased by approximately RM51.69 million or 26.42% to approximately RM143.97 million for the FYE 2024 (FYE 2023: RM195.66 million). Correspondingly, our GP for our construction and engineering works and construction-related services and solutions sub-segments decreased by approximately RM5.50 million or 7.56% to approximately RM67.25 million for the FYE 2024 (FYE 2023: RM72.75 million).

11. FINANCIAL INFORMATION (Cont'd)

However, our Group recorded higher GP margin for these sub-segments of approximately 31.84% for the FYE 2024 as compared to GP margin of approximately 27.10% for the FYE 2023, mainly contributed by the increase in GP margin for the construction of road works at Jerantut, Pahang, which improved from approximately 21.87% for the FYE 2023 to approximately 80.61% for the FYE 2024. This was mainly attributable to the forfeiture of deposits received from our client, netted off the deposits paid to our subcontractors of the same project arising from the delay in construction works by our client.

The above increase in GP margin was partially offset by the decrease in GP margin for the LSH 33 Project from approximately 19.62% for the FYE 2023 to approximately 4.56% for the FYE 2024 primarily due to higher infrastructure costs incurred during FYE 2024 (mainly for sewerage piping and water supply works) as well as lower fees recognised by LSHBB under the BEST Collaboration Framework for LSH 33 Project as compared to the FYE 2023.

Construction products

In tandem with the increase in revenue generated from our construction products sub-segment, the cost of sales for this sub-segment increased by approximately RM7.07 million or 14.77% to approximately RM54.93 million for the FYE 2024 (FYE 2023: RM47.86 million).

However, the above rate of which the cost of sales increased for the FYE 2024 for this sub-segment is comparatively higher than the revenue growth rate of 2.06% for the same financial year. Correspondingly, our GP decreased by approximately RM5.52 million or 20.03% to approximately RM22.04 million for the FYE 2024 (FYE 2023: RM27.56 million), and our GP margin for the FYE 2024 decreased to approximately 28.64% (FYE 2023: 36.54%). This was mainly attributable to the following:

- (a) decrease in GP margin for the supply of building materials from approximately 28.83% for the FYE 2023 to approximately 15.33% for the FYE 2024, which was mainly due to the increase in sales of tiles and sand to our sub-contractors during the FYE 2024, which yielded lower GP margins; and
- (b) decrease in GP margin for the rental of construction machinery and equipment from approximately 66.00% for the FYE 2023 to approximately 56.99% for the FYE 2024, mainly due to higher upkeep of machinery costs and sub-rental costs incurred during the FYE 2024.

Property development segment

In tandem with the increase in revenue generated from our property development segment, our property development costs increased by approximately RM23.00 million or 213.75% to approximately RM33.76 million in the FYE 2024 (FYE 2023: RM10.76 million). However, our cost of sales for this segment increased at a lower rate than our revenue growth rate of approximately 419.38%, mainly attributable to the downward revision of budgeted costs for the LSH Segar Project during FYE 2024. This was a result of the cost savings from subcontractors, purchase of construction material costs as well as rental of construction machinery and equipment costs. Hence, our Group recorded higher GP of approximately RM38.59 million and higher GP margin for this segment of approximately 53.34% for the FYE 2024 (FYE 2023: RM3.17 million and 22.74%).

11. FINANCIAL INFORMATION (Cont'd)**(iii) Other income**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Interest income	165	46.09	266	15.15	459	35.42	276	29.68
Insurance compensation	-	-	-	-	267	20.60	2	0.21
Rental of machinery and equipment ⁽¹⁾	-	-	-	-	173	13.35	288	30.97
Staff secondment income ⁽²⁾	-	-	-	-	143	11.03	143	15.38
Reimbursement income ⁽³⁾	-	-	22	1.25	115	8.87	-	-
Gain on disposal of property, plant and equipment	1	0.28	11	0.63	94	7.25	38	4.08
Gain on reassessment of lease	12	3.35	69	3.93	1	0.08	24	2.58
Downpayments forfeiture ⁽⁴⁾	41	11.45	197	11.22	-	-	-	-
Wage subsidy	10	2.79	143	8.14	5	0.39	-	-
Bargain purchase gain on acquisition in a subsidiary	-	-	1,019	58.03	-	-	-	-
Human resource development fund (HRDF) claims	-	-	-	-	-	-	11	1.18
Reversal of inventories previously written down	129	36.04	-	-	-	-	56	6.02
Others ⁽⁵⁾	-	-	29	1.65	39	3.01	92	9.90
	358	100.00	1,756	100.00	1,296	100.00	930	100.00

Notes:

- (1) This relates to ASSB's income received from the rental of its machinery and equipment as ASSB is principally involved in property development and construction business.
- (2) This relates to the back charge of staff costs for our staff secondment to support the operations of our client and related parties upon request. The staff secondment arrangement with related parties has ceased since April 2024.
- (3) This relates to the back charge of diesel and materials costs used by our subcontractors at our construction sites.
- (4) This relates to the forfeiture of downpayments received from our customers for the purchases of our construction products due to cancellation of orders.
- (5) Comprised mainly rental from shoplots, sales incentive from suppliers, credit card rebates and rebates on telecommunication bills.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our other income increased by approximately RM1.40 million or 388.89% to approximately RM1.76 million for the FYE 2022 (FYE 2021: RM0.36 million) mainly due to the following:

- (a) recognition of a bargain purchase gain on the acquisition of a subsidiary (namely, LSHBB) by approximately RM1.02 million in the FYE 2022 (FYE 2021: Nil), as the purchase consideration payable by our Company for the acquisition of LSHBB of RM3.50 million was lower than the fair value of the net identifiable assets of LSHBB at the date of acquisition which amounted to approximately RM4.52 million;
- (b) an increase in forfeiture of downpayment of approximately RM0.16 million or 400.00% to approximately RM0.20 million for the FYE 2022 (FYE 2021: RM0.04 million) as a result of higher cancellation of orders by our customers;
- (c) increase in wage subsidy of approximately RM0.13 million or 1,300% to approximately RM0.14 million for the FYE 2022 (FYE 2021: RM0.01 million) due to higher wage subsidy income received from the Malaysian Government during the FYE 2022 as a result of the increase in our Group's employees' headcount after the consolidation of the headcount of LSHBB upon the completion of the acquisition of LSHBB in October 2021; and
- (d) increase in interest income by approximately RM0.10 million or 58.82% to approximately RM0.27 million for the FYE 2022 (FYE 2021: RM0.17 million), mainly due to higher deposits placed with licensed banks.

Comparison between FYE 2022 and FYE 2023

Our other income decreased by approximately RM0.46 million or 26.14% to approximately RM1.30 million for the FYE 2023 (FYE 2022: RM1.76 million) mainly due to the net effects of the following:

- (a) the absence of the one-off bargain purchase gain on the acquisition of a subsidiary of approximately RM1.02 million that was recognised in the preceding financial year;
- (b) insurance claims of approximately RM0.27 million in the FYE 2023 which relates to the repair costs of a damaged tower crane; and
- (c) increase in interest income by approximately RM0.19 million or 70.37% to approximately RM0.46 million in the FYE 2023 (FYE 2022: RM0.27 million), mainly due to higher deposits placed with licensed banks.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our other income decreased by approximately RM0.37 million or 28.46% to approximately RM0.93 million for the FYE 2024 (FYE 2023: RM1.30 million) mainly due to the following:

- (a) absence of the insurance claims of approximately RM0.27 million which relates to the repair costs of a damaged tower crane that was recognised in the preceding financial year;
- (b) decrease in interest income of approximately RM0.18 million or 39.13% to approximately RM0.28 million for the FYE 2024 (FYE 2023: RM0.46 million), mainly due to lower placement of fixed deposits as some fixed deposits were withdrawn to fund the working capital of our Group; and
- (c) absence of the reimbursement income of approximately RM0.12 million which relates to the back charge of diesel and material costs used by our subcontractors at our construction sites that was recognised in the preceding financial year.

The above decreases were partially offset by the increase in rental of machinery and equipment income of approximately RM0.12 million or 70.59% to approximately RM0.29 million for the FYE 2024 (FYE 2023: RM0.17 million), mainly attributable to higher rental income received from the renting of terrain crane by ASSB. For information, ASSB is principally involved in property development and construction business.

(iv) Selling and marketing expenses

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Sales commissions	278	53.36	340	51.28	1,838	79.70	2,933	76.42
Advertisement and marketing expenses	195	37.43	264	39.82	415	18.00	853	22.23
Credit card charges	48	9.21	59	8.90	53	2.30	52	1.35
	521	100.00	663	100.00	2,306	100.00	3,838	100.00

Comparison between FYE 2021 and FYE 2022

Our selling and marketing expenses increased by approximately RM0.14 million or 26.92% to approximately RM0.66 million for the FYE 2022 (FYE 2021: RM0.52 million), mainly attributable to the following:

- (a) increase in sales commissions of approximately RM0.06 million or 21.43% to approximately RM0.34 million (FYE 2021: RM0.28 million), mainly due to higher sales commissions paid for higher sale of lighting products during the year; and
- (b) increase in advertising and marketing expenses by approximately RM0.06 million or 30.00% to approximately RM0.26 million (FYE 2021: RM0.20 million), which was mainly incurred for newspapers advertisement.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our selling and marketing expenses increased by approximately RM1.65 million or 250.00% to approximately RM2.31 million for the FYE 2023 (FYE 2022: RM0.66 million), mainly attributable to the increase in sales commissions of approximately RM1.50 million arising from the commissions paid for property units sold for the LSH Segar Project following the acquisition of ASSB in April 2023.

Comparison between FYE 2023 and FYE 2024

Our selling and marketing expenses increased by approximately RM1.53 million or 66.23% to approximately RM3.84 million for the FYE 2024 (FYE 2023: RM2.31 million), mainly attributable to the following:

- (a) increase in sales commissions of approximately RM1.09 million or 59.24% to approximately RM2.93 million (FYE 2023: RM1.84 million), primarily attributable to the sales commissions paid for higher sales of LSH Segar Project units during the FYE 2024 as compared to the preceding financial year; and
- (b) increase in advertisement and marketing expenses by approximately RM0.43 million or 102.38% to approximately RM0.85 million (FYE 2023: RM0.42 million), which was mainly incurred for event and exhibition related expenses to promote the property units of our LSH Segar Project.

(v) Administrative expenses

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Directors' remuneration	685	14.15	3,420	36.31	6,212	35.30	5,077	19.38
Staff costs and related expenses	2,396	49.48	3,509	37.26	5,994	34.07	12,325	47.04
Donations and gifts	4	0.08	932	9.90	1,490	8.47	1,555	5.93
Professional fees	892	18.42	441	4.68	1,069	6.08	3,524	13.45
Levy application fees ⁽¹⁾	-	-	-	-	537	3.05	8	0.03
Utilities	258	5.33	283	3.01	393	2.23	519	1.98
Upkeep expenses	119	2.46	220	2.34	328	1.87	538	2.05
Travelling and accommodation	38	0.79	101	1.07	273	1.55	355	1.35
Penalties ⁽²⁾	36	0.74	-	-	253	1.44	5	0.02
Insurance and road tax	65	1.34	117	1.24	134	0.76	261	1.00
Others ⁽³⁾	349	7.21	395	4.19	912	5.18	2,035	7.77
	4,842	100.00	9,418	100.00	17,595	100.00	26,202	100.00

Notes:

(1) This relates to fees incurred for foreign workers' permit application.

(2) Comprised mainly penalties for late payment of tax instalments for the year of assessment 2021 and underestimation of income tax for years of assessment 2020 and 2022.

11. FINANCIAL INFORMATION (Cont'd)

- (3) Comprised mainly printing and stationery costs, office facilities maintenance fees, service tax and charges, quit rents and assessments.

Comparison between FYE 2021 and FYE 2022

Our administrative expenses increased by approximately RM4.58 million or 94.63% to approximately RM9.42 million in the FYE 2022 (FYE 2021: RM4.84 million). The increase in administrative expenses was mainly attributable to the following:

- (a) increase in directors' remuneration by approximately RM2.73 million or 395.65% to approximately RM3.42 million in the FYE 2022 (FYE 2021: RM0.69 million), which was mainly attributable to the following:
 - (aa) inclusion of directors' remuneration from LSHBB after our acquisition of LSHBB in October 2021 as well as salary and bonuses paid to Tan Sri KC Lim as our Non-Independent Non-Executive Chairman for his contribution during our Group's transitionary phase into construction and property development activities, which collectively amounted to approximately RM2.28 million. For information, our Group has, effective from 1 October 2023, ceased paying Tan Sri KC Lim salary and bonuses as our Group has since considered our business plan and strategic roadmap for our construction and property development segments to be firmly established with our management team given that the team has since being able to carry out our Group's construction and property development activities with reduced oversight and supervision by Tan Sri KC Lim;
 - (bb) higher directors' fees incurred of approximately RM0.30 million as a result of the full financial year's impact for the fees paid to our directors who were appointed in November 2020; and
 - (cc) increment in directors' salary during the FYE 2022;
- (b) increase in staff costs and related expenses by approximately RM1.11 million or 46.25% to approximately RM3.51 million in the FYE 2022 (FYE 2021: RM2.40 million), mainly due to higher employees' headcounts after the acquisition of LSHBB in October 2021; and
- (c) increase in donations and gifts by approximately RM0.93 million or 23,200.00% to approximately RM0.93 million in the FYE 2022 (FYE 2021: RM0.004 million), which was mainly due to our contributions to the local communities such as Chong Hwa Independent High School and Wei Zhen Gong Guanyin Temple, as part of our Group's environmental, social and governance ("ESG") initiatives.

The abovementioned increases were partially offset by the decrease in professional fees by approximately RM0.45 million or 50.56% to approximately RM0.44 million in the FYE 2022 (FYE 2021: RM0.89 million), mainly due to the absence of listing expenses incurred by our Company in the FYE 2021 in relation to our Company's listing on the LEAP Market which took place on 30 July 2021.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our administrative expenses increased by approximately RM8.18 million or 86.84% to approximately RM17.60 million in the FYE 2023 (FYE 2022: RM9.42 million). The increase in administrative expenses was primarily attributable to the following:

- (a) increase in directors' remuneration by approximately RM2.79 million or 81.58% to approximately RM6.21 million in the FYE 2023 (FYE 2022: RM3.42 million), which was mainly attributable to the inclusion of directors' remuneration from ASSB of approximately RM1.99 million after the acquisition of ASSB in April 2023 as well as increment in directors' salary during the year;
- (b) increase in staff costs and related expenses by approximately RM2.48 million or 70.66% to approximately RM5.99 million in the FYE 2023 (FYE 2022: RM3.51 million), which was mainly due to the annual salary increments and higher bonuses paid as well as the increase in our employees' headcount after consolidating the headcount of ASSB into our Group upon the acquisition of ASSB in April 2023;
- (c) increase in professional fees by approximately RM0.63 million or 143.18% to approximately RM1.07 million in the FYE 2023 (FYE 2022: RM0.44 million), which was mainly due to professional fees incurred for the acquisition exercise carried out on ASSB and LSH Ventures during the FYE 2023;
- (d) increase in donations and gifts by approximately RM0.56 million or 60.22% to approximately RM1.49 million in the FYE 2023 (FYE 2022: RM0.93 million), which was mainly due to our contributions to the local communities such as Chong Hwa Independent High School, Federal Territories Religious Council Zakat Collection Centre and Yayasan Gerbang Bandar Tun Razak as part of our Group's ESG initiatives; and
- (e) we incurred levy application fees of approximately RM0.54 million for the FYE 2023 to recruit foreign workers for our projects.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by approximately RM8.60 million or 48.86% to approximately RM26.20 million for the FYE 2024 (FYE 2023: RM17.60 million). The increase in administrative expenses was mainly attributable to the following:

- (a) increase in staff costs and related expenses of approximately RM6.34 million or 105.84% to approximately RM12.33 million for the FYE 2024 (FYE 2023: RM5.99 million), mainly due to annual salary increments, higher bonus paid during FYE 2024 and the full 12-month staff costs and related expenses incurred by ASSB following our Group's acquisition of ASSB in April 2023; and
- (b) increase in professional fees by approximately RM2.45 million or 228.97% to approximately RM3.52 million for the FYE 2024 (FYE 2023: RM1.07 million), mainly due to professional fees incurred for our Transfer of Listing exercise.

The abovementioned increases were partially offset by the decrease in directors' remuneration of approximately RM1.13 million or 18.20% to approximately RM5.08 million for the FYE 2024 (FYE 2023: RM6.21 million), mainly because our Group has, effective from 1 October 2023, ceased paying Tan Sri KC Lim salary and bonuses.

11. FINANCIAL INFORMATION (Cont'd)

For information, following the completion of our Company's acquisitions of LSHBB on 15 October 2021 as well as ASSB and LSH Ventures on 17 April 2023 (collectively, the "**Acquisitions**"), Tan Sri KC Lim has played a pivotal role during our Group's transitional phase into construction and property development activities. Some of Tan Sri KC Lim's notable contributions include providing strategic views, guidance and advice on establishing the business plan and strategic roadmap for our Group's construction and property development segments, lending his years of experience in a range of construction-related industries to our Group's existing management team, as well as his overall leadership presence in ensuring that our Group continues to command the confidence of LSHBB and ASSB's existing clients in completing the existing projects that were inherited following the Acquisitions.

As such, in recognition of the contributions by Tan Sri KC Lim during our Group's transitional phase into construction and property development activities, in addition to the Director's fees, Tan Sri KC Lim was remunerated by our Group during the FYEs 2022 and 2023. As our Group now considers its business plan and strategic roadmap for its construction and property development segments to be firmly established with our management team now being able to carry out the construction and property development activities with reduced oversight and supervision by Tan Sri KC Lim, our Group has, effective 1 October 2023, ceased paying Tan Sri KC Lim salary and bonuses.

(vi) Other expenses

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Depreciation of property, plant and equipment	288	23.86	660	35.89	1,079	31.49	1,633	48.70
Depreciation of right-of-use assets	919	76.14	1,109	60.30	1,719	50.16	1,568	46.77
Amortisation of intangible assets	-	-	-	-	303	8.84	152	4.53
Inventories written down	-	-	13	0.71	325	9.48	-	-
Bad debt written off	-	-	1	0.05	-	-	-	-
Property, plant and equipment written off	-	-	56	3.05	1	0.03	-	-
	1,207	100.00	1,839	100.00	3,427	100.00	3,353	100.00

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our other expenses increased by approximately RM0.63 million or 52.07% to approximately RM1.84 million in the FYE 2022 (FYE 2021: RM1.21 million). The increase in other expenses was primarily attributable to the following:

- (a) increase in depreciation of property, plant and equipment by approximately RM0.37 million or 127.59% to approximately RM0.66 million in the FYE 2022 (FYE 2021: RM0.29 million), which was mainly due to additional motor vehicles and plant and machinery purchased during the FYE 2022; and
- (b) increase in depreciation of right-of-use assets by approximately RM0.19 million or 20.65% to approximately RM1.11 million in the FYE 2022 (FYE 2021: RM0.92 million), which was mainly due to additional motor vehicles and plant and machinery purchased via hire purchase arrangements during the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our other expenses increased by approximately RM1.59 million or 86.41% to approximately RM3.43 million in the FYE 2023 (FYE 2022: RM1.84 million). The increase in other expenses was mainly attributable to the following:

- (a) increase in depreciation of right-of-use assets by approximately RM0.61 million or 54.95% to approximately RM1.72 million in the FYE 2023 (FYE 2022: RM1.11 million), which was mainly due to the inclusion of right-of-use assets from ASSB post-acquisition of ASSB in April 2023;
- (b) increase in depreciation of property, plant and equipment by approximately RM0.42 million or 63.64% to approximately RM1.08 million in the FYE 2023 (FYE 2022: RM0.66 million), which was mainly due to the addition of tools and equipment as well as the inclusion of property, plant and equipment of ASSB and LSH Ventures post-acquisition of these companies in April 2023;
- (c) increase in inventories written down by approximately RM0.32 million or 3,200.00% to approximately RM0.33 million in the FYE 2023 (FYE 2022: RM0.01 million), mainly due to higher write-down of slow-moving hardware and tools inventories; and
- (d) amortisation of an intangible asset of approximately RM0.30 million (FYE 2022: Nil) which relates to the acquisition of LSHBB in October 2021. For information, upon completion of the acquisition of LSHBB, a purchase price allocation exercise was carried out whereby the purchase price was allocated to the underlying acquired assets and liabilities of LSHBB based on their estimated fair value at the time of acquisition. After taking into consideration, among others, the remaining contract values of LSHBB's ongoing projects in determining the fair value of LSHBB, our Group recognised a fair value surplus on LSHBB and this was recognised as intangible assets and subject to yearly amortisation.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our other expenses decreased by approximately RM0.08 million or 2.33% to approximately RM3.35 million in the FYE 2024 (FYE 2023: RM3.43 million). The decrease in other expenses was mainly attributable to the net effects of the following:

- (a) our Group recorded a net reversal of inventories previously written down of approximately RM0.06 million in the FYE 2024 as opposed to a net inventories written down position of approximately RM0.33 million in the FYE 2023. This was mainly contributed by the clearance sales of our slow-moving hardware and tools inventories during the FYE 2024;
- (b) decrease in depreciation of right-of-use assets of approximately RM0.15 million or 8.72% to approximately RM1.57 million in the FYE 2024 (FYE 2023: RM1.72 million), which was mainly due to termination of a tenancy for an office suite in September 2023;
- (c) decrease in amortisation of intangible assets of approximately RM0.15 million or 50.00% to approximately RM0.15 million in the FYE 2024 (FYE 2023: RM0.30 million), which was mainly due to the absence of the adjustment for understatement of amortisation of intangible assets that was made in FYE 2023; and
- (d) increase in depreciation of property, plant and equipment by approximately RM0.55 million or 50.93% to approximately RM1.63 million in the FYE 2024 (FYE 2023: RM1.08 million), which was mainly due to the addition of tools and equipment as well as plant and machinery during the FYE 2024 primarily for the expansion of our rental of construction machinery and equipment business, as well as the addition of motor vehicles during the FYE 2024 for our business operations.

(vii) Finance costs

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Bank overdraft interest	5	2.49	8	2.88	180	16.33	416	17.82
Bankers' acceptance interests	100	49.75	58	20.94	75	6.81	594	25.44
Term loan interests	16	7.96	16	5.78	546	49.55	1,140	48.82
Lease liabilities interests	79	39.30	144	51.99	233	21.14	130	5.57
Hire purchase interests	1	0.50	51	18.41	68	6.17	55	2.35
	201	100.00	277	100.00	1,102	100.00	2,335	100.00

Comparison between FYE 2021 and FYE 2022

Our finance costs increased by approximately RM0.08 million or 40.00% to approximately RM0.28 million in the FYE 2022 (FYE 2021: RM0.20 million), mainly due to the increase in lease liabilities interests of approximately RM0.06 million or 75.00% to approximately RM0.14 million in the FYE 2022 (FYE 2021: RM0.08 million). Such increase was mainly attributable to the renting of our head office at Wisma Lim Seong Hai.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our finance costs increased by approximately RM0.82 million or 292.86% to approximately RM1.10 million in the FYE 2023 (FYE 2022: RM0.28 million), mainly due to the inclusion of the finance costs of ASSB and ASES in our Group's results following the completion of the acquisitions of ASSB and LSH Ventures (which collectively own 93.75% equity interest in ASES) in April 2023.

Comparison between FYE 2023 and FYE 2024

Our finance costs increased by approximately RM1.24 million or 112.73% to approximately RM2.34 million in the FYE 2024 (FYE 2023: RM1.10 million), mainly due to the following:

- (a) increase in term loan interests of approximately RM0.59 million or 107.27% to approximately RM1.14 million for the FYE 2024 (FYE 2023: RM0.55 million), which was mainly due to the additional drawdown of term loans to finance our Group's working capital, including property development costs for our LSH Segar Project and the development order charges to DBKL for our Lake Side Homes Project; and
- (b) increase in bankers' acceptance interests by approximately RM0.51 million or 637.50% to approximately RM0.59 million for the FYE 2024 (FYE 2023: RM0.08 million), which was mainly due to the utilisation of more bankers' acceptance for payments to our suppliers.

(viii) Loss/(reversal of loss) allowance on financial assets and contract assets

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Loss allowance on:								
- trade receivables	-	-	2,013	100.00	2,878	62.50	354	(8.12)
- other receivables	-	-	-	-	-	-	677	(15.52)
- contract assets	-	-	-	-	1,727	37.50	411	(9.42)
Reversal of loss allowance on:								
- trade receivables	-	-	-	-	-	-	(5,214)	119.53
- contract assets	-	-	-	-	-	-	(590)	13.53
	<u>-</u>	<u>-</u>	<u>2,013</u>	<u>100.00</u>	<u>4,605</u>	<u>100.00</u>	<u>(4,362)</u>	<u>100.00</u>

Comparison between FYE 2021 and FYE 2022

Our Group recorded net loss allowance on financial assets and contract assets of approximately RM2.01 million in the FYE 2022 (FYE 2021: Nil) as there was an increase in credit risk on the outstanding trade receivables as at the end of FYE 2022. This was after taking into consideration the adverse changes in the financial capability of our debtors and the possible default or significant delay in payments by them as at the end of FYE 2022.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our net loss allowance on financial assets and contract assets increased by approximately RM2.60 million or 129.35% to approximately RM4.61 million in the FYE 2023 (FYE 2022: RM2.01 million), mainly attributable to the following:

- (a) increase in loss allowance on trade receivables by approximately RM0.87 million or 43.28% to approximately RM2.88 million for the FYE 2023 (FYE 2022: RM2.01 million); and
- (b) recognition of loss allowance on contract assets of approximately RM1.73 million for the FYE 2023 (FYE 2022: Nil),

which both were resulting from the higher impairment on debtors who have adverse changes in their financial capability and the possible default or significant delay in payments as at the end of FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group recorded a net reversal of loss allowance on financial assets and contract assets of approximately RM4.36 million in the FYE 2024 as opposed to loss allowance on financial assets and contract assets of approximately RM4.61 million in the FYE 2023.

During the FYE 2024, our Group recorded a reversal of credit loss allowance of approximately RM5.80 million due to the recovery of previously impaired trade receivables and contract assets, which resulted from our close credit monitoring process. Furthermore, our Group also recorded a lower impairment loss on trade receivables and contract assets for the current financial year as compared to the previous comparative financial year. This was mainly due to the improvement in risk characteristics of the outstanding trade receivables and contract assets as at the end of FYE 2024.

However, the loss allowance on other receivables of approximately RM0.68 million for the FYE 2024 was contributed by the long overdue LAD receivable from a landowner for late delivery of vacant possession of a freehold residential land in Johor to LSH Ventures.

(ix) Share of loss of equity accounted associate

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share of loss of equity accounted associate	-	-	9	8

The share of loss of equity accounted associate recorded for the FYEs 2023 and 2024 was solely attributable to the share of losses from an associated company, namely Kran World, which is in the process of winding up.

11. FINANCIAL INFORMATION (Cont'd)**(x) PBT, PAT, PBT margin and PAT margin**

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	10,865	55,066	75,724	97,743
PBT margin	16.12%	33.20%	21.17%	27.05%
PAT (RM'000)	7,930	41,812	58,883	74,283
PAT margin	11.76%	25.21%	16.46%	20.55%

Comparison between FYE 2021 and FYE 2022

Our PBT increased by approximately RM44.20 million or 406.62% to approximately RM55.07 million for the FYE 2022 (FYE 2021: RM10.87 million). Our PBT margin also increased from approximately 16.12% for the FYE 2021 to approximately 33.20% for the FYE 2022. The increase in our PBT and PBT margin were mainly attributable to the higher GP, GP margin and other income recorded in the FYE 2022, as explained in items (ii) and (iii) above.

Correspondingly, our Group recorded an increase in PAT of approximately RM33.88 million or 427.24% to approximately RM41.81 million (FYE 2021: RM7.93 million) and our PAT margin also improved from approximately 11.76% for the FYE 2021 to approximately 25.21% for the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group recorded an increase in PBT of approximately RM20.65 million or 37.50% to approximately RM75.72 million for the FYE 2023 (FYE 2022: RM55.07 million), mainly attributable to the improved GP recorded in the FYE 2023. As such, our Group also recorded an increase in PAT of approximately RM17.07 million or 40.83% to approximately RM58.88 million for the FYE 2023 (FYE 2022: RM41.81 million).

Despite the increase in PBT and PAT, our PBT and PAT margins decreased from approximately 33.20% and 25.21% for the FYE 2022 to approximately 21.17% and 16.46% for the FYE 2023, respectively. The lower PBT and PAT margins were mainly attributable to the lower GP margin and lower other income recorded for the FYE 2023 as explained in items (ii) and (iii) above, as well as higher selling and marketing expenses, administrative expenses, other expenses, finance costs, and net loss allowance on financial assets and contract assets for the FYE 2023 as explained in items (iv) to (viii) above, respectively.

Comparison between FYE 2023 and FYE 2024

Our Group recorded an increase in PBT of approximately RM22.02 million or 29.08% to approximately RM97.74 million for the FYE 2024 (FYE 2023: RM75.72 million), mainly attributable to the improved GP recorded in the FYE 2024 as explained in item (ii) above. As such, our Group also recorded an increase in PAT of approximately RM15.40 million or 26.15% to approximately RM74.28 million for the FYE 2024 (FYE 2023: RM58.88 million).

11. FINANCIAL INFORMATION (Cont'd)

Our Group PBT and PAT margins also improved from approximately 21.17% and 16.46% for the FYE 2023 to approximately 27.05% and 20.55% for the FYE 2024, respectively. The increase in PBT and PAT margins were mainly attributable to the higher GP margin and net reversal of loss allowance on financial assets and contract assets recorded for the FYE 2024 as explained in items (ii) and (viii) above, respectively. Such increase was partially offset by the higher selling and marketing expenses, administrative expenses and finance costs for the FYE 2024 as explained in items (iv), (v) and (vii) above, respectively.

(xi) Tax expenses

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Tax expenses (RM'000)	2,935	13,254	16,841	23,460
Statutory tax rate	24.00%	24.00%	24.00%	24.00%
Effective tax rate	27.01%	24.07%	22.24%	24.00%

Tax expenses comprise the current financial year's income tax payable, deferred tax and any under or overprovision of tax expenses in the previous financial years. The applicable statutory tax rate for the Financial Years Under Review is 24.00%.

Comparison between FYE 2021 and FYE 2022

Our tax expenses increased by approximately RM10.31 million or 350.68% to approximately RM13.25 million (FYE 2022: RM2.94 million), mainly due to higher PBT recorded for the FYE 2022.

Our effective tax rate for the FYE 2021 of approximately 27.01% was higher than the statutory tax rate of 24.00% mainly due to certain expenses such as penalty payments that was primarily attributable to underestimation of tax for the year of assessment 2020 and professional fees incurred by our Group, were non-deductible for tax purposes.

Our effective tax rate for the FYE 2022 of approximately 24.07% did not significantly deviate from the statutory tax rate of 24.00%.

Comparison between FYE 2022 and FYE 2023

Our tax expenses increased by approximately RM3.59 million or 27.09% to approximately RM16.84 million (FYE 2022: RM13.25 million), mainly due to higher PBT recorded for the FYE 2023.

Our effective tax rate for the FYE 2023 of approximately 22.24% was lower than the statutory tax rate of 24.00% mainly due to the following:

- (a) overprovision of deferred tax expenses in prior financial year of approximately RM0.73 million, mainly in relation to impairment on trade receivables; and
- (b) utilisation of previously unrecognised deferred tax assets in relation to expenses incurred for the property development activities that were deductible for tax purposes (i.e. sales and marketing expenses, quit rent and assessment) based on the progress of the property development activities of approximately RM0.72 million.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our tax expenses increased by approximately RM6.62 million or 39.31% to approximately RM23.46 million (FYE 2023: RM16.84 million), mainly due to higher PBT recorded for the FYE 2024.

Our effective tax rate for the FYE 2024 of approximately 24.00% did not significantly deviate from the statutory tax rate of 24.00%.

11.2.3 Review of cash flows

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash (for)/from operating activities	(10,166)	52,310	38,354	23,168
Net cash for investing activities	(3,309)	(11,948)	(17,446)	(4,125)
Net cash from/(for) financing activities	12,354	(21,159)	(30,278)	651
Net (decrease)/increase in cash and cash equivalents	(1,121)	19,203	(9,370)	19,694
Cash and cash equivalents at the beginning of the financial year	11,887	10,766	29,969	20,599
Cash and cash equivalents at the end of the financial year	10,766	29,969	20,599	40,293

Cash and cash equivalents comprise the following:

Fixed deposits with licensed banks	4,609	16,167	14,823	8,595
Cash and bank balances	10,766	28,049	13,874	40,143
	15,375	44,216	28,697	48,738
Less: Fixed deposits pledged to licensed banks	(4,609)	(12,247)	(8,098)	(8,445)
Less: Fixed deposits with tenure more than three (3) months	-	(2,000)	-	-
	10,766	29,969	20,599	40,293

There is no legal, financial or economic restriction on our subsidiaries' ability to transfer/receive funds to/from our Company in the form of cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenant.

11. FINANCIAL INFORMATION (Cont'd)**Net cash (for)/from operating activities**

For the FYE 2021, our operating profit before working capital changes was approximately RM12.38 million. However, our Group recorded net cash for operating activities of approximately RM10.17 million after adjusting for the following:

- (i) increase in trade and other receivables of approximately RM15.36 million, mainly attributable to the following:
 - (a) increase in trade receivables of approximately RM14.68 million, primarily due to slower payments from customers due to cashflow constraints experienced during movement control order (“MCO”) period implemented by the Malaysian Government, thereby affecting their timeliness of payments to our Group. The trade receivables were mainly contributed by amounts receivables from two (2) related companies, namely ASSB (a major customer of our Group) and LSHBB (which both were subsequently acquired by our Company) as well as SLP Construction Sdn Bhd (a major customer of our Group); and
 - (b) increase in other receivables of approximately RM0.68 million, primarily due to increase in deposits paid for the purchase of aluminum formwork;
- (ii) decrease in trade and other payables of approximately RM4.48 million, mainly attributable to the following:
 - (a) decrease in trade payables of approximately RM3.31 million, primarily due to prompt payments made to suppliers in order to enjoy the early settlement rebates from certain suppliers during the MCO period; and
 - (b) decrease in other payables of approximately RM1.17 million, primarily due to settlement of accrued contract costs in relation to the M&E works carried out for the EkoCheras mixed development project; and
- (iii) income tax paid of approximately RM3.16 million.

For the FYE 2022, our Group generated net cash from operating activities of approximately RM52.31 million. Our operating profit before working capital changes of approximately RM58.90 million was adjusted for the changes in working capital of approximately RM6.59 million arising mainly from the following:

- (i) increase in trade and other payables of approximately RM17.74 million, mainly due to the net effects of the following:
 - (a) increase in other payables by approximately RM19.42 million primarily due to deposits received for three (3) of our infrastructure construction and engineering work projects, namely the construction of road works at Jerantut, Pahang project, the upgrading of flood retention and structural works at Pendang, Kedah project and the construction of road works at Sembrong, Johor project during the FYE 2022; and
 - (b) decrease in trade payables by approximately RM1.68 million primarily due to prompt payments made to a subcontractor for the LSH 33 Project;
- (ii) increase in contract assets of approximately RM8.42 million, primarily due to work performed for the LSH 33 Project by our Group ahead of billing milestones;

11. FINANCIAL INFORMATION (Cont'd)

- (iii) increase in trade and other receivables of approximately RM6.32 million, which is mainly due to the following:
 - (a) increase in trade receivables of approximately RM4.45 million, primarily due to higher progress billings towards the end of the FYE 2022; and
 - (b) increase in other receivables of approximately RM1.87 million, primarily due to higher prepayment of workmanship insurance for our infrastructure construction and engineering work projects;
- (iv) increase in inventories of approximately RM2.39 million mainly due to higher purchases of construction products for sale towards the last quarter of FYE 2022; and
- (v) net payment of income taxes of approximately RM7.27 million.

For the FYE 2023, our operating profit before working capital changes was approximately RM86.90 million, and our Group generated net cash from operating activities of approximately RM38.35 million after adjusting for the following key items:

- (i) increase in trade and other payables of approximately RM36.69 million, which was mainly due to the increase in trade payables of approximately RM34.98 million as a result of higher accrued contract costs;
- (ii) increase in contract liabilities of approximately RM4.21 million, as payment was received for the LSH Segar Project and upgrading of flood retention and structure works at Pendang, Kedah before the work was performed;
- (iii) increase in trade and other receivables of approximately RM53.56 million, which was mainly due to the following:
 - (a) increase in trade receivables of approximately RM41.15 million, which was primarily due to higher accrued billings and retention sum receivables from our clients; and
 - (b) increase in other receivables of approximately RM12.41 million, which was primarily due to deposits paid to subcontractors to secure rental of construction machinery, supply of building materials and labour for the construction of road works at Jerantut, Pahang;
- (iv) increase in contract assets of approximately RM13.38 million, being work performed for the LSH 33 Project and construction of bridge works at Nibong Tebal, Penang by our Group ahead of billing milestones;
- (v) increase in inventories of approximately RM3.21 million mainly due to the inclusion of property development costs incurred for the LSH Segar Project post-acquisition of ASSB; and
- (vi) payment of income taxes of approximately RM19.07 million.

11. FINANCIAL INFORMATION (Cont'd)

For the FYE 2024, our operating profit before working capital changes was approximately RM101.57 million, and our Group generated net cash from operating activities of approximately RM23.17 million after adjusting for the following key items:

- (i) increase in contract assets of approximately RM54.26 million, mainly resulting from the substantial development costs incurred for the property development project, i.e. LSH Segar Project (as a result of reclassification of the related construction costs incurred by LSHBB from our construction and engineering works sub-segment to property development segment following the acquisition of ASSB in April 2023). For information, the higher contract assets for the LSH Segar Project was due to the said project has yet to reach its next billing milestone as at 30 September 2024 despite costs being incurred for work performed;
- (ii) decrease in trade and other payables of approximately RM42.29 million, mainly due to the following:
 - (a) decrease in other payables of approximately RM21.75 million, which was mainly due to the forfeiture of deposit received from our client for the construction of road works at Jerantut, Pahang due to the delay of construction works for the said project by our client; and
 - (b) decrease in trade payables of approximately RM20.54 million, mainly due to the lower project costs incurred for the LSH 33 Project for the FYE 2024 as the project was completed in June 2024;
- (iii) increase in inventories of approximately RM4.10 million, which was mainly due to higher property development costs incurred for the unsold units for LSH Segar Project during the FYE 2024;
- (iv) decrease in trade and other receivables of approximately RM29.59 million, mainly due to the following:
 - (a) decrease in trade receivables of approximately RM20.70 million, primarily due to lower progress billings receivable and the partial release of the retention sum for the LSH 33 Project following the completion of the said project in June 2024; and
 - (b) decrease in other receivables of approximately RM8.89 million, primarily due to the forfeiture of deposits paid to subcontractors to secure rental of construction machinery, supply of building materials and labour for the construction of road works project at Jerantut, Pahang being charged out to profit or loss, as a result of the delay in construction works for this project by our client;
- (v) increase in contract liabilities of approximately RM11.37 million, mainly due to the billing milestones achieved ahead of actual work performed for the upgrading of road works at Tangkak, Johor; and
- (vi) payment of income taxes of approximately RM18.18 million.

