

Registration No: 202001036664 (1392985 - A)

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**FINANCIAL REPORT**  
for the financial year ended 30 September 2024

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**LIM SEONG HAI CAPITAL BERHAD**  
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**LIM SEONG HAI CAPITAL BERHAD**  
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**DIRECTORS' REPORT**

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The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2024.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**RESULTS**

	<b>The Group</b> RM	<b>The Company</b> RM
Profit after taxation for the financial year	74,283,288	18,588,199
Attributable to:		
Owners of the Company	74,330,874	18,588,199
Non-controlling interests	(47,586)	-
	<u>74,283,288</u>	<u>18,588,199</u>

**DIVIDENDS**

Dividends paid or declared by the Company since 30 September 2023 are as follows:-

	RM
<u>In respect of the financial year ended 30 September 2023</u>	
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 financial year ended 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>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.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

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**DIRECTORS' REPORT**

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**ISSUES OF SHARES AND DEBENTURES**

During the financial year:-

- (a) there were no changes in the issued and paid-up capital of the Company; and
- (b) there were no issues of debentures by the Company.

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

**BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance has been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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**CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**DIRECTORS**

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Datuk Seri Lim Keng Cheng

Datuk Lim Keng Guan

Lim Pak Lian

Lim Keng Hun

Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob

Lee Swee Kheng (Appointed on 1 February 2024)

Dato' Wang Sze Yao @ Wang Ming Way (Appointed on 22 February 2024)

Lim Ding Shyong (Resigned as Alternate Director to Lim Keng Hun on 6 March 2024 and appointed as Director on 6 March 2024)

Alina Binti Abdullah (Appointed on 26 November 2024)

Nurulhuda Hayati Binti Ibrahim (Appointed on 26 November 2024)

**LIM SEONG HAI CAPITAL BERHAD**  
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**DIRECTORS' REPORT**

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**DIRECTORS (CONT'D)**

The name of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Ariffin Bin Rashid  
Dato' Soo Sze Ching  
Izzuan Hairi Asfarizal Bin Bahari  
Khairunnisa Binti Fadillah  
Lee Chee Guan  
Timothy Pang Tze Chin

**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	< ----- Number of Ordinary Shares ----- >			
	At 1.10.2023	Bought/Allotted	Sold	At 30.9.2024
<b>The Company</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Seri Lim Keng Cheng	29,549,729	7,300	(267,000)	29,290,029
Datuk Lim Keng Guan	29,589,729	-	(240,000)	29,349,729
Lim Pak Lian	29,560,729	-	(211,000)	29,349,729
Lim Keng Hun	29,549,729	-	(200,000)	29,349,729
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	2,000,000	-	-	2,000,000
<i>Indirect Interest</i>				
Tan Sri Datuk Seri Lim Keng Cheng #	543,501,717	-	-	543,501,717
Datuk Lim Keng Guan #	543,501,717	-	-	543,501,717
Lim Pak Lian #	543,501,717	-	-	543,501,717
Lim Keng Hun #	543,501,717	-	-	543,501,717

# Deemed interested by virtue of the indirect substantial shareholdings in Lim Seong Hai Resources Sdn. Bhd. via their interests in Lim Seong Hai Holdings Sdn. Bhd.

By virtue of their shareholdings in the ultimate holding company, Tan Sri Datuk Seri Lim Keng Cheng, Datuk Lim Keng Guan, Lim Pak Lian and Lim Keng Hun are deemed to have interests in shares in the Company and its related corporations during the financial year to the extent of the ultimate holding company's interests, in accordance with Section 8 of the Companies Act 2016.

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**DIRECTORS' REPORT**

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**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**DIRECTORS' REMUNERATION**

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	<b>The Group</b> RM	<b>The Company</b> RM
Fee	410,573	410,573
Salaries, bonuses and other benefits	3,827,221	-
Defined contribution benefits	441,105	-
	<hr/> 4,678,899	<hr/> 410,573

**INDEMNITY AND INSURANCE COST**

During the financial year, there was no indemnity given to or professional indemnity insurance was effected for directors, officers or auditors of the Company.

**SUBSIDIARIES**

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 40 to the financial statements.

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**DIRECTORS' REPORT**

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**HOLDING COMPANIES**

The immediate and ultimate holding companies are Lim Seong Hai Resources Sdn. Bhd. and Lim Seong Hai Holdings Sdn. Bhd. respectively. Both the aforesaid holding companies are incorporated in Malaysia.

**AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group</b> RM	<b>The Company</b> RM
Audit fees:		
- statutory audit	404,000	10,000
- non-statutory audit	480,000	480,000
Non-audit fees	398,000	398,000
	<hr/>	<hr/>
	1,282,000	888,000
	<hr/>	<hr/>

Signed in accordance with a resolution of the directors dated 6 December 2024.

**Datuk Lim Keng Guan**

**Lim Pak Lian**



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**STATEMENT BY DIRECTORS  
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

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 financial statements set out on pages 15 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 6 December 2024.

**Datuk Lim Keng Guan**

**Lim Pak Lian**

**STATUTORY DECLARATION  
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Lee Chen Wah, MIA Membership Number: 51981, being the officer primarily responsible for the financial management of Lim Seong Hai Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 111 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Lee Chen Wah, NRIC Number: 900704-14-6395  
at Kuala Lumpur  
in the Federal Territory  
on this 6 December 2024

**Lee Chen Wah**

Before me

**Shaiful Hilmi Bin Halim**  
No. W-804  
Commissioner for Oaths

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIM SEONG HAI CAPITAL BERHAD**

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Registration No: 202001036664 (1392985 - A)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Lim Seong Hai Capital Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 September 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 111.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **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 *Auditors' Responsibilities for the Audit of the 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 and 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 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LIM SEONG HAI CAPITAL BERHAD (CONT'D)**

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**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Impairment Assessment of the Carrying Amount of Goodwill</b> Refer to Notes 5.1(b), 5.4 and 12 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As disclosed in Note 12 to the financial statements, the carrying amount of goodwill held by the Group is RM148,967,108, representing approximately 23% of the Group's total assets.</p> <p>We focused on this area as the recoverable amount of goodwill is an area of significant judgement particularly in relation to the estimation of future results and the key assumptions applied to cash flow projection of the cash generating units.</p>	<p>Our procedures included amongst others, the following:-</p> <ul style="list-style-type: none"> <li>• Understand the management's budgetary process over the determination of the forecasted revenues, growth rates, profit margins and discount rates;</li> <li>• Assessed the reasonableness of the key assumptions used by management by comparing to business plans and market data;</li> <li>• Assessed the appropriateness of the inputs used for discount rates and growth rate to market benchmarks;</li> <li>• Checked the mathematical accuracy of the cash flow projection in the management's impairment assessment; and</li> <li>• Performed sensitivity analysis to estimate the reasonable possible changes to the key assumptions in the cash flow projection.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
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**Key Audit Matters (Cont'd)**

<b>Recoverability of Trade Receivables</b> Refer to Notes 5.1(e), 5.2(a) and 14 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As disclosed in Note 14 to the financial statements, the carrying amount of trade receivables of the Group amounted to RM99,180,566, representing approximately 15% of the Group's total assets.</p> <p>The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>We focused on this area as the adequacy of the impairment loss for trade receivables involved the use of judgement.</p>	<p>Our procedures included amongst others, the following:-</p> <ul style="list-style-type: none"> <li>• Reviewed the ageing analysis of trade receivables and tested its reliability;</li> <li>• Reviewed subsequent collections for major trade receivables and overdue amounts;</li> <li>• Examined other evidence including customers' correspondences and proposed or existing settlement plans; and</li> <li>• Evaluated the reasonableness and tested the adequacy of the impairment losses recognised for identified exposures on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LIM SEONG HAI CAPITAL BERHAD (CONT'D)**

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**Key Audit Matters (Cont'd)**

<b>Revenue Recognition for Property Development and Construction Activities</b> Refer to Notes 5.1(g), 5.1(h) and 26 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As disclosed in Note 26 to the financial statements, the Group's revenue from property development and construction activities contributed 77% of the Group's revenue.</p> <p>The Group recognises property development and construction revenue in the statements of profit of loss and other comprehensive income by using the input method. The input method is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project.</p> <p>Property development and construction contracts accounting is inherently complex and we focused on this area because there are significant estimates and judgements involved in the following areas:</p> <ul style="list-style-type: none"> <li>• Determination of stage of completion;</li> <li>• Extent of construction costs incurred to date; and</li> <li>• Estimation of total budgeted costs.</li> </ul>	<p>Our procedures included amongst others, the following:-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the basis of key judgements made for the revenue recognition and compare them with requirements of the accounting standard;</li> <li>• Evaluated the estimate made for the revenue recognition by determining that inputs applied were reasonable and supportable;</li> <li>• Assessed the reasonableness of the estimated revenue and property development cost and construction costs;</li> <li>• Tested sales of properties to signed sales and purchase agreements and billings raised to property buyers;</li> <li>• Tested the accuracy of revenue recognition towards satisfaction of performance obligation; and</li> <li>• Checked the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.</li> </ul>

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIM SEONG HAI CAPITAL BERHAD (CONT'D)**

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### **Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is 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 financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIM SEONG HAI CAPITAL BERHAD (CONT'D)**

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### **Auditors' Responsibilities for the Audit of the 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:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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 and of the Company'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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIM SEONG HAI CAPITAL BERHAD (CONT'D)**

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### **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF1018  
Chartered Accountants

Kuala Lumpur

**Choong Kok Keong**  
03461/11/2025 J  
Chartered Accountant



**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	6	-	-	297,994,604	296,744,604
Investment in an associate	7	1,273,701	1,381,667	-	-
Property, plant and equipment	8	31,590,514	29,996,232	-	-
Investment properties	9	3,671,121	3,692,024	-	-
Right-of-use assets	10	1,936,097	3,663,755	-	-
Intangible assets		303,080	454,619	-	-
Deferred tax assets	11	2,171,571	1,924,098	-	-
Goodwill	12	148,967,108	148,967,108	-	-
		<u>189,913,192</u>	<u>190,079,503</u>	<u>297,994,604</u>	<u>296,744,604</u>
<b>CURRENT ASSETS</b>					
Inventories	13	171,733,603	167,576,797	-	-
Trade receivables	14	99,180,566	115,022,094	-	-
Other receivables, deposits and prepayments	15	8,467,477	18,036,893	37,976,307	38,040,364
Contract assets	16	123,849,473	69,410,378	-	-
Current tax assets		-	851,012	-	-
Fixed deposit with licensed banks	17	8,595,354	14,823,474	150,000	2,720,000
Cash and bank balances		40,142,649	13,874,284	211,825	59,732
		<u>451,969,122</u>	<u>399,594,932</u>	<u>38,338,132</u>	<u>40,820,096</u>
<b>TOTAL ASSETS</b>		<u><b>641,882,314</b></u>	<u><b>589,674,435</b></u>	<u><b>336,332,736</b></u>	<u><b>337,564,700</b></u>

**LIM SEONG HAI CAPITAL BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	18	334,768,002	334,768,002	334,768,002	334,768,002
Merger deficit	19	(29,618,571)	(29,618,571)	-	-
Retained profits		170,160,374	115,678,222	14,726	1,275,249
Equity attributable to owners of the Company		475,309,805	420,827,653	334,782,728	336,043,251
Non-controlling interests		8,559	55,845	-	-
<b>TOTAL EQUITY</b>		<b>475,318,364</b>	<b>420,883,498</b>	<b>334,782,728</b>	<b>336,043,251</b>
<b>NON-CURRENT LIABILITIES</b>					
Term loans	20	8,729,349	7,379,594	-	-
Lease liabilities	21	432,377	2,124,199	-	-
Hire purchase payables	22	1,185,366	519,545	-	-
Deferred tax liabilities	11	1,907,741	1,732,238	-	-
		12,254,833	11,755,576	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	23	64,157,592	84,689,659	-	-
Other payables and accruals	24	16,766,638	38,520,365	1,546,867	1,513,849
Contract liabilities	16	33,503,750	22,133,460	-	-
Term loans	20	17,469,387	1,983,523	-	-
Lease liabilities	21	1,788,718	2,037,234	-	-
Hire purchase payables	22	503,755	928,443	-	-
Bankers' acceptances	25	12,098,597	3,230,000	-	-
Current tax liabilities		8,020,680	3,512,677	3,141	7,600
		154,309,117	157,035,361	1,550,008	1,521,449
<b>TOTAL LIABILITIES</b>		<b>166,563,950</b>	<b>168,790,937</b>	<b>1,550,008</b>	<b>1,521,449</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>641,882,314</b>	<b>589,674,435</b>	<b>336,332,736</b>	<b>337,564,700</b>