11. FINANCIAL INFORMATION (Cont'd)**Net cash for investing activities**

For the FYE 2021, our Group recorded net cash for investing activities of approximately RM3.31 million, mainly due to net effects of the following:

- (i) cash payments for the purchase of plant and equipment of approximately RM3.57 million which was mainly attributable to the purchase of plant and machinery (comprising various types of machinery such as cranes, excavators, concrete pumps, etc) of approximately RM2.84 million for the expansion of our rental of construction machinery and equipment business, tools and equipment of approximately RM0.40 million, and computer and software of approximately RM0.09 million;
- (ii) interest income received of approximately RM0.17 million, mainly derived from fixed deposits; and
- (iii) withdrawal of fixed deposits of approximately RM0.08 million.

For the FYE 2022, our Group recorded net cash for investing activities of approximately RM11.95 million, mainly due to the net effects of the following:

- (i) cash payments for the purchase of plant and equipment of approximately RM6.83 million, which was primarily attributable to the purchase of tools and equipment as well as plant and machinery of approximately RM3.97 million and RM1.78 million respectively, for the expansion of our rental of construction machinery and equipment business and following the opening of our fourth Knight Auto's retail store at Wisma Lim Seong Hai in September 2021, and motor vehicles of approximately RM0.30 million for our construction business;
- (ii) cash consideration of RM3.50 million paid for the acquisition of LSHBB;
- (iii) additional placement of fixed deposit with tenure of more than three (3) months of RM2.00 million;
- (iv) interest income received of approximately RM0.27 million, mainly derived from fixed deposits; and
- (v) proceed from the disposal of tools and equipment of approximately RM0.10 million.

For the FYE 2023, our Group recorded net cash for investing activities of approximately RM17.45 million, mainly due to the net effects of the following:

- (i) cash payments for the purchase of plant and equipment of approximately RM11.45 million, which was mainly attributable to the purchase of tools and equipment as well as plant and machinery of approximately RM9.19 million and RM1.18 million respectively, for the expansion of our rental of construction machinery and equipment business and following the opening of our fifth Knight Auto's retail store in Titiwangsa, Kuala Lumpur in August 2023, renovation of approximately RM0.33 million, computer and software of approximately RM0.25 million and motor vehicles of approximately RM0.20 million;
- (ii) total net cash outflow position of ASSB and LSH Ventures of approximately RM8.68 million, being the cash and cash equivalents of these newly acquired subsidiaries as at the date of acquisition (i.e. April 2023), which comprised cash and bank balances of approximately RM3.07 million after netting off the bank overdrafts of approximately RM11.75 million;
- (iii) withdrawal of fixed deposits with tenure more than three (3) months of RM2.00 million;

11. FINANCIAL INFORMATION (Cont'd)

- (iv) interest income received of approximately RM0.46 million, primarily derived from fixed deposits; and
- (v) proceeds from the disposal of plant and equipment of approximately RM0.22 million which comprised primarily plant and machinery as well as tools and equipment.

For the FYE 2024, our Group recorded net cash for investing activities of approximately RM4.13 million, mainly due to the net effects of the following:

- (i) cash payments for the purchase of plant and equipment of approximately RM4.54 million, which comprised primarily tools and equipment as well as plant and machinery of approximately RM1.67 million and RM1.44 million respectively, for the expansion of our rental of construction machinery and equipment business, and motor vehicles of approximately RM0.86 million for our business operations;
- (ii) interest received of approximately RM0.28 million, primarily derived from fixed deposits; and
- (iii) dividend received of approximately RM0.10 million from our associated company, namely Kran World.

Net cash from/(for) financing activities

For the FYE 2021, our Group recorded net cash from financing activities of approximately RM12.35 million, mainly due to the net effects of the following:

- (i) drawdown of bankers' acceptances of approximately RM8.46 million to finance the payments to suppliers;
- (ii) proceeds raised of approximately RM4.66 million from the issuance of 35,859,575 new Shares in May 2021;
- (iii) repayment of lease liabilities of approximately RM0.88 million;
- (iv) drawdown of term loan of RM0.50 million for working capital purposes;
- (v) interests paid on bankers' acceptance, term loans, lease liabilities and hire purchase liabilities of approximately RM0.20 million; and
- (vi) repayment of hire purchase obligations of approximately RM0.18 million and term loans of approximately RM0.01 million.

For the FYE 2022, our Group recorded net cash for financing activities of approximately RM21.16 million, mainly due to net effects of the following:

- (i) repayment of bankers' acceptance of approximately RM12.18 million, hire purchase obligations of approximately RM0.54 million and term loans of approximately RM0.06 million;
- (ii) additional pledged fixed deposits with licensed banks of approximately RM7.63 million;
- (iii) dividends paid to our shareholders of approximately RM6.08 million;
- (iv) repayment of lease liabilities of approximately RM0.74 million;
- (v) interest paid on bankers' acceptance, term loans, lease liabilities and hire purchase liabilities of approximately RM0.29 million;
- (vi) drawdown of bankers' acceptance of approximately RM5.94 million to finance the payments to suppliers; and

11. FINANCIAL INFORMATION (Cont'd)

- (vii) proceeds raised of RM0.42 million from the issuance of 1,000,000 new Shares in May 2022.

For the FYE 2023, our Group recorded net cash for financing activities of approximately RM30.28 million, mainly due to net effects of the following:

- (i) repayment of term loans of approximately RM26.49 million, bankers' acceptance of approximately RM2.22 million and hire purchase obligations of approximately RM1.36 million;
- (ii) dividends paid to our shareholders of approximately RM15.33 million;
- (iii) repayment of lease liabilities of approximately RM1.54 million;
- (iv) interests paid on bankers' acceptance, term loans, lease liabilities and hire purchase liabilities of approximately RM0.88 million;
- (v) drawdown of term loans of approximately RM10.16 million to finance the construction costs for the LSH Segar Project;
- (vi) withdrawal of pledged fixed deposits with licensed banks of approximately RM4.15 million; and
- (vii) drawdown of bankers' acceptances of RM3.23 million to finance the payments to suppliers.

For the FYE 2024, our Group recorded net cash from financing activities of approximately RM0.65 million, mainly due to net effects of the following:

- (i) drawdown of term loans of approximately RM49.77 million to finance our Group's working capital, including property development costs for our LSH Segar Project and development order charges to DBKL for our Lake Side Homes Project;
- (ii) drawdown of bankers' acceptances of approximately RM30.37 million to finance the payments to our suppliers;
- (iii) repayment of bankers' acceptance of approximately RM21.55 million, term loans of approximately RM33.19 million and hire purchase obligations of approximately RM1.08 million;
- (iv) dividends paid to our shareholders of approximately RM19.85 million;
- (v) repayment of lease liabilities of approximately RM1.89 million;
- (vi) interest paid on bank overdraft, bankers' acceptances, term loans, lease liabilities and hire purchase liabilities of approximately RM1.58 million; and
- (vii) additional pledged fixed deposits with a licensed bank of approximately RM0.35 million as the sinking fund for a bank guarantee facility.

11. FINANCIAL INFORMATION (Cont'd)

11.3 LIQUIDITY AND CAPITAL RESOURCES**11.3.1 Working capital**

For the Financial Years Under Review, we have financed our operations with cash generated from operations as well as credit extended by our trade creditors, financial institutions and a licensed moneylender. Our credit facilities comprised term loans, bank overdrafts, bankers' acceptance, hire purchases, bank guarantees as well as finance lease liabilities. The principal use of these funds are to finance our working capital requirements, which include, among others, the payment to subcontractors for the works performed, purchases of construction material costs and construction products for sale, payments to our employees, workers and other suppliers, along with the repayment of borrowings.

Our Board is confident that we will have sufficient working capital for at least 12 months from the date of this Prospectus, after taking into consideration the following:

- (i) the funding requirements for our committed capital expenditures;
- (ii) our cash and cash equivalents (i.e. after setting off bank overdrafts of approximately RM6.40 million) of approximately RM20.44 million as at LPD;
- (iii) the expected cash flows to be generated from our operations;
- (iv) our total banking facilities as at LPD of approximately RM160.56 million (excluding finance leases), of which approximately RM117.89 million have been utilised as at LPD; and
- (v) proceeds to be raised from the Public Offering.

For information, we carefully consider our cash position and ability to obtain further financing before making any significant capital commitments.

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11. FINANCIAL INFORMATION (Cont'd)**11.3.2 Borrowings**

All of our borrowings are secured, interest-bearing and denominated in RM. As at 30 September 2024, our total outstanding borrowings (excluding lease liabilities arising from the right-of-use assets) stood at approximately RM39.99 million, details of which are as follows:

Type of borrowings	Purpose	Security	Tenure of the facility	Effective interest rate	Outstanding as at 30 September 2024
				% per annum	(RM'000)
Interest-bearing short-term borrowings, payable within one (1) year:					
Term loan	For working capital and part-financing of the development costs of LSH Segar Project	(a) Land charge over the plot of residential land on which LSH Segar Project is currently being constructed and developed on (" LSH Segar Project Land "); (b) Specific debenture over the LSH Segar Project and/or the LSH Segar Project Land; (c) Corporate guarantee by our Company; and (d) Memorandum of deposit and assignment and charge over the designated accounts.	4 years	7.75	13,815
Term loans	For working capital and payment of development order charges to DBKL for the Lake Side Homes Project	Nil	5 years	1.94 to 5.64	3,654
Bankers' acceptances	For purchases of goods	(a) Third-party charge over two (2) properties owned by LSH Holdings together with the buildings erected on; (b) Corporate guarantees by our Company and LSH Holdings; and (c) Fixed deposit pledged with a licensed bank.	120 to 150 days	3.66 to 5.20	12,098
Hire purchase payables	To finance the purchase of motor vehicles and/or plant and machinery	Over the motor vehicles and/or plant and machinery being financed.	5 years	3.99 to 5.27	504
					30,071

11. FINANCIAL INFORMATION (Cont'd)

Type of borrowings	Purpose	Security	Tenure of the facility	Effective interest rate	Outstanding as at 30 September 2024
				% per annum	(RM'000)
Interest bearing long-term borrowings, payable after one (1) year:					
Term loans	For working capital and payment of development order charges to DBKL for the Lake Side Homes Project	Nil	5 years	1.94 to 5.64	8,729
Hire purchase payables	To finance purchase of motor vehicles and/or plant and machinery	Over the motor vehicles and/or plant and machinery of being financed.	5 years	3.99 to 5.27	1,185
Total borrowings					9,914
					39,985
Gearing (times)					
Before Public Offering and utilisation of proceeds ⁽¹⁾					0.09
After Public Offering and utilisation of proceeds ⁽²⁾					0.07

Notes:

- (1) Computed based on our pro forma equity attributable to the owners of our Company of approximately RM461.61 million i.e. after the adjustment for the payment of an interim single-tier dividend of 1.94 sen per Share in respect of the FYE 2024 that was declared on 25 November 2024 and paid on 13 December 2024 ("**Interim Dividend**") but before our Public Offering and utilisation of proceeds.
- (2) Computed based on our pro forma equity attributable to the owners of our Company of approximately RM572.68 million i.e. after the adjustment for the Interim Dividend, our Public Offering and utilisation of proceeds.

11. FINANCIAL INFORMATION (Cont'd)

Separately, we have also recognised lease liabilities on the right-of-use assets, which are denominated in RM, as follows:

Purpose		Tenure	As at 30 September 2024
			(RM'000)
Lease liabilities payable within one (1) year	Rental of retail stores, office and staff accommodation	Initial lease of one (1) to three (3) years with option to renew for another one (1) to three (3) years	1,789
Lease liabilities payable after one (1) year	Rental of retail stores, office and staff accommodation	Initial lease of one (1) to three (3) years with option to renew for another one (1) to three (3) years	433
			<u>2,222</u>

We also rely on bank guarantees for tender bonds and performance bonds. Such bank guarantees are used for all aspects of the project construction contract lifecycle from the start of the tender process to the expiration of our liability towards our clients in accordance with the terms of each contract. The bank guarantees allow us to tender, execute and guarantee our deliverables to our clients. The tenure requirements for the bank guarantees are structured to match the underlying construction contracts with the respective counterparties.

As at 30 September 2024, our total bank guarantees, all of them are secured, interest-bearing and denominated in RM, stood at approximately RM28.17 million, details of which are as follows:

Purpose		Security	Tenure	Interest rate	As at 30 September 2024
				% per annum	(RM'000)
Bank guarantees	For issuance of performance bonds, tender deposits, advance payment bonds, utility bonds, payment of excise duty/sales tax and security deposits/earnest money for tender	(a) Third-party charge over properties owned LSH Holdings together with the buildings erected on; and	(2) Up to 60 months	1.25%	28,170
		(b) Corporate guarantees by our Company.			

The liabilities with respect to the bank guarantees will only crystallise and become payable following a call by our clients of the tender bonds or performance bonds in accordance with the terms and conditions of such construction contracts. During the Financial Years Under Review, we did not experience any call of the tender bonds or performance bonds issued to our clients.

As at LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

11. FINANCIAL INFORMATION (Cont'd)**11.3.3 Material capital commitments**

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	(RM'000)
Capital expenditure	
- Contracted but not provided for	1,046
- Approved and contracted for	-
Total	<u>1,046</u>

The material capital commitments above are for the purchase of tools and equipment. Such material capital commitments will be funded through our internal funds.

11.3.4 Contingent liabilities

As at LPD, save as disclosed below, there is no other contingent liability incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	(RM'000)
Corporate and bank guarantees given to financial institutions for credit facilities granted to third parties for our construction and engineering work projects, such as for performance and payment bonds for the construction contracts secured and tender bids submitted, as well as for the opening of housing development account	<u>31,490</u>

11.3.5 Material litigation or arbitration proceedings

Save as disclosed in Section 13.6 of this Prospectus, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

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11. FINANCIAL INFORMATION (Cont'd)**11.3.6 Key financial ratios**

The key financial ratios of our Group for the Financial Years Under Review are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade receivables turnover (days) ⁽¹⁾	116	89	69	80
Trade payables turnover (days) ⁽²⁾	63	52	70	111
Inventory turnover (days) ⁽³⁾	303	290	346	257
Current ratio (times) ⁽⁴⁾	2.94	1.93	2.54	2.93
Gearing ratio (times) ⁽⁵⁾	0.22	0.05	0.03	0.08

Notes:

- (1) Trade receivables turnover period is computed based on average trade receivables (net of retention sum) over total revenue and multiplied by 365 days. Average trade receivables is calculated based on the average of closing balance of trade receivables of the financial year with that of the previous financial year.
- (2) Trade payables turnover period is computed based on average trade payables (net of retention sum) over total cost of sales (excluding direct labour costs, rental related expenses and overheads and other related costs) and multiplied by 365 days. Average trade payables is calculated based on the average of closing balance of trade payables of the financial year with that of the previous financial year.
- (3) Inventory turnover period is computed based on average inventories (excluding property development costs) over total cost of sales for lighting products and hardware products and tools multiplied by 365 days. Average inventories is calculated based on the average of closing balance of inventories of the financial year with that of the previous financial year.
- (4) Current ratio is computed based on the current assets over the current liabilities as at the end of the respective financial years.
- (5) Gearing ratio is computed based on the total borrowings (excluding lease liabilities for right-of-use assets) over the total equity as at the end of the respective financial years.

11. FINANCIAL INFORMATION (Cont'd)**(i) Trade receivables turnover**

Our average trade receivables' turnover period (in days) for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening trade receivables, net of retention sum	14,414	28,365	52,122	82,886
Closing trade receivables, net of retention sum	28,365	52,122	82,886	74,556
Average trade receivables	21,390	40,244	67,504	78,721
Revenue	67,416	165,866	357,755	361,405
Trade receivables turnover period (days)	116	89	69	80

Our trade receivables comprised amounts receivable for the sale of construction products, rental receivables from renting of construction machinery and equipment and progress billing for our construction and property development projects.

The normal credit term granted to our clients generally ranges from 30 to 90 days from the date of our invoice or progress billing depending on the terms of the contract. Due to the nature of the construction industry, in most cases, our clients in the construction and engineering works sub-segment will retain 10% of each progress billing as retention sum, but not more than 5% of the total contract sum awarded, which is set out in the terms of the contract with our clients. Our client will retain the entire retention sum throughout the contract period until the issuance of CCC or CPC (as the case may be), upon which half of the retention sum will be released. The remaining half will be released to us at the end of the contracted DLP and upon the issuance of CMGD, depending on the terms of the contract. As such, in computing the trade receivables turnover period, we have excluded the retention sum from the computation so to present a more realistic measure of the number of days required for the collection of debts that are due.

Our Group established policies on credit control involving comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to clients with good credit history, and regular review of clients' outstanding balances and payment trends. Our Group also uses ageing analysis to monitor the credit quality of the trade receivables.

As our Group does not hold any collateral, the maximum exposure to credit risk arising from the receivables is represented by the carrying amounts in the statement of financial position.

11. FINANCIAL INFORMATION (Cont'd)

Our trade receivables turnover period for the Financial Years Under Review ranged from 69 days to 116 days. The trade receivables turnover period for the Financial Years Under Review are within the credit terms granted by us, with the exception for the FYE 2021 as our customers experienced cashflow constraints during the movement control order (MCO) period implemented by the Malaysian Government, and hence resulted in the delay in making payments to our Group.

The ageing analysis of our trade receivables as at 30 September 2024 and the subsequent collections and balance of such trade receivables as at LPD are as follows:

	Trade receivables as at 30 September 2024		Subsequent collection up to and including LPD	Balance trade receivables yet to be collected as at LPD
	(RM'000)	%	(RM'000)	(RM'000)
Neither past due nor impaired	⁽¹⁾⁽²⁾ 75,362	75.98	⁽²⁾ 37,508	37,854
Past due but not impaired:				
- less than 30 days	6,011	6.06	5,964	47
- 31 to 60 days	1,565	1.58	1,565	-
- 61 to 90 days	7,128	7.19	6,713	415
- over 90 days	⁽²⁾ 9,115	9.19	⁽²⁾ 9,115	-
	23,819	24.02	23,357	462
	⁽¹⁾⁽²⁾99,181	100.00	60,865	38,316

Notes:

- (1) Included the retention sums of approximately RM24.62 million, which are to be settled based on the terms as explained above, and the unbilled receivables of approximately RM8.85 million as at 30 September 2024.
- (2) Also included in the trade receivables as at 30 September 2024 are RM5.09 million due to ASSB by its client in relation to progress claims (i.e. approximately RM2.23 million) and retention sums (i.e. approximately RM2.86 million) for two (2) projects which were completed prior to our Company's acquisition of ASSB on 17 April 2023, which are to be settled through contra payment as further detailed in Section 11.8(i) of this Prospectus. As at LPD, such outstanding progress claims and retention sums totaling RM5.09 million are deemed fully settled following the completion of ASSB's acquisition of the Contra Payment Properties (as defined in Section 11.8(i) of this Prospectus).

As at LPD, approximately RM60.87 million or 61.37% of our trade receivables as at 30 September 2024 have been collected. The remaining balances of approximately RM38.32 million have yet to be collected as at LPD, of which approximately RM21.76 million and RM8.85 million are retention sums and unbilled receivables, respectively, and only approximately RM0.46 million have exceeded the credit period granted.

Notwithstanding the above, we are of the view that the remaining outstanding trade receivables are recoverable after taking into consideration these clients' payment history, credentials as well as their established long-term relationships with us.

11. FINANCIAL INFORMATION (Cont'd)

For information, notwithstanding the COVID-19 pandemic during the FYE 2021, our clients have generally been paying within the credit period granted. Our Group has not encountered any major disputes with our trade receivables. Our net impairment loss on trade receivables for the Financial Years Under Review are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Loss/(Reversal of loss) allowance on trade receivables ⁽¹⁾	-	2,013	2,878	(4,860)

Note:

- (1) Comprised the recognition of loss/(reversal of loss) allowance on trade receivables. In accordance with MFRS 9, an impairment analysis is performed at each reporting date for the expected credit losses on trade receivables with reference to historical credit loss experience on a general basis as well as for individually impaired trade receivables.

(ii) Trade payables turnover

Our average trade payables' turnover period (in days) for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening trade payables, net of retention sum	9,761	6,459	16,147	69,024
Closing trade payables, net of retention sum	6,459	16,147	69,024	44,723
Average trade payables	8,110	11,303	42,586	56,874
Cost of sales ⁽¹⁾	46,845	80,101	223,280	186,356
Trade payables turnover period (days)	63	52	70	111

Note:

- (1) This excludes direct labour costs, rental related expenses and overheads and other related costs.

Our trade payables comprised amounts outstanding for trade purchases and subcontractor costs.

11. FINANCIAL INFORMATION (Cont'd)

The normal credit period granted to us by our trade creditors ranges from 30 to 90 days from the date of tax invoice. Similar to the trade receivables turnover period, retention sum is excluded in arriving at our trade payables turnover period.

Our trade payables turnover period for the FYEs 2021, 2022 and 2023 were 63 days, 52 days and 70 days, respectively, which are within the credit period granted to us. However, we recorded trade payables turnover period of approximately 111 days for the FYE 2024, which is above the credit period granted to our Group. This was mainly attributable to outstanding balances in relation to the construction of road works at Jerantut, Pahang, the works of which were still pending certification by the consulting architect and engineer before the payment is to be made.

The ageing analysis of our trade payables as at 30 September 2024 and the subsequent payments and balance of such trade payables as at LPD are as follows:

	Trade payables as at 30 September 2024		Subsequent payment up to and including LPD	Balance trade payables yet to be paid as at LPD
	(RM'000)	%	(RM'000)	(RM'000)
Within credit period	(1)50,808	79.19	24,614	(1)26,194
Exceeding credit period:				
- 1 to 30 days	6,160	9.60	5,935	225
- 31 to 60 days	1,812	2.83	1,602	210
- More than 60 days	5,377	8.38	2,494	2,883
	13,349	20.81	10,031	3,318
	<u>(1)64,157</u>	<u>100.00</u>	<u>34,645</u>	<u>(1)29,512</u>

Note:

- (1) Included the retention sums of approximately RM19.44 million, which are to be settled based on the terms of the contract.

As at 30 September 2024, our total trade payables stood at approximately RM64.16 million, of which approximately RM13.35 million or 20.81% of our trade payables exceeded the normal credit period.

As at LPD, we have outstanding trade payables of approximately RM29.51 million, representing approximately 45.99% of our trade payables as at 30 September 2024, of which approximately RM19.44 million are retention sum while approximately RM3.32 million exceeded the credit period. Notwithstanding the portion of trade payables that have exceeded the credit period, there has been no request for repayment from the creditors.

We also have not experienced any disruptions in supplies from our subcontractors and suppliers, nor has material dispute with any of our subcontractors or suppliers nor has any legal action been initiated by them on us during the Financial Years Under Review and the subsequent period up to LPD.

11. FINANCIAL INFORMATION (Cont'd)**(iii) Inventory turnover**

Our inventories (excluding property development costs) comprised construction products, i.e. lighting products to be sold either through wholesale to contractors and property developers or retail to individual customers as well as hardware products and tools for purchase by contractors and retail customers. Our average inventory turnover period (in days) for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening inventories ⁽¹⁾	10,376	9,849	12,221	11,478
Closing inventories ⁽¹⁾	9,849	12,221	11,478	9,798
Average inventories ⁽¹⁾	10,113	11,035	11,850	10,638
Cost of sales ⁽¹⁾	12,167	13,867	12,498	15,113
Inventory turnover period (days)	303	290	346	257

Note:

- (1) *Inventories comprised inventories for construction products as mentioned above while cost of sales comprised cost of sales for all lighting products, hardware products and tools.*

Our inventories for lighting products and hardware products and tools are measured at the lower of cost and net realisable value. The cost is determined on a first-in, first-out basis and comprised the purchase price and incidental costs incurred in bringing the inventories to their present location and condition, while net realisable value represents the estimated selling price less the estimated costs necessary to make the sale. For information, we do not maintain any building material inventories as all building materials that we offer are transported directly by our suppliers to the construction site according to orders.

Our inventories turnover periods for the Financial Years Under Review were 303 days, 290 days, 346 days and 257 days, respectively. The higher inventory turnover periods for the Financial Years Under Review were mainly due to various types of lighting display at our Group's retail stores as samples to allow our customers to physically browse and visualise our lighting products' size, brilliance and colour, thereby enabling them to assess and decide on the suitability of the lighting products based on their needs.

For information, a substantial portion of our inventories for lighting products are made up of chandeliers and crystal lighting products, including those that are displayed at our lighting retail stores for our customers to physically browse and visualise. As chandeliers and crystal lighting products are typically high-end premium products with unique designs targeted at a niche segment of our customer base, lighting products under this category are generally considered to be slow-moving inventories, thereby contributing to the higher inventory turnover periods for the Financial Years Under Review. Given the ability to command a higher premium pricing for these chandeliers and crystal lighting products as compared to other general lighting products targeted at the broader mass market, we also carry a wide range of such product offerings in our catalogue to meet the different preferences and needs of the customers.

11. FINANCIAL INFORMATION (Cont'd)

In addition, the increase in our level of inventories before entering into the fourth quarter of each calendar year in anticipation for year-end promotional sales period and increased home improvement activities during the year-end holiday season also coincides with the closing of our financial year, which further gives rise to the higher inventory turnover period.

We review the condition of our inventories at the end of each reporting period by assessing if there is any indication for impairment or adjustments for our inventories, such as, among others:

- (a) damage, loss or theft of stocks;
- (b) non-saleable inventories; and
- (c) slow-moving inventories.

During the Financial Years Under Review, our Group had written down inventories as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Inventories written down ⁽¹⁾	146	81	406	1
Reversal of inventories previously written down	(275)	(68)	(81)	(57)

Note:

- (1) *Damaged, non-saleable and/or slow-moving inventories are written down in accordance with our inventory management policy.*

Save as disclosed above, there is no further material inventory written off as at LPD.

(iv) Current ratio

Our current ratio as at the end of each Financial Years Under Review is as follows:

	Audited as at			
	30 September			
	2021	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current assets	55,945	136,494	399,595	451,969
Current liabilities	19,019	70,787	157,035	154,309
Net current assets	36,926	65,707	242,560	297,660
Current ratio (times)	2.94	1.93	2.54	2.93

Our current ratios ranged from 1.93 times to 2.94 times as at the end of each Financial Years Under Review. This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted into cash, together with our cash in bank are sufficient to meet the immediate current liabilities.

11. FINANCIAL INFORMATION (Cont'd)

Notwithstanding the increase in our current assets by approximately RM80.54 million or 143.95%, our current liabilities increased by approximately RM51.77 million or 272.19% which is at a rate higher than the increase in our current assets. As such, our current ratio decreased from 2.94 times as at 30 September 2021 to 1.93 times as at 30 September 2022. The decrease in our current ratio was mainly attributable to the net effects of the following:

- (a) increase in contract liabilities by approximately RM16.93 million as the billed milestones for some of our construction projects were ahead of the actual construction works performed. This was mainly contributed by the LSH Segar Project, the construction of bridge works at Nibong Tebal, Penang project, the upgrading of flood retention and structural works at Pendang, Kedah project and the construction of road works at Jerantut, Pahang project;
- (b) increase in trade payables by approximately RM13.01 million mainly due to the inclusion of LSHBB's trade payables following the completion of its acquisition;
- (c) increase in other payables and accruals by approximately RM21.66 million, which was mainly contributed by the deposits received for three (3) infrastructure construction and engineering work projects, namely the construction of road works at Jerantut, Pahang project, the upgrading of flood retention and structural works at Pendang, Kedah project and the construction of road works at Sembrong, Johor project during the FYE 2022;
- (d) increase in trade receivables by approximately RM37.27 million, which was mainly due to increased invoices billed to clients, which was in tandem with the higher revenue and billings recorded in the FYE 2022 and the inclusion of LSHBB's trade receivables following the completion of its acquisition;
- (e) increase in cash and bank balances by approximately RM17.28 million, which was mainly due to higher internal funds from our business operations in the FYE 2022;
- (f) increase in fixed deposits with a licensed bank by approximately RM11.56 million due to higher placements of fixed deposits with licensed banks in the FYE 2022; and
- (g) increase in contract assets of approximately RM8.42 million, which was mainly contributed by the LSH 33 Project as its construction works were performed ahead of billing milestones.

11. FINANCIAL INFORMATION (Cont'd)

Our current ratio increased from 1.93 times as at 30 September 2022 to 2.54 times as at 30 September 2023. The increase in our current ratio was mainly attributable to the increase in our current assets by approximately RM263.11 million or 192.77%, which was mainly resulted from the following:

- (a) increase in inventories by approximately RM155.36 million, which primarily arose from the inclusion of the property development costs for ASSB's LSH Segar Project and LSH Ventures' Lake Side Homes Project following the completion of the acquisitions of these subsidiaries in April 2023;
- (b) increase in contract assets by approximately RM60.77 million, which was primarily contributed by the construction works performed for the LSH 33 Project and the construction of bridge works at Nibong Tebal, Penang, which were performed ahead of the next billing milestones as well as the inclusion of the contract assets of ASSB following the completion of its acquisition; and
- (c) increase in trade receivables by approximately RM48.49 million, which was primarily due to higher accrued billings and retention sum receivables from our project clients.

The increase in our current ratio was partially offset by the increase in our current liabilities by approximately RM86.25 million or 121.84%, which was mainly resulted from the following:

- (a) increase in trade payables by approximately RM64.29 million, which was in line with the higher cost of sales incurred to support the increase in construction activities in the FYE 2023 that resulted in higher accrued contract costs as well as the inclusion of ASSB's trade payables following the completion of its acquisition; and
- (b) increase in other payables and accruals by approximately RM15.40 million, which was mainly due to the increase in deposits received from our client for the construction of road works at Jerantut, Pahang for us to secure rental of construction machinery, supply of building materials and labour.

Our current ratio improved further from 2.54 times as at 30 September 2023 to 2.93 times as at 30 September 2024. The increase in our current ratio was attributable to the increase in our current assets by approximately RM52.37 million or 13.11%, which was mainly due to the net effects of the following:

- (a) increase in contract assets of approximately RM54.44 million, mainly resulting from the substantial development costs incurred for the property development project, i.e. LSH Segar Project (as a result of reclassification of the related construction costs incurred by LSHBB from our construction and engineering works sub-segment to property development segment following the acquisition of ASSB in April 2023). For information, the higher contract assets for the LSH Segar Project was due to the said project has yet to reach its next billing milestone as at 30 September 2024 despite costs being incurred for work performed;
- (b) increase in cash and bank balances by approximately RM26.27 million, mainly derived from cash generated from our business operations;
- (c) increase in inventories of approximately RM4.15 million, which was mainly due to higher property development costs incurred for the unsold units for LSH Segar Project during the FYE 2024;

11. FINANCIAL INFORMATION (Cont'd)

- (d) decrease in trade and other receivables of approximately RM25.41 million, mainly due to the following:
 - (aa) decrease in trade receivables of approximately RM15.84 million, primarily due to lower progress billings receivable and the partial release of the retention sum for the LSH 33 Project following the completion of the said project in June 2024; and
 - (bb) decrease in other receivables of approximately RM9.57 million, primarily due to the forfeiture of deposits paid to subcontractors to secure rental of construction machinery, supply of building materials and labour for the construction of road works project at Jerantut, Pahang being charged out to profit or loss, as a result of the delay in construction works for this project by our client; and
- (e) decrease in fixed deposits with licensed banks by approximately RM6.22 million, mainly due to the withdrawal of fixed deposits mainly to fund our Group's working capital.

The increase in our current ratio was also attributable to the decrease in current liabilities of approximately RM2.73 million or 1.74%, which was mainly due to the net effects of the following:

- (a) decrease in trade and other payables of approximately RM42.29 million, mainly due to the following:
 - (i) decrease in other payables and accruals of approximately RM21.75 million, mainly due to the forfeiture of deposit received from our client for the construction of road works at Jerantut, Pahang, due to the delay in construction works for the said project by our client; and
 - (ii) decrease in trade payables of approximately RM20.54 million, mainly due to the lower project costs incurred for the LSH 33 Project for the FYE 2024 as the project was completed in June 2024;
- (b) increase in term loans of approximately RM15.49 million, mainly due to drawdown of term loans to finance our Group's working capital, including property development costs for our LSH Segar Project and development order charges to DBKL for our Lake Side Homes Project;
- (c) increase in contract liabilities of approximately RM11.37 million, mainly due to the billing milestones achieved ahead of actual work performed for the upgrading of road works at Tangkak, Johor;
- (d) increase in bankers' acceptances of approximately RM8.87 million, mainly for payments to our suppliers; and
- (e) increase in current tax liabilities of approximately RM4.51 million, mainly due to a higher PBT recorded for FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)**(v) Gearing ratio**

Our gearing ratio as at the end of each Financial Years Under Review is as follows:

	Audited as at			
	30 September			
	2021	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total borrowings ⁽¹⁾	9,653	3,779	14,041	39,985
Total equity	43,351	79,501	420,883	475,318
Gearing ratio (times)	0.22	0.05	0.03	0.08

Note:

(1) Excludes lease liabilities for the right-of-use assets.

Our gearing ratio decreased from 0.22 times as at 30 September 2021 to 0.05 times as at 30 September 2022. This was attributable to the following:

- (a) decrease in our total borrowings by approximately RM5.87 million or 60.83% to approximately RM3.78 million as at 30 September 2022 (30 September 2021: RM9.65 million), which was primarily due to net repayments of bankers' acceptance of approximately RM6.24 million during the FYE 2022; and
- (b) increase in our total equity by approximately RM36.15 million or 83.39% to approximately RM79.50 million as at 30 September 2022 (30 September 2021: RM43.35 million), which was primarily due to PAT of approximately RM41.81 million recorded for the FYE 2022, after netting off the dividends paid to shareholders of approximately RM6.08 million. In addition, the increase in our total equity was also attributable to the proceeds raised of RM0.42 million from the issuance of 1,000,000 new Shares at the issue price of RM0.42 each in May 2022.

Our gearing ratio decreased further from 0.05 times as at 30 September 2022 to 0.03 times as at 30 September 2023. The decrease in our gearing ratio was mainly attributable to the following:

- (a) issuance of 211,111,111 new Shares at the fair value of RM0.85 each to satisfy the purchase consideration of ASSB. For information, the share sale agreement for the acquisition of ASSB was signed on 28 March 2022, for the purchase consideration of RM95.00 million to be satisfied by the issuance of 211,111,111 new Shares at the issue price of RM0.45 each. However, as at the completion date i.e. 17 April 2023, the Shares were valued at RM0.85 each;
- (b) issuance of 139,203,804 new Shares at the fair value of RM0.85 each to satisfy the purchase consideration of LSH Ventures and the debt settlement between LSH Ventures and its directors. For information, the amended and restated debt settlement and share subscription agreement for the acquisition of LSH Ventures and debt settlement was signed on 20 February 2023, for a total consideration of approximately RM62.64 million to be satisfied by the issuance of 139,203,804 new Shares at the issue price of RM0.45 each. However, as at the completion date i.e. 17 April 2023, the Shares were valued at RM0.85 each; and

11. FINANCIAL INFORMATION (Cont'd)

- (c) PAT of approximately RM58.88 million was recorded for the FYE 2023 after netting off the dividends paid to shareholders of approximately RM15.33 million.

Our gearing ratio increased from 0.03 times as at 30 September 2023 to 0.08 times as at 30 September 2024, mainly attributable to the net effect of the following:

- (a) increase in our total borrowings of approximately RM25.95 million or 184.83% to approximately RM39.99 million as at 30 September 2024 (30 September 2023: RM14.04 million), mainly due to the drawdown of term loans and bankers' acceptances which collectively amounted to approximately RM80.14 million to fund our Group's working capital, including property development costs for our LSH Segar Project and development order charges to DBKL for our Lake Side Homes Project as well as payments to our suppliers, after netting off the repayments of term loans and bankers' acceptances of approximately RM54.74 million (in total); and
- (b) increase in total equity by approximately RM54.44 million or 12.93% to approximately RM475.32 million as at 30 September 2024 (30 September 2023: RM420.88 million) due to our Group recorded PAT of approximately RM74.28 million for the FYE 2024, after netting off the dividends paid to shareholders of approximately RM19.85 million.

We have not been in default on payments of either interest and/or principal sums in respect of any of our borrowings during the Financial Years Under Review as well as for the period from 1 October 2024 up to LPD. As at LPD, we are also not in breach of any terms and condition or covenant associated with our credit arrangements or bank loans which can materially affect our financial position, results of business operations, or the investment by our shareholders.

We do not encounter seasonality in the trend of our borrowings and there is no restriction on the use of our committed banking facilities, save for the purposes of the borrowings as stipulated in the respective loan documents.

11.4 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at LPD, save as disclosed in Section 11.3.2 of this Prospectus, we do not have nor utilise any other financial instruments. We finance our operations mainly through cash generated from our operations, credit extended by our trade creditors and external sources of funds from financial institutions and a licensed moneylender, which mainly comprised term loans, bank overdrafts, bankers' acceptance, hire purchases, bank guarantees as well as finance lease liabilities. The principal use of these borrowings are for our Group's working capital, to finance the costs of our property development projects as well as for the purchase of motor vehicles and plant and machinery.

Save for our term loans from a licensed moneylender and hire purchases which carry fixed interest rates, our other borrowings bear variable interest rates based on the bank's base lending rate plus or minus a rate, which varies depending on the different types of bank facilities.

Our main treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet the estimated commitments arising from our operational expenditures and financial liabilities.

We monitor the adequacy of capital on an ongoing basis. Our strategy is to maintain the debt-to-equity ratio at an optimal level based on our business requirements and prevailing economic conditions. It is also the responsibility of our Directors to identify, quantify, monitor and control the key risks (credit, liquidity and interest rate) associated with these activities.

11. FINANCIAL INFORMATION (Cont'd)**11.5 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES**

We are subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects of the industry in which we operate. Please refer to Section 8.2.3 of this Prospectus for risk relating to government, economic, fiscal or monetary policies which could materially affect our operations.

Notwithstanding the above, save for the policies imposed during the COVID-19 pandemic, our results were not adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies during the Financial Years Under Review.

11.6 IMPACT OF INFLATION

We do not believe that inflation has had a material impact on our business, financial condition or results of operations for the Financial Years Under Review. However, inflation may affect our financial performance as it could increase our subcontractor costs, construction material costs, cost of construction products, labour costs, as well as our operating costs and selling and marketing expenses. Any increase in the inflation rate beyond levels experienced in the past may affect our operations and financial performance if we are unable to fully offset such higher costs through increased revenue.

11.7 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR OPERATIONS**(i) Impact of foreign exchange rates**

All our revenue are denominated in RM whilst our purchases are transacted in RM and RMB as follows:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Purchases denominated in:								
- RM	46,623	96.92	89,189	97.24	241,069	98.99	217,385	99.11
- RMB	1,480	3.08	2,527	2.76	2,469	1.01	1,959	0.89
	48,103	100.00	91,716	100.00	243,538	100.00	219,344	100.00

We are exposed to transactional currency exposure as approximately 3.08%, 2.76%, 1.01% and 0.89% of our total purchases were denominated in RMB for the FYEs 2021, 2022, 2023 and 2024.