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	26	361,405,179	357,754,792	21,800,000	16,500,000
COST OF SALES		(233,218,239)	(254,282,435)	-	-
GROSS PROFIT		128,186,940	103,472,357	21,800,000	16,500,000
OTHER INCOME		930,173	1,295,702	52,919	86,739
SELLING AND MARKETING EXPENSES		(3,837,468)	(2,306,286)	(10,585)	-
ADMINISTRATIVE EXPENSES		(26,202,384)	(17,594,600)	(3,241,759)	(1,239,821)
OTHER EXPENSES		(3,352,620)	(3,427,323)	-	-
FINANCE COSTS		(2,335,052)	(1,102,430)	-	-
REVERSAL OF LOSS ALLOWANCE/(LOSS ALLOWANCE) ON FINANCIAL ASSETS AND CONTRACT ASSETS	27	4,362,011	(4,604,711)	-	-
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATE		(7,966)	(9,132)	-	-
PROFIT BEFORE TAXATION	28	97,743,634	75,723,577	18,600,575	15,346,918
INCOME TAX EXPENSE	29	(23,460,346)	(16,840,332)	(12,376)	(30,380)
PROFIT AFTER TAXATION		74,283,288	58,883,245	18,588,199	15,316,538
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME		74,283,288	58,883,245	18,588,199	15,316,538

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		74,330,874	58,887,797	18,588,199	15,316,538
Non-controlling interests		(47,586)	(4,552)	-	-
		<u>74,283,288</u>	<u>58,883,245</u>	<u>18,588,199</u>	<u>15,316,538</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-</b>					
Owners of the Company		74,330,874	58,887,797	18,588,199	15,316,538
Non-controlling interests		(47,586)	(4,552)	-	-
		<u>74,283,288</u>	<u>58,883,245</u>	<u>18,588,199</u>	<u>15,316,538</u>
<b>EARNINGS PER SHARE (SEN)</b>					
Basic	30	<u>10.52</u>	<u>11.45</u>		
Diluted	30	<u>10.52</u>	<u>11.45</u>		

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## LIM SEONG HAI CAPITAL BERHAD

(Incorporated in Malaysia)

### STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	Share Capital RM	Merger Deficit RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling interests RM	Total Equity RM
<b>The Group</b>							
Balance at 1.10.2022		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	18	297,767,678	-	-	297,767,678	-	297,767,678
- Dividends paid	32	-	-	(15,328,437)	(15,328,437)	-	(15,328,437)
		297,767,678	-	(15,328,437)	282,439,241	-	282,439,241
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		-	-	58,887,797	58,887,797	(4,552)	58,883,245
Acquisition of subsidiaries	31	-	-	-	-	60,397	60,397
Balance at 30.9.2023/1.10.2023		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	32	-	-	(19,848,722)	(19,848,722)	-	(19,848,722)
Acquisition of subsidiaries	31	-	-	-	-	300	300
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		-	-	74,330,874	74,330,874	(47,586)	74,283,288
Balance at 30.9.2024		334,768,002	(29,618,571)	170,160,374	475,309,805	8,559	475,318,364

The annexed notes form an integral part of these financial statements.

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**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)**

	Note	Share Capital RM	Retained Profits RM	Total Equity RM
<b>The Company</b>				
Balance at 1.10.2022		37,000,324	1,287,148	38,287,472
Contribution by owners of the Company:				
- Issuance of shares	18	297,767,678	-	297,767,678
- Dividends paid	32	-	(15,328,437)	(15,328,437)
		297,767,678	(15,328,437)	282,439,241
Profit after taxation/Total comprehensive income for the financial year		-	15,316,538	15,316,538
Balance at 30.9.2023/1.10.2023		334,768,002	1,275,249	336,043,251
Contribution by owners of the Company:				
- Dividends paid	32	-	(19,848,722)	(19,848,722)
Profit after taxation/Total comprehensive income for the financial year		-	18,588,199	18,588,199
Balance at 30.9.2024		334,768,002	14,726	334,782,728

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit before taxation	97,743,634	75,723,577	18,600,575	15,346,918
Adjustments for:-				
Amortisation of intangible assets	151,539	303,078	-	-
Depreciation:				
- property, plant and equipment	4,263,216	3,584,425	-	-
- investment properties	20,903	9,086	-	-
- right-of-use assets	1,704,828	1,794,356	-	-
Inventories written down	1,299	405,956	-	-
Interest expense	2,431,150	1,108,186	-	-
Loss allowance:				
- trade receivables	353,850	2,878,170	-	-
- other receivables	677,547	-	-	-
- contract assets	410,767	1,726,541	-	-
Property, plant and equipment written off	456	910	-	-
Gain on disposal of property, plant and equipment	(37,679)	(94,270)	-	-
Gain on reassessment of lease liabilities	(23,562)	(1,296)	-	-
Interest income	(275,592)	(458,542)	(52,919)	(86,739)
Reversal of inventories previously written down	(57,697)	(80,610)	-	-
Reversal of loss allowance:				
- trade receivables	(5,214,407)	-	-	-
- contract assets	(589,768)	-	-	-
Dividend income	-	-	(21,800,000)	(16,500,000)
Share of net loss of equity accounted associates	7,966	-	-	-
Operating profit/(loss) before working capital changes	101,568,450	86,899,567	(3,252,344)	(1,239,821)
Decrease in project-in-progress	-	16,451	-	-
Increase in inventories	(4,100,408)	(3,210,405)	-	-
Decrease/(Increase) in trade and other receivables	29,593,954	(53,561,823)	64,057	(197,871)
Increase in contract assets	(54,260,094)	(13,383,732)	-	-
(Decrease)/Increase in trade and other payables	(42,285,794)	36,685,910	33,018	733,272
Increase in contract liabilities	11,370,290	4,211,884	-	-
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>41,886,398</b>	<b>57,657,852</b>	<b>(3,155,269)</b>	<b>(704,420)</b>

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FROM/(FOR)					
OPERATIONS		41,886,398	57,657,852	(3,155,269)	(704,420)
Interest paid		(544,639)	(231,436)	-	-
Income tax paid		(18,184,317)	(19,072,056)	(16,835)	(22,780)
Income tax refunded		11,016	-	-	-
<b>NET CASH FROM/(FOR)</b>		<b>23,168,458</b>	<b>38,354,360</b>	<b>(3,172,104)</b>	<b>(727,200)</b>
<b>OPERATING ACTIVITIES</b>					
NET CASH (FOR)/FROM					
INVESTING ACTIVITIES					
Dividends received		100,000	-	21,800,000	16,500,000
Interest income received		275,592	458,542	52,919	86,739
Proceeds from disposal of property, plant and equipment		38,702	222,166	-	-
Purchase of property, plant and equipment	33(b)	(4,540,477)	(11,444,759)	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	31	300	(8,682,468)	-	-
Additional investments in an existing subsidiary		-	-	(1,250,000)	(499,000)
Withdrawal of fixed deposit with tenure more than 3 months		-	2,000,000	-	2,000,000
<b>NET CASH (FOR)/FROM</b>		<b>(4,125,883)</b>	<b>(17,446,519)</b>	<b>20,602,919</b>	<b>18,087,739</b>
<b>INVESTING ACTIVITIES</b>					
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
Dividends paid		(19,848,722)	(15,328,437)	(19,848,722)	(15,328,437)
Interest paid		(1,579,504)	(876,750)	-	-
Drawdown of bankers' acceptances	33(a)	30,371,000	3,230,000	-	-
Drawdown of term loans	33(a)	49,768,421	10,166,245	-	-
Repayment of bankers' acceptances	33(a)	(21,550,000)	(2,224,000)	-	-
Repayment of lease liabilities	33(a)	(1,893,946)	(1,540,907)	-	-
Repayment of term loans	33(a)	(33,192,212)	(26,494,786)	-	-
Repayment of hire purchase obligations	33(a)	(1,077,367)	(1,357,352)	-	-
(Increase)/Decrease in pledged fixed deposits with licensed banks		(347,026)	4,148,549	-	-
<b>NET CASH FROM/(FOR)</b>		<b>650,644</b>	<b>(30,277,438)</b>	<b>(19,848,722)</b>	<b>(15,328,437)</b>
<b>FINANCING ACTIVITIES</b>					



**LIM SEONG HAI CAPITAL BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		19,693,219	(9,369,597)	(2,417,907)	2,032,102
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		20,599,430	29,969,027	2,779,732	747,630
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33(d)	40,292,649	20,599,430	361,825	2,779,732

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**1. GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 12<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Professor Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan.

Principal place of business : Wisma Lim Seong Hai,  
33, Jalan Gombak, 53000 Kuala Lumpur.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 December 2024.

**2. PRINCIPAL ACTIVITIES**

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**3. HOLDING COMPANIES**

The immediate and ultimate holding companies are Lim Seong Hai Resources Sdn. Bhd. and Lim Seong Hai Holdings Sdn. Bhd. respectively. Both the aforesaid holding companies are incorporated in Malaysia.

**4. BASIS OF PREPARATION**

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**4. BASIS OF PREPARATION (CONT'D)**

- 4.1 During the current financial year, the Group and the Company have 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 and of the Company 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 5 to the financial statements in line with the amendments.

**LIM SEONG HAI CAPITAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**4. BASIS OF PREPARATION (CONT'D)**

- 4.2 The Group and the Company have 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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
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 interpretation (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company 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 and of the Company has yet to be assessed.

**LIM SEONG HAI CAPITAL BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**5. MATERIAL ACCOUNTING POLICY INFORMATION**

5.1 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 8 to the 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 12 to the financial statements.

**(c) Impairment of Investment in Subsidiaries, Investment in an Associate, Property, Plant and Equipment, Investment Properties and Right-of-use Assets**

The Group determines whether investment in subsidiaries, investment in an associate, property, plant and equipment, right-of-use assets and intangible 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 subsidiaries, investment in an associate, property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Note 6, Note 7, Note 8, Note 9 and Note 10 to the financial statements respectively.

**LIM SEONG HAI CAPITAL BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(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 13 to the 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 values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 14 and Note 16 to the 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 and expected loss rates. 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 and forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 15 to the financial statements.

**(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 26 to the financial statements.

**LIM SEONG HAI CAPITAL BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(h) Revenue and Cost 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 26 to the 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 different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of Group's current tax assets and current tax liabilities as at the reporting date are Nil and RM8,020,680 (2023 - RM851,012 and RM3,512,677) respectively. The carrying amount of Company's current tax liabilities as at the reporting date is RM3,141 (2023 - RM7,600).

**(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 11 to the financial statements.

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(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 process 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 31 to the 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 rates are available or when they need to be adjusted to reflect the terms and conditions 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 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 combined 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).



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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.2 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 Liabilities**

Financial 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.

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.2 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.

5.3 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 financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss 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.

5.4 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.

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including the fair value adjustments on inter-company loans at inception date, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

5.6 INVESTMENT IN AN ASSOCIATE

Investment in an associate is accounted for using the equity method in the financial statements of the Group.

5.7 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, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated 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 equipment and storage racking	10%
Cabin	10%
Tools and equipment	10%
Air-conditioners	10%

5.8 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%
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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

**(a) Short-term Leases and Leases of Low-value Assets**

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company 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.

5.10 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.

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**5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

5.11 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 is it 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.

5.12 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.

**6. INVESTMENT IN SUBSIDIARIES**

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost:-		
At 1 October 2023/2022	296,744,604	35,420,571
Addition during the financial year	1,250,000	261,324,033
At 30 September 2024/2023	<u>297,994,604</u>	<u>296,744,604</u>

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**6. INVESTMENT IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
Lim Seong Hai Lighting Sdn. Bhd. ("LSH Lighting")	Malaysia	100	100	Provision of building materials, as well as lighting products and related mechanical and electrical products and services.
Knight Auto Sdn. Bhd. ("Knight Auto")	Malaysia	100	100	Provision of hardware and tools and rental of machinery.
LSH BEST Builders Sdn. Bhd. ("LSH BEST Builders")	Malaysia	100	100	Business of construction and provision of construction and business related services & solutions.
LSH Infra Sdn. Bhd ("LSH Infra")	Malaysia	100	100	Dormant.
Lim Seong Hai Development Sdn. Bhd. ("LSH Development")	Malaysia	100	100	Dormant.