As such, we are exposed to foreign currency risk and any unfavourable foreign currency exchange rate fluctuation (i.e. against RMB) may adversely affect our financial performance and our GP margin.

11. FINANCIAL INFORMATION (Cont'd)

For the Financial Years Under Review, our gains and losses from foreign exchange fluctuations are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Realised loss/(gain) on foreign exchange	8	3	(3)	(3)

As majority of our transactions are transacted in RM, all of our cash and bank balances are maintained in RM. We currently do not have a formal policy with respect to our foreign exchange transactions. Our exposure to foreign exchange is monitored on an ongoing basis, and our Group endeavours to keep our exposure to foreign exchange low to minimise the losses resulting from foreign exchange fluctuations.

Our Group does not hedge our exposure to fluctuation in foreign currency exchange rates. As at LPD, we have not entered into any foreign exchange contracts. As such, we are subject to foreign exchange fluctuation risk for the purchases from our foreign suppliers. A depreciation of the RM against the RMB will lead to higher costs of supplies for our Group. In the event that we are unable to pass the increase in costs to our customers in a timely manner, our financial performances may be adversely affected due to the reduced GP margin from higher costs of supplies.

(ii) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks.

A sensitivity analysis performed on our Group based on the outstanding floating rate of the bank borrowings as at 30 September 2024 indicates that our PBT for the FYE 2024 would increase or decrease by approximately RM0.20 million as a result of an increase or decrease in interest rates by 100 basis points on these borrowings.

For the Financial Years Under Review, our financial results were not materially affected by fluctuations in interest rates.

(iv) Impact of commodity prices

The prices of certain construction materials used such as ready-mixed concrete and steel bars are subjected to price fluctuations based on supply and demand conditions and economic conditions. As such, any material increase in the prices of these construction materials may result in cost overruns which may adversely affect our construction and engineering work projects' profitability and financial performance if we are unable to pass any of these cost increases to our clients.

For the last three (3) FYEs 2022, 2023 and 2024, the cost of construction materials accounted for approximately 10.26%, 15.84% and 15.10% of our Group's total cost of sales respectively. During these FYEs, ready-mixed concrete and steel bars constitute one of the two (2) main construction materials purchased by our Group. The average unit purchase price of ready-mixed concrete increased by approximately 9.98% from the FYE 2022 to FYE 2023, and approximately 14.98% from the FYE 2023 to FYE 2024. On the other hand, the average unit purchase price of steel bars decreased by approximately 6.82% from the FYE 2022 to FYE 2023, but increased by approximately 9.78% from the FYE 2023 to FYE 2024. Although our Group has experienced price fluctuations in construction materials during these FYEs, such price fluctuations have not adversely affected our financial performance, as we have anticipated these price fluctuations and have priced in the risk when tendering.

11. FINANCIAL INFORMATION (Cont'd)**11.8 MATERIAL INVESTMENTS AND/OR DIVESTITURES****(i) Material investments**

Save as disclosed below, we have not undertaken any material investments during the Financial Years Under Review and up to LPD:

Name of target company	Consideration (RM)				Between 1 October 2024 up to LPD
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	
LSH Lighting ⁽¹⁾	22,133,495	-	-	-	-
Knight Auto ⁽²⁾	9,785,076	-	-	-	-
LSHBB ⁽³⁾	-	3,500,000	-	-	-
ASSB ⁽⁴⁾	-	-	95,000,000	-	-
LSH Ventures ⁽⁵⁾	-	-	62,641,712	-	-

Notes:

- (1) Our Company had on 6 January 2021 completed the acquisition of the entire equity interest in LSH Lighting comprising 1,000,000 ordinary shares from LSH Resources for a purchase consideration of RM22,133,495, which was wholly satisfied via the issuance and allotment of 221,334,950 new Shares to LSH Resources at an issue price of RM0.10 each. As a result, LSH Lighting became a wholly-owned subsidiary of our Company.
- (2) Our Company had on 6 January 2021 completed the acquisition of the entire equity interest in Knight Auto comprising 1,300,000 ordinary shares from Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun for a purchase consideration of RM9,785,076, which was wholly satisfied via the issuance and allotment of 97,850,760 new Shares to the said vendors at an issue price of RM0.10 each. As a result, Knight Auto became a wholly-owned subsidiary of our Company.
- (3) Our Company had on 15 October 2021 completed the acquisition of the entire equity interest in LSHBB comprising 1,000,000 ordinary shares from LSH Resources for a cash consideration of RM3,500,000. As a result, LSHBB became a wholly-owned subsidiary of our Company.
- (4) Our Company had on 17 April 2023 completed the acquisition of the entire equity interest in ASSB comprising 3,750,000 ordinary shares from LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong for a purchase consideration of RM95,000,000, which was wholly satisfied via the issuance and allotment of 211,111,111 new Shares to the said vendors and/or its nominees at an issue price of RM0.45 each. As a result, ASSB became a wholly-owned subsidiary of our Company.
- (5) Our Company had on 17 April 2023 completed the acquisition of the entire equity interest in LSH Ventures comprising 100,000 ordinary shares from Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong for a total purchase consideration of RM25,699,067, which was wholly satisfied via the issuance and allotment of 57,109,037 new Shares to LSH Resources at an issue price of RM0.45 each. As a result, LSH Ventures became a wholly-owned subsidiary of our Company and ASES (a 87.50%-owned subsidiary of LSH Ventures and 6.25% owned by ASSB) became a 93.75%-owned subsidiary of our Company.

As an integral part of the acquisition of LSH Ventures, our Company also settled the directors' advances of RM36,942,645 owing by LSH Ventures to its directors, namely DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong by way of the issuance and allotment of 82,094,767 new Shares to LSH Resources at an issue price of RM0.45 each.

11. FINANCIAL INFORMATION (Cont'd)

In addition to the above, on 15 April 2024, ASSB agreed with one (1) of its clients for the settlement of the total amount of approximately RM5.09 million due to ASSB in relation to the progress claims and retention sums for two (2) projects which were completed prior to our Company's acquisition of ASSB on 17 April 2023. Such amount due by the client is to be settled through contra payment via three (3) residential apartment units and a three (3)-storey shop office (collectively, the "**Contra Payment Properties**") for a total consideration of RM5.09 million ("**Contra Payment Arrangement**"). Subsequently on 2 September 2024, ASSB entered into four (4) SPAs with the respective vendors to effect ASSB's acquisition of the Contra Payment Properties under the Contra Payment Arrangement. As at LPD, ASSB's acquisition of all the Contra Payment Properties have been completed in accordance with the terms and conditions of the respective SPAs. However, as at LPD, save for the strata title for the residential apartment unit with purchase consideration of RM0.75 million which has been registered under ASSB's name on 2 December 2024, the registration of the strata titles for the remaining Contra Payment Properties have yet to be transferred to ASSB's name. For information, our Group may continue to hold the Contra Payment Properties as investment (i.e. capital appreciation and/or rental income) and/or utilise such properties as contra payment with our subcontractors in the future. Further details of the Contra Payment Properties are set out in items (7) to (10) of Annexure C.1 of this Prospectus.

(ii) Material divestitures

We have not undertaken any material divestitures during the Financial Years Under Review and up to LPD.

11.9 ORDERBOOK

As at LPD, the orderbook from our secured contracts for the following projects are as follows:

	(RM'000)
Construction and engineering works	⁽¹⁾ 609,393
Facility management	⁽²⁾ 5,162
Total	614,555

Notes:

- (1) *This excludes the building construction projects for our own property development projects, namely LSH Segar Project and Lake Side Homes Project undertaken by ASSB and ASES, respectively, which have a total of approximately RM908.96 million remaining contract value which have yet to be recognised as revenue by the respective entities of our Group (i.e. acting as the main contractor of the building construction projects) as at LPD.*
- (2) *This refers to the project for the management of the 'Blue Pool' facility at the convergence of the Gombak River and Klang River under the 'River of Life' transformation project at Kuala Lumpur.*

The above outstanding orderbook relates to the contract values of our ongoing construction and engineering work projects as well as the aforesaid facility management project less revenue recognised up to LPD. There may be variations to the amount awarded as compared to the final works to be performed resulting from, among others, changes in project requirements, which may take place during the implementation of the project. Typically, the contract period for our construction and engineering work projects ranges from three (3) to five (5) years whilst the contract period for the abovementioned facility management project is three (3) years.

11. FINANCIAL INFORMATION (Cont'd)

We will continue to submit tenders and proposals for construction and engineering work projects as well as facility management projects with a view to further build resilience for our Group's orderbook. We will also endeavour to secure more construction and engineering work projects as well as facility management projects through our BEST Collaboration Framework by demonstrating the value created from our construction-related services and solutions that we provide, which allows us to recognise additional revenue stream over and above progress billings from construction and engineering works as well as facility management services that we carry out.

Due to the nature of the business for our construction products sub-segment, we do not maintain an orderbook for this sub-segment. Our sales are based on confirmed orders from our customers, and we do not have any long-term contracts with our customers.

We also do not maintain an orderbook for our property development operations. We generate our revenue from property development operations from the sales of properties based on the development progress.

11.10 TREND INFORMATION

As at LPD, our financial performance, position and operations are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on our financial performance, position and operations, save as disclosed in this Section as well as Sections 6 and 8 of this Prospectus;
- (ii) material commitments for capital expenditure, save as disclosed in Section 11.3.3 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this Section as well as Sections 6 and 8 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's total revenue and/or profits as well as our Group's liquidity and capital resources, save as disclosed in this Section as well as in Sections 6 and 8 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our historical financial statements not indicative of the future financial performance and position, save as disclosed in this Section and in Sections 6 and 8 of this Prospectus.

Our Board is optimistic about the future prospects of our Group after taking into account the outlook of the construction and property development industries in Malaysia as set out in the IMR Report included in Section 7 of this Prospectus, our competitive strengths as set out in Section 6.7 of this Prospectus, and our future plans and strategies as set out in Section 6.8 of this Prospectus.

11. FINANCIAL INFORMATION (Cont'd)**11.11 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****Crowe Malaysia PLT**201906000005 (LLP0018817-LCA) & AF 1018
Chartered AccountantsLevel 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
MalaysiaMain +6 03 2788 9999
www.crowe.my

12 February 2025

The Board of Directors

LIM SEONG HAI CAPITAL BERHAD12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Dear Sirs,

**LIM SEONG HAI CAPITAL BERHAD ("LSH CAPITAL" or the "COMPANY")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of LSH Capital as at 30 September 2024 (the "Pro Forma Consolidated Statements of Financial Position"). The Pro Forma Consolidated Statements of Financial Position and the accompanying notes (the "Notes") which are set out in Appendix A (for which we have stamped for identification purposes) have been compiled by the Board of Directors of the Company (the "Directors") for inclusion in the prospectus in connection with the public offering and listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Prospectus").

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are set out in the Notes, and are prepared in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors to illustrate the impact of the events or transactions as set out in the Notes on the financial position of LSH Capital and its subsidiaries (collectively, the "Group") as at 30 September 2024 as if such events or transactions had taken place on 30 September 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the audited consolidated financial statements of LSH Capital for the financial year ended 30 September 2024, on which an audit report dated 6 December 2024 has been issued by us without any qualification.

11. FINANCIAL INFORMATION (Cont'd)**THE BOARD OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in the Notes and are prepared in accordance with the requirements of the Prospectus Guidelines and Guidance Note.

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Consolidated Statements of Financial Position have been complied, in all material respects, by the Directors on the basis as described in the Notes and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis as described in the Notes and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of the relevant significant event or transaction on unadjusted financial information of the entity as if such event had occurred or such transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

11. FINANCIAL INFORMATION (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)**

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis as described in the Notes and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

This report has been prepared solely to comply with the Prospectus Guidelines and for inclusion in the Prospectus of the Company in connection with the public offering and listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad, and should not be used or relied upon for any other purposes without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

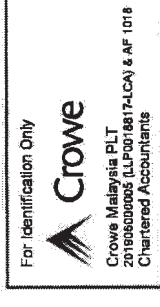
Kuala Lumpur

12 FEB 2025

Choong Kok Keong
03461/11/2025 J
Chartered Accountant

11. FINANCIAL INFORMATION (Cont'd)

Appendix A



LIM SEONG HAI CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	Audited as at 30 September 2024 RM'000	Adjustment for Material Subsequent Event RM'000	Adjustment After for Material Subsequent Event RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
ASSETS								
NON-CURRENT ASSETS								
Investment in an associate		1,274		1,274		1,274		1,274
Property, plant and equipment		31,590		31,590		31,590		31,590
Investment properties		3,671		3,671		3,671		3,671
Right-of-use assets		1,936		1,936		1,936		1,936
Intangible assets		303		303		303		303
Deferred tax assets		2,172		2,172		2,172		2,172
Goodwill		148,967		148,967		148,967		148,967
		<u>189,913</u>		<u>189,913</u>		<u>189,913</u>		<u>189,913</u>
CURRENT ASSETS								
Inventories		171,734		171,734		171,734		171,734
Trade receivables		99,181		99,181		99,181		99,181
Other receivables, deposits and prepayments		8,467		8,467		8,467		8,467
Contract assets		123,849		123,849		123,849		123,849
Fixed deposits with licensed banks		8,595		8,595		8,595		8,595
Cash and bank balances	7.1	40,143	(13,703)	26,440	116,160	142,600	(5,090)	137,510
		<u>451,969</u>		<u>438,266</u>		<u>554,426</u>		<u>549,336</u>
TOTAL ASSETS		<u>641,882</u>		<u>628,179</u>		<u>744,339</u>		<u>739,249</u>

11. FINANCIAL INFORMATION (Cont'd)

Appendix A



LIM SEONG HAI CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (CONT'D)

	Note	Audited as at 30 September 2024 RM'000	Adjustment for Material Subsequent Event RM'000	Adjustment for Material Subsequent Event RM'000	Pro Forma I After Adjustment for Material Subsequent Event RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
EQUITY AND LIABILITIES EQUITY									
Share capital	7.2	334,768			334,768	116,160	450,928	(3,423)	447,505
Merger deficit		(29,619)			(29,619)		(29,619)		(29,619)
Retained profits	7.3	170,160		(13,703)	156,457		156,457	(1,667)	154,790
Equity attributable to owners of the Company		475,309			461,606		577,766		572,676
Non-controlling interests		9			9		9		9
TOTAL EQUITY		475,318			461,615		577,775		572,685
NON-CURRENT LIABILITIES									
Terms loans		8,729			8,729		8,729		8,729
Lease liabilities		433			433		433		433
Hire purchase payables		1,185			1,185		1,185		1,185
Deferred tax liabilities		1,908			1,908		1,908		1,908
		12,255			12,255		12,255		12,255

11. FINANCIAL INFORMATION (Cont'd)

Appendix A



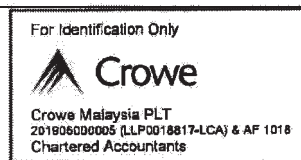
LIM SEONG HAI CAPITAL BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (CONT'D)

	Note	Audited as at 30 September 2024 RM'000	Adjustment for Material Subsequent Event RM'000	Adjustment for Material Subsequent Event RM'000	Pro Forma I After Adjustment for Material Subsequent Event RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
CURRENT LIABILITIES									
Trade payables		64,157			64,157		64,157		64,157
Other payables and accruals		16,767			16,767		16,767		16,767
Contract liabilities		33,504			33,504		33,504		33,504
Term loans		17,469			17,469		17,469		17,469
Lease liabilities		1,789			1,789		1,789		1,789
Hire purchase payables		504			504		504		504
Bankers' acceptances		12,098			12,098		12,098		12,098
Current tax liabilities		8,021			8,021		8,021		8,021
		154,309			154,309		154,309		154,309
		166,564			166,564		166,564		166,564
TOTAL LIABILITIES		641,882			628,179		744,339		739,249
TOTAL EQUITY AND LIABILITIES									
Number of ordinary shares		706,360,208			706,360,208	132,000,000	838,360,208		838,360,208
Net assets ("NA") @ (RM'000)		475,309			461,606		577,766		572,676
NA per ordinary share (RM)		0.67			0.65		0.69		0.68

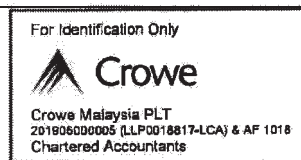
Note:-

@ - represents net assets attributable to owners of the Company, which is also known as shareholders' equity.

11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****1. ABBREVIATIONS**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

ACE Listing	: Listing and quotation of the entire enlarged issued share capital of LSH Capital on the ACE Market of Bursa Securities pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE Market Listing Requirements of Bursa Securities
Bursa Securities	: Bursa Malaysia Securities Berhad Registration No. 200301033577 (635998-W)
Directors	: Directors of the Company
DLKG	: Datuk Lim Keng Guan
Eligible Persons	: Collectively, the eligible Directors of the Company, eligible employees of the Group and other persons who have contributed to the success of the Group who are eligible to participate in the Retail Offering through the Pink Form Offer
FYE	: Financial Year Ended
Issue Share(s)	: New Share(s) to be issued by the Company under the Public Issue
LSH Capital or the Company	: Lim Seong Hai Capital Berhad Registration No.: 202001036664 (1392985-A)
LSH Capital Group or the Group	: LSH Capital and its subsidiaries, collectively
LSH Holdings	: Lim Seong Hai Holdings Sdn. Bhd. Registration No.: 199701036751 (452251-V)
LSH Resources	: Lim Seong Hai Resources Sdn. Bhd. Registration No.: 201001001642 (886219-A)
Malaysian Public	: Malaysian citizens, as well as companies, cooperatives, societies and institutions incorporated or organised under the laws of Malaysia
MITI	: Ministry of Investment, Trade and Industry of Malaysia
Offer for Sale	: Offer for sale of up to 59,000,000 Offer Shares at the Offering Price by the Selling Shareholders, subject to the terms and conditions of the Prospectus
Offer Share(s)	: Existing Share(s) to be offered by the Selling Shareholders pursuant to the Offer for Sale
Offering Price	: Issue/Offer price of RM0.88 for each Offering Share
Offering Share(s)	: Collectively, the Issue Share(s) and the Offer Share(s)
Pink Form Offer	: Offer of Issue Shares to the Eligible Persons pursuant to the Public Issue
Prospectus	: Prospectus issued by the Company pursuant to the ACE Listing

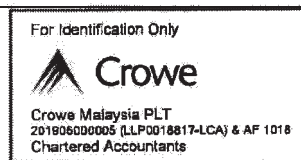
11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****1. ABBREVIATIONS (CONT'D)**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):

Public Issue	: Public issue of 132,000,000 Issue Shares at the Offering Price by the Company, subject to the terms and conditions of the Prospectus
Retail Offering	: Offering of 29,342,600 Offering Shares at the Offering Price, subject to the clawback and reallocation provisions, to the Eligible Persons and Malaysian Public
RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
Selling Shareholders	: Collectively, LSH Resources, Tan Sri KC Lim, DLKG, Lim Pak Lian and Lim Keng Hun
Share(s)	: Ordinary share(s) in LSH Capital
Tan Sri KC Lim	: Tan Sri Datuk Seri Lim Keng Cheng
Transfer of Listing	: Transfer of the 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 which involves the Withdrawal of LEAP Listing and Admission to ACE Listing
Withdrawal of LEAP Listing	: Voluntary withdrawal of the listing and quotation of the entire issued share capital of LSH Capital from the LEAP Market of Bursa Securities pursuant to Rules 8.06 and 8.08 of the LEAP Market Listing Requirements of Bursa Securities

Subsidiaries and associated company of the Company

ASES	: Astana Setia & Euro Saga Sdn. Bhd. Registration No.: 200201027772 (595435-T)
ASSB	: Astana Setia Sdn. Bhd. Registration No.: 201001033681(917604-H)
Knight Auto	: Knight Auto Sdn. Bhd. Registration No.: 199901001459 (476539-M)
Kran World	: Kran World Sdn. Bhd. Registration No.: 201501018926 (1144261-W)
LSH Development	: Lim Seong Hai Development Sdn. Bhd. Registration No.: 202201006566 (1452263-A)
LSH Infra	: LSH Infra Sdn. Bhd. Registration No.: 202201001222 (1446919-H)
LSH Lighting	: Lim Seong Hai Lighting Sdn. Bhd. Registration No.: 199501018939 (348142-T)
LSH Ventures	: Lim Seong Hai Ventures Sdn. Bhd. Registration No.: 200501013068 (690116-V)
LSHBB	: LSH Best Builders Sdn. Bhd. Registration No.: 200101028501 (564259-P)
LSH Service Master	: LSH Service Master Sdn. Bhd. Registration No.: 202401025891 (151740-A)

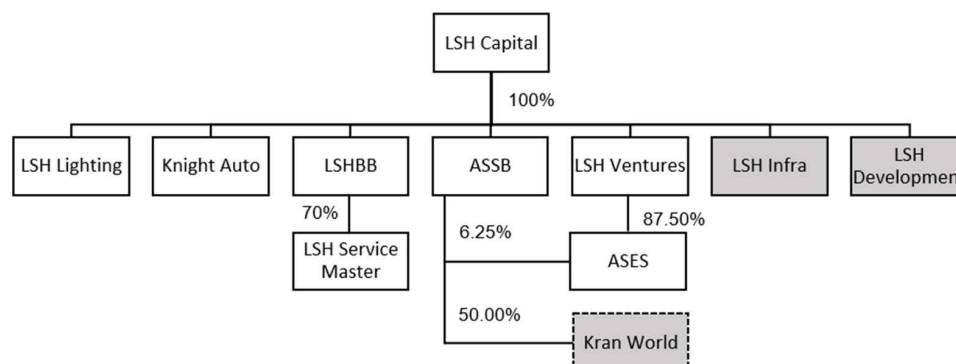
11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****2. INTRODUCTION**

The pro forma consolidated statements of financial position of the Company as at 30 September 2024 (the "Pro Forma Consolidated Statements of Financial Position") together with the notes herein, for which the Directors are solely responsible, have been prepared for illustrative purpose only and for inclusion in the Prospectus which shall not be relied upon for any other purposes.

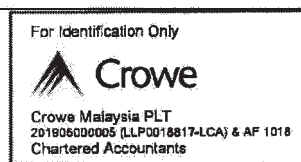
3. BASIS OF PREPARATION**3.1 Group Structure**

LSH Capital was incorporated in Malaysia under the Companies Act 2016 as a private limited company on 11 November 2020 under the name of Lim Seong Hai Capital Sdn. Bhd. On 21 May 2021, the Company was converted into a public limited company to facilitate its listing on the LEAP Market of Bursa Securities. The Company was listed on the LEAP Market of Bursa Securities on 30 July 2021.

The corporate structure of the Group as at 30 September 2024 is presented as follows:



	Subsidiary
	Associated company
	Dormant

11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****3. BASIS OF PREPARATION (CONT'D)****3.2 Accountants' Report**

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors based on the Accountants' Report for the FYE 30 September 2024, which were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the audited consolidated financial statements and accounting policies adopted by the Group.

The Accountants' Report used in the preparation of the Pro Forma Consolidated Statements of Financial Position was not subject to any audit qualification, modification or disclaimer of opinion.

3.3 Applicable Criteria

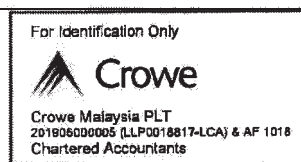
The Pro Forma Consolidated Statements of Financial Position together with the accompanying notes herein, have been prepared solely to illustrate the impact of the events or transactions as set out in Notes 4 and 5 herein on the financial position of the Group as if such events or transactions had taken place on 30 September 2024. Material and appropriate adjustments have also been made in the preparation of the Pro Forma Consolidated Statements of Financial Position.

The Pro Forma Consolidated Statements of Financial Position are not necessarily indicative of the financial position of the Group that would have been attained as if the events and transactions as set out in Notes 4 and 5 actually occurred on 30 September 2024. The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purpose only, and because of their nature, may not give a true picture of the actual effects of the events and transactions on the Group's financial position. Further, such financial information does not purport to predict the future financial position of the Group.

4. MATERIAL SUBSEQUENT EVENT OCCURRED AFTER 30 SEPTEMBER 2024

On 13 December 2024, an interim single-tier dividend of 1.94 sen per Share amounting to approximately RM13.70 million in respect of the FYE 30 September 2024 was paid to the shareholders of the Company.

Save as disclosed above, there is no material subsequent event which occurred after 30 September 2024 and up to 31 January 2025, being the latest practicable date prior to the date of this report ("LPD").

11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****5. LISTING SCHEME**

The following proposals are undertaken in conjunction with, and as an integral part of the ACE Listing:

5.1 Public Issue

The Public Issue involves the offering of 132,000,000 Issue Shares, representing approximately 15.74% of the enlarged issued Shares of the Company, at the Offering Price and will be allocated in the following manner:

(i) Malaysian Public

16,767,200 Issue Shares, representing approximately 2.00% of the enlarged issued Shares, will be made available for application by the Malaysian Public through a balloting process, of which 8,383,600 Issue Shares will be set aside for application by Bumiputera investors including individuals, companies, cooperatives, societies and institutions.

(ii) Eligible Persons

12,575,400 Issue Shares, representing approximately 1.50% of the enlarged issued Shares, will be reserved for application by the Eligible Persons.

(iii) Bumiputera investors approved by the MITI

102,657,400 Issue Shares, representing approximately 12.24% of the enlarged issued Shares, will be made available for application by way of private placement to identified Bumiputera investors approved by the MITI.

The proceeds to be raised from the Public Issue of RM116.16 million will be used for the working capital for the Group's construction projects and defrayment of listing expenses as detailed in Note 6.3 below.

5.2 Offer for Sale

The Selling Shareholders are offering up to 59,000,000 Offer Shares, representing up to approximately 8.35% of the existing issued Shares as at the date of this report and approximately 7.04% of the enlarged issued shares of the Company at the Offering Price, by way of private placement to identified Bumiputera investors approved by MITI as well as other institutional and selected investors.

For the avoidance of doubt, the Offer for Sale has no financial impact on the Group.

11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****6.1 Pro Forma I**

Pro Forma I incorporates the effects of the Material Subsequent Event as set out in Note 4 above.

6.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Public Issue as set out in Note 5.1 above.

6.3 Pro Forma III

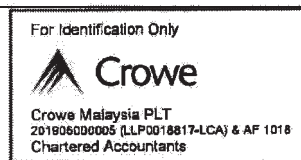
Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds from the Public Issue. The proceeds from the Public Issue will be utilised in the following manner:

Purpose	Note	RM'000	Estimated timeframe for use of proceeds upon completion of the Transfer of Listing
Working capital for the Group's construction projects	(i)	108,860	Within 24 months
Estimated expenses in relation to the Transfer of Listing	(ii)	7,300	Within one (1) month
Total		116,160	

- (i) The proceeds amounting to RM108.86 million are intended to be used to fund the working capital for the Group's construction projects in the following manner:

Type of project	RM'000
<i>Residential and mixed development construction projects</i>	78,860
<i>Infrastructure construction and civil engineering work projects</i>	20,000
<i>Future construction project(s)</i>	10,000
Total	108,860

As at LPD, the RM108.86 million earmarked for the working capital for the Group's construction projects is not supported by any contractual binding arrangement. Accordingly, such use of proceeds is not reflected in the Pro Forma Consolidated Statements of Financial Position and is remained in the cash and bank balances.

11. FINANCIAL INFORMATION (Cont'd)**Appendix A****LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6.3 Pro Forma III (Cont'd)**

- (ii) The expenses in relation to the Transfer of Listing are estimated to be about RM7.30 million, the details of which are as follows:

Purpose	RM'000
<i>Estimated professional fees</i>	3,590
<i>Estimated fees payable to authorities</i>	86
<i>Estimated brokerage, underwriting and placement fees</i>	2,858
<i>Estimated expenses for extraordinary general meeting, printing and advertising expenses</i>	601
<i>Estimated other miscellaneous expenses and contingencies</i>	165
Total	7,300

Of the total estimated expenses to be incurred in relation to the Transfer of Listing of RM7.30 million, a total of approximately RM3.42 million is assumed to be directly attributable to the issuance of new Shares under the Public Issue and therefore will be set off against the share capital of the Company, while the remaining RM3.88 million will be charged to the consolidated statements of profit or loss and other comprehensive income of the Company. For information, as at 30 September 2024, approximately RM2.21 million has been charged to the consolidated statements of profit or loss and other comprehensive income of the Company and the said amount has been fully paid.

11. FINANCIAL INFORMATION (Cont'd)

For Identification Only



Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Appendix A**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****7. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****7.1 Cash and bank balances**

	Note	RM'000
Audited as at 30 September 2024		40,143
Dividends paid	4	(13,703)
As per Pro Forma I		26,440
Pursuant to the Public Issue	5.1	116,160
As per Pro Forma II		142,600
Pursuant to utilisation of proceeds:		
- Estimated expenses for the Transfer of listing	6.3(ii)	(5,090)
As per Pro Forma III		137,510

7.2 Share capital

	Note	Number of Shares '000	Share capital RM'000
Audited as at 30 September 2024 and as per Pro Forma I		706,360	334,768
Pursuant to Public Issue	5.1	132,000	116,160
As per Pro Forma II		838,360	450,928
Pursuant to utilisation of proceeds:			
- Estimated expenses for the Transfer of listing	6.3(ii)	-	(3,423)
As per Pro Forma III		838,360	447,505

7.3 Retained profits

	Note	RM'000
Audited as at 30 September 2024		170,160
Dividends paid	4	(13,703)
As per Pro Forma I and II		156,457
Pursuant to utilisation of proceeds:		
- Estimated expenses for the Transfer of listing	6.3(ii)	(1,667)
As per Pro Forma III		154,790

11. FINANCIAL INFORMATION (Cont'd)



Appendix A

LIM SEONG HAI CAPITAL BERHAD

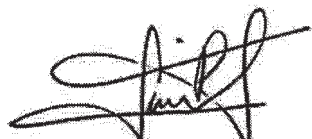
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Lim Seong Hai Capital Berhad in accordance with a resolution dated 12 February 2025.

On behalf of the Board of Directors,



Datuk Lim Keng Guan



Lim Pak Lian

11. FINANCIAL INFORMATION (Cont'd)**11.12 DIVIDEND POLICY**

It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth. As part of this policy, we undertake to achieve a dividend payout ratio of 30% of our consolidated profit attributable to the owners of our Company for each financial year after taking into account the capital expenditure and working capital requirements of our Group. The declaration and payment of any dividend is also subject to the recommendation and/or approval of our Board as well as any applicable law, license conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

The dividends declared and paid by our Company to our shareholders for the Financial Years Under Review and the corresponding dividend payout ratio are as follows:

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
PAT attributable to owners of our Company	7,930	41,812	58,888	74,331
Dividends declared and paid	2,343	12,568	17,730	22,321
Dividend payout ratio (%) ⁽¹⁾	⁽²⁾ 29.55	30.06	30.11	30.03

Notes:

- (1) Computed based on dividends declared and paid over PAT attributable to owners of our Company for each financial year.
- (2) The dividend payout rate for the FYE 2021 was marginally lower than our dividend payout policy of 30% as the dividend declared was based on the unaudited PAT attributable to owners of our Company of approximately RM7.72 million.

As at LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to LPD and up to the date of this Prospectus, there is also no dividend declared, made or paid by our Company. There is also no dividend proposed to be paid by our Company before the completion of the Transfer of Listing.

Notwithstanding our dividend policy as mentioned above, as we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant. Save for certain restrictive covenants from our credit facilities, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

11. FINANCIAL INFORMATION (Cont'd)

The actual dividend that our Board may recommend or declare in any particular financial year will be subject to various factors, such as having profits and excess funds, which are not required to be retained to fund our business. Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (i) the level of cash and indebtedness;
- (ii) the required and expected interest expense, cash flows, profits, return on equity and retained earnings;
- (iii) our expected financial performance and working capital requirements;
- (iv) our projected levels of capital expenditure and other investment plans;
- (v) any restrictive covenants contained in our current and future financing arrangements;
- (vi) the prior consent from our lenders, if required; and
- (vii) any material impact of tax laws and other regulatory requirements.

Subject to the Act, our Company may from time to time declare and pay dividends or make other distributions. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Furthermore, under the Act, our Company is not allowed to declare or pay dividend or make a distribution out of contributed surplus, if there are reasonable grounds to believe that:

- (a) our Company is, or would after the payment of such dividend or other distributions be unable to pay its liabilities as they become due; or
- (b) the realisable value of our Company's assets would thereby be less than its liabilities.

Investors should note that our Company's dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. There can be no assurance that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

11. FINANCIAL INFORMATION (Cont'd)**11.13 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness as at 31 December 2024 and the pro forma capitalisation and indebtedness of our Group which has been prepared on the assumption that our Public Offering and the use of proceeds to be raised from the Public Issue had occurred on 31 December 2024:

		Pro Forma I	Pro Forma II
	Unaudited as at 31 December 2024	After our Public Offering	After Pro forma I and utilisation of proceeds
	(RM'000)	(RM'000)	(RM'000)
<u>Capitalisation</u>			
Shareholders' equity	480,119	596,279	591,189
Total capitalisation	480,119	596,279	591,189
<u>Indebtedness</u>			
Current			
<i>Secured and guaranteed</i>			
Term loans	15,904	15,904	15,904
Hire purchase payables	566	566	566
Bankers' acceptances	10,318	10,318	10,318
<i>Unsecured and unguaranteed</i>			
Lease liabilities	1,858	1,858	1,858
Contingent liabilities			
Corporate guarantees	26,390	26,390	26,390
Non-current			
<i>Secured and guaranteed</i>			
Term loans	9,743	9,743	9,743
Hire purchase payables	1,272	1,272	1,272
<i>Unsecured and unguaranteed</i>			
Lease liabilities	2,449	2,449	2,449
Total indebtedness	68,500	68,500	68,500
Total capitalisation and indebtedness	548,619	664,779	659,689
Gearing ratio (times)⁽¹⁾	0.14	0.11	0.12

Note:

(1) Computed based on total indebtedness over total capitalisation.

12. ACCOUNTANTS' REPORT

12 February 2025

The Board of Directors
LIM SEONG HAI CAPITAL BERHAD
 12th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13, 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

Dear Sirs,

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
 Chartered Accountants

Level 16, Tower C, Megan Avenue II
 12, Jalan Yap Kwan Seng
 50450 Kuala Lumpur
 Malaysia

Main +6 03 2788 9999
 www.crowe.my

**REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTAINED IN THE ACCOUNTANTS' REPORT OF LIM SEONG HAI CAPITAL BERHAD ("THE
 COMPANY")**

OPINION

We have audited the consolidated financial statements of Lim Seong Hai Capital Berhad and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statements of financial position as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024, consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended ("FYE") 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024, and notes to the consolidated financial statements, including material accounting policy information as set out on pages 4 to 115.