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**6. INVESTMENT IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
Astana Setia Sdn. Bhd. ("Astana Setia")	Malaysia	100	100	Business of building construction contractor, property development and investment holdings.
Lim Seong Hai Ventures Sdn. Bhd. ("LSH Ventures")	Malaysia	100	100	Business of investment holdings.
<b>Subsidiary of LSH Ventures</b>				
Astana Setia & Euro Saga Sdn. Bhd. ("ASES")	Malaysia	93.75	93.75	Property development.
<b>Subsidiary of LSH BEST Builders</b>				
LSH Service Master Sdn. Bhd. ("LSHSM")	Malaysia	70	-	Business activities of building and industrial cleaning, tour operator and real estate activities with own or leased property.

- (a) During the current financial year, the Company has subscribed an additional 1,250,000 ordinary shares in Astana Setia, a wholly-owned subsidiary for a total cash consideration of RM1,250,000 on 10 January 2024.

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**6. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- (b) In the previous financial year:
- (i) the Company has subscribed an additional 499,000 ordinary shares in LSH Infra, a wholly-owned subsidiary for a total cash consideration of RM499,000 on 16 February 2023;
  - (ii) the Company issued 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 as disclosed in Note 31 to the financial statements. 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; and
  - (iii) the Company issued 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 and debt settlement as disclosed in Note 31 to the financial statements. 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.
- (c) Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiary are not individually material to the Group.



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**7. INVESTMENT IN AN ASSOCIATE**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	1,390,799	1,390,799
Share of post acquisition profits, net of dividend received	(117,098)	(9,132)
	<hr/>	<hr/>
At 30 September 2024/2023	<b>1,273,701</b>	<b>1,381,667</b>

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		<b>2024</b>	<b>2023</b>	
		<b>%</b>	<b>%</b>	
<b>Associate of Astana Setia</b>				
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 result in Kran World Sdn. Bhd. based on the audited financial statements drawn up to most recent reporting date, which is 30 September 2024.

Summarised financial information has not been presented as the associate are not individually material to the Group.

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**8. PROPERTY, PLANT AND EQUIPMENT**

	At 1.10.2023 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 30.9.2024 RM
<b>The Group</b>						
<b>2024</b>						
<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
	<b>29,996,232</b>	<b>5,858,977</b>	<b>(1,023)</b>	<b>(456)</b>	<b>(4,263,216)</b>	<b>31,590,514</b>

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**8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At 1.10.2022 RM	Acquisition of subsidiaries RM	Additions RM	Disposal RM	Written Off RM	Depreciation Charges RM	At 30.9.2023 RM
<b>The Group</b>							
<b>2023</b>							
<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
	<b>13,955,678</b>	<b>8,309,026</b>	<b>11,444,759</b>	<b>(127,896)</b>	<b>(910)</b>	<b>(3,584,425)</b>	<b>29,996,232</b>

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**8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2024</b>			
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
	<b>50,979,775</b>	<b>(19,389,261)</b>	<b>31,590,514</b>
<b>2023</b>			
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
	<b>45,566,200</b>	<b>(15,569,968)</b>	<b>29,996,232</b>

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**8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (a) 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) have been pledged to a licensed bank as security for banking facilities granted to the Group.
- (b) Included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM2,512,843 (2023 - RM1,063,921) held under hire purchase arrangements as disclosed in Note 22 to the financial statements.

**9. INVESTMENT PROPERTIES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Cost:-		
At 1 October	3,701,110	-
Acquisition of subsidiaries	-	3,701,110
	3,701,110	3,701,110
At 30 September	3,701,110	3,701,110
	3,701,110	3,701,110
Accumulated depreciation:-		
At 1 October	(9,086)	-
Depreciation during the financial year	(20,903)	(9,086)
	(29,989)	(9,086)
At 30 September	(29,989)	(9,086)
	(29,989)	(9,086)
	3,671,121	3,692,024
Represented by:-		
Freehold land	2,039,789	2,039,789
Buildings	1,631,332	1,652,235
	3,671,121	3,692,024
At 30 September	3,671,121	3,692,024
	3,671,121	3,692,024
Fair value	4,090,000	3,850,000
	4,090,000	3,850,000

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**9. INVESTMENT PROPERTIES (CONT'D)**

- (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) years and an option that is exercisable by the customers to extend their leases for 3 (2023 - 1) years.

As at the reporting date, the future minimum rental receivables under the non-cancellable operating leases are as follows:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Within 1 year	43,200	14,643
Between 1 and 2 years	57,600	-
	100,800	14,643

- (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.

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**10. RIGHT-OF-USE ASSETS**

	At 1.10.2023 RM	Additions RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.9.2024 RM
<b>The Group</b>					
<b>2024</b>					
<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
	<b>3,663,755</b>	<b>31,471</b>	<b>(54,301)</b>	<b>(1,704,828)</b>	<b>1,936,097</b>

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**10. 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
<b>The Group</b>						
<b>2023</b>						
<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
	<b>3,248,704</b>	<b>1,647,715</b>	<b>379,646</b>	<b>182,046</b>	<b>(1,794,356)</b>	<b>3,663,755</b>

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**10. RIGHT-OF-USE ASSETS (CONT'D)**

The Group leases various retail stores, office 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 and 3 (2023 - 1 and 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 for 2 - 4 (2023 - 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 and 4 (2023 - 1 and 4) years, with an option to renew the lease after that date. The Group is not allowed to sublease the hostel.              |

**11. DEFERRED TAX ASSETS/(LIABILITIES)**

	At 1.10.2023 RM	Recognised in Profit or Loss RM	At 30.9.2024 RM
<b>The Group</b>			
<b>2024</b>			
Property, plant and equipment	(2,453,434)	(48,253)	(2,501,687)
Right-of-use assets	(877,387)	250,463	(626,924)
Trade receivable	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

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**11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

	At 1.10.2022 RM	Recognised in Profit or Loss RM	Acquisition of subsidiaries	At 30.9.2023 RM
<b>The Group</b>				
<b>2023</b>				
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 receivable	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

	<b>The Group</b>	
	<b>2024</b> RM	<b>2023</b> RM
Represented by:		
Deferred tax assets	2,171,571	1,924,098
Deferred tax liabilities	(1,907,741)	(1,732,238)
	<u>263,830</u>	<u>191,860</u>

**12. GOODWILL**

	<b>The Group</b>	
	<b>2024</b> RM	<b>2023</b> RM
Cost:-		
At 1 October	148,967,108	-
Acquisition of subsidiaries (Note 31)	-	148,967,108
At 30 September	<u>148,967,108</u>	<u>148,967,108</u>

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**12. GOODWILL (CONT'D)**

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	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 years (2023 - 5 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.

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**13. INVENTORIES**

		<b>The Group</b>	
		<b>2024</b>	<b>2023</b>
		RM	RM
	Note		
Trading inventories	(a)	9,798,350	11,478,032
Property development costs	(b)	161,935,253	156,098,765
		<u>171,733,603</u>	<u>167,576,797</u>
(a)	Trading inventories		
		<b>The Group</b>	
		<b>2024</b>	<b>2023</b>
		RM	RM
	Goods-in-transit	8,594	332,468
	Finished goods	9,789,756	11,145,564
		<u>9,798,350</u>	<u>11,478,032</u>
	Recognised in profit or loss:-		
	Inventories recognised as cost of sales	17,430,727	14,349,316
	Inventories written down	1,299	405,956
	Reversal of inventories previously written down	(57,697)	(80,610)
		<u>17,430,727</u>	<u>14,349,316</u>
(b)	Property development costs		
		<b>The Group</b>	
		<b>2024</b>	<b>2023</b>
		RM	RM
	At 1 October:		
	- leasehold land	138,882,701	-
	- property development costs	17,216,064	-
		<u>156,098,765</u>	<u>-</u>
	Cost incurred during the financial year:		
	- acquisition of subsidiaries	-	152,470,795
	- property development costs	39,598,227	14,391,272
	- recognised as an expense in profit or loss	(33,761,739)	(10,763,302)
		<u>5,836,488</u>	<u>156,098,765</u>
	At 30 September	<u>161,935,253</u>	<u>156,098,765</u>

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**13. INVENTORIES (CONT'D)**

(b) Property development costs (Cont'd)

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Represented by:-		
Leasehold land	138,882,701	138,882,701
Property development costs	23,052,552	17,216,064
	161,935,253	156,098,765

(i) Property development costs with a total carrying amount of RM30,512,522 (2023 - RM38,161,068) has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 20 of the financial statements.

(ii) Property development costs recognised as an expense in cost of sales during the financial year was RM33,761,739 (2023 - RM10,763,302).

**14. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Trade receivables:		
- third parties	30,774,413	16,515,697
- amount owing by ultimate holding company	3,924,564	75,889
- related parties	59,118,069	75,188,264
	93,817,046	91,779,850
Loss allowance on trade receivables	(3,482,569)	(8,343,126)
	90,334,477	83,436,724
Unbilled receivables	8,846,089	31,585,370
	99,180,566	115,022,094

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**14. TRADE RECEIVABLES (CONT'D)**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Loss allowance on trade receivables:-		
At 1 October	8,343,126	2,027,738
Acquisition of subsidiaries	-	3,437,218
Addition during the financial year (Note 27)	353,850	2,878,170
Reversal during the financial year (Note 27)	(5,214,407)	-
At 30 September	<u>3,482,569</u>	<u>8,343,126</u>

- (a) The Group's normal trade credit terms range from 30 to 90 (2023 - 30 to 90) days.
- (b) Included in the trade receivables are retention sums totalling RM24,624,971 (2023 - RM32,136,169). These retention sums are expected to be collected within the periods ranging from 12 to 18 (2023 - 12 to 18) months.

**15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	RM	RM	RM	RM
Other receivables:				
- third parties	1,726,058	4,887,969	-	840,519
- ultimate holding company	16,416	16,471	-	-
- immediate holding company	7,500	14,035	7,500	7,500
- subsidiaries	-	-	37,937,572	37,186,110
	<u>1,749,974</u>	<u>4,918,475</u>	<u>37,945,072</u>	<u>38,034,129</u>
Loss allowance on other receivables	(677,547)	-	-	-
	<u>1,072,427</u>	<u>4,918,475</u>	<u>37,945,072</u>	<u>38,034,129</u>
Deposits	1,367,334	8,718,063	-	-
Prepayments	6,027,716	4,400,355	31,235	6,235
	<u>8,467,477</u>	<u>18,036,893</u>	<u>37,976,307</u>	<u>38,040,364</u>

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**15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss allowance on other receivables:-				
At 1 October	-	-	-	-
Addition during the financial year (Note 27)	677,547	-	-	-
At 30 September	<u>677,547</u>	<u>-</u>	<u>-</u>	<u>-</u>

The amount owing by ultimate holding company, immediate holding company and subsidiaries are unsecured, interest-free, payment on behalf and repayable on demand. The amounts owing are to be settled in cash.

**16. CONTRACT ASSETS/(CONTRACT LIABILITIES)**

	Note	The Group	
		2024 RM	2023 RM
<b>Contract Assets</b>			
Contract assets		125,397,013	71,136,919
Loss allowance on contract assets		(1,547,540)	(1,726,541)
	(a)	<u>123,849,473</u>	<u>69,410,378</u>
Loss allowance on contract assets:-			
At 1 October		1,726,541	-
Addition during the financial year (Note 27)		410,767	1,726,541
Reversal during the financial year (Note 27)		(589,768)	-
At 30 September		<u>1,547,540</u>	<u>1,726,541</u>
<b>Contract Liabilities</b>			
Contract liabilities	(a)	<u>(33,503,750)</u>	<u>(22,133,460)</u>

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**16. 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:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Aggregate costs incurred to date	768,091,973	746,286,913
Attributable profits on contract works performed to date	337,673,184	183,044,246
	<u>1,105,765,157</u>	<u>929,331,159</u>
Progress billings	(1,007,967,834)	(873,470,915)
Advances received	(5,904,060)	(6,856,785)
Loss allowance on contract assets	(1,547,540)	(1,726,541)
	<u>90,345,723</u>	<u>47,276,918</u>
Represented by:		
Contract assets	123,849,473	69,410,378
Contract liabilities	(33,503,750)	(22,133,460)
	<u>90,345,723</u>	<u>47,276,918</u>

- (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:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Within 1 year	272,851,360	308,084,772
Between 2 to 5 years	345,771,310	627,497,774
	<u>618,622,670</u>	<u>935,582,546</u>



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**17. 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%) per annum. The fixed deposits have maturity periods of 1 months (2023 - 1 to 3 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) which has been pledged to a licensed bank as a security for banking facilities.