The historical financial information has been prepared for inclusion in the prospectus of the Group in connection with the public offering and listing of and quotation for the entire issued share capital of the Group on the ACE Market of Bursa Malaysia Securities Berhad. This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10, Part II, Division 1: Equity of the Prospectus Guidelines and for no other purpose.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024 and of their financial performance and their cash flows for the FYE 30 September 2021, FYE 30 September 2022, FYE 30 September 2023 and FYE 30 September 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

12. ACCOUNTANTS' REPORT (Cont'd)**DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Directors of the Company ("Directors") are responsible for the preparation of consolidated financial statements of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the consolidated financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

12. ACCOUNTANTS' REPORT (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the Company to comply with the Prospectus Guidelines and for inclusion in the prospectus in relation to the public offering and listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

12 FEB 2025

Choong Kok Keong
03461/11/2025 J
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		Audited			
		As at 30 September			
	Note	2021	2022	2023	2024
		RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in an associate	4	-	-	1,381,667	1,273,701
Property, plant and equipment	5	6,880,754	13,955,678	29,996,232	31,590,514
Investment properties	6	-	-	3,692,024	3,671,121
Right-of-use assets	7	3,273,853	3,248,704	3,663,755	1,936,097
Intangible assets		-	757,697	454,619	303,080
Deferred tax assets	8	-	265,446	1,924,098	2,171,571
Goodwill	9	-	-	148,967,108	148,967,108
		<u>10,154,607</u>	<u>18,227,525</u>	<u>190,079,503</u>	<u>189,913,192</u>
CURRENT ASSETS					
Project-in-progress		-	16,451	-	-
Inventories	10	9,849,002	12,220,943	167,576,797	171,733,603
Trade receivables	11	29,256,895	66,534,084	115,022,094	99,180,566
Other receivables, deposits and prepayments	12	913,059	4,399,439	18,036,893	8,467,477
Contract assets	13	222,298	8,637,683	69,410,378	123,849,473
Current tax assets		328,754	469,546	851,012	-
Fixed deposits with licensed banks	14	4,609,148	16,166,877	14,823,474	8,595,354
Cash and bank balances		10,765,896	28,049,027	13,874,284	40,142,649
		<u>55,945,052</u>	<u>136,494,050</u>	<u>399,594,932</u>	<u>451,969,122</u>
TOTAL ASSETS		<u>66,099,659</u>	<u>154,721,575</u>	<u>589,674,435</u>	<u>641,882,314</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

			Audited		
			As at 30 September		
	Note	2021	2022	2023	2024
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	36,580,324	37,000,324	334,768,002	334,768,002
Merger deficit	16	(29,618,571)	(29,618,571)	(29,618,571)	(29,618,571)
Retained profits		36,388,811	72,118,862	115,678,222	170,160,374
Equity attributable to owners of the Company		43,350,564	79,500,615	420,827,653	475,309,805
Non-controlling interests		-	-	55,845	8,559
TOTAL EQUITY		43,350,564	79,500,615	420,883,498	475,318,364
NON-CURRENT LIABILITIES					
Term loans	17	422,509	354,453	7,379,594	8,729,349
Lease liabilities	18	2,470,774	2,433,224	2,124,199	432,377
Hire purchase payables	19	357,798	523,715	519,545	1,185,366
Deferred tax liabilities	8	478,646	1,122,701	1,732,238	1,907,741
		3,729,727	4,434,093	11,755,576	12,254,833
CURRENT LIABILITIES					
Trade payables	20	7,392,639	20,401,896	84,689,659	64,157,592
Other payables and accruals	21	1,459,921	23,115,153	38,520,365	16,766,638
Contract liabilities	13	15,495	16,948,352	22,133,460	33,503,750
Term loans	17	66,050	68,399	1,983,523	17,469,387
Lease liabilities	18	868,323	1,224,326	2,037,234	1,788,718
Hire purchase payables	19	350,066	608,909	928,443	503,755
Bankers' acceptances	22	8,456,677	2,224,000	3,230,000	12,098,597
Current tax liabilities		410,197	6,195,832	3,512,677	8,020,680
		19,019,368	70,786,867	157,035,361	154,309,117
TOTAL LIABILITIES		22,749,095	75,220,960	168,790,937	166,563,950
TOTAL EQUITY AND LIABILITIES		66,099,659	154,721,575	589,674,435	641,882,314

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Audited			
		2021	2022	2023	2024
		RM	RM	RM	RM
REVENUE	23	67,415,934	165,866,469	357,754,792	361,405,179
COST OF SALES		(50,138,324)	(98,346,720)	(254,282,435)	(233,218,239)
GROSS PROFIT		17,277,610	67,519,749	103,472,357	128,186,940
OTHER INCOME		357,793	1,755,625	1,295,702	930,173
SELLING AND MARKETING EXPENSES		(520,880)	(663,348)	(2,306,286)	(3,837,468)
ADMINISTRATIVE EXPENSES		(4,842,076)	(9,417,364)	(17,594,600)	(26,202,384)
OTHER EXPENSES		(1,206,579)	(1,838,389)	(3,427,323)	(3,352,620)
FINANCE COSTS		(200,858)	(277,075)	(1,102,430)	(2,335,052)
(LOSS ALLOWANCE)/REVERSAL OF LOSS ALLOWANCE ON FINANCIAL ASSETS AND CONTRACT ASSETS	24	-	(2,013,033)	(4,604,711)	4,362,011
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATE		-	-	(9,132)	(7,966)
PROFIT BEFORE TAXATION	25	10,865,010	55,066,165	75,723,577	97,743,634
INCOME TAX EXPENSE	26	(2,934,766)	(13,254,339)	(16,840,332)	(23,460,346)
PROFIT AFTER TAXATION		7,930,244	41,811,826	58,883,245	74,283,288
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME		7,930,244	41,811,826	58,883,245	74,283,288

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		7,930,244	41,811,826	58,887,797	74,330,874
Non-controlling interests		-	-	(4,552)	(47,586)
		<u>7,930,244</u>	<u>41,811,826</u>	<u>58,883,245</u>	<u>74,283,288</u>
TOTAL COMPREHENSIVE					
INCOME/(EXPENSES) ATTRIBUTABLE					
TO:-					
Owners of the Company		7,930,244	41,811,826	58,887,797	74,330,874
Non-controlling interests		-	-	(4,552)	(47,586)
		<u>7,930,244</u>	<u>41,811,826</u>	<u>58,883,245</u>	<u>74,283,288</u>
EARNINGS PER SHARE (SEN)					
Basic	27(a)	2.38	11.76	11.45	10.52
Diluted	27(b)	2.38	11.76	11.45	10.52

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital RM	Merger Deficit RM	Retained Profits RM	Total Equity RM
Audited					
Balance at 1 October 2020 *		2,300,000	-	28,458,567	30,758,567
Contribution by and distribution to the owners of the Company:					
- Issuance of shares	15	34,280,324	(29,618,571)	-	4,661,753
Profit after taxation/Total comprehensive income for the financial year		-	-	7,930,244	7,930,244
Balance at 30 September 2021		36,580,324	(29,618,571)	36,388,811	43,350,564
Audited					
Balance at 1 October 2021		36,580,324	(29,618,571)	36,388,811	43,350,564
Contribution by and distribution to the owners of the Company:					
- Issuance of shares	15	420,000	-	-	420,000
- Dividends paid	29	-	-	(6,081,775)	(6,081,775)
Profit after taxation/Total comprehensive income for the financial year		420,000	-	(6,081,775)	(5,661,775)
Balance at 30 September 2022		37,000,324	(29,618,571)	72,118,862	79,500,615

Note:

* As explained in Note 3.3 to the consolidated financial statements the figures as at 1 October 2020 in the Group's financial statements are presented as if the merger had occurred before the start of the earliest period presented.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Audited	Note	Share Capital RM	Merger Deficit RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 1 October 2022		37,000,324	(29,618,571)	72,118,862	79,500,615	-	79,500,615
Contribution by and distribution to the owners of the Company:							
- Issuance of shares	15	297,767,678	-	-	297,767,678	-	297,767,678
- Dividends paid	29	-	-	(15,328,437)	(15,328,437)	-	(15,328,437)
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		297,767,678	-	(15,328,437)	282,439,241	-	282,439,241
Acquisition of subsidiaries	28	-	-	58,887,797	58,887,797	(4,552)	58,883,245
		-	-	-	-	60,397	60,397
Balance at 30 September 2023		334,768,002	(29,618,571)	115,678,222	420,827,653	55,845	420,883,498

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Audited	Note	Share Capital RM	Merger Deficit RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 1 October 2023		334,768,002	(29,618,571)	115,678,222	420,827,653	55,845	420,883,498
Contribution by and distribution to the owners of the Company:							
- Dividends paid	29	-	-	(19,848,722)	(19,848,722)	-	(19,848,722)
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		-	-	74,330,874	74,330,874	(47,586)	74,283,288
Acquisition of subsidiaries	28	-	-	-	-	300	300
Balance at 30 September 2024		334,768,002	(29,618,571)	170,160,374	475,309,805	8,559	475,318,364

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	2021 RM	2022 RM	Audited FYE 30 September 2023 RM	2024 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		10,865,010	55,066,165	75,723,577	97,743,634
Adjustments for:-					
Amortisation of intangible assets		-	-	303,078	151,539
Depreciation:					
- property, plant and equipment		785,479	1,670,687	3,584,425	4,263,216
- investment properties		-	-	9,086	20,903
- right-of-use assets		838,648	1,153,358	1,794,356	1,704,828
Inventories written down		146,005	80,610	405,956	1,299
Interest expense		200,858	291,644	1,108,186	2,431,150
Loss allowance:					
- trade receivables		-	2,013,033	2,878,170	353,850
- other receivables		-	-	-	677,547
- contract assets		-	-	1,726,541	410,767
Property, plant and equipment written off		-	56,365	910	456
Bargain purchase gain on acquisition of a subsidiary		-	(1,018,959)	-	-
Gain on disposal of property, plant and equipment		(580)	(10,974)	(94,270)	(37,679)
Gain on reassessment of lease liabilities		(12,325)	(68,695)	(1,296)	(23,562)
Interest income		(165,121)	(266,300)	(458,542)	(275,592)
Reversal of inventories previously written down		(274,891)	(67,963)	(80,610)	(57,697)
Reversal of loss allowance:					
- trade receivables		-	-	-	(5,214,407)
- contract assets		-	-	-	(589,768)
Share of net loss of equity accounted associates		-	-	-	7,966
Operating profit before working capital changes carried forward		12,383,083	58,898,971	86,899,567	101,568,450

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Operating profit before working capital changes brought forward		12,383,083	58,898,971	86,899,567	101,568,450
(Increase)/Decrease in project-in-progress		-	(16,451)	16,451	-
Decrease/(Increase) in inventories		656,126	(2,384,588)	(3,210,405)	(4,100,408)
(Increase)/Decrease in trade and other receivables		(15,364,993)	(6,325,771)	(53,561,823)	29,593,954
Increase in contract assets		(215,948)	(8,415,385)	(13,383,732)	(54,260,094)
(Decrease)/Increase in trade and other payables		(4,476,226)	17,742,734	36,685,910	(42,285,794)
Increase in contract liabilities		15,495	80,549	4,211,884	11,370,290
CASH (FOR)/FROM OPERATIONS		(7,002,463)	59,580,059	57,657,852	41,886,398
Interest paid		(5,512)	(8,340)	(231,436)	(544,639)
Income tax paid		(3,158,331)	(7,269,291)	(19,072,056)	(18,184,317)
Income tax refunded		-	7,454	-	11,016
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(10,166,306)	52,309,882	38,354,360	23,168,458
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividends received		-	-	-	100,000
Interest income received		165,121	266,300	458,542	275,592
Proceeds from disposal of property, plant and equipment		13,999	103,660	222,166	38,702
Purchase of property, plant and equipment	30(b)	(3,569,997)	(6,832,272)	(11,444,759)	(4,540,477)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	28	-	(3,485,569)	(8,682,468)	300
Withdrawal of fixed deposit		82,569	-	-	-
(Addition)/Withdrawal of fixed deposit with tenure more than 3 months		-	(2,000,000)	2,000,000	-
NET CASH FOR INVESTING ACTIVITIES		(3,308,308)	(11,947,881)	(17,446,519)	(4,125,883)

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		-	(6,081,775)	(15,328,437)	(19,848,722)
Interest paid		(195,346)	(283,304)	(876,750)	(1,579,504)
Drawdown of bankers' acceptances	30(a)	8,456,677	5,944,000	3,230,000	30,371,000
Drawdown of term loans	30(a)	500,000	-	10,166,245	49,768,421
Proceeds from issuance of shares		4,661,753	420,000	-	-
Repayment of bankers' acceptances	30(a)	-	(12,176,677)	(2,224,000)	(21,550,000)
Repayment of lease liabilities	30(a)	(879,142)	(741,061)	(1,540,907)	(1,893,946)
Repayment of term loans	30(a)	(11,441)	(65,707)	(26,494,786)	(33,192,212)
Repayment of hire purchase obligations	30(a)	(178,843)	(536,617)	(1,357,352)	(1,077,367)
(Increase)/Decrease in pledged fixed deposits with licensed banks		-	(7,637,729)	4,148,549	(347,026)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		12,353,658	(21,158,870)	(30,277,438)	650,644
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,120,956)	19,203,131	(9,369,597)	19,693,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		11,886,852	10,765,896	29,969,027	20,599,430
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(d)	10,765,896	29,969,027	20,599,430	40,292,649

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

The Company was incorporated on 11 November 2020 as a private limited company and domiciled in Malaysia. The Company is principally engaged in the business of investment holding.

On 21 May 2021, the Company was converted from a private limited company to a public company limited by shares.

On 30 July 2021, the entire issued share capital of the Company was listed on the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The details of the subsidiaries which have their principal place of business and country of incorporated in Malaysia are as follows:-

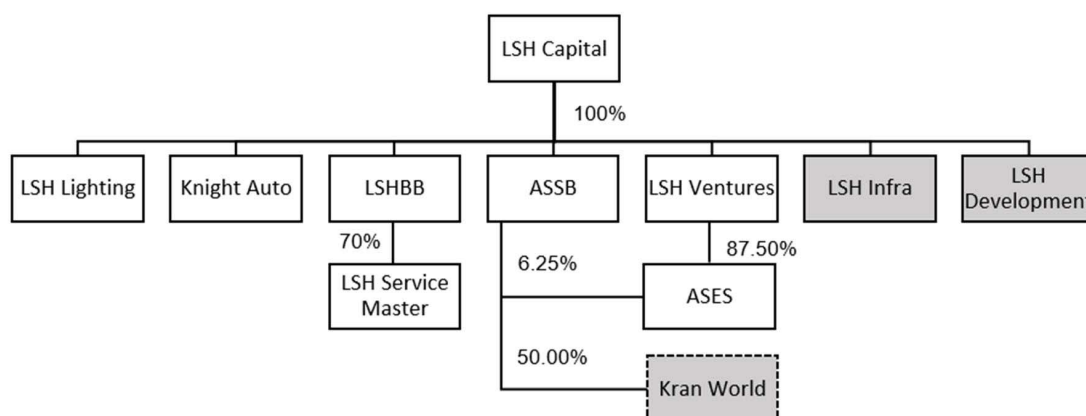
- (a) Lim Seong Hai Lighting Sdn. Bhd. ("LSH Lighting") was incorporated on 24 June 1995 as a private limited company and domiciled in Malaysia and is principally involved in the provision of building materials, as well as lighting products and related mechanical and electrical products and services.
- (b) Knight Auto Sdn. Bhd. ("Knight Auto") was incorporated on 29 January 1999 as a private limited company and domiciled in Malaysia and is principally engaged in the provision of hardware and tools and rental of machinery.
- (c) LSH Best Builders Sdn. Bhd. ("LSHBB") was incorporated on 12 November 2001 as a private limited company and domiciled in Malaysia and principally involved in the business of construction and provision of construction and business-related services and solutions.
- (d) Astana Setia Sdn. Bhd. ("ASSB") was incorporated on 10 October 2010 as a private limited company and domiciled in Malaysia and principally engaged in the business of building construction contractor, property developer and investment holdings.
- (e) Lim Seong Hai Ventures Sdn. Bhd. ("LSH Ventures") was incorporated on 30 April 2005 as a private limited company and domiciled in Malaysia and principally engaged in the business of investment holding.
- (f) Astana Setia & Euro Saga Sdn. Bhd. ("ASES") was incorporated on 11 October 2002 as a private limited company and domiciled in Malaysia and principally engaged in the business of property development.
- (g) LSH Infra Sdn. Bhd. ("LSH Infra") was incorporated on 10 January 2022 as a private limited company and domiciled in Malaysia and it is dormant.
- (h) Lim Seong Hai Development Sdn. Bhd. ("LSH Development") was incorporated on 23 February 2022 as a private limited company and domiciled in Malaysia and it is dormant.
- (i) Lim Seong Hai Service Master Sdn. Bhd. ("LSH Service Master") was incorporated on 28 June 2024 as a private limited company and domiciled in Malaysia and principally engaged in the business of building and industrial cleaning, tour operator and real estate activities with own or lease property.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****1. GENERAL INFORMATION (CONT'D)**

The Company and its subsidiaries are collectively defined as "the Group".

The immediate and ultimate holding companies of the Group are Lim Seong Hai Resources Sdn. Bhd. ("LSH Resources") and Lim Seong Hai Holdings Sdn. Bhd. respectively. Both the aforesaid holding companies are incorporated in Malaysia.

The group structure of the Group is as follows:-



	Subsidiary
	Associated company
	Dormant

2. BASIS OF PREPARATION

The consolidated financial statements for the FYEs 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024 are prepared based on the financial statements of the Group.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****2. BASIS OF PREPARATION (CONT'D)**

The consolidated financial statements of the Group are the consolidation of all the audited financial statements of the entities in the Group and have been prepared based on the financial statements for the relevant financial years as follows:

Entities	FYE 2021	FYE 2022	FYE 2023	FYE 2024
The Company	√, #, @	√, #	√, #	√, #
LSH Lighting	√, #, @	√, #	√, #	√, #
Knight Auto	√, #, @	√, #	√, #	√, #
LSHBB	*	√, #, α	√, #	√, #
ASSB	*	*	√, #, α	√, #
LSH Ventures	*	*	√, #, α	√, #
ASES	*	*	√, #, α	√, #
LSH Infra	*	√, #, &	√, #	√, #
LSH Development	*	√, #, &	√, #	√, #
LSH Service Master	*	*	*	√, #, &

* No financial statements are available for these entities for the relevant financial years as these entities are neither acquired nor incorporated.

√ The consolidated financial statements of the Group include the financial statements of these entities for the respective financial years.

The financial statements have been prepared based on the audited financial statements which were audited by Crowe Malaysia PLT and in compliance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. All the financial statements are audited, and auditors' report expressed an unmodified opinion.

@ During FYE 2021, the Company acquired LSH Lighting and Knight Auto using the merger method of accounting.

α The Company acquired LSHBB, ASSB, LSH Ventures and ASES using the acquisition method of accounting during the relevant financial years.

& These entities are incorporated by the Company during the respective financial years.

All material intra-group transactions and balances have been eliminated on consolidation.

The consolidated financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****2. BASIS OF PREPARATION (CONT'D)**

- 2.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group except as follows:-

Amendments to MFRS 101: Disclosure of Accounting

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group has made updates to the accounting policies presented in Note 3 to the consolidated financial statements in line with the amendments.

- 2.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****2. BASIS OF PREPARATION (CONT'D)**

- 2.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)(Cont'd)	Effective Date
Amendments to MFRS 101: Non-current Liabilities with Covenants	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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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 except as follows:-

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group has yet to be assessed.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 5 to the consolidated financial statements.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the consolidated financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(c) Impairment of Investment in an Associate, Property, Plant and Equipment, Investment Properties and Right-of-use Assets**

The Group determines whether investment in an associate, property, plant and equipment, investment properties and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of investment in an associate, property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Note 4, Note 5, Note 6 and Note 7 to the consolidated financial statements respectively.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the consolidated financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 11 and Note 13 to the consolidated financial statements respectively.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 12 to the consolidated financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(g) Revenue Recognition for Construction Contracts**

The Group recognises certain construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The revenue for construction contracts is disclosed in Note 23 to the consolidated financial statements.

(h) Revenue Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and applicable laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists. The revenue from property development is disclosed in Note 23 to the consolidated financial statements.

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group's current tax assets as at the reporting date is Nil (2023 - RM851,012, 2022 - RM469,546 and 2021 - RM328,754) and the carrying amount of the Group's current tax liabilities as at the reporting date is RM8,020,680 (2023 - RM3,512,677, 2022 - RM6,195,832 and 2021 - RM410,197).

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(j) Deferred Tax Assets**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 8 to the consolidated financial statements.

(k) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation proves is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 28 to the consolidated financial statements.

(l) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rate are available or when they need to be adjusted to reflect the terms and condition of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.2 FINANCIAL INSTRUMENTS****(a) Financial Assets**Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial LiabilitiesFinancial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.2 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity**Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

3.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

3.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.5 INVESTMENT IN AN ASSOCIATE**

Investment in an associate is accounted for using the equity method in the consolidated financial statements.

3.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Furniture and fittings	10%
Office equipment	20%
Signboard	20%
Renovation	20%
Motor vehicles	20%
Showroom equipment	20%
Computer and software	20% - 33%
Plant and machinery	10% - 20%
Workshop and equipment and storage racking	10%
Cabin	10%
Tools and equipment	10%
Air-conditioners	10%

3.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Buildings	2%

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****(a) Short-term Leases and Leases of Low-value Assets**

The Group apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

3.9 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.10 PROJECTS-IN-PROGRESS**

Project-in-progress represent costs incurred on projects which are not completed as at the end of the financial year. Projects-in-progress are stated at cost, which includes directly attributable labour costs and an appropriate proportion of directly attributable costs and overheads on such projects. When it is probable that the total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately. The revenue is recognised progressively in profit or loss upon completion of the projects based on delivery of goods and customers' acceptance.

3.11 INVENTORIES**(a) Trading Inventories**

Trading inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase plus other costs incurred in bringing the trading inventories to their present location and condition.

(b) Property development costs

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

The property development costs of unsold units are transferred to unsold completed properties once the development is completed.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****4. INVESTMENT IN AN ASSOCIATE**

	2021	2022	Audited FYE 30 September 2023	2024
	RM	RM	RM	RM
Unquoted shares, at cost:-	-	-	1,390,799	1,390,799
Share of post acquisition profits	-	-	(9,132)	(117,098)
At 30 September	-	-	1,381,667	1,273,701

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership FYE 30 September				Principal Activity
		2021	2022	2023	2024	
		%	%	%	%	

Associate of Astana Setia

Kran World Sdn. Bhd. ("Kran World")	Malaysia	-	-	50	50	Dormant.

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 process was officially lodged in SSM on 15 October 2024. It is not anticipated that the winding-up will not expected to have a material impact to the financial position of the Group.

The Group has recognised its share of results in Kran World Sdn. Bhd. based on the audited financial statement drawn up to most recent reporting date, which is 30 September 2024.

Summarised financial information has not been presented as the associate is not individually material to the Group.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Audited	At 1.10.2020 RM	Additions RM	Disposals RM	Depreciation Charges RM	At 30.9.2021 RM
2021					
<i>Carrying Amount</i>					
Furniture and fittings	55,247	36,000	-	(11,115)	80,132
Office equipment	60,586	24,245	-	(20,572)	64,259
Signboard	2,507	10,450	-	(1,551)	11,406
Renovation	81,739	8,500	-	(26,326)	63,913
Motor vehicles	756,879	75,888	-	(211,306)	621,461
Showroom equipment	3	-	-	-	3
Computer and software	24,776	178,820	-	(34,646)	168,950
Plant and machinery	2,515,196	3,329,228	(13,419)	(436,150)	5,394,855
Workshop equipment and storage racking	122,722	-	-	(35,006)	87,716
Tools and equipment	-	396,866	-	(8,807)	388,059
	3,619,655	4,059,997	(13,419)	(785,479)	6,880,754

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Audited	At 1.10.2021 RM	Acquisition of a subsidiary RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 30.9.2022 RM
2022							
<i>Carrying Amount</i>							
Furniture and fittings	80,132	33,953	256,789	-	-	(30,366)	340,508
Office equipment	64,259	4,671	150,909	-	-	(37,747)	182,092
Signboard	11,406	-	-	-	-	(2,771)	8,635
Renovation	63,913	-	-	-	-	(22,939)	40,974
Motor vehicles	621,461	138,824	1,223,978	(11,450)	-	(385,781)	1,587,032
Showroom equipment	3	-	-	-	-	-	3
Computer and software	168,950	14,141	224,713	-	-	(95,211)	312,593
Plant and machinery	5,394,855	945,951	1,775,593	(18,667)	-	(763,863)	7,333,869
Workshop equipment and storage racking	87,716	-	152,560	-	-	(49,984)	190,292
Cabin	-	4,195	-	-	-	(484)	3,711
Tools and equipment	388,059	-	3,968,385	(62,569)	(56,365)	(281,541)	3,955,969
	6,880,754	1,141,735	7,752,927	(92,686)	(56,365)	(1,670,687)	13,955,678

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Audited	At 1.10.2022 RM	Acquisition of subsidiaries RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 30.9.2023 RM
2023							
<i>Carrying Amount</i>							
Freehold land	-	2,283,313	-	-	-	-	2,283,313
Buildings	-	4,123,889	-	-	-	(22,940)	4,100,949
Furniture and fittings	340,508	41,093	96,998	-	-	(55,240)	423,359
Office equipment	182,092	108,887	91,307	-	-	(72,930)	309,356
Signboard	8,635	-	53,700	-	-	(6,650)	55,685
Renovation	40,974	2,453	326,919	-	-	(57,326)	313,020
Motor vehicles	1,587,032	1,120,627	203,714	-	-	(684,820)	2,226,553
Showroom equipment	3	-	-	-	-	-	3
Computer and software	312,593	125,816	248,868	-	-	(185,197)	502,080
Plant and machinery	7,333,869	372,307	1,182,150	(94,980)	-	(1,122,750)	7,670,596
Workshop equipment and storage racking	190,292	-	53,840	-	-	(51,227)	192,905
Cabin	3,711	112,297	-	-	-	(10,376)	105,632
Tools and equipment	3,955,969	2,956	9,187,263	(32,916)	(910)	(1,313,070)	11,799,292
Air conditioners	-	15,388	-	-	-	(1,899)	13,489
	13,955,678	8,309,026	11,444,759	(127,896)	(910)	(3,584,425)	29,996,232

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.10.2023 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 30.9.2024 RM
Audited						
2024						
<i>Carrying Amount</i>						
Freehold land	2,283,313	-	-	-	-	2,283,313
Buildings	4,100,949	-	-	-	(50,659)	4,050,290
Furniture and fittings	423,359	169,808	-	-	(76,937)	516,230
Office equipment	309,356	100,946	(1,021)	(1)	(112,073)	297,207
Signboard	55,685	-	-	(453)	(13,185)	42,047
Renovation	313,020	133,669	-	-	(92,207)	354,482
Motor vehicles	2,226,553	2,182,031	(2)	-	(981,337)	3,427,245
Showroom equipment	3	-	-	-	-	3
Computer and software	502,080	165,365	-	(2)	(269,016)	398,427
Plant and machinery	7,670,596	1,436,125	-	-	(1,145,678)	7,961,043
Workshop equipment and storage racking	192,905	-	-	-	(30,848)	162,057
Cabin	105,632	-	-	-	(23,282)	82,350
Tools and equipment	11,799,292	1,671,033	-	-	(1,463,799)	12,006,526
Air conditioners	13,489	-	-	-	(4,195)	9,294
	29,996,232	5,858,977	(1,023)	(456)	(4,263,216)	31,590,514

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Audited	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Furniture and fittings	297,909	(217,777)	80,132
Office equipment	328,337	(264,078)	64,259
Signboard	235,481	(224,075)	11,406
Renovation	930,181	(866,268)	63,913
Motor vehicles	2,901,567	(2,280,106)	621,461
Showroom equipment	26,940	(26,937)	3
Computer and software	355,342	(186,392)	168,950
Plant and machinery	6,067,806	(672,951)	5,394,855
Workshop equipment and storage racking	443,725	(356,009)	87,716
Tools and equipment	396,866	(8,807)	388,059
	11,984,154	(5,103,400)	6,880,754
2022			
Furniture and fittings	589,357	(248,849)	340,508
Office equipment	485,233	(303,141)	182,092
Signboard	235,481	(226,846)	8,635
Renovation	930,181	(889,207)	40,974
Motor vehicles	4,242,176	(2,655,144)	1,587,032
Showroom equipment	26,940	(26,937)	3
Computer and software	600,152	(287,559)	312,593
Plant and machinery	8,774,899	(1,441,030)	7,333,869
Workshop equipment and storage racking	596,285	(405,993)	190,292
Cabin	4,840	(1,129)	3,711
Tools and equipment	4,240,855	(284,886)	3,955,969
	20,726,399	(6,770,721)	13,955,678
2023			
Freehold land	2,283,313	-	2,283,313
Buildings	4,123,889	(22,940)	4,100,949
Furniture and fittings	806,812	(383,453)	423,359
Office equipment	835,978	(526,622)	309,356
Signboard	289,181	(233,496)	55,685
Renovation	1,276,899	(963,879)	313,020
Motor vehicles	7,728,848	(5,502,295)	2,226,553
Showroom equipment	26,940	(26,937)	3
Computer and software	1,543,330	(1,041,250)	502,080
Plant and machinery	12,266,084	(4,595,488)	7,670,596
Workshop equipment and storage racking	650,125	(457,220)	192,905
Cabin	232,820	(127,188)	105,632
Tools and equipment	13,460,029	(1,660,737)	11,799,292
Air conditioners	41,952	(28,463)	13,489
	45,566,200	(15,569,968)	29,996,232

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Audited			
2024			
Freehold land	2,283,313	-	2,283,313
Buildings	4,123,889	(73,599)	4,050,290
Furniture and fittings	976,619	(460,389)	516,230
Office equipment	931,941	(634,734)	297,207
Signboard	288,693	(246,646)	42,047
Renovation	1,410,568	(1,056,086)	354,482
Motor vehicles	9,476,964	(6,049,719)	3,427,245
Showroom equipment	26,940	(26,937)	3
Computer and software	1,702,679	(1,304,252)	398,427
Plant and machinery	13,702,209	(5,741,166)	7,961,043
Workshop equipment and storage racking	650,125	(488,068)	162,057
Cabin	232,820	(150,470)	82,350
Tools and equipment	15,131,063	(3,124,537)	12,006,526
Air conditioners	41,952	(32,658)	9,294
	50,979,775	(19,389,261)	31,590,514

- (a) Included in the property, plant and equipment of the Group were motor vehicles and plant and machinery with a total carrying amount of RM2,512,843 (2023 - RM1,063,921, 2022 - RM1,234,619, 2021 - RM355,121) and Nil (2023 - Nil, 2022 - RM828,542, 2021 - RM694,167) held under hire purchase arrangements as disclosed in Note 19 to the consolidated financial statements.
- (b) Included in the property, plant and equipment of the Group were freehold land and building with a total carrying amount of RM1,026,855 (2023 - RM1,041,891, 2022 - Nil, 2021 - Nil) have been pledged to a licensed bank as security for banking facilities granted to the Group.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****6. INVESTMENT PROPERTIES**

		Audited FYE 30 September		
	2021 RM	2022 RM	2023 RM	2024 RM
Cost:-				
At 1 October	-	-	-	3,701,110
Acquisition of subsidiaries	-	-	3,701,110	-
At 30 September	-	-	3,701,110	3,701,110
Accumulated depreciation:-				
At 1 October	-	-	-	(9,086)
Depreciation during the financial year	-	-	(9,086)	(20,903)
At 30 September	-	-	(9,086)	(29,989)
	-	-	3,692,024	3,671,121
Represented by:-				
Freehold land	-	-	2,039,789	2,039,789
Buildings	-	-	1,652,235	1,631,332
At 30 September	-	-	3,692,024	3,671,121
Fair value	-	-	3,850,000	4,090,000

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods of 3 (2023 - ranging from 1 to 3, 2022 - Nil, 2021 - Nil) years and an option that is exercisable by the customers to extend their leases for 3 (2023 - 1, 2022 - Nil, 2021 - Nil) years.

As at the reporting date, the future minimum rental receivables under the non-cancellable operating leases are as follows:-

	Audited FYE 30 September		
	2021 RM	2022 RM	2023 RM
Within 1 year	-	-	14,643
Between 1 and 2 years	-	-	-
	-	-	14,643
	-	-	100,800

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****6. INVESTMENT PROPERTIES (CONT'D)**

- (b) The fair value of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction process for similar properties and are performed by an independent registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

7. RIGHT-OF-USE ASSETS

	At 1.10.2020 RM	Additions RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.9.2021 RM
Audited					
2021					
<i>Carrying Amount</i>					
Retail stores	1,526,611	1,331,710	1,254,180	(838,648)	3,273,853
	At 1.10.2021 RM	Additions RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.9.2022 RM
Audited					
2022					
<i>Carrying Amount</i>					
Retail stores	3,273,853	-	(22,591)	(890,838)	2,360,424
Office	-	871,065	-	(217,766)	653,299
Hostel	-	279,735	-	(44,754)	234,981
	3,273,853	1,150,800	(22,591)	(1,153,358)	3,248,704

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****7. RIGHT-OF-USE ASSETS (CONT'D)**

	At 1.10.2022 RM	Acquisition of subsidiaries RM	Additions RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.9.2023 RM
Audited						
2023						
<i>Carrying Amount</i>						
Retail stores	2,360,424	-	310,371	470,084	(929,489)	2,211,390
Office	653,299	1,624,902	19,390	(281,150)	(791,460)	1,224,981
Hostel	234,981	22,813	49,885	(6,888)	(73,407)	227,384
	<u>3,248,704</u>	<u>1,647,715</u>	<u>379,646</u>	<u>182,046</u>	<u>(1,794,356)</u>	<u>3,663,755</u>

	At 1.10.2023 RM	Additions RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.9.2024 RM
Audited					
2024					
<i>Carrying Amount</i>					
Retail stores	2,211,390	-	(145,145)	(934,931)	1,131,314
Office	1,224,981	-	(4,770)	(598,841)	621,370
Hostel	227,384	31,471	95,614	(171,056)	183,413
	<u>3,663,755</u>	<u>31,471</u>	<u>(54,301)</u>	<u>(1,704,828)</u>	<u>1,936,097</u>

The Group leases various retail stores, offices and hostels of which the leasing activities are summarised below:-

- (i) Retail stores The Group has leased a number of retail stores that run between 1 to 3 (2023 - 1 to 3, 2022 - 1 to 3, 2021 - 1 to 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the retail stores.
- (ii) Office The Group has leased an office that run between 2 to 4 (2023 - 3, 2022 - 3, 2021 - 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the office.
- (iii) Hostels The Group has leased a number of hostels that run between 1 to 4 (2023 - 1 to 4, 2022 - 1 to 4, 2021 - 1 to 4) years, with an option to renew the lease after that date. The Group is not allowed to sublease the hostel.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****8. DEFERRED TAX ASSETS/(LIABILITIES)**

	At 1.10.2020 RM	Recognised in Profit or Loss (Note 26) RM	At 30.9.2021 RM	
Audited				
2021				
Plant and equipment	(222,877)	(603,176)	(826,053)	
Right-of-use assets	(42,470)	56,479	14,009	
Lease liabilities	41,174	292,224	333,398	
	(224,173)	(254,473)	(478,646)	
	At 1.10.2021 RM	Recognised in Profit or Loss (Note 26) RM	Acquisition of a subsidiary RM	At 30.9.2022 RM
Audited				
2022				
Plant and equipment	(826,053)	(463,170)	(173,498)	(1,462,721)
Right-of-use assets	14,009	(161,798)	-	(147,789)
Trade receivables	-	329,929	-	329,929
Lease liabilities	333,398	50,049	39,879	423,326
	(478,646)	(244,990)	(133,619)	(857,255)
	At 1.10.2022 RM	Recognised in Profit or Loss (Note 26) RM	Acquisition of subsidiaries RM	At 30.9.2023 RM
Audited				
2023				
Property, plant and equipment	(1,462,721)	(910,028)	(80,685)	(2,453,434)
Right-of-use assets	(147,789)	(729,598)	-	(877,387)
Trade receivables	329,929	1,672,422	-	2,002,351
Lease liabilities	423,326	560,141	15,313	998,780
Inventories	-	107,180	-	107,180
Contract assets	-	414,370	-	414,370
	(857,255)	1,114,487	(65,372)	191,860

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

	At 1.10.2023 RM	Recognised in Profit or Loss (Note 26) RM	At 30.9.2024 RM
Audited			
2024			
Property, plant and equipment	(2,453,434)	(48,253)	(2,501,687)
Right-of-use assets	(877,387)	250,463	(626,924)
Trade receivables	2,002,351	(1,109,233)	893,118
Lease liabilities	998,780	(299,439)	699,341
Inventories	107,180	1,356,797	1,463,977
Contract assets	414,370	(78,365)	336,005
	191,860	71,970	263,830
		Audited	
		FYE 30 September	
	2021	2022	2023
	RM	RM	RM
Represented by:			
Deferred tax assets	-	265,446	1,924,098
Deferred tax liabilities	(478,646)	(1,122,701)	(1,732,238)
	(478,646)	(857,255)	191,860
			263,830

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****9. GOODWILL**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Cost:-				
At 1 October	-	-	-	148,967,108
Acquisition of subsidiaries (Note 28)	-	-	148,967,108	-
At 30 September	-	-	148,967,108	148,967,108

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Building construction contractor and property development	-	-	148,967,108	148,967,108

The Group has assessed the recoverable amount of goodwill allocated and determined that no impairment is required. The recoverable amounts of cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

(i) Budgeted gross margins	Average gross margin achieved in the 5 (2023 - 5, 2022 - Nil, 2021 - Nil) years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(ii) Growth rates	Based on the expected projection of the building construction contractor and property development.
(iii) Discount rates (pre-tax)	The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****10. INVENTORIES**

			Audited FYE 30 September		
	Note	2021 RM	2022 RM	2023 RM	2024 RM
Trading inventories	(a)	9,849,002	12,220,943	11,478,032	9,798,350
Property development costs	(b)	-	-	156,098,765	161,935,253
		<u>9,849,002</u>	<u>12,220,943</u>	<u>167,576,797</u>	<u>171,733,603</u>
 (a) Trading inventories					
			Audited FYE 30 September		
		2021 RM	2022 RM	2023 RM	2024 RM
Goods-in-transit		-	-	332,468	8,594
Finished goods		9,849,002	12,220,943	11,145,564	9,789,756
		<u>9,849,002</u>	<u>12,220,943</u>	<u>11,478,032</u>	<u>9,798,350</u>
 Recognised in profit or loss:-					
Inventories recognised as cost of sales		11,984,632	13,420,811	14,349,316	17,430,727
Inventories written down		146,005	80,610	405,956	1,299
Reversal of inventories previously written down		(274,891)	(67,963)	(80,610)	(57,697)

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****10. INVENTORIES (CONT'D)****(b) Property development costs**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
At 1 October:				
- leasehold land	-	-	-	138,882,701
- property development costs	-	-	-	17,216,064
	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,098,765</u>
Cost incurred during the financial year:				
- acquisition of subsidiaries	-	-	152,470,795	-
- property development costs	-	-	14,391,272	39,598,227
- recognised as an expense in profit or loss	-	-	(10,763,302)	(33,761,739)
	<u>-</u>	<u>-</u>	<u>156,098,765</u>	<u>5,836,488</u>
At 30 September	<u>-</u>	<u>-</u>	<u>156,098,765</u>	<u>161,935,253</u>
Represented by:-				
Leasehold land	-	-	138,882,701	138,882,701
Property development costs	-	-	17,216,064	23,052,552
	<u>-</u>	<u>-</u>	<u>156,098,765</u>	<u>161,935,253</u>

- (i) Property development costs with a total carrying amount of RM30,512,522 (2023 - RM38,161,068, 2022 - Nil, 2021 - Nil) has been pledged to licensed banks as securities for banking facilities granted to Group.
- (ii) Property development costs recognised as an expense in cost of sales during the financial year was RM33,761,739 (2023 - RM10,763,302, 2022 - Nil, 2021 - Nil).

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****11. TRADE RECEIVABLES**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Trade receivables:				
- third parties	13,482,725	9,198,711	16,515,697	30,774,413
- amount owing by ultimate holding company	-	2,400	75,889	3,924,564
- related parties	1,851,812	37,795,348	75,188,264	59,118,069
- related companies	12,469,633	21,508,891	-	-
	<u>27,804,170</u>	<u>68,505,350</u>	<u>91,779,850</u>	<u>93,817,046</u>
Loss allowance on trade receivables	(14,705)	(2,027,738)	(8,343,126)	(3,482,569)
	<u>27,789,465</u>	<u>66,477,612</u>	<u>83,436,724</u>	<u>90,334,477</u>
Unbilled receivables	1,467,430	56,472	31,585,370	8,846,089
	<u>29,256,895</u>	<u>66,534,084</u>	<u>115,022,094</u>	<u>99,180,566</u>
Loss allowance on trade receivables:-				
At 1 October	14,705	14,705	2,027,738	8,343,126
Acquisition of subsidiaries	-	-	3,437,218	-
Addition during the financial year	-	2,013,033	2,878,170	353,850
Reversal during the financial year	-	-	-	(5,214,407)
At 30 September	<u>14,705</u>	<u>2,027,738</u>	<u>8,343,126</u>	<u>3,482,569</u>

(a) The Group's normal trade credit terms range from 30 to 90 (2023 - 30 to 90, 2022 - 30 to 90, 2021 - 30 to 90) days.

(b) Included in the trade receivables are retention sums totalling RM24,624,971 (2023 - RM32,136,169, 2022 - RM14,411,780, 2021 - RM891,569). These retention sums are expected to be collected within the periods ranging from 12 to 18 (2023 - 12 to 18, 2022 - 12 to 18, 2021 - 12 to 18) months.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Other receivables:				
- third parties	5,251	673,583	4,887,969	1,726,058
- related parties	2,021	-	-	-
- ultimate holding company	16,112	16,311	16,471	16,416
- immediate holding company	-	7,500	14,035	7,500
	23,384	697,394	4,918,475	1,749,974
Loss allowance on other receivables	-	-	-	(677,547)
	23,384	697,394	4,918,475	1,072,427
Deposits	765,496	1,180,150	8,718,063	1,367,334
Prepayments	124,179	2,521,895	4,400,355	6,027,716
	913,059	4,399,439	18,036,893	8,467,477
Loss allowance on other receivables:-				
At 1 October	-	-	-	-
Addition during the financial year	-	-	-	677,547
At 30 September	-	-	-	677,547

The amount owing by related parties, ultimate holding company and immediate holding company are unsecured, interest-free, payment on behalf and are repayable on demand. The amounts owing are to be settled in cash.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****13. CONTRACT ASSETS/(CONTRACT LIABILITIES)**

			Audited FYE 30 September		
	Note	2021 RM	2022 RM	2023 RM	2024 RM
Contract Assets					
Contract assets		222,298	8,637,683	71,136,919	125,397,013
Loss allowance on contract assets		-	-	(1,726,541)	(1,547,540)
	(a)	<u>222,298</u>	<u>8,637,683</u>	<u>69,410,378</u>	<u>123,849,473</u>
Loss allowance on contract assets:-					
At 1 October		-	-	-	1,726,541
Addition during the financial year		-	-	1,726,541	410,767
Reversal during the financial year		-	-	-	(589,768)
At 30 September		<u>-</u>	<u>-</u>	<u>1,726,541</u>	<u>1,547,540</u>
Contract Liabilities					
Contract liabilities	(a)	<u>(15,495)</u>	<u>(16,948,352)</u>	<u>(22,133,460)</u>	<u>(33,503,750)</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****13. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)**

- (a) The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the construction activities and property development:-

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Aggregate costs incurred to date	762,425	106,672,019	746,286,913	768,091,973
Attributable profits on contract works performed to date	232,221	43,372,818	183,044,246	337,673,184
	994,646	150,044,837	929,331,159	1,105,765,157
Progress billings	(787,843)	(158,355,506)	(873,470,915)	(1,007,967,834)
Advances received	-	-	(6,856,785)	(5,904,060)
Loss allowance on contract assets	-	-	(1,726,541)	(1,547,540)
	206,803	(8,310,669)	47,276,918	90,345,723
Represented by:-				
Contract assets	222,298	8,637,683	69,410,378	123,849,473
Contract liabilities	(15,495)	(16,948,352)	(22,133,460)	(33,503,750)
	206,803	(8,310,669)	47,276,918	90,345,723

- (b) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied or partially unsatisfied as at the reporting date is summarised below:-

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Within 1 year	4,165,842	360,718,088	308,084,772	272,851,360
Between 2 to 5 years	12,645,039	481,158,551	627,497,774	345,771,310
More than 5 years	-	4,395,633	-	-
	16,810,881	846,272,272	935,582,546	618,622,670

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****14. FIXED DEPOSITS WITH LICENSED BANKS**

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 3.50% (2023 - 2.00% to 3.55%, 2022 - 2.00% to 2.30%, 2021 - 1.50%) per annum. The fixed deposits have maturity periods of 1 (2023 - 1 to 3, 2022 - 1 to 6, 2021 - 1) months.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM8,445,354 (2023 - RM8,098,328, 2022 - RM12,246,877, 2021 - RM4,609,148) which has been pledged to a licensed bank as a security for banking facilities granted to the Group.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. SHARE CAPITAL

	2021	Audited FYE 30 September 2022	2023 Number of shares	2024	2021 RM	Audited FYE 30 September 2022	2023 RM	2024 RM
Issued and Fully Paid-Up								
Ordinary Shares								
At beginning of the year	8	355,045,293	356,045,293	706,360,208	8	36,580,324	37,000,324	334,768,002
Allotment of shares:								
- acquisition of subsidiaries and debt settlement	319,185,710	-	350,314,915	-	31,918,571	-	297,767,678	-
- listing of the Company on the LEAP	35,859,575	-	-	-	4,661,745	-	-	-
- issuance of new shares for cash	-	1,000,000	-	-	-	420,000	-	-
	355,045,285	1,000,000	350,314,915	-	36,580,316	420,000	297,767,678	-
	355,045,293	356,045,293	706,360,208	706,360,208	36,580,324	37,000,324	334,768,002	334,768,002

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****15. SHARE CAPITAL (CONT'D)**

During the FYE 30 September 2023,

- (i) An issuance of 211,111,111 new ordinary shares at the fair value of RM0.85 each for a purchase consideration of RM179,444,445, as at the completion date i.e. 17 April 2023, for the acquisition of entire equity interest of a subsidiary, namely ASSB. For information, the share sale agreement for the acquisition was signed on 28 March 2022, for the purchase consideration of RM95,000,000 satisfied by the issuance of 211,111,111 new ordinary shares at the issue price of RM0.45 each, which represents a premium over the last closing price and volume weighted average price of the Company as the closing price as at 25 March 2022.
- (ii) An issuance of 139,203,804 new ordinary shares at the fair value of RM0.85 each for a total consideration of RM118,323,233, as at the completion date i.e. 17 April 2023, for the acquisition of entire equity interest in a subsidiary, namely LSH Ventures, and debt settlement. For information, the amended and restated debt settlement and share subscription agreement for the acquisition and debt settlement was signed on 20 February 2023, for a total consideration of RM62,641,712 satisfied by the issuance of 139,203,804 new ordinary shares at the issue price of RM0.45 each.

During the FYE 30 September 2022,

On 27 May 2022, an issuance of 1,000,000 new ordinary shares to Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob for a total cash consideration of RM420,000.

During the FYE 30 September 2021,

- (i) On 11 November 2020, the Company was incorporated with a total paid-up share capital of RM8 comprising 8 ordinary shares.
- (ii) On 6 January 2021, an issuance of 221,334,950 new ordinary share for a total consideration of RM22,133,495 as full payment for acquisition of the subsidiary, LSH Lighting.
- (iii) On 6 January 2021, an issuance of 97,850,760 new ordinary shares for a total consideration of RM9,785,076 as full payment for the acquisition of the subsidiary, Knight Auto.
- (iv) On 6 May 2021, an issuance of 35,859,575 new ordinary shares to the pre-listing investors for a total cash consideration of RM4,661,745.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

16. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation under the merger accounting principles.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****17. TERM LOANS**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Current liabilities	66,050	68,399	1,983,523	17,469,387
Non-current liabilities	422,509	354,453	7,379,594	8,729,349
	488,559	422,852	9,363,117	26,198,736

- (a) The term loans at the end of the reporting period bore an interest rate of 1.94% - 7.75% (2023 - 5.66%, 2022 - 3.50%, 2021 - 3.50%) per annum.
- (b) Included in the term loans are terms loans provided by the ultimate holding company totalling RM12,383,289 (2023 - RM9,363,117, 2022 - Nil, 2021 - Nil).
- (c) Certain term loans of the Group totalling RM13,815,447 (2023 - Nil, 2022 - Nil, 2021 - Nil) are secured by property development costs as disclosed in Note 10(b) of the financial statements.

18. LEASE LIABILITIES

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
At 1 October	1,644,674	3,339,097	3,657,550	4,161,433
Acquisition of subsidiaries	-	-	1,484,394	-
Additions	1,331,710	1,150,800	379,646	31,471
Interest expense recognise in profit or loss	78,558	150,559	191,466	136,309
Repayment of principal	(879,142)	(741,061)	(1,540,907)	(1,893,946)
Repayment of interest expense	(78,558)	(150,559)	(191,466)	(136,309)
Change due to reassessment of lease term	1,241,855	(91,286)	180,750	(77,863)
At 30 September	3,339,097	3,657,550	4,161,433	2,221,095
Analysed by:-				
Current liabilities	868,323	1,224,326	2,037,234	1,788,718
Non-current liabilities	2,470,774	2,433,224	2,124,199	432,377
	3,339,097	3,657,550	4,161,433	2,221,095

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****19. HIRE PURCHASE PAYABLES**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Minimum hire purchase payments:				
- not later than 1 year	377,039	650,711	972,324	568,133
- later than 1 year and not later than 5 years	367,575	555,423	550,827	1,266,929
	744,614	1,206,134	1,523,151	1,835,062
Less: Future finance charges	(36,750)	(73,510)	(75,163)	(145,941)
Present value of hire purchase payables	707,864	1,132,624	1,447,988	1,689,121
Analysed by:-				
Current liabilities	350,066	608,909	928,443	503,755
Non-current liabilities	357,798	523,715	519,545	1,185,366
	707,864	1,132,624	1,447,988	1,689,121

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles and plant and machinery under finance lease as disclosed in Note 5 to the consolidated financial statements. The hire purchase arrangements are expiring from 3 to 59 (2023 - 4 to 50, 2022 - 11 to 51, 2021 - 23 to 24) months.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 3.99% to 5.27% (2023 - 3.78% to 5.91%, 2022 - 3.99% to 7.40%, 2021 - 7.40%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

20. TRADE PAYABLES

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Trade payables:				
- third parties	6,959,518	17,509,003	80,322,794	59,789,156
- related parties	432,671	793,678	3,885,550	3,887,121
- an associate	-	-	481,315	481,315
- related companies	450	2,099,215	-	-
	7,392,639	20,401,896	84,689,659	64,157,592

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****20. TRADE PAYABLES (CONT'D)**

- (a) The normal trade credit term granted to the Group range from 30 to 90 (2023 - 30 to 90, 2022 - 30 to 90, 2021 - 30 to 90) days.
- (b) Included in trade payables are retention sum payables totaling RM19,435,194 (2023 - RM15,665,526, 2022 - RM4,255,303, 2021 - RM933,843). The retention sums are expected to be settled within the periods ranging from 12 to 18 (2023 - 12 to 18, 2022 - 12 to 18, 2021 - 12 to 18) months.

21. OTHER PAYABLES AND ACCRUALS

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Other payables:				
- third parties	441,762	472,140	3,214,145	4,688,782
- ultimate holding company	-	6,777	4,246,641	659
- related parties	2,459	314,713	67,498	55,678
- an associate	-	-	600,000	786,598
	444,221	793,630	8,128,284	5,531,717
Accruals	413,003	271,734	469,220	1,026,094
Deposits	602,697	22,049,789	29,922,861	10,208,827
	<u>1,459,921</u>	<u>23,115,153</u>	<u>38,520,365</u>	<u>16,766,638</u>

- (a) Included in other payables is an amount of RM1,255,594 (2023 - RM849,390, 2022 - Nil, 2021 - Nil) being advances received from customers.
- (b) The amounts owing to ultimate holding company, related parties and an associate are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

22. BANKERS' ACCEPTANCES

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Bankers' acceptances	<u>8,456,677</u>	<u>2,224,000</u>	<u>3,230,000</u>	<u>12,098,597</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****22. BANKERS' ACCEPTANCES (CONT'D)**

- (a) The bankers' acceptances bore effective interest rates ranging from 3.66% to 5.20% (2023 - 6.85%, 2022 - 4.40% to 4.89%, 2021 - 3.09% to 4.04%) per annum at the end of the reporting period.
- (b) The bankers' acceptances are secured by:-
- (i) corporate guarantees by the Company and the ultimate holding company;
 - (ii) joint and several guarantees of certain directors of the Company; and
 - (iii) a fixed deposit pledged to a licensed bank as disclosed in Note 14 to the consolidated financial statements.

23. REVENUE

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Construction contracts	547,645	98,982,238	258,484,808	204,354,467
Construction services	-	10,164,706	9,920,551	6,866,098
Rental of machineries	11,123,993	9,160,984	14,821,035	18,183,505
Property development	-	-	13,930,728	72,353,851
Others	-	-	-	856,842
	11,671,638	118,307,928	297,157,122	302,614,763
<u>Recognised at a point in time</u>				
Sales of goods	55,744,296	47,558,541	60,597,670	58,790,416
	<u>67,415,934</u>	<u>165,866,469</u>	<u>357,754,792</u>	<u>361,405,179</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****23. REVENUE (CONT'D)**

- (a) The revenue of the Group is derived entirely in Malaysia.
- (b) The information on transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date is disclosed in Note 13(b) to the consolidated financial statements.
- (c) The information about the performance obligations in contracts with customers is summarised below:-

Construction contracts

The construction contracts include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the expected cost plus a margin approach.

Revenue from construction contracts is recognised over time in the period when the services are rendered using the input method, determine based the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

Billings to customers are based on agreed milestones under the agreement, certified by architects. The credit period is 30 to 90 days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms not exceeding 12 months.

A defect liability period of 12 to 24 months is given to the customers.

Construction services

Construction services income is recognised over time in the period when services are rendered.

The credit period is 90 days from the invoice date. There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

There is no warranty provided to the customers on the services rendered.

Rental of machinery

Rental of machinery is recognised on a straight-line method basis over the lease term.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****23. REVENUE (CONT'D)**

- (c) The information about the performance obligations in contracts with customers is summarised below (Cont'd):-

Sale of Residential Properties under Construction

Billings to customers are based on agreed milestones under the contracts, certified by architects. The credit period is 30 days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 24 months is given to the customers.

Sale of Goods

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

Some sale contracts allow the customers to return the goods within a specified period. The Group uses the expected value method to estimate goods that will not be returned in arriving at the amount of revenue. There is no material warranty provided to the customers on the sale of goods.

24. (LOSS ALLOWANCE)/REVERSAL OF LOSS ALLOWANCE ON FINANCIAL ASSETS AND CONTRACT ASSETS

		Audited		
		FYE 30 September		
	2021	2022	2023	2024
	RM	RM	RM	RM
Loss allowance:				
- trade receivables	-	(2,013,033)	(2,878,170)	(353,850)
- contract assets	-	-	(1,726,541)	(410,767)
- other receivables	-	-	-	(677,547)
Reversal of loss allowance:				
- trade receivables	-	-	-	5,214,407
- contract assets	-	-	-	589,768
	<u>-</u>	<u>(2,013,033)</u>	<u>(4,604,711)</u>	<u>4,362,011</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****25. PROFIT BEFORE TAXATION**

	2021	Audited FYE 30 September 2022	2023	2024
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- statutory audit	90,000	156,000	265,000	404,000
- non-statutory audit	-	183,000	-	480,000
- non-audit fees:				
- auditors of the Company	-	-	-	398,000
- member firms of the auditors of the Company	-	-	-	404,000
Material Expenses/(Income)				
Amortisation of intangible assets	-	-	303,078	151,539
Depreciation:				
- property, plant and equipment	785,479	1,670,687	3,584,425	4,263,216
- investment properties	-	-	9,086	20,903
- right-of-use assets	838,648	1,153,358	1,794,356	1,704,828
Interest expense:				
- bankers' acceptances	99,917	57,851	59,668	546,786
- bank overdrafts	5,512	8,340	180,323	416,237
- lease liabilities	78,558	150,559	191,466	136,309
- hire purchase	1,032	58,761	79,606	63,588
- term loans	15,839	16,133	546,010	1,139,828
- others	-	-	51,113	128,402
Listing expenses	995,772	12,000	16,000	63,300
Staff costs (including other key management personnel as disclosed in Note 31):				
- short-term employee benefits	3,382,104	6,942,066	14,162,690	21,650,390
- defined contribution benefits	371,399	730,189	1,568,172	1,801,257
Property, plant and equipment written off	-	56,365	910	456
Realised loss/(gain) on foreign exchange	7,548	3,026	(3,431)	3,383
COVID-19 related subsidies from government	(9,600)	(93,040)	-	-

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****25. PROFIT BEFORE TAXATION (CONT'D)**

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Gain on disposal of property, plant and equipment	(580)	(10,974)	(94,270)	(37,679)
Gain on remeasurement of lease liabilities	(12,325)	(68,695)	(1,296)	(23,562)
Gain on acquisition in a subsidiary	-	(1,018,959)	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(129,233)	(243,831)	(428,319)	(241,056)
- others	(35,888)	(22,469)	(30,223)	(34,536)

26. INCOME TAX EXPENSE

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Current tax:				
- current financial year	2,619,876	13,308,926	18,275,263	22,831,270
- under/(over) provision in the previous financial year	60,417	(299,577)	(320,444)	701,046
	<u>2,680,293</u>	<u>13,009,349</u>	<u>17,954,819</u>	<u>23,532,316</u>
Deferred tax (Note 8):				
- current financial year	258,294	100,529	(383,394)	953,172
- (over)/under provision in the previous year	(3,821)	144,461	(731,093)	(1,025,142)
	<u>254,473</u>	<u>244,990</u>	<u>(1,114,487)</u>	<u>(71,970)</u>
	<u>2,934,766</u>	<u>13,254,339</u>	<u>16,840,332</u>	<u>23,460,346</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****26. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of the income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:-

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Profit before taxation	10,865,010	55,066,165	75,723,577	97,743,634
Tax at the statutory tax rate of 24%	2,607,603	13,215,880	18,173,658	23,458,472
Tax effects of:-				
Non-deductible expenses	270,567	438,125	629,063	1,644,478
Non-taxable income	-	(244,550)	(187,680)	-
Utilisation of deferred tax assets previously not recognised	-	-	(723,172)	(1,318,508)
Under/(Over) provision of current tax in the previous financial year	60,417	(299,577)	(320,444)	701,046
(Over)/Underprovision of deferred tax in the previous financial year	(3,821)	144,461	(731,093)	(1,025,142)
Income tax expense for the financial year	2,934,766	13,254,339	16,840,332	23,460,346

The domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%, 2022 - 24%, 2021 - 24%) on the estimated assessable profit for the financial year.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Other deductible temporary difference	-	3,013,217	5,493,783	-

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****27. EARNINGS PER SHARE****(a) Basic Earnings Per Share**

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Profit after taxation for the financial year attributable to owners of the Company	7,930,244	41,811,816	58,887,797	74,330,874
Weighted average number of ordinary shares in issue	333,726,039	355,393,238	514,406,830	706,360,208
Basic earnings per shares (Sen)	2.38	11.76	11.45	10.52

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. ACQUISITION OF SUBSIDIARIES**

On 28 June 2024, LSHBB, a wholly-owned subsidiary of the Company subscribed 70% equity interest in LSH Service Master Sdn. Bhd. ("LSH Service Master"), being 700 ordinary shares. The entity was formed to carry out the operations and maintenance management of the Kuala Lumpur Tower, the terms of the concession agreement still in the midst of negotiation as at the date of this report.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	Audited 2024 RM
LSH Service Master Sdn. Bhd.	
Purchase consideration settled in cash and cash equivalents	700
Less: Cash and cash equivalents of subsidiary acquired	(1,000)
Net cash inflow from the acquisition of LSH Service Master Sdn. Bhd	300

During the FYE 30 September 2023:-

- (i) the Company completed the acquisition of the entire equity interest in ASSB following the issuance of 211,111,111 new ordinary shares in the Company at the fair value of RM0.85 each for a purchase consideration of RM179,444,445, as at the completion date i.e. 17 April 2023.

For information, the share sale agreement for the acquisition of ASSB was signed on 28 March 2022, for the purchase consideration of RM95,000,000 satisfied by the issuance of 211,111,111 new ordinary shares at the issue price of RM0.45 each; and

- (ii) the Company completed the acquisition of the entire equity interest in LSH Ventures as well as the debt settlement following the issuance of 139,203,804 new ordinary shares in the Company at the fair value of RM0.85 each for a total consideration of RM118,323,233, as at the completion date i.e. 17 April 2023.

For information, the amended and restated debt settlement and share subscription agreement for the acquisition of LSH Ventures and debt settlement was signed on 20 February 2023, for a total consideration of RM62,641,712 satisfied by the issuance of 139,203,804 new ordinary shares at the issue price of RM0.45 each.

During the FYE 30 September 2022, the Company acquired entire equity interest in LSHBB for a cash consideration of RM3,500,000.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. ACQUISITION OF SUBSIDIARIES (CONT'D)**

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	Audited 2023 RM
ASSB	
Property and equipment	1,901,824
Investment properties	1,661,321
Rights-of-use assets	1,647,715
Investment in an associate	1,390,799
Property development cost	38,161,068
Trade receivables, other receivables and contract assets	60,475,847
Current tax assets	1,952,748
Cash and bank balances	3,007,125
Bank overdraft	(11,752,275)
Trade payables, other payables and contract liabilities	(39,477,548)
Lease liabilities	(1,484,394)
Borrowings	(26,941,521)
Deferred tax liabilities	(65,372)
Net identifiable assets acquired	30,477,337
Add: Goodwill on acquisition (Note 9)	148,967,108
Total purchase consideration, settled by shares	179,444,445
Net cash outflow from the acquisition of ASSB	(8,745,150)
LSH Ventures	
Property, plant and equipment	6,407,202
Investment properties	2,039,789
Property development cost	114,309,727
Trade receivables, other receivables and contract assets	865,039
Cash and bank balances	62,682
Trade payables, other payables and contract liabilities	(42,228,958)
Current tax liabilities	(14,496)
Net identifiable assets acquired	81,440,985
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	(60,397)
Total purchase consideration, settled by shares	81,380,588
Net cash inflow from the acquisition of LSH Ventures	62,682

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. ACQUISITION OF SUBSIDIARIES (CONT'D)**

	Audited 2022 RM
LSHBB	
Equipment	1,141,735
Intangible assets	757,697
Trade receivables, other receivables and contract assets	36,450,831
Current tax assets	102,669
Cash and bank balances	14,431
Trade payables, other payables and contract liabilities	(33,774,063)
Borrowings	(40,722)
Deferred tax liabilities	(133,619)
Net identifiable assets acquired	4,518,959
Less: Gain on acquisition	(1,018,959)
Total purchase consideration, settled by cash	3,500,000
Less: Cash and bank balances of subsidiary acquired	(14,431)
Net cash outflow from the acquisition of LSHBB	3,485,569

- (a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary, its future market development as well as a customer list. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purposes.
- (b) During the FYE 30 September 2023, ASSB has contributed revenue of RM56,155,708 and profit after taxation of RM14,259,479 to the Group since the date of acquisition. LSH Ventures has contributed revenue of 108,667 and profit after taxation of RM 69,868 to the Group since the date of acquisition.
- If the acquisition of ASSB and LSH Ventures was effective at the beginning of the FYE 30 September 2023, the Group's revenue and profit after taxation for the current financial year would have been RM354,475,042 and RM53,688,069 respectively.
- (c) During the FYE 30 September 2022, LSHBB has contributed revenue of RM109,146,944 and profit after taxation of RM32,650,154 to the Group since the date of acquisition.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****29. DIVIDENDS**

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
<u>In respect of the FYE 30 September 2021</u>				
A final single tier dividend of 0.66 sen per ordinary share, paid on 15 April 2022	-	2,343,299	-	-
<u>In respect of the FYE 30 September 2022</u>				
A first interim single tier dividend 1.05 sen per ordinary share, paid on 28 June 2022	-	3,738,476	-	-
A second interim single tier dividend of 2.35 sen per ordinary share, paid on 28 December 2022	-	-	8,367,064	-
A final single tier dividend of 0.13 sen per ordinary share, paid on 17 April 2023	-	-	462,859	-
<u>In respect of the FYE 30 September 2023</u>				
A first interim single tier dividend of 0.92 sen per ordinary share, paid on 16 June 2023	-	-	6,498,514	-
A second interim single tier dividend of 1.59 sen per ordinary share, paid on 20 December 2023	-	-	-	11,231,127
<u>In respect of the FYE 30 September 2024</u>				
A first interim single tier dividend of 1.22 sen per ordinary share, paid on 12 July 2024	-	-	-	8,617,595
	<u>-</u>	<u>6,081,775</u>	<u>15,328,437</u>	<u>19,848,722</u>

On 25 November 2024, the Company declared an interim dividend of 1.94 sen per ordinary share amounting to RM13,703,388 in respect of the current financial year, payable on 13 December 2024, to shareholders whose names appeared in the record of depositors on 3 December 2024. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 September 2025.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION**

(a) The reconciliation of liability arising from financing activities are as follows:-

	Term Loans RM	Bankers' Acceptances RM	Lease Liabilities RM	Hire Purchase RM	Total RM
Audited					
2021					
At 1 October	-	-	1,644,674	396,707	2,041,381
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	500,000	8,456,677	-	-	8,956,677
Repayment of principal	(11,441)	-	(879,142)	(178,843)	(1,069,426)
Repayment of interests	(15,839)	(99,917)	(78,558)	(1,032)	(195,346)
	472,720	8,356,760	(957,700)	(179,875)	7,691,905
<u>Non-cash Changes</u>					
Acquisition of new hire purchase (Note 30(b))	-	-	-	490,000	490,000
Acquisition of new leases (Note 30(b))	-	-	1,331,710	-	1,331,710
Reassessment of leases (Note 18)	-	-	1,241,855	-	1,241,855
Interest expense recognised in profit or loss	15,839	99,917	78,558	1,032	195,346
	15,839	99,917	2,652,123	491,032	3,258,911
At 30 September	488,559	8,456,677	3,339,097	707,864	12,992,197

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliation of liability arising from financing activities are as follows (Cont'd):-

	Term Loans RM	Bankers' Acceptances RM	Lease Liabilities RM	Hire Purchase RM	Total RM
Audited					
2022					
At 1 October	488,559	8,456,677	3,339,097	707,864	12,992,197
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	5,944,000	-	-	5,944,000
Repayment of principal	(65,707)	(12,176,677)	(741,061)	(536,617)	(13,520,062)
Repayment of interests	(16,133)	(57,851)	(150,559)	(58,761)	(283,304)
	(81,840)	(6,290,528)	(891,620)	(595,378)	(7,859,366)
<u>Non-cash Changes</u>					
Acquisition of a subsidiary	-	-	-	40,722	40,722
Acquisition of new hire purchase (Note 30(b))	-	-	-	920,655	920,655
Acquisition of new leases (Note 30(b))	-	-	1,150,800	-	1,150,800
Reassessment of leases (Note 18)	-	-	(91,286)	-	(91,286)
Interest expense recognised in profit or loss	16,133	57,851	150,559	58,761	283,304
	16,133	57,851	1,210,073	1,020,138	2,304,195
At 30 September	422,852	2,224,000	3,657,550	1,132,624	7,437,026

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliation of liability arising from financing activities are as follows (Cont'd):-

	Term Loans RM	Bankers' Acceptances RM	Lease Liabilities RM	Hire Purchase RM	Total RM
Audited					
2023					
At 1 October	422,852	2,224,000	3,657,550	1,132,624	7,437,026
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	10,166,245	3,230,000	-	-	13,396,245
Repayment of principal	(26,494,786)	(2,224,000)	(1,540,907)	(1,357,352)	(31,617,045)
Repayment of interests	(546,010)	(59,668)	(191,466)	(79,606)	(876,750)
	(16,874,551)	946,332	(1,732,373)	(1,436,958)	(19,097,550)
<u>Non-cash Changes</u>					
Acquisition of subsidiaries	25,268,806	-	1,484,394	1,672,716	28,425,916
Acquisition of new leases (Note 30(b))	-	-	379,646	-	379,646
Reassessment of leases (Note 18)	-	-	180,750	-	180,750
Interest expense recognised in profit or loss	546,010	59,668	191,466	79,606	876,750
	25,814,816	59,668	2,236,256	1,752,322	29,863,062
At 30 September	9,363,117	3,230,000	4,161,433	1,447,988	18,202,538

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliation of liability arising from financing activities are as follows (Cont'd):-

	Term Loans RM	Bankers' Acceptances RM	Lease Liabilities RM	Hire Purchase RM	Total RM
Audited					
2024					
At 1 October	9,363,117	3,230,000	4,161,433	1,447,988	18,202,538
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	49,768,421	30,371,000	-	1,318,500	81,457,921
Repayment of principal	(33,192,212)	(21,550,000)	(1,893,946)	(1,077,367)	(57,713,525)
Repayment of interests	(880,418)	(499,189)	(136,309)	(63,588)	(1,579,504)
	15,695,791	8,321,811	(2,030,255)	177,545	22,164,892
<u>Non-cash Changes</u>					
Acquisition of new leases (Note 30(b))	-	-	31,471	-	31,471
Reassessment of leases (Note 18)	-	-	(77,863)	-	(77,863)
Interest expense recognised in profit or loss	1,139,828	546,786	136,309	63,588	1,886,511
	1,139,828	546,786	89,917	63,588	1,840,119
At 30 September	26,198,736	12,098,597	2,221,095	1,689,121	42,207,549

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION (CONT'D)**

- (b) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use asset is as follows:-

	Audited			
	FYE 30 September			
	2021	2022	2023	2024
	RM	RM	RM	RM
Property, plant and equipment				
Cost of property, plant and equipment purchased	4,059,997	7,752,927	11,444,759	5,858,977
Less: Acquired through hire purchase arrangements (Note 30(a))	(490,000)	(920,655)	-	-
Less: Addition of new hire purchase (Note 30(a))	-	-	-	(1,318,500)
	<u>3,569,997</u>	<u>6,832,272</u>	<u>11,444,759</u>	<u>4,540,477</u>
Right-of-use assets				
Cost of right-of-use assets acquired	1,331,710	1,150,800	379,646	31,471
Less: Addition of new lease liabilities (Note 30(a))	(1,331,710)	(1,150,800)	(379,646)	(31,471)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (c) The total cash outflows for leases as a lessee are as follows:-

	Audited			
	FYE 30 September			
	2021	2022	2023	2024
	RM	RM	RM	RM
Payment of lease liabilities	879,142	741,061	1,540,907	1,893,946
Interest paid on lease liabilities	78,558	150,559	191,466	136,309
	<u>957,700</u>	<u>891,620</u>	<u>1,732,373</u>	<u>2,030,255</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. CASH FLOW INFORMATION (CONT'D)**

(d) The cash and cash equivalents comprise the following:-

	2021	Audited FYE 30 September		2024
	RM	2022	2023	RM
		RM	RM	
Fixed deposits with licensed banks	4,609,148	16,166,877	14,823,474	8,595,354
Cash and bank balances	10,765,896	28,049,027	13,874,284	40,142,649
	<u>15,375,044</u>	<u>44,215,904</u>	<u>28,697,758</u>	<u>48,738,003</u>
Less: Fixed deposits pledged to licensed banks	(4,609,148)	(12,246,877)	(8,098,328)	(8,445,354)
Less: Fixed deposits with tenure more than 3 months	-	(2,000,000)	-	-
	<u>10,765,896</u>	<u>29,969,027</u>	<u>20,599,430</u>	<u>40,292,649</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****31. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group include directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	2021 RM	Audited FYE 30 September		2024 RM
		2022 RM	2023 RM	
Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	-	300,000	300,000	410,573
- salaries, bonuses and other benefits	612,924	2,478,519	4,739,611	3,827,221
Defined contribution benefits	72,000	293,232	550,854	441,105
	<u>684,924</u>	<u>3,071,751</u>	<u>5,590,465</u>	<u>4,678,899</u>
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	-	-	20,000	7,500
- salaries, bonuses and other benefits	-	312,041	540,329	350,698
Defined contribution benefits	-	35,940	61,620	39,838
	<u>-</u>	<u>347,981</u>	<u>621,949</u>	<u>398,036</u>
Total directors' remuneration	<u>684,924</u>	<u>3,419,732</u>	<u>6,212,414</u>	<u>5,076,935</u>
<u>Other Key Management Personnel</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	531,835	1,363,386	3,540,921	4,998,201
Defined contribution benefits	64,058	158,213	376,213	531,503
	<u>595,893</u>	<u>1,521,599</u>	<u>3,917,134</u>	<u>5,529,704</u>

32. RELATED PARTY DISCLOSURES**(a) Holding companies**

The holding companies are disclosed in Note 1 to the consolidated financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	Audited			
	2021	2022	2023	2024
	RM	RM	RM	RM
Sales to ultimate holding company	-	-	11,770	9,700
Sales to related companies	21,618,002	30,590,688	-	40,617
Contract income from related companies	283,944	793,854	-	-
Contract income from ultimate holding company	-	-	-	7,019,000
Contract income from company in which certain directors of the Company have financial interest	297,677	87,682,703	142,577,933	122,435,560
Purchases from related companies	(2,338,716)	(12,645,997)	-	-
Rental of machineries to ultimate holding companies	-	-	-	1,830
Sales to companies in which certain directors of the Company have substantial financial interests	4,549,432	13,405,190	16,620,606	14,459,805
Purchases from companies in which certain directors of the Company have substantial financial interests	(2,412,087)	(25,613,218)	(13,199,605)	(12,869,893)
Contract cost to companies in which certain directors of the Company have substantial financial interests	-	-	(113,500)	(3,495,907)
Rental expenses paid or payable to an ultimate holding company	(598,900)	(608,400)	(2,137,800)	(2,164,600)
Rental expense paid or payable to a company in which certain directors of the Company have substantial financial interests	(248,800)	(331,200)	(131,333)	-
Rental of machineries from a company in which certain directors of the Company have substantial financial interests	-	-	(151,700)	(640,476)
Rental expense paid or payable to a director of the Company	(117,600)	(117,600)	(117,600)	(129,200)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the consolidated financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 7 main reportable segments as follows:-

- Segment A distribution and/or retail of building materials, lighting products and related mechanical and electrical products and services
 - Segment B wholesale and retail of hardware and tools, and rental of machinery
 - Segment C investment holding
 - Segment D business of construction
 - Segment E provision of construction and business related services & solutions
 - Segment F property development
 - Segment G companies which are in dormant status
- (a) The management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets are measured based on all assets of the segment other than tax-related assets.
- (c) Each reportable segment liabilities are measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. OPERATING SEGMENTS (CONT'D)****33.1 BUSINESS SEGMENTS**

	Segment A RM	Segment B RM	Segment C RM	The Group RM
Audited				
2021				
Revenue				
External revenue	43,537,274	23,878,660	-	67,415,934
Inter-segment revenue	452	4,063	-	4,515
	<u>43,537,726</u>	<u>23,882,723</u>	<u>-</u>	<u>67,420,449</u>
Consolidation adjustments				(4,515)
Consolidated revenue				<u>67,415,934</u>
 Represented by:- <u>Revenue recognised at a point in time</u>				
- Sales of goods	42,990,081	12,758,730	-	55,748,811
<u>Revenue recognised over time</u>				
- Rental of machinery	-	11,123,993	-	11,123,993
- Construction contract	547,645	-	-	547,645
	<u>43,537,726</u>	<u>23,882,723</u>	<u>-</u>	<u>67,420,449</u>
Consolidation adjustments				(4,515)
Consolidated revenue				<u>67,415,934</u>

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. OPERATING SEGMENTS (CONT'D)****33.1 BUSINESS SEGMENTS (CONT'D)**

	Segment A RM	Segment B RM	Segment C RM	The Group RM
Audited				
2021				
Results				
Segment results	3,708,073	9,688,214	(993,331)	12,402,956
Interest income	165,121	-	-	165,121
Interest expense	(166,252)	(34,606)	-	(200,858)
Depreciation of plant and equipment	(147,654)	(637,825)	-	(785,479)
Depreciation of right-of-use assets	(609,149)	(229,499)	-	(838,648)
Gain on disposal of plant and equipment	-	580	-	580
Inventories written down	(128,188)	(17,817)	-	(146,005)
Realised loss on foreign exchange	-	(7,548)	-	(7,548)
Reversal of inventories previously written off	-	274,891	-	274,891
	2,821,951	9,036,390	(993,331)	10,865,010
Income tax expense				(2,934,766)
Consolidated profit after taxation				7,930,244

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. OPERATING SEGMENTS (CONT'D)****33.1 BUSINESS SEGMENTS (CONT'D)**

	Segment A RM	Segment B RM	Segment C RM	The Group RM
Audited				
2021				
Assets				
Segment assets	42,227,041	19,851,871	3,691,993	65,770,905
Current tax assets	328,754	-	-	328,754
Consolidation adjustments				-
Consolidated total assets				<u>66,099,659</u>
Additions to non-current assets other than financial instruments are:-				
Plant and equipment	129,559	3,930,438	-	4,059,997
Right-of-use assets	584,670	747,040	-	<u>1,331,710</u>
Liabilities				
Segment liabilities	18,380,398	3,456,283	23,571	21,860,252
Current tax liabilities	-	410,197	-	410,197
Deferred tax liabilities	4,041	474,605	-	478,646
Consolidation adjustments				-
Consolidated total liabilities				<u>22,749,095</u>

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment G RM	The Group RM
Audited							
2022							
Revenue							
External revenue	34,497,767	22,221,758	-	98,982,238	10,164,706	-	165,866,469
Inter-segment revenue	8,378,928	4,151,232	9,500,000	-	-	-	22,030,160
	42,876,695	26,372,990	9,500,000	98,982,238	10,164,706	-	187,896,629
Consolidation adjustments							(22,030,160)
Consolidated revenue							165,866,469

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment G RM	The Group RM
Audited							
2022							
Revenue							
Represented by:-							
<u>Revenue recognised at a point in time</u>							
- Sales of goods	42,259,028	13,114,776	-	-	-	-	55,373,804
- Dividends received	-	-	9,500,000	-	-	-	9,500,000
<u>Revenue recognised over time</u>							
- Rental of machinery	-	13,258,214	-	-	-	-	13,258,214
- Construction contract	617,667	-	-	98,982,238	-	-	99,599,905
- Construction services	-	-	-	-	10,164,706	-	10,164,706
	42,876,695	26,372,990	9,500,000	98,982,238	10,164,706	-	187,896,629
Consolidation adjustments							(22,030,160)
Consolidated revenue							165,866,469

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment G RM	The Group RM
Audited							
2022							
Results							
Segment results	(4,323,824)	6,327,976	(162,244)	56,152,633	-	(17,923)	57,976,618
Interest income	172,047	15,522	43,457	35,274	-	-	266,300
Interest expense	(154,853)	(72,394)	-	(64,397)	-	-	(291,644)
Depreciation of plant and equipment	(225,226)	(1,192,416)	-	(253,045)	-	-	(1,670,687)
Depreciation of right-of-use assets	(646,469)	(244,369)	-	(262,520)	-	-	(1,153,358)
Gain on disposal of plant and equipment	6,550	4,424	-	-	-	-	10,974
Inventories written down	-	(80,610)	-	-	-	-	(80,610)
Plant and equipment written off	-	(56,365)	-	-	-	-	(56,365)
Realised gain on foreign exchange	-	(3,026)	-	-	-	-	(3,026)
Reversal of inventories previously written off	67,963	-	-	-	-	-	67,963
Income tax expense	(5,103,812)	4,698,742	(118,787)	55,607,945	-	(17,923)	55,066,165
Consolidated profit after taxation							(13,254,339)
							41,811,826

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment G RM	The Group RM
Audited							
2022							
Assets							
Segment assets	31,593,706	25,027,265	39,068,049	98,579,483	-	19,444	194,287,947
Current tax assets	469,546	-	-	-	-	-	469,546
Deferred tax assets	-	-	-	265,446	-	-	265,446
Consolidation adjustments							(40,301,364)
Consolidated total assets							154,721,575
Additions to non-current assets other than financial instruments are:-							
Property, plant and equipment	493,297	6,023,247	-	1,236,383	-	-	7,752,927
Right-of-use assets	-	-	-	1,150,800	-	-	1,150,800

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment G RM	The Group RM
Audited							
2022							
Liabilities							
Segment liabilities	12,453,285	3,640,812	780,577	56,699,284	-	35,367	73,609,325
Current tax liabilities	-	461,603	-	5,734,229	-	-	6,195,832
Deferred tax liabilities	4,041	1,118,660	-	-	-	-	1,122,701
Consolidation adjustments							(5,706,898)
Consolidated total liabilities							75,220,960

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2023								
Revenue								
External revenue	53,136,124	27,477,307	-	253,290,082	9,920,551	13,930,728	-	357,754,792
Inter-segment revenue	33,048,426	11,016,520	16,608,667	27,289,740	-	-	-	87,963,353
	86,184,550	38,493,827	16,608,667	280,579,822	9,920,551	13,930,728	-	445,718,145
Consolidation adjustments								(87,963,353)
Consolidated revenue								357,754,792