**18. SHARE CAPITAL**

	<b>The Group/The Company</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Number of shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 October	706,360,208	356,045,293	334,768,002	37,000,324
Allotment of shares:				
- acquisition of subsidiaries and debt settlement	-	350,314,915	-	297,767,678
At 30 September	<u>706,360,208</u>	<u>706,360,208</u>	<u>334,768,002</u>	<u>334,768,002</u>

In the previous financial year,

- (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 Astana Setia Sdn. Bhd.. 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 Lim Seong Hai Venture Sdn. Bhd., 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.

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**18. SHARE CAPITAL (CONT'D)**

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.

**19. 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.

**20. TERM LOANS**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Current liabilities	17,469,387	1,983,523
Non-current liabilities	8,729,349	7,379,594
	<u>26,198,736</u>	<u>9,363,117</u>

- (a) The term loans at the end of reporting period bore an interest rate of 1.94% - 7.55% (2023 - 5.66%) per annum.
- (b) Included in the term loans are terms loan provided by the ultimate holding company totalling RM12,383,289 (2023 - RM9,363,117).
- (c) Certain term loans of the Group totalling RM13,815,447 (2023 - Nil) are secured by property development costs as disclosed in Note 13(b) of the financial statements.

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**21. LEASE LIABILITIES**

	<b>The Group</b>	
	<b>2024</b> RM	<b>2023</b> RM
At 1 October	4,161,433	3,657,550
Acquisition of subsidiaries	-	1,484,394
Additions	31,471	379,646
Interest expense recognised in profit or loss	136,309	191,466
Repayment of principal	(1,893,946)	(1,540,907)
Repayment of interest expense	(136,309)	(191,466)
Change due to reassessment of lease term	(77,863)	180,750
	<u>2,221,095</u>	<u>4,161,433</u>
At 30 September	<u>2,221,095</u>	<u>4,161,433</u>
Analysed by:-		
Current liabilities	1,788,718	2,037,234
Non-current liabilities	432,377	2,124,199
	<u>2,221,095</u>	<u>4,161,433</u>

**22. HIRE PURCHASE PAYABLES**

	<b>The Group</b>	
	<b>2024</b> RM	<b>2023</b> RM
Minimum hire purchase payments:		
- not later than 1 year	568,133	972,324
- later than 1 year and not later than 5 years	1,266,929	550,827
	<u>1,835,062</u>	<u>1,523,151</u>
Less: Future finance charges	(145,941)	(75,163)
Present value of hire purchase payables	<u>1,689,121</u>	<u>1,447,988</u>
Analysed by:-		
Current liabilities	503,755	928,443
Non-current liabilities	1,185,366	519,545
	<u>1,689,121</u>	<u>1,447,988</u>

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**22. HIRE PURCHASE PAYABLES (CONT'D)**

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under finance lease as disclosed in Note 8(b) of the financial statements. The hire purchase arrangements are expiring from 3 to 59 (2023 - 4 to 50) 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%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

**23. TRADE PAYABLES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Trade payables:		
- third parties	59,789,156	80,322,794
- an associate	481,315	481,315
- related parties	3,887,121	3,885,550
	<u>64,157,592</u>	<u>84,689,659</u>

- (a) The normal trade credit term granted to the Group range from 30 to 90 (2023 - 30 to 90) days.
- (b) Included in trade payables are retention sum payables totalling RM19,435,194 (2023 - RM15,665,526). The retention sums are expected to be settled within the periods ranging from 12 to 18 (2023 - 12 to 18) months.

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**24. OTHER PAYABLES AND ACCRUALS**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables:				
- third parties	4,688,782	3,214,145	772,867	23,849
- ultimate holding company	659	4,246,641	-	-
- related parties	55,678	67,498	-	-
- subsidiaries	-	-	764,000	1,480,000
- associate	786,598	600,000	-	-
	5,531,717	8,128,284	1,536,867	1,503,849
Accruals	1,026,094	469,220	10,000	10,000
Deposits	10,208,827	29,922,861	-	-
	<u>16,766,638</u>	<u>38,520,365</u>	<u>1,546,867</u>	<u>1,513,849</u>

- (a) Included in other payables is an amount of RM1,255,594 (2023 - RM849,390) being advances received from customers.
- (b) The amounts owing to ultimate holding company, related parties, subsidiaries and an associate are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

**25. BANKERS' ACCEPTANCES**

	The Group	
	2024 RM	2023 RM
Bankers' acceptances	12,098,597	3,230,000

- (a) The bankers' acceptances bore effective interest rates ranging from 3.66% to 5.20% (2023 - 6.85%) 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 17(b) to the financial statements.

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**26. REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b> RM	<b>2023</b> RM	<b>2024</b> RM	<b>2023</b> RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised over time</u>				
Construction contracts	205,211,309	258,484,808	-	-
Construction services	6,866,098	9,920,551	-	-
Rental of machineries	18,183,505	14,821,035	-	-
Property development	72,353,851	13,930,728	-	-
	302,614,763	297,157,122	-	-
<u>Recognised at a point in time</u>				
Sales of goods	58,790,416	60,597,670	-	-
<b>Revenue from Other Source</b>				
Dividend income	-	-	21,800,000	16,500,000
	<u>361,405,179</u>	<u>357,754,792</u>	<u>21,800,000</u>	<u>16,500,000</u>

- (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 16(b) to the financial statements.

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**26. REVENUE (CONT'D)**

- (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.

**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.

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**26. REVENUE (CONT'D)**

- (c) The information about the performance obligations in contracts with customers is summarised below (Cont'd):-

**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.

- (d) The information of the revenue from other source is summarised below:-

**Dividend Income**

Dividend income is recognised when the right to receive dividend payment is established.