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

Audited	Segment A	Segment B	Segment C	Segment D	Segment E	Segment F	Segment G	The Group
2023	RM	RM	RM	RM	RM	RM	RM	RM
Revenue								
Represented by:-								
<u>Revenue recognised at a point in time</u>								
- Sales of goods	74,126,308	12,708,739	-	-	-	-	-	86,835,047
- Dividends received	-	-	16,500,000	-	-	-	-	16,500,000
- Rental income	-	-	108,667	-	-	-	-	108,667
<u>Revenue recognised over time</u>								
- Rental of machinery	-	25,785,088	-	-	-	-	-	25,785,088
- Construction contract	12,058,242	-	-	280,579,822	-	-	-	292,638,064
- Construction services	-	-	-	-	9,920,551	-	-	9,920,551
- Property development	-	-	-	-	-	13,930,728	-	13,930,728
	86,184,550	38,493,827	16,608,667	280,579,822	9,920,551	13,930,728	-	445,718,145
Consolidation adjustments								(87,963,353)
Consolidated revenue								357,754,792

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2023								
Results								
Segment results	(694,145)	20,440,751	(1,587,037)	52,486,138	9,920,551	1,428,243	4,274	81,998,775
Interest income	150,748	35,153	86,739	179,424	-	6,478	-	458,542
Interest expense	(135,294)	(52,002)	-	(726,022)	-	(194,868)	-	(1,108,186)
Depreciation of property, plant and equipment	(278,586)	(2,385,553)	-	(897,346)	-	-	(22,940)	(3,584,425)
Depreciation of investment properties	-	-	-	(9,086)	-	-	-	(9,086)
Depreciation of right-of-use assets	(636,635)	(292,854)	-	(808,905)	-	(55,962)	-	(1,794,356)
Gain on disposal of property, plant and equipment	-	94,270	-	-	-	-	-	94,270
Inventories written down	(7,169)	(398,787)	-	-	-	-	-	(405,956)
Property, plant and equipment written off	-	(910)	-	-	-	-	-	(910)
Realised loss on foreign exchange	-	3,431	-	-	-	-	-	3,431
Reversal of inventories previously written off	-	80,610	-	-	-	-	-	80,610
	(1,601,081)	17,524,109	(1,500,298)	50,224,203	9,920,551	1,183,891	(18,666)	75,732,709
Income tax expense								(16,840,332)
Share of loss of equity-accounted associate								(9,132)
Consolidated profit after taxation								58,883,245

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2023								
Assets								
Segment assets	43,084,512	40,022,716	378,823,254	185,576,633	-	82,400,316	802,993	730,710,424
Unallocated assets:-								
Current tax assets								851,012
Deferred tax assets								1,924,098
Fixed deposits with licensed banks								14,823,474
Cash and bank balances								13,874,284
Consolidation adjustments								(172,508,857)
Consolidated total assets								589,674,435
Additions to non- current assets other than financial instruments are:-								
Property, plant and equipment	324,968	10,736,349	-	383,442	-	-	-	11,444,759
Right-of-use assets	43,317	267,054	-	69,275	-	-	-	379,646

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2023								
Liabilities								
Segment liabilities	23,061,866	7,167,053	42,786,526	164,507,718	-	52,410,960	350,066	290,284,189
Unallocated liabilities:-								
Current tax liabilities								3,512,677
Deferred tax liabilities								1,732,238
Consolidation adjustments								(126,738,167)
Consolidated total liabilities								<u>168,790,937</u>

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Revenue								
External revenue	60,055,356	33,926,471	-	188,203,403	6,866,098	72,353,851	-	361,405,179
Inter-segment revenue	29,291,856	10,389,142	22,044,000	64,964,810	3,799,786	(20,911,771)	-	109,577,823
	89,347,212	44,315,613	22,044,000	253,168,213	10,665,884	51,442,080	-	470,983,002
Consolidation adjustments								(109,577,823)
Consolidated revenue								361,405,179

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Revenue								
Represented by:-								
<u>Revenue recognised at a point in time</u>								
- Sales of goods	72,339,305	15,742,966	-	-	-	-	-	88,082,271
- Dividend received	-	-	21,800,000	-	-	-	-	21,800,000
- Rental income	-	-	244,000	-	-	-	-	244,000
<u>Revenue recognised over time</u>								
- Rental of machinery	-	28,572,647	-	-	-	-	-	28,572,647
- Construction contract	17,007,907	-	-	253,168,213	-	-	-	270,176,120
- Construction services	-	-	-	-	10,665,884	-	-	10,665,884
- Property development	-	-	-	-	-	51,442,080	-	51,442,080
	89,347,212	44,315,613	22,044,000	253,168,213	10,665,884	51,442,080	-	470,983,002
Consolidation adjustments								(109,577,823)
Consolidated revenue								361,405,179

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Results								
Segment results	(2,165,556)	12,290,928	(4,225,120)	61,986,843	6,866,098	31,078,455	(32,547)	105,799,101
Interest income	32,690	31,438	52,919	136,833	-	21,712	-	275,592
Interest expense	(586,038)	(32,485)	-	(1,085,995)	-	(726,632)	-	(2,431,150)
Depreciation of property, plant and equipment	(323,595)	(2,620,889)	(50,660)	(1,268,072)	-	-	-	(4,263,216)
Depreciation of investment properties	-	-	-	(20,903)	-	-	-	(20,903)
Depreciation of right-of-use assets	(549,013)	(396,162)	-	(759,653)	-	-	-	(1,704,828)
Gain on disposal of property, plant and equipment	20,498	(819)	-	-	-	18,000	-	37,679
Inventories written down	(1,299)	-	-	-	-	-	-	(1,299)
Property, plant and equipment written off	-	(454)	-	-	-	(2)	-	(456)
Realised gain on foreign exchange	-	3,383	-	-	-	-	-	3,383
Reversal of inventories previously written off	-	57,697	-	-	-	-	-	57,697
Balance carried forward	(3,572,313)	9,332,637	(4,222,861)	58,989,053	6,866,098	30,391,533	(32,547)	97,751,600

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Results								
Balance brought forward	(3,572,313)	9,332,637	(4,222,861)	58,989,053	6,866,098	30,391,533	(32,547)	97,751,600
Income tax expense								(23,460,346)
Share of loss of equity-accounted associate								(7,966)
Consolidated profit after taxation								74,283,288

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Assets								
Segment assets	59,230,359	57,174,965	379,297,382	170,125,600	-	161,289,795	468,700	827,586,801
Unallocated assets:-								
Deferred tax assets								2,171,571
Fixed deposits with licensed banks								8,595,354
Cash and bank balances								40,142,649
Consolidation adjustments								(236,614,061)
Consolidated total assets								641,882,314
Additions to non-current assets other than financial instruments are:-								
Property, plant and equipment	72,131	3,470,286	-	2,316,560	-	-	-	5,858,977
Right-of-use assets	-	11,175	-	20,296	-	-	-	31,471

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
Audited								
2024								
Liabilities								
Segment liabilities	32,944,758	6,022,743	42,817,483	167,197,643	-	104,804,726	39,435	353,826,788
Unallocated liabilities:-								8,020,680
Current tax liabilities								1,907,741
Deferred tax liabilities								(197,191,259)
Consolidation adjustments								
Consolidated total liabilities								166,563,950

33.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. OPERATING SEGMENTS (CONT'D)****33.3 MAJOR CUSTOMERS**

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM	
Customer A	-	86,190,970	147,516,291	150,256,737	Segment A, B, D and E
Customer B*	19,304,721	38,972,916	55,250,009	52,074,002	Segment D
Customer C	12,461,357	2,650,698	3,187,201	40,002,354	Segment A, B and D

* This is contributed by 4 customers who are the appointed contractors to undertake projects for the same ultimate customer. These 4 contractors then sought to jointly undertake the construction works for those projects with the Group.

34. CAPITAL COMMITMENT

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Capital expenditure in respect of purchase of assets:				
- approved and contracted for	4,755,420	7,449,167	1,390,489	1,602,438

35. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

35.1 CORPORATE GUARANTEE

	2021 RM	Audited FYE 30 September 2022 RM	2023 RM	2024 RM
Corporate guarantee extended to third parties	-	-	25,570,086	28,170,086
Corporate guarantee extended to related parties (a)	-	-	4,161,095	2,059,947

(a) Subsequent to the financial year ended 30 September 2024, the corporate guarantee provided by the subsidiary to AmBank Islamic Berhad for credit facilities granted to related parties has been fully discharged on 15 October 2024.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****35. CONTINGENT LIABILITIES (CONT'D)****35.2 MATERIAL LITIGATIONS**

On 2 April 2024, the Judicial Review Application was filed by 6 individuals ("Applicants") against the Datuk Bandar of Kuala Lumpur ("Datuk Bandar") and a subsidiary of the Company, ASES to seek for, amongst others for the following order:

- (i) to quash the development order dated 15 November 2023 ("Impugned Development Order") that was granted by the Datuk Bandar to ASES for the Lake Side Homes Project;
- (ii) to quash the approval given by the Datuk Bandar for ASES 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");
- (iii) to quash the adoption of Alteration 3 (Part 2) of the Kuala Lumpur Local Plan (2020) proposed and adopted on 17 July 2020 and 3 August 2021 respectively by the Datuk Bandar in relation to Tasik Lake Fields and/or Lot 103675 (being the site of the Lake Side Homes Project) ("Alteration 3 (Part 2) of the KLLP 2020");
- (iv) to quash the approval given by the Datuk Bandar to allow ASES 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; and
- (v) a declaration that the Alteration 3 (Part 2) of the KLLP 2020 by the Datuk Bandar is illegal and ultra vires of the Federal Territory (Planning) Act 1982 and therefore legally unenforceable, null and void.

(collectively, the "Judicial Review Application")

In the prayers for the Judicial Review Application, the Applicants have also applied for an order to stay the Impugned Development Order and Impugned Bridge Approval (including all works and process relating to the same) until the full and final disposal of the Judicial Review Application ("Stay Application").

On 17 April 2024, the High Court granted leave to the Applicants to proceed with the Judicial Review Application and also granted an interim stay of the Impugned Development Order and Impugned Bridge Approval pending the full and final disposal of the Stay Application ("First Interim Stay Order").

On 8 May 2024, ASES' solicitors notified the High Court of ASES' objection to the Stay Application. In the light of the objection, the High Court then fixed the hearing date for the Stay Application on 22 July 2024.

During the hearing of the Stay Application on 22 July 2024, the High Court fixed the decision for the Stay Application on 21 August 2024. During the same hearing, the High Court also directed for the substantive merits of the Judicial Review Application to be heard on 10 March 2025. Parties were also directed to file the remaining cause papers for the Judicial Review Application.

On 21 August 2024, the High Court dismissed the Stay Application and lifted the First Interim Stay Order with costs awarded to the Respondents. On 22 August 2024, the Applicants filed an appeal against the High Court's dismissal of the Stay Application ("Appeal"), the hearing of which is fixed on 3 March 2025.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****35. CONTINGENT LIABILITIES (CONT'D)****35.2 MATERIAL LITIGATIONS (CONT'D)**

On 23 August 2024, the Applicants filed another application in the High Court seeking for another interim stay of the Impugned Development Order and Impugned Bridge Approval pending the disposal of the Appeal in the Court of Appeal ("Second Interim Stay Order"). The High Court fixed the hearing for the Second Interim Stay Order on 14 November 2024, which was subsequently postponed to 9 January 2025 as the Judge who was originally hearing the matter was elevated to the Court of Appeal. Parties were also directed to file the remaining cause papers for the Second Interim Stay Order. During the hearing on 9 January 2025, the High Court fixed the decision for the Second Interim Stay Order on 20 February 2025.

On 6 September 2024, the Applicants filed a motion in the Court of Appeal to seek for an interim preservation order to stay the Impugned Development Order and Impugned Bridge Approval until the Appeal is being disposed by the Court of Appeal ("Section 44 Motion"). On 13 September 2024, the Court of Appeal dismissed the Section 44 Motion with costs awarded to the Respondents.

Subject to the courts' further and future decision on the Judicial Review Application, the Appeal, the Second Interim Stay Order and/or other direction from the courts, ASES is permitted to resume and continue works on the Lake Side Homes Project pursuant to the Impugned Development Order and Impugned Bridge Approval from 21 August 2024 onwards.

The Group has not recognised the above claims in its accounts as at 30 September 2024. ASES' solicitors are of the view that ASES has a fair chance of success in their Judicial Review Application.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS**

The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of major areas of treasury activity are as follows:

(a) Market Risk**(i) Foreign Currency Risk**

At the end of the reporting period, the balances denominated in currencies other than Ringgit Malaysia are not material.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 and Note 22 to the consolidated financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	Audited			
	FYE 30 September			
	2021	2022	2023	2024
	RM	RM	RM	RM
Effects on Profit After Taxation				
Increase of 100 basis points	-	-	- 24,548	- 196,947
Decrease of 100 basis points	-	-	+ 24,548	+ 196,947

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(iii) Equity Price Risk**

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Group's exposure to credit risk includes corporate guarantee given to financial institutions for credit facilities granted to certain third parties and related parties. The Group monitors the ability of the third parties and related parties to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2023 - 1, 2022 - 2, 2021 - 3) customers which constituted approximately 67% (2023 - 65%, 2022 - 87%, 2021 - 80%) of its trade receivables and contract assets (including related parties), net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2023 - 12, 2022 - 12, 2021 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The information about the exposure to credit risk and the loss allowances recognised for both trade receivables and contract assets are summarised below:-

Audited	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2021				
Current (not past due)	4,633,904	-	-	4,633,904
1 to 30 days past due	2,992,322	-	-	2,992,322
31 to 60 days past due	2,070,124	-	-	2,070,124
61 to 90 days past due	1,359,362	-	-	1,359,362
More than 90 days past due	18,201,183	-	-	18,201,183
Credit impaired	14,705	(14,705)	-	-
Trade receivables	29,271,600	(14,705)	-	29,256,895
Contract assets	222,298	-	-	222,298
	29,493,898	(14,705)	-	29,479,193

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)Allowance for Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances recognised for both trade receivables and contract assets are summarised below (Cont'd):-

Audited	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2022				
Current (not past due)	26,923,022	-	(1,196,151)	25,726,871
1 to 30 days past due	17,335,657	-	(215,494)	17,120,163
31 to 60 days past due	10,020,444	-	(37,136)	9,983,308
61 to 90 days past due	2,554,682	-	(7,178)	2,547,504
More than 90 days past due	11,713,312	-	(557,074)	11,156,238
Credit impaired	14,705	(14,705)	-	-
Trade receivables	68,561,822	(14,705)	(2,013,033)	66,534,084
Contract assets	8,637,683	-	-	8,637,683
	77,199,505	(14,705)	(2,013,033)	75,171,767
2023				
Current (not past due)	116,566,558	-	(5,312,355)	111,254,203
1 to 30 days past due	1,227,837	-	(375,460)	852,377
31 to 60 days past due	1,019,229	-	(255,530)	763,699
61 to 90 days past due	449,438	-	(229,276)	220,162
More than 90 days past due	988,250	-	(552,950)	435,300
Credit impaired	3,113,908	-	(1,617,555)	1,496,353
Trade receivables	123,365,220	-	(8,343,126)	115,022,094
Contract assets	71,136,919	-	(1,726,541)	69,410,378
	194,502,139	-	(10,069,667)	184,432,472

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets (Cont'd)Allowance for Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances recognised for both trade receivables and contract assets are summarised below (Cont'd):-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
Audited				
2024				
Current (not past due)	77,689,648	-	(2,327,378)	75,362,270
1 to 30 days past due	6,472,868	-	(462,047)	6,010,821
31 to 60 days past due	1,584,303	-	(19,705)	1,564,598
61 to 90 days past due	7,236,863	-	(108,792)	7,128,071
More than 90 days past due	9,315,203	-	(200,397)	9,114,806
Credit impaired	364,250	(15,205)	(349,045)	-
Trade receivables	102,663,135	(15,205)	(3,467,364)	99,180,566
Contract assets	125,397,013	-	(1,547,540)	123,849,473
	228,060,148	(15,205)	(5,014,904)	223,030,039

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Other Receivables (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Performing RM	Under- performing RM	Non- performing RM	Carrying Amount RM
Audited				
2024				
Balance at 1.10.2023	-	-	-	-
Additions	-	-	(677,547)	(677,547)
Balance at 30.9.2024	-	-	(677,547)	(677,547)

The allowance for impairment losses is individually determined and relates mainly to:

- Other receivables of "underperforming" category who have not settled the debts on due dates but do not have objective evidence of impairment; and
- Other receivables of "non-performing" category who are in significant financial difficulties and defaulted on payments.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Fixed Deposit with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institution have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to third parties and related parties are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Group closely monitors the third parties' and related parties' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a third party's and a related party's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The third parties and related parties are unlikely to repay its obligation to the bank in full; or
- The third parties and related parties are having a deficit in equity and is continuously loss making.

The Group determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Audited	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2021						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	7,392,639	7,392,639	7,392,639	-	-
Other payables and accruals	-	857,224	857,224	857,224	-	-
Term loans	3.50	488,559	545,560	81,834	327,336	136,390
Bankers' acceptances	3.09 - 4.04	8,456,677	8,456,677	8,456,677	-	-
Hire purchase payables	3.78 - 7.04	707,864	744,614	377,039	367,575	-
		17,902,963	17,996,714	17,165,413	694,911	136,390
<u>Other Financial Liability</u>						
Lease liabilities	2.66 - 3.53	3,339,097	3,561,100	967,200	2,593,900	-
		21,242,060	21,557,814	18,132,613	3,288,811	136,390

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2022						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	20,401,896	20,401,896	20,401,896	-	-
Other payables and accruals	-	1,065,364	1,065,364	1,065,364	-	-
Term loans	3.50	422,852	463,724	81,834	327,334	54,556
Bankers' acceptances	4.40 - 4.89	2,224,000	2,224,000	2,224,000	-	-
Hire purchase payables	3.99 - 7.40	1,132,624	1,206,134	650,711	555,423	-
		25,246,736	25,361,118	24,423,805	882,757	54,556
<u>Other Financial Liability</u>						
Lease liabilities	2.66 - 4.29	3,657,550	3,977,225	1,371,300	2,605,925	-
		28,904,286	29,338,343	25,795,105	3,488,682	54,556

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

Audited	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2023						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	84,689,659	84,689,659	84,689,659	-	-
Other payables and accruals	-	8,597,504	8,597,504	8,597,504	-	-
Term loans	5.66	9,363,117	10,535,243	2,431,573	8,103,670	-
Bankers' acceptances	6.85	3,230,000	3,230,000	3,230,000	-	-
Hire purchase payables	3.78 - 5.91	1,447,988	1,523,151	972,324	550,827	-
Financial guarantee contracts in relation to corporate guarantee given to third parties	-	-	25,570,086	25,570,086	-	-
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	4,161,095	4,161,095	-	-
		107,328,268	138,306,738	129,652,241	8,654,497	-
<u>Other Financial Liability</u>						
Lease liabilities	2.66 - 5.40	4,161,433	4,354,237	2,167,725	2,186,512	-
		111,489,701	142,660,975	131,819,966	10,841,009	-

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Audited						
2024						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	64,157,592	64,157,592	64,157,592	-	-
Other payables and accruals	-	6,557,811	6,557,811	6,557,811	-	-
Term loans	1.94 - 7.75	26,198,736	36,247,780	26,737,780	9,510,000	-
Bankers' acceptances	3.66 - 5.20	12,098,597	12,098,597	12,098,597	-	-
Hire purchase payables	3.99 - 5.27	1,689,121	1,835,062	568,133	1,266,929	-
Financial guarantee contracts in relation to corporate guarantee given to third parties	-	-	28,170,086	28,170,086	-	-
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	2,059,947	2,059,947	-	-
		110,701,857	151,126,875	140,349,946	10,776,929	-
<u>Other Financial Liability</u>						
Lease liabilities	3.50 - 5.15	2,221,095	2,294,663	1,846,625	448,038	-
		112,922,952	153,421,538	142,196,571	11,224,967	-

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period is as follows:

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Term loans	488,559	422,852	9,363,117	26,198,736
Lease liabilities	3,339,097	3,657,550	4,161,433	2,221,095
Hire purchase payables	707,864	1,132,624	1,447,988	1,689,121
Bankers' acceptances	8,456,677	2,224,000	3,230,000	12,098,597
Total borrowings	12,992,197	7,437,026	18,202,538	42,207,549
Less: Cash and cash equivalents (Note 30(d))	(10,765,896)	(29,969,027)	(20,599,430)	(40,292,649)
Net debt	2,226,301	(22,532,001)	(2,396,892)	1,914,900
Total equity	43,350,564	79,500,615	420,883,498	475,318,364
Debt-to-equity ratio	0.05	Not Applicable*	Not Applicable*	0.004

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There were no changes in the Group's approach to capital management during the financial year.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****36. FINANCIAL INSTRUMENTS (CONT'D)****36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	29,256,895	66,534,084	115,022,094	99,180,566
Other receivables and deposits	788,880	1,877,544	13,636,538	2,439,761
Fixed deposits with licensed banks	4,609,148	16,166,877	14,823,474	8,595,354
Cash and bank balances	10,765,896	28,049,027	13,874,284	40,142,649
	<u>45,420,819</u>	<u>112,627,532</u>	<u>157,356,390</u>	<u>150,358,330</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	7,392,639	20,401,896	84,689,659	64,157,592
Other payables and accruals	857,224	1,065,364	8,597,504	6,557,811
Term loans	488,559	422,852	9,363,117	26,198,736
Bankers' acceptances	8,456,677	2,224,000	3,230,000	12,098,597
Hire purchase payables	707,864	1,132,624	1,447,988	1,689,121
	<u>17,902,963</u>	<u>25,246,736</u>	<u>107,328,268</u>	<u>110,701,857</u>

36.4 GAINS/(LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	Audited FYE 30 September			
	2021 RM	2022 RM	2023 RM	2024 RM
Financial Asset				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	<u>165,121</u>	<u>(1,746,733)</u>	<u>(4,111,757)</u>	<u>4,458,602</u>
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	<u>(200,858)</u>	<u>(222,949)</u>	<u>(916,720)</u>	<u>(2,294,841)</u>

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The fair values of the financial assets and financial liabilities of the Group that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	
Audited							
2021							
<u>Financial Liabilities</u>							
Term loans							
- fixed rate	-	-	-	-	488,559	-	488,559
2022							
<u>Financial Liabilities</u>							
Term loans							
- fixed rate	-	-	-	-	422,852	-	422,852

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Audited	Fair Value of Financial Instruments Carried at Fair Value				Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	RM	Level 1	Level 2	Level 3	RM	RM
2023									
<u>Financial Liabilities</u>									
Term loan									
- fixed rate	-	-	-		-	9,363,117	-	9,363,117	9,363,117
2024									
<u>Financial Liabilities</u>									
Term loans:									
- fixed rate	-	-	-		-	13,815,447	-	13,815,447	13,815,447
- floating rate	-	-	-		-	12,383,289	-	12,383,289	12,383,289

(i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair value of term loans that carries fixed interest rate approximated its carrying amount as the impact of discounting is not material. The fair values are determined by discounting at relevant cash flows at rates equal to the current market interest rate for similar instruments is 5.64% (2023 - ranging from 5.64% to 5.68%, 2022 - 3.50%, 2021 - 3.50%) and the fair value is within level 2 of the fair value hierarchy.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

During the FYE 30 September 2024,

- (a) 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 ("Proposed Withdrawal of LEAP Listing"); 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 ("Proposed ACE Listing").

On 12 October 2023, AmlInvestment 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 resolutions 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.

On 30 September 2024, AmlInvestment Bank Berhad on behalf of the Board, announced that the Company submitted the applications to Bursa Securities for the Proposed Transfer of Listing comprising the application for the Proposed ACE Listing and application for the Proposed Withdrawal of LEAP Listing.

- (b) On 10 January 2024, the Company subscribed for an additional 1,250,000 ordinary shares of RM1.00 each in the share of ASSB a wholly-owned subsidiary of the Company, for a total cash consideration of RM1,250,000.
- (c) On 7 June 2024, LSHBB and Service Master (M) Sdn. Bhd. had received a letter from the Public Partnership Unit, Prime Minister's Department (UKAS) informing that the Government of Malaysia ("Government") had agreed in principle for LSHBB and Service Master (M) Sdn. Bhd. to jointly manage the operations and maintenance of the Kuala Lumpur Tower ("KL Tower").

On 28 June 2024, LSHBB and Service Master (M) Sdn. Bhd. jointly established LSH Service Master Sdn. Bhd. ("LSH Service Master"), with LSHBB holding a 70% equity interest, being 700 ordinary shares. The entity to carry out the operations and maintenance management of the Kuala Lumpur Tower, the terms of the concession agreement of which is still in the midst of negotiations as at the date of this report.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

During the FYE 30 September 2023,

- (a) On 28 March 2022, the Company entered into a share sale agreement with the vendors of ASSB for the acquisition of the entire equity interest in ASSB for a purchase consideration of RM95,000,000, which is to be satisfied through the issuance of 211,111,111 new ordinary shares in the Company at an issue price of RM0.45 each.

Subsequently on 17 April 2023, the Company completed the share sale agreement following the issuance of 211,111,111 new ordinary shares in the Company at the fair value of RM0.85 per ordinary share as at the date of completion, i.e. 17 April 2023. Thus, the purchase consideration for the acquisition of ASSB is RM179,444,445.

- (b) On 20 February 2023, the Company entered into an amended and restated debt settlement and share subscription agreement with the directors of LSH Ventures, vendors of LSH Ventures, LSH Ventures and LSH Resources for the acquisition of the entire equity interest in LSH Ventures for a purchase consideration of RM25,699,067 and debt settlement of amount owing by LSH Ventures to its directors amounting to RM36,942,645, both to be satisfied through the issuance of 57,109,037 and 82,094,767 new ordinary shares in the Company at an issue price of RM0.45 each.

Subsequently on 17 April 2023, the Company completed the amended and restated debt settlement and share subscription agreement following the issuance of 139,203,804 new ordinary shares in the Company at the fair value of RM0.85 per ordinary share as at the date of completion, i.e. 17 April 2023. Thus, the purchase consideration for the acquisition of LSH Ventures and the debt settlement thereto is RM118,323,233.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

- (c) ASES ("Plaintiff"), a subsidiary of the Company has commenced the legal proceedings against 36 defendants who are squatters residing on the parcel of land owned by the Plaintiff which is held under Lot 103675 Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan ("Jalan Pinggiran Tasik Land") ("Defendants") by way of an Originating Summons dated 13 March 2023, for, inter alia, the recovery of vacant possession of the Jalan Pinggiran Tasik Land from the Defendants.

The Originating Summons was heard by the Hight Court of Kuala Lumpur on 18 October 2023 and a decision was delivered by the High Court of Kuala Lumpur on 5 December 2023 in favour of the Plaintiff. The High Court of Kuala Lumpur has, amount others, ordered that:

- (i) the Plaintiff is granted possession of the Jalan Pinggiran Tasik Land; and
- (ii) the Defendants are to vacate the Jalan Pinggiran Tasik Land and deliver the vacant possession of the Jalan Pinggiran Tasik Land to Plaintiff within 3 months from the date of judgement, i.e. on 5 December 2023.

The Defendants have filed a notice of appeal to the Court of Appeal of Malaysia on 5 January 2024 against the High Court's decision. The first case management for the appeal was fixed on 4 April 2024. Thereafter, parties have reached settlement on 4 April 2024.

- (d) On 26 September 2023, the Board of Directors of the Company announced that the Company had on the same date received a letter from its major shareholders, namely Lim Seong Hai Holdings Sdn Bhd, LSH Resources, Tan Sri Datuk Seri Lim Keng Cheng, Datuk Lim Keng Guan, Lim Pak Lian and Lim Keng Hun, requesting the Company to consider undertaking a transfer of listing and quotation of the entire issued share capital of the Company from the LEAP Market of Bursa Securities ("LEAP Market") to the ACE Market of Bursa Securities ("ACE Market") ("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 the Company 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 the Company on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE Market Listing Requirements of Bursa Securities.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

During the FYE 30 September 2022,

- (a) On 8 October 2021, the Company entered into a conditional share sale agreement with LSH Resources for the acquisition of 1,000,000 ordinary shares in LSHBB (formerly known as Lim Seong Hai Construction (M) Sdn Bhd), representing 100% of the equity interest in LSHBB from LSH Resources for a total purchase consideration of RM3,500,000.00 to be satisfied in cash. The acquisition was completed on 15 October 2021.
- (b) On 10 January 2022, the Company incorporated a wholly-owned subsidiary, LSH Infra in Malaysia with a total issued and paid-up capital of RM1,000.
- (c) On 23 February 2022, the Company incorporated a wholly-owned subsidiary, LSH Development with an issued and paid-up share capital of RM1,000.
- (d) On 28 March 2022, the Company entered into a conditional share subscription agreement with Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob for subscription of 1,000,000 new ordinary shares in the Company, representing approximately 0.28% of the existing total number of issued ordinary shares of the Company, at an issue price of RM0.42 per subscription share.

The 1,000,000 new ordinary shares in the Company was listed and quoted on 27 May 2022.

- (e) On 9 September 2022, the Company obtained its shareholders' approval for the diversification of the existing principal activities of the Company and its subsidiaries to include the business of construction and provision of construction-related services and solutions ("Construction Related Business") as the board of directors of the Company anticipates that the Construction Related Business will contribute 25% or more of the net profits of the Group in the future.

12. ACCOUNTANTS' REPORT (Cont'd)**LIM SEONG HAI CAPITAL BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

During the FYE 30 September 2021,

- (a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia had on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Management has assessed the impact on the Group and is of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on the liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impact on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

- (b) On 8 December 2020, the Company entered into a conditional share sale agreement with the vendors of LSH Lighting for the acquisition of the entire issued share capital of LSH Lighting for a consideration of RM22,133,495. The consideration is satisfied by way of issuance of 221,334,950 new ordinary shares in the Company at an issue price of RM0.10 per share. The acquisition was completed on 6 January 2021.
- (c) On 8 December 2020, the Company entered into a conditional share sale agreement with the vendors of Knight Auto for the acquisition of the entire issued share capital of Knight Auto for a consideration of RM9,785,076. The consideration is satisfied by way of issuance of 97,850,760 new ordinary shares in the Company at an issue price of RM0.10 per share. The acquisition was completed on 6 January 2021.
- (d) On 30 July 2021, the entire issued share capital of the Company was listed on the LEAP Market of Bursa Securities.

12. ACCOUNTANTS' REPORT (Cont'd)

LIM SEONG HAI CAPITAL BERHAD**STATEMENT BY DIRECTORS**

We, Datuk Lim Keng Guan and Lim Pak Lian, being two of the directors of Lim Seong Hai Capital Berhad, state that, in the opinion of the directors, the consolidated financial statements set out on pages 4 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as of 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024 and of their financial performance and their cash flows for the FYE 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024.

Signed in accordance with a resolution of the directors dated **12 FEB 2025**



Datuk Lim Keng Guan



Lim Pak Lian

13. ADDITIONAL INFORMATION

13.1 EXTRACT OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable laws. The words and expressions appearing in the following provisions shall have the same meaning used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
“Act”	The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any written law for the time being in force concerning companies and affecting the Company.
“Alternate Director”	means a substitute Director nominated in writing to the Company and duly registered with the Registrar.
“Applicable Laws”	means all laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiary(ies), including but not limited to the Act, the Securities Laws, the Listing Requirements, the guidelines, practice notes and guidance notes (including in the form of frequently asked questions (FAQs)) issued by the Securities Commission Malaysia, the Exchange and/or the Registrar of Companies/Companies Commission of Malaysia and every other law for the time being in force concerning companies and affecting the Company and any other directives or requirements imposed on the Company by the Securities Commission Malaysia and/or other relevant regulatory bodies and/or authorities.
“Board”	The board of Directors of the Company and where the context permits or requires, shall mean the Directors whose number is not less than the required quorum acting as a board of Directors.
“Bursa Depository”	Bursa Malaysia Depository Sdn. Bhd. [Registration No. 198701006854 (165570-W)] or such other depository as may be approved by the relevant authorities to be a central depository under the Central Depositories Act including any further change of name and its successors-in-title and permitted assigns.
“Central Depositories Act”	Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and every other legislation made thereunder for the time being in force.
“CMSA”	Capital Markets and Services Act 2007, and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Company”	Lim Seong Hai Capital Berhad [Registration No. 202001036664 (1392985-A)] or by whatever name from time to time called.
“Constitution”	This Constitution as originally framed or as altered from time to time by way of passing a Special Resolution.
“Deposited Security”	means a security in the Company standing to the credit of a Securities Account of a Depositor and includes securities in the Securities Account that is in suspense subject to the provisions of the Central Depositories Act and the Rules.

13. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
"Depositor"	A holder of a Securities Account as established by the Bursa Depository.
"Directors"	The Directors for the time being of the Company as defined in Section 2(1) of the CMSA.
"Exchange"	means Bursa Malaysia Securities Berhad or such other name as it may assume from time to time and its successors-in-title and permitted assigns.
"Listing Requirements"	The listing requirements issued by the Exchange, including any modifications or amendments to the listing requirements that may be made from time to time and such practice notes or circulars as may be issued by the Exchange from time to time, which are applicable to and which govern the Company for the time being.
"Market Day"	Any day between Mondays and Fridays which is not a market holiday of the Exchange or public holiday in Malaysia.
"Member" or "Members"	Any person for the time being holding Shares in the Company and whose name appears in the Register of Members and Depositors whose names appear on the Record of Depositors (except Bursa Depository in its capacity as a bare trustee).
"Month" or "Months"	Calendar month.
"Ordinary Resolution"	has the meaning assigned thereto by Section 291 of the Act.
"Record of Depositors"	means a record provided by the Bursa Depository to the Company or its Registrar under Chapter 24.0 of the Rules.
"Register" or "Register of Members"	means the Register of Members to be kept pursuant to the Act and unless otherwise expressed to the contrary, includes the Record of Depositors.
"Registrars"	refers to such person, firm or company which for the time being maintains in Malaysia, the register of Securities holders.
"Rules"	refers to the Rules of the Bursa Depository as defined under the Central Depositories Act and any appendices thereto, as amended, modified and supplemented from time to time.
"Seal"	means the common seal of the Company or in the appropriate case, the official seal.
"Securities"	has the meaning as defined in Section 2(1) of the CMSA.
"Securities Account"	means an account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

13. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
"Securities Laws"	means the Securities Commission Malaysia Act 1993, the CMSA, the Central Depositories Act, any other legislation which the Securities Commission Malaysia is empowered to administer or enforce, and any other regulations, rules, orders, notifications or other subsidiary legislation made thereunder.
"Share" or "Shares"	Issued share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
"Special Resolution"	has the meaning assigned thereto by Section 292 of the Act.

13.1.1 Remuneration of our Directors**Clause 126 – Remuneration of Directors**

The fees and any benefits payable to the Directors of the Company and its subsidiary(ies) including any compensation for loss of employment of Director or former Director shall be approved by an Ordinary Resolution of the Company in general meeting annually and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine provided always that:

- (a) fee payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by the shareholders in general meeting;
- (b) remuneration and other emoluments (including bonus, benefits or any other emoluments) payable to executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such remuneration and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;
- (c) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting;
- (d) any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (e) the fees and/or benefits payable to non-executive Directors who is also Director of the subsidiary(ies) includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiary(ies), but does not include insurance premium or any issue of Securities.

13. ADDITIONAL INFORMATION (Cont'd)**Clause 128 – Special remuneration**

The Directors may grant special remuneration to a Director who (on request by the Director) is willing to:

- (a) render any special or extra services to the Company; or
- (b) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits (other than non-executive Directors), or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

13.1.2 Voting and borrowing powers of our Directors**Clause 135 – Powers of attorney**

The Directors may at any time and from time to time by power of attorney under the Seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with such an attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.

Clause 137 – General borrowing powers of Directors

Subject to the Act, the Directors may exercise all the powers to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- (a) borrow money from any person, bank, firm or company;
- (b) to mortgage or charge its undertaking, property and uncalled capital, or any part thereof;
- (c) to issue debentures and other Securities, whether outright or as security for any debt, liability or obligation of the Company, its subsidiaries or any other party;
- (d) the Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise; and
- (e) the Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its subsidiaries.

13. ADDITIONAL INFORMATION (Cont'd)**Clause 142 – Disclosure of interest and restrictions on discussion and voting**

Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, provided that none of the other directors present disagree, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested provided always that he has complied with Section 221 of the Act and all other relevant provisions of the Act and the Constitution.

Clause 151 – Determination of issues by majority and Chairman's second or casting vote

Subject to this Constitution, questions arising at any meeting of the Board of Directors of the Company shall be determined by a majority of votes of all the Directors present at the meeting and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote except when at the meeting only two (2) Directors are present and form the quorum or at which only two (2) Directors are competent to vote on the question at issue, in which event the Chairman shall not have a second or casting vote and the question arising at the meeting shall be deemed to have been lost or not carried.

Clause 152 – Disclosure of interest

Every Director shall comply with the provisions of Section 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

13.1.3 Changes to share capital**Clause 68 – Power to alter capital**

Section 84 of the Act shall not apply to the Company. The Company may alter its share capital in any one or more of the following ways by passing as Ordinary Resolution to:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Share from which the subdivided Share is derived;
- (b) subdivide its Shares or any of the Shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Share from which the subdivided Shares is derived;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the Shares so cancelled; and
- (d) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of Shares into another class of Shares.

Clause 70 – Power to reduce capital

The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

13. ADDITIONAL INFORMATION (Cont'd)**Clause 71 – Purchase of own shares**

Subject to the Applicable Laws, the Company may from time to time by resolution of a general meeting, acquire by purchase in good faith and in the best interests of the Company, the Company's own Shares through the Exchange on which the Shares are quoted provided always that the Company is solvent at the date of purchase of the Company's Shares and will not become insolvent by incurring the debt arising from the obligation to pay for the Shares so purchased.

13.1.4 Transfer of securities**Clause 39 – Transfer of securities and instrument of transfer**

Subject to the restrictions imposed by this Constitution (with respect to the transfer of Deposited Security), listed Securities shall be transferable, but every transfer must be in writing and in such form prescribed and approved by the Exchange, or such form as may from time to time be prescribed under the Applicable Laws or such authorities of the stock exchange on which the Company's Securities are listed.

Clause 40 – Registration of transfer

All transfer of Deposited Security shall be effected in accordance with the Rules. The instrument shall be executed by or on behalf of the transferor and transferee; the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register as holder of that Securities and/or the Record of Depositors, as the case may be.

Clause 41 – Procedure for transfer

The transfer of any listed Securities or class of listed Securities of the Company which have been deposited with the Bursa Depository, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed Securities.

Clause 42 – Refusal to register transfer

Subject to the restrictions imposed by this Constitution and the Applicable Laws, there shall be no restrictions on the transfer of fully paid Securities. No Shares shall be in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In case of Deposited Securities, the Bursa Depository may refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

Clause 44 – Closure of Register of Records of Depositors

Subject to the Rules, the Register may be closed for such periods as the Directors may from time to time determine provided that such register shall not be closed for more than thirty (30) days in any calendar year. The Company shall before it closes such register:

- (a) give notice of such intended book closure (in the case of the Register) in accordance with Section 55 of the Act; and
- (b) give notice of such intended closure to the Exchange for such period as prescribed by the Exchange or the Applicable Laws before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration.

The Company shall give at least three (3) Market Days' prior notice in accordance with the Rules to enable the Depository to prepare the appropriate Record of Depositors.

13. ADDITIONAL INFORMATION (Cont'd)**13.1.5 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights****Clause 10 – Power to issue Shares with special rights**

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares and subject to the provisions of this Constitution, Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot, grant rights to subscribe for or otherwise dispose of such Shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, by approval of the Members by way of an Ordinary Resolution, provided always that:

- (a) in the case of Shares other than ordinary Shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
- (b) no issue of Shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, corporation or syndicate without the prior approval of the Members in general meeting; and
- (c) except in the case of an issue of Securities on a pro rata basis to shareholders or pursuant to a back-to-back placement or dividend reinvestment scheme undertaken in compliance with the Listing Requirements, no Director shall participate in a scheme that involves a new issuance of Shares or other convertible Securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

Clause 11 – Issue of preference shares

Subject to the Act, this Constitution and the Listing Requirements, any preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as may be provided for by this Constitution as the Board may think fit. The Company shall have the power to issue preference Shares ranking in priority above or equally with preference Shares already issued.

Clause 12 – Redemption of preference shares

The Company shall have power to issue preference Shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company. The Directors may, subject to the provisions of the Act, redeem such Shares on such terms and in such manner as they may think fit.

Clause 13 – Rights of preference shareholders

Preference shareholders shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements and attending general meetings of the Company and shall also have the right to vote at any meeting in each of the following circumstances:

- (a) when the dividend or part of the dividend on the preference Shares are in arrears for more than six (6) Months;
- (b) on a proposal to reduce the Company's issued share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

13. ADDITIONAL INFORMATION (Cont'd)

- (d) on a proposal that affects the rights attached to the preference Shares;
- (e) on a proposal to wind up the Company; and
- (f) during the winding-up of the Company.

Preference shareholders shall be entitled to a return of capital in preference to holders of ordinary Shares in the event that the Company is wound up.

Clause 14 – Repayment of preference capital

The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if representing not less than 75% of the total voting rights of the preference shareholders concerned obtained within two (2) Months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

Clause 15(a) – Variation of class rights

Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a Special Resolution is not obtained at the meeting, consent in writing from the holders representing not less than 75% of the total voting rights of the shareholders of that class obtained within two (2) Months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy holding at least one-third (1/3) of the number of issued Shares of the class, excluding any Shares of that class held as treasury Shares and that any holder of Shares of the class present in person or by proxy may demand a poll.

If that class of Shares only has one (1) holder, a quorum is constituted by one (1) person present holding Shares of such class. For an adjourned meeting, quorum is one (1) person present holding Shares of such class. To every such Special Resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 16(c) – General mandate for issue of securities

Subject to the Listing Requirements and without limiting the generality of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any Shares or convertible Securities except where the Shares or convertible Securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

13. ADDITIONAL INFORMATION (Cont'd)**13.2 LIMITATION ON THE RIGHT TO OWN SECURITIES**

As our Shares are proposed for quotation on the Official List, our Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his/her/its Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his/her/its Shares to the Ministry of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be our shareholder and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including any limitation on the right of non-residents or foreign shareholders to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

13.3 SHARE CAPITAL

- (i) As at the date of this Prospectus, we only have one (1) class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) The details of the share capital of our Company and our subsidiaries together with their respective changes for the past four (4) FYEs 2021 to 2024 and up to LPD are disclosed in Sections 5.1.1 and 5.3 of this Prospectus, respectively.
- (iii) Save as disclosed in Section 5.1.1 of this Prospectus, no shares have been paid for with assets other than cash within the past four (4) years preceding LPD.
- (iv) As at the date of this Prospectus, none of our Group's capital is under option, or agreed conditionally or unconditionally to be put under option.
- (v) As at the date of this Prospectus, neither our Company nor our subsidiaries have any outstanding warrant, option, convertible security or uncalled capital in respect of our Shares.
- (vi) Save as disclosed in this Prospectus, no securities will be allotted, issued or offered on the basis of this Prospectus later than six (6) months after the date of this Prospectus.

13.4 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

As at the date of this Prospectus, our Group has not established any place of business outside Malaysia and as such, is not subject to any government law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profits by or to our Group.

Under the single-tier taxation system in Malaysia, dividends received from Malaysian resident companies are exempted from tax in Malaysia. Further, dividends paid by Malaysian resident companies are not subject to withholding tax. Generally, gains arising from the disposal of listed shares in Malaysia are not subject to tax in Malaysia, to the extent that the gains are capital in nature.

13. ADDITIONAL INFORMATION (Cont'd)**13.5 MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any other material contract which is not in the ordinary course of our Group's business within the Financial Years Under Review and up to the date of this Prospectus:

- (i) conditional share sale agreement dated 8 December 2020 entered into between our Company and LSH Resources to acquire the entire equity interest in LSH Lighting comprising 1,000,000 ordinary shares for a purchase consideration of RM22,133,495 which was wholly satisfied via the issuance of 221,334,950 new Shares at an issue price of RM0.10 each. The said acquisition was completed on 6 January 2021;
- (ii) conditional share sale agreement dated 8 December 2020 entered into between our Company and Tan Sri KC Lim, DLKG, Lim Pak Lian as well as Lim Keng Hun to acquire the entire equity interest in Knight Auto comprising 1,300,000 ordinary shares for a purchase consideration of RM9,785,076 which was wholly satisfied via the issuance of 97,850,760 new Shares at an issue price of RM0.10 each. The said acquisition was completed on 6 January 2021;
- (iii) conditional share sale agreement dated 8 October 2021 entered into between our Company and LSH Resources to acquire the entire equity interest in LSHBB comprising 1,000,000 ordinary shares for a purchase consideration of RM3,500,000 which was wholly satisfied in cash. The said acquisition was completed on 15 October 2021;
- (iv) conditional share subscription agreement dated 28 March 2022 entered into between our Company and our Independent Non-Executive Director, Dato Seri Ir. Hj. Mohd Noor Bin Yaacob ("**Subscriber**") in respect of the subscription of 1,000,000 new Shares at an issue price of RM0.42 each by the Subscriber for a total cash consideration of RM420,000. The said subscription was completed on 27 May 2022;
- (v) conditional share sale agreement dated 28 March 2022 entered into between our Company and LSH Resources, DLKG, Lim Pak Lian, Lim Keng Hun as well as Lim Ding Shyong to acquire the entire equity interest in ASSB comprising 3,750,000 ordinary shares for a purchase consideration of RM95,000,000 which was wholly satisfied via the issuance of 211,111,111 new Shares at an issue price of RM0.45 each ("**Acquisition of ASSB**"). The said acquisition was completed on 17 April 2023;
- (vi) conditional assets exchange agreement dated 28 March 2022 entered into between our Company and LSH Ventures to rationalise the exchange of all the properties and land of LSH Ventures for a total exchange consideration of RM8,140,000, which was to be satisfied via the issuance of 18,088,888 new Shares at an issue price of RM0.45 each. However, the said agreement was aborted with effect from 29 November 2022;
- (vii) conditional debt settlement cum share subscription agreement ("**DSCSSA**") dated 28 March 2022 entered into between our Company and LSH Ventures, the directors of LSH Ventures (namely DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong) and LSH Resources for the following:
 - (a) proposed settlement by our Company of the amount owing by LSH Ventures to the directors of LSH Ventures amounting to RM54,501,712.32 via the issuance of 121,114,916 new Shares at an issue price of RM0.45 each ("**Proposed Settlement**"); and

13. ADDITIONAL INFORMATION (Cont'd)

- (b) proposed subscription of 9,900,000 new ordinary shares in LSH Ventures by our Company, representing 99.00% of the enlarged equity interest in LSH Ventures by way of partial capitalisation of the amount owing by LSH Ventures to our Company amounting to RM15,758,621.10 arising from the Proposed Settlement.

The said DSCSSA was subsequently amended and restated on 20 February 2023, details of which are set out in item (viii) below;

- (viii) conditional amended and restated DSCSSA dated 20 February 2023 entered into between our Company and the vendors of LSH Ventures (namely Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong), the directors of LSH Ventures (namely DLKG, Lim Pak Lian, Lim Keng Hun and Lim Ding Shyong), LSH Ventures and LSH Resources to:

- (a) acquire the entire equity interest in LSH Ventures comprising 100,000 ordinary shares for a purchase consideration of RM25,699,067 which was wholly satisfied via the issuance of 57,109,037 new Shares at an issue price of RM0.45 each ("**Acquisition of LSH Ventures**"); and
- (b) fully settle the directors' advances amounting to RM36,942,645 owing by LSH Ventures to its directors upon completion of the Acquisition of LSH Ventures by way of the issuance of 82,094,767 new Shares at an issue price of RM0.45 each.

The said acquisition and settlement were completed on 17 April 2023. For the avoidance of doubt, the said amended and restated DSCSSA had superseded the provisions, terms and conditions of the DSCSSA which was entered into on 28 March 2022 (as detailed in item (vii) above);

- (ix) four (4) conditional SPAs all dated 2 September 2024 entered into between our subsidiary, ASSB (as purchaser) and third-party vendors for the acquisition of the properties as set out below, which form the contra payment for the progress claims and retention sums due to ASSB by one of its clients for two (2) projects which were completed by ASSB prior to the Acquisition of ASSB:

- (a) a residential apartment unit bearing postal address of CNB-19-03, Conezion Residences, Block B, Persiaran IRC 3, IOI Resort City, 62502 Putrajaya for a consideration of RM750,000;
- (b) a residential apartment unit bearing postal address of D-12-3A, Danga View Apartment, Jalan Persiaran Danga, 81200 Johor Bahru for a consideration of RM1,114,500;
- (c) a residential apartment unit bearing postal address of D-09-03, Danga View Apartment, Jalan Persiaran Danga, 81200 Johor Bahru for a consideration of RM650,000; and
- (d) three (3) units of shop office bearing postal address of G-09, 01-09 and 02-09, Block B, Persiaran Pertama, Pusat Perdagangan Danga Utama, 81300 Johor Bahru for a consideration of RM2,575,500.

As at LPD, all of the SPAs have been completed in accordance with their respective terms; and

13. ADDITIONAL INFORMATION (Cont'd)

- (x) Retail Underwriting Agreement dated 12 February 2025 entered into between our Company and the Sole Underwriter for the underwriting of 29,342,600 Issue Shares under the Retail Offering, in accordance with the terms and conditions as set out in the Retail Underwriting Agreement. Further details of the Retail Underwriting Agreement are set out in Section 3.10 of this Prospectus.

13.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

High Court of Kuala Lumpur (“High Court”) Judicial Review Application (WA-25-140-04/2024) brought by Chin Tong Lim and five (5) others (collectively, the “Applicants”) against Datuk Bandar Kuala Lumpur (“Datuk Bandar”) and ASES (collectively, the “Respondents”)

On 2 April 2024, the Applicants (consisting of unit owners and residents from neighbouring condominiums near the site of the Lake Side Homes Project) filed a judicial review application against the Respondents to seek, among others, the following orders:

- (a) to quash the development order dated 15 November 2023 (“**Impugned Development Order**”) that was granted by the Datuk Bandar to ASES for the Lake Side Homes Project;
- (b) to quash the approval given by the Datuk Bandar for ASES 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**”);
- (c) to quash the adoption of Alteration 3 (Part 2) of the Kuala Lumpur Local Plan (2020) proposed and adopted on 17 July 2020 and 3 August 2021 respectively by the Datuk Bandar in relation to Tasik Lake Fields and/or Lot 103675 (being the site of the Lake Side Homes Project) (“**Alteration 3 (Part 2) of the KLLP 2020**”);
- (d) to quash the approval given by the Datuk Bandar to allow ASES 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; and
- (e) a declaration that the Alteration 3 (Part 2) of the KLLP 2020 by the Datuk Bandar is illegal and ultra vires of the Federal Territory (Planning) Act 1982 and therefore legally unenforceable, null and void.

(collectively, the “**Judicial Review Application**”)

In the prayers for the Judicial Review Application, the Applicants have also applied for an order to stay the Impugned Development Order and Impugned Bridge Approval (including all works and process relating to the same) until the full and final disposal of the Judicial Review Application (“**Stay Application**”).

On 17 April 2024, the High Court granted leave to the Applicants to proceed with the Judicial Review Application and also granted an interim stay of the Impugned Development Order and Impugned Bridge Approval pending the full and final disposal of the Stay Application (“**First Interim Stay Order**”).

On 8 May 2024, ASES’ solicitors notified the High Court of ASES’ objection to the Stay Application. In the light of the objection, the High Court then fixed the hearing date for the Stay Application on 22 July 2024.

13. ADDITIONAL INFORMATION (Cont'd)

During the hearing of the Stay Application on 22 July 2024, the High Court fixed the decision for the Stay Application on 21 August 2024. During the same hearing, the High Court also directed for the substantive merits of the Judicial Review Application to be heard on 10 March 2025. Parties were also directed to file the remaining cause papers for the Judicial Review Application.

On 21 August 2024, the High Court dismissed the Stay Application and lifted the First Interim Stay Order with costs awarded to the Respondents. On 22 August 2024, the Applicants filed an appeal against the High Court's dismissal of the Stay Application ("**Appeal**"), the hearing of which is fixed on 3 March 2025.

On 23 August 2024, the Applicants filed another application in the High Court seeking for another interim stay of the Impugned Development Order and Impugned Bridge Approval pending the disposal of the Appeal in the Court of Appeal ("**Second Interim Stay Order**"). The High Court fixed the hearing for the Second Interim Stay Order on 14 November 2024, which was subsequently postponed to 9 January 2025 as the Judge who was originally hearing the matter was elevated to the Court of Appeal. Parties were also directed to file the remaining cause papers for the Second Interim Stay Order. During the hearing on 9 January 2025, the High Court fixed the decision for the Second Interim Stay Order on 20 February 2025.

On 6 September 2024, the Applicants filed a motion in the Court of Appeal to seek for an interim preservation order to stay the Impugned Development Order and Impugned Bridge Approval until the Appeal is being disposed by the Court of Appeal ("**Section 44 Motion**"). On 13 September 2024, the Court of Appeal dismissed the Section 44 Motion with costs awarded to the Respondents.

Subject to the courts' further and future decision on the Judicial Review Application, the Appeal, the Second Interim Stay Order and/or other direction from the courts, ASES is permitted to resume and continue works on the Lake Side Homes Project pursuant to the Impugned Development Order and Impugned Bridge Approval from 21 August 2024 onwards.

Based on the remedies sought by the Applicants, the potential direct exposure to ASES in the event the outcome of the Judicial Review Application is not in favour of ASES include the loss of the right to develop and construct the Lake Side Homes Project in accordance with the Impugned Development Order and the bridge across Tasik Lake Fields to the Lake Side Homes Project in accordance with the Impugned Bridge Approval, as well as legal costs to be incurred for the Judicial Review Application. In addition, the property development costs incurred for the Lake Side Homes Project is expected to be written-off in the event the outcome of the Judicial Review Application is not in favour of ASES. However, such impact will only fully materialise if the final outcome is still not in favour of ASES after all parties have exhausted all avenues for appeal. For information, the full appeal process across the Court of Appeal and Federal Court, which can only commence after the High Court delivers its verdict in approximately one (1) year from LPD, is estimated to take another three and a half (3.5) years.

Nevertheless, ASES' solicitors are of the view that ASES has a fair chance of success in the Judicial Review Application.

Save as disclosed above, as at LPD, our Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, and our Board is not aware of any legal proceeding, pending or threatened, or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of our Group.

13. ADDITIONAL INFORMATION (Cont'd)**13.7 CONSENTS**

- (i) Our Principal Adviser, Sponsor, Sole Underwriter, Sole Placement Agent, Company Secretary, Solicitors, Share Registrar, Issuing House, Bloomberg Finance Singapore L.P. and Astramina Advisory Sdn Bhd (former Continuing Adviser and current Corporate Advisor to our Company) have given and have not subsequently withdrawn their respective written consents before the date of issue of this Prospectus for the inclusion of their names and all references thereto in the form and context in which such names are included in this Prospectus.
- (ii) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent before the date of issue of this Prospectus for the inclusion of their name, Accountants' Report and Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 30 September 2024, and all references thereto in the form and context in which they are included in this Prospectus.
- (iii) The Independent Market Researcher has given and has not subsequently withdrawn its written consent before the date of issue of this Prospectus for the inclusion of its name, IMR Report, and all references thereto in the form and context in which they are included in this Prospectus.

13.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia, during normal business hours for a period of six (6) months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the audited financial statements of our Company and each of our subsidiaries for the past four (4) FYEs 2021 to 2024;
- (iii) the IMR Report as included in Section 7 of this Prospectus;
- (iv) the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as included in Section 11.11 of this Prospectus;
- (v) the Accountants' Report as included in Section 12 of this Prospectus;
- (vi) our material contracts referred to in Section 13.5 of this Prospectus; and
- (vii) the letters of consent referred to in Section 13.7 of this Prospectus.

13.9 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

AmlInvestment Bank, being our Principal Adviser and Sponsor, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Public Offering.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS, AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR THE OFFERING SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA MALAYSIA BERHAD. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

14.1 OPENING AND CLOSING OF APPLICATION

Applications for the Offering Shares will be accepted and closed at the time and date stated below:

OPENING OF APPLICATION: 10:00 A.M., 28 FEBRUARY 2025

CLOSING OF APPLICATION: 5:00 P.M., 6 MARCH 2025

If there is any change to the time or date stated above, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and will make the relevant announcement through Bursa Malaysia Berhad.

Late Applications will not be accepted.

14.2 METHODS OF APPLICATION

All Applications must accord with the terms of this Prospectus and our Constitution. You agree to be bound by our Constitution. The submission of an Application Form does not mean that the Application will succeed.

14.2.1 Application for the Offering Shares under the Retail Offering

Types of application and category of investors	Application method
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only

14.2.2 Application for the Offering Shares under the Institutional Offering

Types of application	Application method
Applications by:	
(i) Bumiputera investors approved by the MITI	MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions
(ii) Other Malaysian insititutional and selected investors	Our Sole Placement Agent will contact the said investors directly. They should follow the Sole Placement Agent's instructions

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**14.3 ELIGIBILITY****14.3.1 General**

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the Authorised Depository Agents (“**ADAs**”) as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Malaysia Berhad. The CDS Account must be in your own name. Invalid or nominee or third-party CDS Accounts will not be accepted for the Applications.

Only **ONE (1)** Application Form for **each category** from each applicant will be considered and **APPLICATION MUST BE FOR AT LEAST 100 OFFERING SHARES OR MULTIPLES OF 100 OFFERING SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT AN APPLICATION USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATION TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT SO AS TO MINIMISE THE RISK OF REJECTION OF APPLICATION. OUR COMPANY, PRINCIPAL ADVISER, SPONSOR AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREFROM.

14.3.2 Application by the Malaysian Public

You can only apply for the Offering Shares if you fulfill all of the following:

- (i) You must be one (1) of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for the Offering Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) You must submit the Application by using only one (1) of the following methods:
- (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14.3.2 Application by the Eligible Persons

Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation.

The Eligible Persons who have made applications using the Pink Application Form may still apply for the Offering Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application. All duly completed Pink Application Forms should be submitted to our Company's Human Resources Department.

14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.88 for each Offering Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. 662**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
 (Registration No. 199301003608 (258345-X))
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan

or

P.O. Box 00010
 Pejabat Pos Jalan Sultan
 46700 Petaling Jaya
 Selangor Darul Ehsan

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) or **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5:00 p.m. on 6 March 2025 or by such other time and date specified in any change to the time or date for the closing of the applications for the Offering Shares.

The method for submission of the Application Form stated above is relevant for the White Application Form only. For the Pink Application Form, kindly direct the submission of the Pink Application Form to our Company's Human Resources Department.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

14.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for the Offering Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the Automated Teller Machines ("**ATM**") of the Participating Financial Institutions and their branches namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the respective Participating Financial Institutions.

14.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may apply for the Offering Shares offered to the Malaysian Public by way of Internet Share Application.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (*formerly known as CGS-CIMB Securities Sdn Bhd*), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

14.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject Applications which:
- (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable);
or

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) are illegible, incomplete or inaccurate; or
- (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 14.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

14.8 OVER/UNDER-SUBSCRIPTION

In the event of oversubscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating the Offering Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of the Offering Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major English and Bahasa Malaysia newspapers within Malaysia as well as be posted on the Issuing House's website at www.mih.com.my within one (1) Market Day after the balloting date.

Pursuant to Rule 3.10(1) of the ACE LR, our Company is required to have at least 25% of the total number of Shares in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of listing of our Company on the ACE Market. If the aforementioned public spread requirement is not met, our Company may not be able to proceed with the Transfer of Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an undersubscription of the Offering Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus, any of the abovementioned Offering Shares under the Retail Offering not applied for will then be subscribed by the Sole Underwriter based on the terms of the Retail Underwriting Agreement.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**14.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the manner stated below.

14.9.1 For application by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend or distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary or registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary or registered post to your address as stated in the National Registration Identity Card (NRIC) or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend or distribution) or by issuance of banker's draft sent by ordinary or registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

14.9.2 For application by way of Electronic Share Application or Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution or Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institution or Internet Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

14.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Offering Shares allotted to you will be credited into your CDS Account;
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with Bursa Depository, at your own risk, before our ACE Listing. This is the only acknowledgement of acceptance of your Application;
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Consequently, the Offering Shares issued or offered through our Prospectus will be deposited directly with Bursa Depository and any dealing in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository; and
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No share certificates will be issued to you and you shall not be entitled to withdraw any deposited security held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

14.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institution
Internet Share Application	The relevant Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account number on the site after 3:00 p.m. on the allotment date. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Malaysia Berhad.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of the major licences, permits and approvals for our operations as at LPD together with the major conditions attached therein and the corresponding status of compliance as at LPD are as follows:

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
1.	LSH Capital	DBKL	Business licence for administrative office at No. 5-2, Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/01433 /12/2021/PR01	11 January 2025 / (10 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
2.	LSH Lighting	DBKL	(i) Business licence for sale of electronic and electrical items at No. 3, Block A, Diamond Square, Jalan Semarak Api 1, Off Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/03136 /13/2018/PR01	1 January 2025 / (31 December 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(ii) Signboard licence for display of one (1) signboard at No. 3, Block A, Diamond Square, Jalan Semarak Api 1, Off Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/00303 /01/2017/IK01	11 April 2024 / (10 April 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
			(iii) Business licence for sale of electronic and electrical items, as well as display of one (1) signboard at No. 1 & 1A, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/00877 /08/2008/KM01	1 September 2024 / (31 August 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(iv) Business licence for sale of electronic and electrical items at No. 1B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/01720 /12/2017/PR01	14 February 2025 / (13 February 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(v) Business licence for sale of electronic and electrical items, as well as display of three (3) signboards at Lot G-08, 09 & 10, Lot Level 1-08, 09 & 10, Lot Level 2-08, 09 & 10, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/01232 /11/2024/KM01	8 November 2024 / (7 November 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
3.	LSH Lighting	Majlis Perbandaran Kajang	(vi) Business licence for administrative office at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/00990 /12/2021/PR01	11 January 2025 / (10 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(i) Trade, business and industrial licence for sale of electrical items and furniture, as well as display of one (1) illuminated signboard at No. G-1, 1-1, G-2, 1-2, G-3, 1-3 & 1-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	MPKJ/CL/3/40/ 2004	1 January 2025 / (31 December 2025)	Nil.	N/A
			(ii) Trade, business and industrial licence for sale of electrical and electronic items and furniture, as well as display of five (5) non-illuminated signboards and three (3) illuminated signboards at No. 1 & 2, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	MPKJ/CL/1/294/ 2015#	28 April 2024 / (27 April 2025)	Nil.	N/A

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
			(iii) Trade, business and industrial licence for showroom for lightings, electrical items and furniture, as well as display of one (1) signboard at No. 3A, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	MPKJ/CL/1/169/2019	18 April 2024 / (17 April 2025)	Nil.	N/A
4.	Knight Auto	Majlis Perbandaran Kajang	(i) Trade, business and industrial licence for the sale / provision of services relating to machinery and display of one (1) illuminated signboard at No. G-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan	MPKJ/CL/3/41/2004	1 January 2025 / (31 December 2025)	Nil.	N/A
			(ii) Trade, business and industrial licence for wholesale and storage, and display of three (3) illuminated signboards at Lot 1879, Jalan KPB 5, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan	MPKJ/CL/6/268/2007	1 January 2025 / (31 December 2025)	Nil.	N/A

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
5.	Knight Auto	DBKL	(i) Business licence for sale / provision of services relating to machinery, and display of three (3) signboards at No. 349, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/00238 /12/2008/KM01	2 June 2024 / (1 June 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(ii) Signboard licence for display of one (1) signboard at No. 349, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/01285 /04/2010/IK01	2 June 2024 / (1 June 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(iii) Business licence for warehouse and storage of goods at No. 349A & 349B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/PR01/ 1220/11/2017	21 October 2024 / (20 October 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
			(iv) Business licence for sale / provision of services relating to machinery, warehouse and storage of goods and display of two (2) signboards at No. 349A Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/02121 /06/2023/KM01	15 December 2024 / (14 December 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(v) Business licence for sale / provision of services relating to machinery and equipment, warehouse and storage of goods and display of one (1) signboard at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/02596 /09/2021/KM01	23 September 2024 / (22 September 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
			(vi) Lot G-16, 17 & 18, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPPP/02092 /11/2024/KM01	14 November 2024 / (13 November 2025)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
6.	LSHBB	DBKL	Business licence for administrative office at No. 3A-2, Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/01428 /12/2021/PR01	11 January 2025 / (10 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
7.	ASSB	DBKL	Business licence for administrative office at Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/01426 /12/2021/PR01	11 January 2025 / (10 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
8.	LSH Ventures	DBKL	Business licence for administrative office at No. 6, Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	DBKL.JPPP/01035 /12/2021/PR01	11 January 2025 / (10 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance
9.	ASES	DBKL	Business licence for administrative office at No. 5-3, Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur	DBKL.JPPP/01989 /12/2021/PR01	12 January 2025 / (11 January 2026)	The employees at the premises shall consist of at least 50% Malaysian workers, and foreign workers must be issued with valid work permits.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
10.	LSH Lighting	Ministry of Finance, Malaysia	Certificate of registration for the supply and/or services in the following sectors, fields and sub-fields set out in the certificate: ▪ Electrical and electronic engineering equipment or systems, electrical, electronic components, lighting accessories and lighting components. The individuals authorised by the company for government procurement matters are as follows: (i) Nor Farhana Binti Ja'afar; and (ii) Nur Azriena Binti Sulaiman	Certificate No. K10342697574015731 Registration No. 357-0002299773	14 November 2024 / (31 December 2027)	(i) The company must ensure that the registered sector in the certificate does not overlap with the sector that has received approval by any other companies which: (a) comprise the same owner or board of directors/director, management and employee; or (b) operate in the same premises. (ii) The company must ensure that the registration with the Ministry of Finance, Malaysia remains active throughout the enforcement period of the contract.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
11.	ASSB	Ministry of Finance, Malaysia	Certificate of registration for the supply and/or services in the following sectors, fields and sub-fields set out in the certificate: ▪ Civil engineering, construction and equipment for public facilities, public equipment, equipment, public facilities, container, building materials and road safety equipment, pipes and fittings, road safety equipment and street furniture. The individuals authorised by the company for government procurement matters are as follows: (i) Lim Wei Xin; (ii) Syahirah Binti Shaziman; and (iii) Cheong Yee Wen	Certificate No. K10343024953148 371 Registration No. 357-0002298451	7 April 2022 / (6 April 2025)	(i) The company must ensure that the registered sector in the certificate does not overlap with the sector that has received approval by any other companies which: (a) comprise the same owner or board of directors/director, management and employee; or (b) operate in the same premise. (ii) The company must ensure that the registration with the Ministry of Finance, Malaysia remains active throughout the enforcement period of the contract.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
13.	ASSB	CIDB	Certificate of registration as a G7 contractor pursuant to Part VI of the CIDB Act as follows: <u>Category</u> B CE ME <u>Specialisation</u> B04 CE21 M15 <i>For further information on the categories and specialisations as set out above, please refer to item 12 above.</i>	0120130925-WP152482	20 May 2024 / (11 May 2027)	(i) This certificate is non-transferable. (ii) The contractor shall not participate in any tender or perform any construction work after the expiry of this certificate until it is renewed. (iii) The contractor shall not undertake any construction project which exceeds the value of construction work specified under the registered grade and shall not carry out any construction work not within the category of its registration. (iv) The contractor shall submit the information regarding any construction work or contract within 14 days of the date of award or before the commencement of construction work, whichever is earlier. (v) The contractor shall appoint skilled construction workers and site supervisors accredited and certified by the CIDB.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
15.	Knight Auto	Department of Occupational Safety and Health, Malaysia ("DOSH")	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPM8391	Certificate No. PMA-WP/A24-211767 Registration No. SL PMA 82985	13 November 2024 / (29 January 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
16.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPM8931	Certificate No. PMA-WP/24 196116 Registration No. SL PMA 81849	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
17.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPF8319	Certificate No. PMA-WP/A24-213905 Registration No. PMA 31869	9 December 2024 / (25 February 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
18.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number BNH2886	Certificate No. PMA-WP/A24-213906 Registration No. SL PMA 41132	9 December 2024 / (25 February 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
19.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPF8931	Certificate PMA-WP/24 196113 Registration No. SL PMA 27745	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
20.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPH8319	Certificate PMA-WP/23 149778 Registration No. PMA 94465	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
21.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPH8139	Certificate PMA-WP/23 149777 Registration No. PMA 91743	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
22.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPM8139	Certificate PMA-WP/A24-211766 Registration No. SL PMA 82604	13 November 2024 / (29 January 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
23.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of ALE8139	Certificate PMA-WP/22 149776 Registration No. SL PMA 46914	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
24.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of WKG7057	Certificate PMA-WP/24 196112 Registration No. PMA 105230	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
25.	Knight Auto	DOSH	Certificate of fitness in respect of a skylift with vehicle registration number of WLC2560	Certificate PMA-WP/22 152023 Registration No. PMA 111392	26 February 2024 / (25 May 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
26.	Knight Auto	DOSH	Certificate of fitness in respect of a skylift with vehicle registration number of BLC4095	Certificate PMA-WP/24 196089 Registration No. SL PMA 24144	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
27.	Knight Auto	DOSH	Certificate of fitness in respect of a crawler crane with vehicle registration number of BKG5637	Certificate No. PMA-PP/23 119997 Registration No. SL PMA 16916	12 April 2023 / (22 October 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
28.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BMH9363	Certificate No. PMA-WP/24 196111 Registration No. SL PMA 33165	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
29.	Knight Auto	DOSH	Certificate of fitness in respect of a truck mounted crane with vehicle registration number of VB8319	Certificate No. PMA-WP/24 196114 Registration No. JH PMA 19083	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
30.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of VBD8391	Certificate No. PMA-WP/24 196115 Registration No. SL PMA 81776	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
31.	Knight Auto	DOSH	Certificate of fitness in respect of a crawler crane with vehicle registration number of WDS461	Certificate No. PMA-NS/24 48399 Registration No. PMA 44342	7 June 2024 / (6 September 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
32.	Knight Auto	DOSH	Certificate of fitness in respect of a truck mounted crane with vehicle registration number WHD1614	Certificate No. PMA-WP/A24-211764 Registration No. SL PMA 5845	13 November 2024 / (21 January 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
33.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of VAL1833	Certificate No. PMA-WP/22 149781 Registration No. SL PMA 50208	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
34.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of BPS8139	Certificate No. PMA-WP/22 149782 Registration No. SL PMA 36684	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
35.	Knight Auto	DOSH	Certificate of fitness in respect of a skylift with vehicle registration number of BQB8139	Certificate No. PMA-WP/22 152022 Registration No. SL PMA 2475	26 February 2024 / (25 May 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
36.	Knight Auto	DOSH	Certificate of fitness in respect of a skylift with vehicle registration number of BPY3899	Certificate No. PMA-WP/A24-211763 Registration No. SL PMA 88583	13 November 2024 / (1 January 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
37.	Knight Auto	DOSH	Certificate of fitness in respect of a crawler crane with vehicle registration number of BKE8916	Certificate No. PMA-NS/23 69170 Registration No. NS PMA 1660	21 December 2023 / (14 March 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
38.	Knight Auto	DOSH	Certificate of fitness in respect of a crawler crane with vehicle registration number of BNG3921	Certificate No. PMA-NS/23 68818 Registration No. SL PMA 46953	8 December 2023 / (7 March 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
39.	Knight Auto	DOSH	Certificate of fitness in respect of a mobile crane with vehicle registration number of VAL3183	Certificate No. PMA-WP/24 187651 Registration No. SL PMA 25627	5 January 2024 / (4 April 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
40.	ASSB	DOSH	Certificate of fitness in respect of a hydraulic truck crane with vehicle registration number of JEQ4529	Certificate No. PMA-WP/22 152021 Registration No. SL PMA 3732	26 February 2024 / (25 May 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
41.	ASSB	DOSH	Certificate of fitness in respect of a truck mounted crane with vehicle registration number of BPQ8139	Certificate No. PMA-WP/24 196093 Registration No. JH PMA 83390	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
42.	ASSB	DOSH	Certificate of fitness in respect of a truck mounted crane with vehicle registration number of VAG8913	Certificate No. PMA-WP/A24 210317 Registration No. JH PMA 80367	22 October 2024 / (21 January 2026)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
43.	ASSB	DOSH	Certificate of fitness in respect of an all terrain crane with vehicle registration number of RAB8139	Certificate No. PMA-WP/24 196090 Registration No. SL PMA 39305	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
44.	ASSB	DOSH	Certificate of fitness in respect of an all terrain crane with vehicle registration number of BPJ8139	Certificate No. PMA-WP/24 196092 Registration No. SL PMA 53694	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
45.	ASSB	DOSH	Certificates of fitness in respect of a launching gantry/launcher crane	Certificate Nos. PMA-WP/23 169350 and PMA-WP/23 169351 Registration Nos. WP PMA 88655 and WP PMA 88654	21 July 2024 / (30 September 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
46.	ASSB	DOSH	Certificate of fitness in respect of a truck mounted crane with vehicle registration number of PJS758	Certificate No. PMA-WP/24 196091 Registration No. JH PMA 20031	25 April 2024 / (24 July 2025)	The machinery shall be operated by a qualified person who is recognised and registered with the DOSH.	In compliance
47.	ASSB	Ministry of Housing and Local Government, Malaysia ("MHLG")	Developer's licence	20234/02-2027/0046(R)	10 February 2024 / (9 February 2027)	Nil.	N/A

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Name of licensee	Approving authority / Issuer	Description of licence / permit / approval	Licence / Permit / Registration no.	Effective date / (Expiry date)	Major conditions imposed	Status of compliance
48.	ASSB	MHLG	Advertising and sale permit for the development of one (1) block of 32-storey apartment / condominium (440 units) and one (1) block of 38-storey apartment / condominium (435 units) on Lot 482098, Mukim Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "Residensi Laman Segar Hijau (LSH Segar)" (i.e. the LSH Segar Project)	20234-1/02-2025/0132(R)-(S)	10 February 2024 / (9 February 2025) ⁽³⁾	(i) The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. (ii) The landowner as the registered proprietor of the land title must sign the SPA. (iii) The developers who intend to sell in bulk, for more than four (4) units of houses to an individual / company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	In compliance In compliance In compliance

Notes:

- (1) The obligation to submit the information regarding construction work or contract awarded is only applicable to a main contractor. As LSH Lighting has never undertaken any construction work as a main contractor, this condition is not applicable to LSH Lighting.
- (2) As the nature of M&E works undertaken by LSH Lighting does not require any such skilled construction workers or site supervisors, this condition is not applicable to LSH Lighting.
- (3) ASSB has commenced the renewal process on 7 January 2025, and expects to receive the renewal for the approval by the end of first quarter of 2025. Pending issuance of the renewed licence, ASSB has undertaken to cease all advertising and sale activities in relation to the LSH Segar Project.

The aforementioned licences, approvals and permits held by our Group are each subject to periodic or annual renewal. For those nearing expiry, our Group will initiate the renewal process promptly at the start of the applicable renewal period to ensure continuous compliance. Our compliance monitoring framework includes monitoring upcoming expirations and commencing renewal procedures in advance to avoid any lapses.

ANNEXURE B: OUR INTELLECTUAL PROPERTIES

As at LPD, save for the trademark registrations and applications with the Intellectual Property Corporation of Malaysia (“**MYIPO**”) below, our Group does not have any other intellectual property right registered and/or in the process of registration:

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)		Status
1.	LSH Lighting		99011918	Class 11 / All types of interior and exterior lightings and lighting apparatus; all included in Class 11.	5 January 2021 / (24 November 2029)		Registered
2.	LSH Lighting		TM2021012841	Class 11 / Electric lighting fittings, apparatus for lighting, environmental control apparatus for lighting purposes, fibre optic lighting apparatus, filters for stage lighting, flat panel lighting apparatus, garden lighting, LED lighting apparatus, LED lighting installations, light-emitting diode (LED) lighting apparatus, light-emitting diode (LED) lighting installations, lighting apparatus, lighting apparatus and installations, lighting apparatus for vehicles, lighting fittings, luminous tubes for lighting, outdoor lighting fittings, outdoor lighting fixtures, sconce lighting fixtures, stage lighting apparatus, track lightings, led lamps, outdoor lamps, reading lamps, safety lamps, solar-powered lamps, lamp bulbs, lamp casings, lamp chimneys, lamp fittings, lamp glasses, wall lamps, fluorescent lamp tubes, and chandeliers; all included in Class 11 ^(a) .	4 May 2021 / (4 May 2031)		Registered
3.	Knight Auto		TM2022033462	Class 7 / Agricultural implements other than hand-operated hand tools, agricultural machines, electric welding apparatus, electric welding machines, electrodes for welding machines, air brushes for applying paint, air compressors, air drills, air hammers, pressure valves being parts of machines, valves (parts of machines), valves (parts of pumps), air pumps (garage installations), air screwdrivers,	9 December 2022 / (9 December 2032)		Registered

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)		Status
				air-operated power tools, centrifugal pumps, electric water pumps, submersible pumps, couplings for pneumatic apparatus, couplings, other than for land vehicles, grinding machines, grinding tools (parts of machines), hammer drills, rotary hammers, electric, cutting machines, pneumatic grease guns, AC generators, DC generators, hydraulic jacks, jacks (machines), lifting jacks, other than hand-operated, cranes (lifting and hoisting apparatus), hydraulic lift tables, hydraulic lifting apparatus, bits for power drills, tool bits, for machines, band saws, blades for power saws, chainsaws, circular saws, electric saws, jigsaws (power tools), scroll saws (machines), tile saws (power tools), lathes (machine tools), machines, machine tools, power-operated tools, metalworking machines and machine tools, routers (machine tools), woodworking machines, drills (power tools), power tools, control mechanisms for machines, engines or motors, pneumatic controls for machines, motors and engines, pneumatic hand drills, pneumatic machines and apparatus, pneumatic nail guns, pneumatic waste oil drainers, chisels for machines, chucks (parts of machines), chucks for power drills, concrete mixers (machines), pistons (parts of machines or engines), pistons for machines, electric floor polishing machines and apparatus, electric polishing machines and apparatus, power saws, stone working machines, electrical apparatus for sealing plastics (packaging), couplings for machine tools, couplings for machines, earth augers, power tillers, spraying machines, electric grass trimmers, lawn mowers, hedge trimmers (machines), electric blenders for the			

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)				
No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark
				Effective date / (Expiry date)
				Status

preparation of beverages, electric food blenders, meat mincers (machines), meat slicers (machines), sandblasting machines, concrete vibrators, packing machines, vacuum packing machines, hoists, water pumps for swimming pools, electric planers, and suction pumps.



4.	Knight Auto		TM2022033463	Class 8 / Hand-operated abrading tools, augers (hand tools), bolt cutters (hand tools), clamps (hand tools), cutting tools (hand tools), hand-operated hammers garden tools, hand drills (hand tools), hand-operated hand tools and implements, hand-operated agricultural tools, hand-operated automotive repair tools, hand-operated riveting tools, hand-operated tools for bending pipes, ratchet wrenches (hand tools), scrapers (hand tools), hand-operated sharpening tools and instruments, socket wrenches (hand tools), spanners (hand tools), adjustable wrenches, oil filter wrenches, pipe wrenches, torque wrenches, wrenches (hand tools), hand-operated sprayers for agricultural purposes, paint scrapers (hand tools), french fry cutters, hand-operated tile cutters, hand-operated sheet metal bending brakes, hand-operated lifting jacks, hand-operated motorcycle lifting jacks, stands for hand jacks, blades for hand saws, hand saws, bench vises, shears, non-electric screwdrivers, crimping pliers, cutting pliers, punch pliers (hand tools), hand-operated torque multipliers, ratchets (hand tools), socket spanners (hand tools), bits (parts of hand tools), bits for hand drills, hex keys, hand-operated bar cutters, multi-purpose shears, hand-operated nail pullers, punches (hand tools), miter	9 December 2022 / (9 December 2032)	Registered

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
5.	Knight Auto		TM2022033464	boxes (hand tools), and oil cans for lubricating machinery (hand implements). Class 11 / Electric fans, electric waffle makers, electric food warmers, heated display cabinets, electric popcorn makers, popcorn machines, candyfloss making machines, cotton candy making machines, deep frying machines, hot air blowers, barbecue grills, freezers, gas ovens, electric ovens, soybean milk making machines, electric food steamers, and ventilation apparatus.	9 December 2022 / (9 December 2032)	Registered
6.	LSH Capital		TM2021016304	Class 36 / Financial services in the field of money lending and real estate management.	N/A	Conditional approval ⁽²⁾
7.	LSH Capital		TM2021016302	Class 37 / Rental of building machinery and real estate development (building and construction services).	N/A	Conditional approval ⁽²⁾

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
8.	LSH Capital		TM2021016301	Class 36 / Financial services in the field of money lending and real estate management; all included in Class 36.	N/A	Conditional approval ⁽²⁾
9.	LSH Capital		TM2021016300	Class 37 / Rental of building machinery and real estate development (building and construction services); all included in Class 37.	N/A	Conditional approval ⁽²⁾
10.	LSH Capital		TM2023012240	Class 16 / Address books, adhesive note paper, advertisement boards of paper or cardboard, advertising pamphlets, advertising signs of cardboard, advertising signs of paper, advertising signs of paper or cardboard, albums for photographs, almanacs, anniversary books, anniversary cards, announcement cards, appointment books, architects' models, architectural plans and specifications, art paper, artists' materials, artists' modelling materials, autograph books, bags (envelopes, pouches) of paper or plastics, for merchandise packaging, bags of paper, bags of paper or plastic for packaging, ball pens, blank cards, blank forms, blank journal books, book covers, bookmarks, books, boxes of paper or cardboard, business cards, calendars, car stickers, card files, cardboard labels, cardboard packaging,	3 May 2023 / (3 May 2033)	Registered

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
11.	LSH Capital		TM2023012242	cardboard tags, coupon books, covers for books, display boxes of paper or cardboard, document portfolios, envelopes, exercise books, folders for papers, gift boxes, greeting cards, handbooks (manuals), information booklets, instruction manuals, labels of paper, magazine paper, marker pens, modelling materials, newsletters, newspapers, note books, office stationery, packaging bags of paper, packaging bags of plastic, pamphlets, paper bags, pencils, plastic bags for packing, shopping bags made of plastic, stationery boxes, tags made of paper or cardboard, telephone directories and writing books; all included in Class 16.	3 May 2023 / (3 May 2033)	Registered
		Class 35 / Administrative assistance in responding to calls for tenders, administrative services relating to referrals for general building contractors, advisory services for preparing and carrying out commercial transactions, advisory services relating to business organisation and management, business development consultancy services, business management, administration and information services, business planning and business continuity consultancy, business project management services for construction projects, business research and evaluations, business research and surveys, commercial or industrial management assistance, consultancy and advisory services in the field of business strategy, market assessment consultancy, market research data collection services, market surveys, analysis and research, planning, development and implementation of marketing strategies, providing advice in the field of business				

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
12.	LSH Capital		TM2023012243	efficiency, providing advice relating to sales methods and techniques, providing advice relating to the organisation and management of businesses, providing business and commercial advice and information, providing business efficiency advice, providing business information via a website, provision of commercial information and advice for consumers in the choice of products and services; all included in Class 35. Class 36 / Advisory services relating to financial grants, advisory services relating to financial investment management, advisory services relating to financial planning, arranging finance for construction projects, arranging of loans, banking advisory services, banking consultancy, consultancy in the field of financial planning, consultancy services relating to the financing of civil works and infrastructure projects, consultancy, research and information relating to financial affairs, financial advisory, management and consultancy services, financial analysis and consultancy services, financial appraisals in responding to calls for tenders, financial management of building projects, financial planning services relating to building projects, providing banking information and providing financial information; all included in Class 36.	3 May 2023 / (3 May 2033)	Registered

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
13.	LSH Capital		TM2023012245	Class 37 / Building and construction services, building construction and repair, building construction supervision services for building project, building construction supervision services for real estate projects, building construction supervision services relating to shopping centers, industrial complexes, office buildings, residential buildings and other real estate developments, building inspection in the course of building construction, building construction supervision services relating to shopping centres, industrial complexes, office buildings, residential buildings and other real estate developments, commercial estate construction, commercial property construction, communications infrastructure construction, construction and maintenance of apartments, studios, bungalows, villas and cottages, construction and maintenance of building complexes, residential buildings, housing estates, commercial buildings, shopping centers, office buildings and parking structures, construction and renovation of buildings, construction and repair of residential buildings and houses, construction and repair of warehouses, construction management (supervision), construction of building interiors, construction of buildings and other structures, construction of buildings, roads, bridges and dams, construction of commercial properties, construction of industrial buildings, construction of motorways, construction of residential and commercial buildings, construction, maintenance and renovation of buildings, construction, maintenance and renovation of property, construction, maintenance, cleaning and	3 May 2023 / (3 May 2033)	Registered

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

No.	Registered owner / Applicant	Trademark	Application / Registration no.	Class / Description of trademark	Effective date / (Expiry date)	Status
14.	LSHBB	LSH BEST Builders ⁽³⁾	TM2022028908	Class 16 / Similar to the description set out in item 10 above.	N/A	Published ⁽⁵⁾
15.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022028910	Class 36 / Similar to the description set out in item 12 above.	N/A	Conditional approval ⁽⁶⁾
16.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022028911	Class 37 / Similar to the description set out in item 13 above.	N/A	Conditional approval ⁽⁶⁾
17.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022028909	Class 35 / Similar to the description set out in item 11 above.	N/A	Conditional approval ⁽⁶⁾
18.	LSHBB	LSH BEST Builders ⁽³⁾	TM2022028912	Class 16 / Similar to the description set out in item 10 above.	N/A	Published ⁽⁵⁾
19.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022030347	Class 35 / Similar to the description set out in item 11 above.	N/A	Conditional approval ⁽⁶⁾
20.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022028914	Class 36 / Similar to the description set out in item 12 above.	N/A	Conditional approval ⁽⁶⁾
21.	LSHBB	LSH BEST Builders ⁽⁴⁾	TM2022028915	Class 37 / Similar to the description set out in item 13 above.	N/A	Conditional approval ⁽⁶⁾

ANNEXURE B: OUR INTELLECTUAL PROPERTIES (Cont'd)

Notes:

(1) Registration of this trademark shall give no right to the exclusive use of the word 'lighting'.

(2) We had on 10 June 2021 applied to MyIPO for registration of these trademarks under Class 36 and Class 37 ("**LSH Trademarks**"). On 18 April 2022, MyIPO issued notices of provisional refusal to us on the basis that the LSH Trademarks are similar to certain trademarks which are either already registered or under review by MyIPO in its database ("**third-party trademarks**") and the class/description of registration sought are also similar to the third-party trademarks. Following our appeals on 17 June 2022, MyIPO has on 1 August 2024 issued a conditional approval for the registration of each of the LSH Trademarks, stating that these trademarks will be registered provided that a letter of consent is obtained from the relevant owner of the third-party trademarks stating that such owner has no objection for the registration of LSH Trademarks by our Group. On 26 September 2024, we issued a letter seeking consent from the said owner. On 30 September 2024, our solicitors attending to the registration of the LSH Trademarks have also filed written submissions to MyIPO to further explain the differences between the LSH Trademarks and the third-party trademarks. As at LPD, we are still pending responses from the said owner on the consent sought, as well as MyIPO in respect of the written submissions filed.

(3) These trademarks are published with the disclaimer that the registration of these trademarks shall give no right to the exclusive use of the words 'best' and 'builders'.

(4) For information, we have included a disclaimer in the application that the registration of these trademarks will give no right to the exclusive use of the words 'best' and 'builders'.

(5) We had on 31 October 2022 applied to MyIPO for registration of these trademarks under Class 16 ("**LSHBB Class 16 Trademarks**"). On 22 May 2023, MyIPO issued a notice of provisional refusal to us on the basis that the LSHBB Class 16 Trademarks and the class/description of registration sought are similar to a trademark owned by a third-party for Class 16 which is already registered with MyIPO. Following our appeal on 24 July 2023, MyIPO has on 9 August 2024 issued a conditional approval for the registration of each of the LSHBB Class 16 Trademarks, stating that these trademarks will be registered once we agree with the amendment to the voluntary disclaimer such that the registration of these trademarks will give no right to the exclusive use of the words 'best' and 'builders', which we have subsequently amended and incorporated such disclaimer into the registration of the LSHBB Class 16 Trademarks.

On 7 January 2025, MyIPO published the LSHBB Class 16 Trademarks in MyIPO's Online Journal for a period of two (2) months to enable the public to view the same and file an opposition application should there be any reason to disallow these trademarks for registration in Malaysia. In the event there is no opposition application filed against the LSHBB Class 16 Trademarks during the publication period, these trademarks will be duly registered with MyIPO for a period of 10 years.

(6) We had on 31 October 2022 and 11 November 2022 applied to MyIPO for registration of these trademarks under Class 35, Class 36 and Class 37 ("**LSHBB Other Trademarks**"). On various dates between May 2023 to July 2023, MyIPO issued notices of provisional refusal to us on the basis that the LSHBB Other Trademarks are similar to certain trademarks which are either already registered or under review by MyIPO in its database ("**third-party trademarks**") and the class/description of registration sought are also similar to the third-party trademarks. Following our appeals in July 2023 and September 2023, MyIPO has on 9 August 2024 issued a conditional approval for the registration of each of the LSHBB Other Trademarks, stating that these trademarks will be registered provided that a letter of consent is obtained from the relevant owner of the third-party trademarks stating that such owner has no objection for the registration of the LSHBB Other Trademarks by our Group. On 26 September 2024, we issued a letter seeking consent from the said owner. On 8 October 2024, our solicitors attending to the registration of the LSHBB Other Trademarks have also filed written submissions to MyIPO to further explain the differences between the LSHBB Other Trademarks and the third-party trademarks. As at LPD, we are still pending responses from the said owner on the consent sought, as well as MyIPO in respect of the written submissions filed.

ANNEXURE B: OUR INTELLECTUAL PROPERTIES *(Cont'd)*

Although the registration of some of the trademarks as mentioned above are still pending, we do not anticipate any material adverse impact on our Group's business operations as we may continue to use these trademarks, even in the event of non-registration of these trademarks. Given that our Group has established our presence, reputation and visibility within the industry with our track record and market standing, any non-registration of these trademarks will not impede our business continuity and growth prospects.

Furthermore, pending the registration of these trademarks with MyIPO, should any person use a mark which is similar or identical to these non-registered trademarks, we may still be able to initiate a passing off action pursuant to common law principles which prevents such person from misrepresenting such trademark as their own.

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ANNEXURE C: MATERIAL PROPERTIES**C.1 MATERIAL PROPERTIES OWNED BY OUR GROUP**

As at LPD, the details of the material properties owned by our Group are as follows:

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
1.	<u>Registered owner:</u> ASSB <u>Title identification:</u> Pajakan Negeri 54330, Lot No. 482098, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur <u>Postal address:</u> Lot No. 481334, Mukim Kuala Lumpur, Persiaran Lemak, Taman Segar, 56000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia <u>Tenure:</u> Leasehold for a period of 99 years, expiring on 8 August 2116 (remaining tenure of approximately 92 years as at LPD)	<u>Description:</u> A plot of residential land for which the LSH Segar Project is currently being constructed and developed on <u>Proposed use:</u> Two (2) blocks of residential units comprising 435 condominium units, 440 'Residensi Wilayah' affordable housing units and carpark ⁽¹⁾ <u>Category of land use:</u> Building	N/A	<u>Land area:</u> 180,543 sq ft <u>Built-up area:</u> N/A	<u>Restriction in interest:</u> (i) This land shall not be transferred, leased or charged without the consent of the Kuala Lumpur Land Works Committee. (ii) The 'Residensi Wilayah' affordable housing units shall not be transferred within 10 years from the date of the SPA signed by the first buyer. <u>Express conditions:</u> This land shall only be used for the Federal Territories Affordable Housing Project (RUMAWIP) (now known as 'Residensi Wilayah') and development of luxury apartments. <u>Encumbrance:</u> Charged to MBSB Bank Berhad vide Presentation No. PDSC47546/2022 registered on 29 September 2022.	25,428

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
2.	<u>Registered owner:</u> ASES <u>Title identification:</u> Pajakan Negeri 53100, Lot No. 103675, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur <u>Postal address:</u> Off Jalan Pinggiran Tasik, Taman Tasik Damai, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia <u>Tenure:</u> Leasehold for a period of 99 years, expiring on 13 August 2117 (remaining tenure of approximately 93 years as at LPD)	<u>Description:</u> A plot of vacant residential land for which the Lake Side Homes Project is to be constructed and developed on <u>Proposed use:</u> Five (5) blocks of residential units comprising 1,183 condominium units, 593 'Residensi Wilayah' affordable housing units, 593 PPAM affordable housing units and carpark⁽²⁾ <u>Category of land use:</u> Building	N/A	<u>Land area:</u> 516,130 sq ft <u>Built-up area:</u> N/A	<u>Restriction in interest:</u> (i) This land shall not be transferred, leased or charged without the consent of the Kuala Lumpur Land Works Committee. (ii) The 'Residensi Wilayah' affordable housing units shall not be transferred within 10 years from the date of the SPA signed by the first buyer. (iii) In the case of the PPAM affordable housing units, additional restrictions in interest are as follows: (1) The restrictions against transfer shall apply for 10 years from the date of the SPA ("PPAM SPA") signed by the first-time buyer of such unit ("PPAM Transfer Restriction"); (2) Within 10 years from the date of the PPAM SPA, each subsequent application for consent to transfer ownership of the PPAM affordable housing unit must be	113,455

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

Registered owner / Title identification / No. Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
				accompanied by a letter of approval from the Federal Government of Malaysia; and (3) For the transfer of ownership from the Federal Land Commissioner to the transferee who is not subject to the PPAM Transfer Restriction, the subsequent application for consent to transfer must be accompanied by a confirmation letter from the Federal Government of Malaysia.	
				<u>Express condition:</u> This land shall be used for residential buildings for the purpose of 'Residensi Wilayah' and PPAM affordable housing units, and luxury condominium units only. <u>Encumbrance:</u> Nil.	

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
3.	<u>Registered owner:</u> LSH Ventures	<u>Description:</u> A three (3)-storey corner shophouse	14 November 2014	<u>Land area:</u> 2,971 sq ft	<u>Restriction in interest:</u> Nil.	2,572
	<u>Title identification:</u> Geran 335371, Lot 13379, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor	<u>Existing use:</u> Tenanted by LSH Lighting as part of its retail store <u>Category of land use:</u>		<u>Built-up area:</u> 8,783 sq ft	<u>Express condition:</u> Commercial building. <u>Encumbrance:</u> Nil.	
	<u>Postal address:</u> No. 1, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia	Building				
	<u>Tenure:</u> Freehold					
4.	<u>Registered owner:</u> LSH Ventures	<u>Description:</u> An intermediate two (2)-storey shophouse	14 November 2014	<u>Land area:</u> 1,873 sq ft	<u>Restriction in interest:</u> Nil.	1,287
	<u>Title identification:</u> Geran 335373, Lot 13376, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor	<u>Existing use:</u> Tenanted by LSH Lighting as its retail store		<u>Built-up area:</u> 3,740 sq ft	<u>Express condition:</u> Commercial building.	

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
	<u>Postal address:</u> No. 3A, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia <u>Tenure:</u> Freehold	<u>Category of land use:</u> Building			<u>Encumbrance:</u> Nil.	
5.	<u>Registered owner:</u> LSH Ventures <u>Title identification:</u> Geran 5984, Lot No. 334, Seksyen 86, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur <u>Postal address:</u> No. 349, 349A & 349B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia <u>Tenure:</u> Freehold	<u>Description:</u> An end lot three (3)-storey shophouse <u>Existing use:</u> Tenanted by Knight Auto as its retail store <u>Category of land use:</u> Building	<i>Please refer to Note (3) below</i>	<u>Land area:</u> 1,640 sq ft <u>Built-up area:</u> 4,920 sq ft	<u>Restriction in interest:</u> Nil. <u>Express condition:</u> Nil. <u>Encumbrance:</u> Charged to Public Bank Berhad vide Presentation No. PDSC26039/2016 registered on 12 July 2016.	2,474

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
6.	<u>Registered owner:</u> ASSB	<u>Description:</u> Nine (9) units of office located on the second and third floors across three (3) blocks of four (4)-storey shophouses	8 October 2003	<u>Land area:</u> N/A	<u>Restriction in interest:</u> This land shall not be transferred, leased or charged without the consent of the state authority.	1,631
	<u>Title identification:</u>	<u>Existing use:</u>		<u>Built-up area:</u>	<u>Express condition:</u>	
(i)	Pajakan Negeri 21858, Lot No. 42137, Tingkat 3, Petak 27;	Save for unit no. 3-21 which is rented to a third-party tenant for office use, all the other office units are currently vacant and are held for investment purpose		Save for unit no. 3-1 with a built-up area of 1,518 sq ft, all the other units have a built-up area of 1,582 sq ft each	Commercial building.	
(ii)	Pajakan Negeri 21877, Lot No. 42138, Tingkat 3, Petak 22;				<u>Encumbrance:</u> Nil.	
(iii)	Pajakan Negeri 21854, Lot No. 42136, Tingkat 4, Petak 28;	<u>Category of land use:</u> Commercial				
(iv)	Pajakan Negeri 21854, Lot No. 42136, Tingkat 4, Petak 31;					
(v)	Pajakan Negeri 21854, Lot No. 42136, Tingkat 4, Petak 32;					
(vi)	Pajakan Negeri 21854, Lot No. 42136, Tingkat 4, Petak 33;					

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
	(vii) Pajakan Negeri 21858, Lot No. 42137, Tingkat 4, Petak 37;					
	(viii) Pajakan Negeri 21858, Lot No. 42137, Tingkat 4, Petak 39; and					
	(ix) Pajakan Negeri 21877, Lot No. 42138, Tingkat 4, Petak 32,					
	all at Bangunan M1, Sekyen 9, Bandar Kajang, Daerah Hulu Langat, Negeri Selangor					
	<u>Postal address:</u>					
	2-16, 2-21, 3-1, 3-3A, 3-5, 3-6, 3-16, 3-18 & 3-21, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia					
	<u>Tenure:</u>					
	Leasehold for a period of 99 years, expiring on 24 March 2101 (remaining tenure of approximately 76 years as at LPD)					

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
7.	<u>Registered owner:</u> ASSB	<u>Description:</u> A residential apartment unit ⁽⁴⁾	13 April 2018	<u>Land area:</u> N/A	<u>Restriction in interest:</u> Nil.	N/A ⁽⁵⁾
	<u>Title identification:</u> Geran 317553, Bangunan M1- B, Tingkat 20, No. Petak 510, Mukim Dengkil, Daerah Sepang, Negeri Selangor	<u>Existing use:</u> Rented to a third-party tenant for residential use <u>Category of land use:</u> Commercial		<u>Built-up area:</u> 1,205.56 sq ft	<u>Express condition:</u> Commercial <u>Encumbrance:</u> Nil.	
	<u>Postal address:</u> CNB-19-03, Conezion Residences, Block B, Persiaran IRC 3, IOI Resort City, 62502 Putrajaya, Malaysia					
	<u>Tenure:</u> Freehold					

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
8.	<u>Registered owner:</u> Icon Sejati Sdn Bhd ⁽⁶⁾ <u>Title identification:</u> Geran 250679, Lot No. 45370, Bangunan M1, Menara D, Tingkat 13, Petak 318, Bandar Johor Bahru <u>Postal address:</u> D-12-3A, Danga View Apartment, Jalan Persiaran Danga, 81200 Johor Bahru, Johor Darul Takzim, Malaysia <u>Tenure:</u> Freehold	<u>Description:</u> A residential apartment unit ⁽⁴⁾ <u>Existing use:</u> Vacant <u>Category of land use:</u> Building	13 April 2005	<u>Land area:</u> N/A <u>Built-up area:</u> 4,542.37 sq ft	<u>Restriction in interest:</u> (i) The landowner shall not be permitted to sell the units (parcels) of the building that will be constructed on the land unless the construction of such building has commenced in accordance with the plans approved by the relevant local authorities. (ii) The parcels of the building constructed on this land, once transferred in ownership to a Bumiputera individual/ Bumiputera company, shall not subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual/non-Bumiputera company without the consent of the State Authority. (iii) The parcels of the building constructed on this land shall not be sold, leased or transferred in any manner to a foreign citizen or foreign company without the consent of the State Authority.	N/A ⁽⁷⁾

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

Registered owner / Title identification / No. Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
Express condition:					
(i) This land can only be used for medium cost apartment, constructed in accordance with the plans approved by the relevant local authorities.					
(ii) All dirt and pollution resulting from the construction must be channeled or discarded to places allowed by the relevant authorities.					
(iii) All policies and conditions imposed from time to time by the relevant state authorities must be complied with.					

Encumbrance:

Nil.

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
9.	<u>Registered owner:</u> Pembinaan Sahabatjaya Sdn Bhd ⁽⁶⁾ <u>Title identification:</u> Geran 250679, Lot No. 45370, Bangunan M1, Menara D, Tingkat 10, Petak 04, Bandar Johor Bahru <u>Postal address:</u> D-09-03, Danga View Apartment, Jalan Persiaran Danga, 81200 Johor Bahru, Johor Darul Takzim, Malaysia <u>Tenure:</u> Freehold	<u>Description:</u> A residential apartment unit ⁽⁴⁾ <u>Existing use:</u> Vacant <u>Category of land use:</u> Building	13 April 2005	<u>Land area:</u> N/A <u>Built-up area:</u> 2,507.99 sq ft	<u>Restriction in interest:</u> (i) The landowner shall not be permitted to sell the units (parcels) of the building that will be constructed on the land unless the construction of such building has commenced in accordance with the plans approved by the relevant local authorities. (ii) The parcels of the building constructed on this land, once transferred in ownership to a Bumiputera individual/ Bumiputera company, shall not subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual/non- Bumiputera company without the consent of the State Authority. (iii) The parcels of the building constructed on this land shall not be sold, leased or transferred in any manner to a foreign citizen or foreign company without the consent of the State Authority.	N/A ⁽⁶⁾

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

Registered owner / Title identification / No. Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
<u>Express condition:</u>					
(i) This land can only be used for medium cost apartment, constructed in accordance with the plans approved by the relevant local authorities.					
(ii) All dirt and pollution resulting from the construction must be channeled or discarded to places allowed by the relevant authorities.					
(iii) All policies and conditions imposed from time to time by the relevant state authorities must be complied with.					
<u>Encumbrance:</u>					
Nil.					

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
10.	<u>Registered owner:</u> Teras Hijaujaya Sdn Bhd ⁽⁹⁾ <u>Title identification:</u> (i) Pajakan Negeri 69800, Lot No. 157008, Tingkat 1, Petak 8; (ii) Pajakan Negeri 69800, Lot No. 157008, Tingkat 2, Petak 24; and (iii) Pajakan Negeri 69800, Lot No. 157008, Tingkat 3, Petak 40, all at Mukim Pulau, Daerah Johor Bahru, Negeri Johor	<u>Description:</u> Three (3) units of shop office located on the ground, first and second floors of a three (3) storey shophouse ⁽⁴⁾ <u>Existing use:</u> Units 01-09 and 02-09 are rented to a third-party tenant for office use, whilst unit G-09 is intended to be rented to another third-party tenant for business use <u>Category of land use:</u> Commercial	17 August 2017	<u>Land area:</u> N/A <u>Built-up area:</u> Save for unit no. G- 09 with a built-up area of 2,605 sq ft, all the other units have a built-up area of 2,314 sq ft each	<u>Restriction in interest:</u> (i) The landowner shall not be permitted to sell the units (parcels) of the building that will be constructed on the land unless the construction of such building has commenced in accordance with the plans approved by the relevant local authorities. (ii) The parcels of the building constructed on this land, once transferred in ownership to a Bumiputera individual/ Bumiputera company, shall not subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual/non- Bumiputera company without the consent of the State Authority. (iii) The parcels of the building constructed on this land shall not be sold, leased or transferred in any manner to a foreign citizen or foreign company without the consent of the State Authority.	N/A ⁽¹⁰⁾
	<u>Postal address:</u> G-09, 01-09 and 02-09, Block B, Persiaran Pertama, Pusat Perdagangan Danga Utama, 81300 Johor Bahru, Johor Darul Takzim, Malaysia					

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

Registered owner / Title identification / No. Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
<u>Tenure:</u>	Leasehold for a period of 99 years, expiring on 13 April 2111 (remaining tenure of approximately 86 years as at LPD)			<u>Express condition:</u>	
				(i) This land can only be used for multi-storey building for commercial purposes (shop offices), constructed in accordance with the plans approved by the relevant local authorities.	
				(ii) All dirt and pollution resulting from the construction must be channeled or discarded to places allowed by the relevant authorities.	
				(iii) All policies and conditions imposed from time to time by the relevant state authorities must be complied with.	
				<u>Encumbrance:</u>	
				Nil.	

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Registered owner / Title identification / Postal address / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC or CF	Land area / Built-up area	Major restriction in interest / Express condition / Encumbrance	Audited NBV as at 30 September 2024 (RM'000)
11.	<u>Registered owner:</u> LSH Ventures <u>Title identification:</u> Geran 524424, Lot 47806, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor <u>Postal address:</u> PTB 22672, Jalan Danga Bayu 5, Pulau Danga Bayu, 81200 Johor Bahru, Johor Darul Takzim, Malaysia <u>Tenure:</u> Freehold	<u>Description:</u> A plot of residential land <u>Existing use:</u> Vacant and being held for investment purpose ⁽¹¹⁾ <u>Category of land use:</u> Building	N/A	<u>Land area:</u> 9,700 sq ft <u>Built-up area:</u> N/A	<u>Restriction in interest:</u> This land shall not be sold or transferred in any manner to foreign citizens or foreign companies without the consent of the state authority. <u>Express conditions:</u> (i) This land can only be used for a three (3)-storey residential house, constructed in accordance with a plan approved by the relevant local authorities. (ii) All dirt and pollution resulting from the construction must be channeled or discarded to places allowed by the relevant authorities. (iii) All policies and conditions imposed from time to time by the relevant state authorities must be complied with. <u>Encumbrance:</u> Nil.	2,040

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

Notes:

- (1) ASSB has obtained the development order from DBKL for the development of the LSH Segar Project on 14 December 2020. The development order was subsequently varied by way of letters dated 26 April 2021 and 4 June 2021 issued by DBKL. The approval for the building plan for the LSH Segar Project was also granted by DBKL on 13 October 2021.
- (2) ASES has obtained the development order from DBKL for the development of Lake Side Homes Project on 15 November 2023. However, there is a litigation case involving the Lake Side Homes Project as at LPD, details of which are set out in Section 13.6 of this Prospectus.
- (3) As at LPD, LSH Ventures is in the process of applying for the CCC for this premises, details of which are set out in Section 6.29(i) of this Prospectus.
- (4) On 15 April 2024, ASSB had agreed with one of its clients for the settlement of the total amount of approximately RM5.09 million due to ASSB in relation to the progress claims and retention sums for two (2) projects which were completed prior to our Company's acquisition of ASSB on 17 April 2023. Such amount due by the client is to be settled through contra payment via three (3) residential apartment units and a three (3)-storey shop office (collectively, the "**Contra Payment Properties**") for a total consideration of RM5.09 million. This is one of the Contra Payment Properties.
- (5) As the delivery of vacant possession of this property only took place on 11 November 2024, the NBV of this property is not recorded in the audited statements of financial position of our Group as at 30 September 2024. Nevertheless, for information purpose, the purchase consideration for this property amounted to RM0.75 million.
- (6) As at LPD, this property is still registered under the name of the vendor as the land office has yet to complete the registration of the memorandum of transfer in favour of ASSB.
- (7) As the delivery of vacant possession of this property only took place on 19 November 2024, the NBV of this property is not recorded in the audited statements of financial position of our Group as at 30 September 2024. Nevertheless, for information purpose, the purchase consideration for this property amounted to approximately RM1.11 million.
- (8) As the delivery of vacant possession of this property only took place on 19 November 2024, the NBV of this property is not recorded in the audited statements of financial position of our Group as at 30 September 2024. Nevertheless, for information purpose, the purchase consideration for this property amounted to RM0.65 million.
- (9) As at LPD, this property is still registered under the name of the developer for this development, who has given consent for the direct transfer in favour of ASSB. However, as at LPD, the land office has yet to complete the registration of the memorandum of transfer in favour of ASSB.
- (10) As the delivery of vacant possession of this property only took place on 19 November 2024, the NBV of this property is not recorded in the audited statements of financial position of our Group as at 30 September 2024. Nevertheless, for information purpose, the purchase consideration for this property amounted to approximately RM2.58 million.
- (11) As at LPD, our Group has no intention to carry out any development activity on this plot of residential land (due to its relatively small land size) and will continue to hold it for investment purpose.

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)**C.2 MATERIAL PROPERTIES RENTED BY OUR GROUP**

As at LPD, the details of the material properties rented by our Group are as follows:

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
1.	LSH Holdings (Landlord) / our Group (Tenant)	Wisma Lim Seong Hai, No. 33, Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> A seven (7)-storey commercial building known as 'Wisma Lim Seong Hai' <u>Existing use:</u> As head office of our Group and retail store for Knight Auto	23 October 2020	<u>Land area:</u> 5,963 sq ft <u>Built-up area:</u> 23,244 sq ft	The existing tenancies with our Group (namely LSH Lighting, Knight Auto, LSHBB and ASSB) are for a period of two (2) years commencing from 1 October 2023 to 30 September 2025. Please refer to Note (2) of Section 9.1.1 (iii) of this Prospectus for further information on the salient terms of these tenancies.	RM106,000
2.	LSH Holdings (Landlord) / LSH Lighting (Tenant)	No. 1, 1A & 1B, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> A corner lot three (3)-storey shophouse <u>Existing use:</u> Retail store of LSH Lighting	Please refer to Note (1) below	<u>Land area:</u> 2,215 sq ft <u>Built-up area:</u> 5,551 sq ft	The existing tenancy with LSH Lighting is for a period of two (2) years commencing from 1 January 2025 to 31 December 2026. Please refer to Note (3) of Section 9.1.1(iii) of this Prospectus for further information on the salient terms of this tenancy.	RM12,000

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
3.	LSH Holdings (Landlord) / LSH Lighting (Tenant)	No. G-1, 1-1, G-2, 1-2, G-3 & 1-3, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia	<u>Description:</u> Three (3) adjoining intermediate units of a four (4)-storey shophouse where we rent the ground floor and first floor of all three (3) units only <u>Existing use:</u> Part of the retail store of LSH Lighting	8 October 2003	<u>Land area:</u> N/A <u>Built-up area:</u> 8,988 sq ft	Details of the existing tenancies with LSH Lighting for the following units are as follows: (i) Units no. G-1 and 1-1 are for a period of two (2) years commencing from 1 November 2023 to 31 October 2025; and (ii) Units no. G-2, 1-2, G-3 & 1-3 are for a period of two (2) years commencing from 1 May 2024 to 30 April 2026. Please refer to Note (3) of Section 9.1.1(iii) of this Prospectus for further information on the salient terms of these tenancies.	RM4,500
4.	LSH Holdings (Landlord) / Knight Auto (Tenant)	No. 349A, Wisma Knight Auto, Jalan Pahang, Setapak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> A three (3)-storey detached building <u>Existing use:</u> Retail store of Knight Auto	11 January 2024	<u>Land area:</u> 24,219 sq ft <u>Built-up area:</u> 11,925 sq ft	The existing tenancy with Knight Auto is for a period of two (2) years commencing from 1 August 2023 to 31 July 2025. Please refer to Note (3) of Section 9.1.1(iii) of this Prospectus for further information on the salient terms of this tenancy.	RM6,000

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
5.	LSH Holdings (Landlord) / Knight Auto (Tenant)	Lot 1879, Jalan KPB 5, Kawasan Perindustrian Baru Kampung Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia	<u>Description:</u> A three (3)-storey building with a single-storey detached warehouse <u>Existing use:</u> Retail store and warehouse of Knight Auto	10 November 2009	<u>Land area:</u> 81,676 sq ft <u>Built-up area:</u> 14,478 sq ft	The existing tenancy with Knight Auto is for a period of two (2) years commencing from 1 January 2025 to 31 December 2026. Please refer to Note (3) of Section 9.1.1(iii) of this Prospectus for further information on the salient terms of this tenancy.	RM4,100
6.	Lim Pak Lian (Landlord) / LSH Lighting (Tenant)	No. 1-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia	<u>Description:</u> An intermediate unit of a four (4)-storey shophouse where we rent the first floor only <u>Existing use:</u> Part of the retail store of LSH Lighting	8 October 2003	<u>Land area:</u> N/A <u>Built-up area:</u> 1,615 sq ft	The existing tenancy with LSH Lighting is for a period of two (2) years commencing from 1 May 2024 to 30 April 2026. Please refer to Note (2) of Section 9.1.1(v) of this Prospectus for further information on the salient terms of this tenancy.	RM1,500

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
7.	Lim Pak Lian (Landlord) / Knight Auto (Tenant)	No. G-3A, Jalan Kajang Perdana 3, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia	<u>Description:</u> An intermediate unit of a four (4)-storey shophouse where we rent the ground floor only <u>Existing use:</u> Retail store of Knight Auto	8 October 2003	<u>Land area:</u> N/A <u>Built-up area:</u> 1,405 sq ft	The existing tenancy with Knight Auto is for a period of two (2) years commencing from 1 May 2023 to 30 April 2025. Please refer to Note (2) of Section 9.1.1(v) of this Prospectus for further information on the salient terms of this tenancy.	RM1,500 (from 1 May 2023 to 30 November 2023); and RM3,000 (from 1 December 2023 to 30 April 2025)
8.	Lor Siew Hung and Lim Pak Lian (Landlords) / LSH Lighting (Tenant)	No. 2, Jalan Kajang Perdana 3/1, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia	<u>Description:</u> An intermediate unit of a two (2)-storey shophouse <u>Existing use:</u> Part of the retail store of LSH Lighting	14 November 2014	<u>Land area:</u> 1,872.92 sq ft <u>Built-up area:</u> 3,743 sq ft	The existing tenancy with LSH Lighting is for a period of two (2) years commencing from 1 February 2024 to 31 January 2026. Please refer to Note (3) of Section 9.1.1(v) of this Prospectus for further information on the salient terms of this tenancy.	RM6,500

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
9.	Pembinaan Sahabatijaya Sdn Bhd (Landlord) / LSH Lighting (Tenant)	No. 3, Block A, Diamond Square, Jalan Semarak Api 1, Off Jalan Gombak, 53000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> An intermediate unit of a seven (7)-storey shop building where we rent the ground floor only <u>Existing use:</u> Retail store of LSH Lighting	18 January 2002	<u>Land area:</u> N/A <u>Built-up area:</u> 1,412 sq ft	The existing tenancy with LSH Lighting is for a period of one (1) year commencing from 1 April 2024 to 31 March 2025.	RM2,000
10.	Lim Seong Hai Property Sdn Bhd (Landlord) / LSH Lighting (Tenant)	Lot G-08, 09 & 10, Lot Level 1-08, 09 & 10, Lot Level 2-08, 09 & 10, Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> Nine (9) units of retail space located on the ground, first and second floors of a mixed development known as Laman Seri Harmoni ("LSH 33") <u>Existing use:</u> Retail store of LSH Lighting	12 September 2024	<u>Land area:</u> N/A <u>Built-up area:</u> 15,215 sq ft	The existing tenancy with LSH Lighting is for a period of three (3) years commencing from 29 November 2024 to 28 November 2027. Please refer to Note (3) of Section 9.1.1(xi) of this Prospectus for further information on the salient terms of this tenancy.	RM51,418

ANNEXURE C: MATERIAL PROPERTIES (Cont'd)

No.	Name of landlord / tenant	Postal address	Description of property / Existing or proposed use	Date of issuance of CCC or CF	Land area / Built-up area	Tenure / Date of expiry	Monthly rental
11.	Lim Seong Hai Property Sdn Bhd (<i>Landlord</i>) / Knight Auto (<i>Tenant</i>)	Lot G-16, 17 & 18 Laman Seri Harmoni (LSH 33), No. 3, Jalan Batu Muda Tambahan 3, Sentul, 51100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	<u>Description:</u> Three (3) units of retail space located on the ground floor of LSH 33 <u>Existing use:</u> Retail store of Knight Auto	12 September 2024	<u>Land area:</u> N/A <u>Built-up area:</u> 6,191 sq ft	The existing tenancy with Knight Auto is for a period of three (3) years commencing from 29 November 2024 to 28 November 2027. Please refer to Note (3) of Section 9.1.1(xi) of this Prospectus for further information on the salient terms of this tenancy.	RM26,621

Note:

- (1) As at LPD, the landlord, LSH Holdings, is in the process of applying for the CCC for this premises, details of which are set out in Section 6.29(ii) of this Prospectus.

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