**27. REVERSAL OF LOSS ALLOWANCE/(LOSS ALLOWANCE) ON FINANCIAL ASSETS AND CONTRACT ASSETS**

	The Group	
	2024 RM	2023 RM
Loss allowance:		
- trade receivables	(353,850)	(2,878,170)
- contract assets	(410,767)	(1,726,541)
- other receivables	(677,547)	-
Reversal of loss allowance:		
- trade receivables	5,214,407	-
- contract assets	589,768	-
	<hr/> 4,362,011	<hr/> (4,604,711)



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**28. PROFIT BEFORE TAXATION**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- statutory audit	404,000	265,000	10,000	10,000
- non-statutory audit	480,000	-	480,000	-
- non-audit fees:				
- auditors of the Company	398,000	-	398,000	-
- member firms of the auditors of the Company	404,000	-	346,000	-
<b>Material Expenses/(Income)</b>				
Amortisation of intangible assets	151,539	303,078	-	-
Depreciation:				
- property, plant and equipment	4,263,216	3,584,425	-	-
- investment properties	20,903	9,086	-	-
- right-of-use assets	1,704,828	1,794,356	-	-
Interest expense:				
- bankers' acceptances	546,786	59,668	-	-
- bank overdrafts	416,237	180,323	-	-
- lease liabilities	136,309	191,466	-	-
- hire purchase	63,588	79,606	-	-
- term loan	1,139,828	546,010	-	-
- others	128,402	51,113	-	-
Listing expenses	63,300	16,000	63,300	16,000
Staff cost (including other key management personnel as disclosed in Note 34):				
- short-term employee benefits	21,650,390	14,162,690	-	-
- defined contribution benefits	1,801,257	1,568,172	-	-
Property, plant and equipment written off	456	910	-	-
Realised loss/(gain) on foreign exchange	3,383	(3,431)	-	-
Gain on disposal of property, plant and equipment	(37,679)	(94,270)	-	-
Gain on remeasurement of lease liabilities	(23,562)	(1,296)	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(241,056)	(428,319)	(52,919)	(86,739)
- others	(34,536)	(30,223)	-	-
Dividend income	-	-	(21,800,000)	(16,500,000)

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**29. INCOME TAX EXPENSE**

	The Group		The Company	
	2024	2023	2024 RM	2023 RM
Current tax:				
- current financial year	22,831,270	18,275,263	12,365	20,350
- under/(over) provision in the previous financial year	701,046	(320,444)	11	10,030
	<u>23,532,316</u>	<u>17,954,819</u>	<u>12,376</u>	<u>30,380</u>
Deferred tax (Note 11):				
- current financial year	953,172	(383,394)	-	-
- overprovision in the previous financial year	(1,025,142)	(731,093)	-	-
	<u>(71,970)</u>	<u>(1,114,487)</u>	<u>-</u>	<u>-</u>
	<u>23,460,346</u>	<u>16,840,332</u>	<u>12,376</u>	<u>30,380</u>

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	<u>97,743,634</u>	<u>75,723,577</u>	<u>18,600,575</u>	<u>15,346,918</u>
Tax at the statutory tax rate of 24% (2023 - 24%)	23,458,472	18,173,658	4,464,138	3,683,260
Tax effects of:-				
Non-deductible expenses	1,644,478	629,063	780,227	297,090
Non-taxable income	-	(187,680)	(5,232,000)	(3,960,000)
Utilisation of deferred tax assets previously not recognised	(1,318,508)	(723,172)	-	-
Under/(Over) provision of current tax in the previous financial year	701,046	(320,444)	11	10,030
Overprovision of deferred tax in the previous financial year	(1,025,142)	(731,093)	-	-
	<u>23,460,346</u>	<u>16,840,332</u>	<u>12,376</u>	<u>30,380</u>

The domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) on the estimated assessable profit for the financial year.

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**29. INCOME TAX EXPENSE (CONT'D)**

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:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other deductible temporary difference	-	5,493,783	-	-

**30. 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.

	The Group	
	2024	2023
Profit after taxation for the financial year attributable to owners of the Company (RM)	74,330,874	58,887,797
Weighted average number of ordinary shares in issue	706,360,208	514,406,830
Basic earnings per share (Sen)	10.52	11.45

**(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.

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**31. ACQUISITION OF SUBSIDIARIES**

On 28 June 2024, LSHBB, a wholly-owned subsidiary of the Company acquired 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:-

	<b>The Group 2024 RM</b>
<b>LSH Service Master Sdn. Bhd.</b>	
Purchase consideration settled in cash and cash equivalents	700
Less: Cash and cash equivalents of subsidiary acquired	(1,000)
	<hr/>
Net cash inflow from the acquisition of LSH Service Master Sdn. Bhd	300
	<hr/>

During the previous financial year:-

- (i) the Company completed the acquisition of the entire equity interest in Astana Setia 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 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 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.

Following the completion of the acquisition of Astana Setia and LSH Ventures, the Group have transformed into a full-fledged construction and construction related services and solution provider. This have allowed the Group to unlock value enhancing synergies with increased efficiency, improved innovation, enhanced solutions, and larger overlook, resulting in a stronger and more effective entity that is expected to propel the growth and profitability of the Group moving forward. In addition, this also allowed the Group expand its construction capability by fully integrated digital technologies to optimise its operations, enhance its range of services and solutions and to deliver value to its client.

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**31. 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:-

	<b>The Group</b> <b>2023</b> RM
<b>Astana Setia Sdn. Bhd.</b>	
Plant and equipment	1,901,824
Investment properties	1,661,321
Rights-of-use assets	1,647,715
Investment in 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 overdrafts	(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 12)	148,967,108
Total purchase consideration, settled by shares	179,444,445
Net cash outflow from the acquisition of Astana Setia Sdn. Bhd.	(8,745,150)
<b>Lim Seong Hai Ventures Sdn. Bhd.</b>	
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 Lim Seong Hai Ventures Sdn. Bhd.	62,682

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**31. ACQUISITION OF SUBSIDIARIES (CONT'D)**

- (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 RM108,667 and profit after taxation of RM69,868 to the Group since the date of acquisition.

If the acquisitions were 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.

**32. DIVIDENDS**

	<b>The Group/The Company</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<u>In respect of the financial year ended 30 September 2022</u>		
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 financial year ended 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 financial year ended 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	-
	<b>19,848,722</b>	<b>15,328,437</b>

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.

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**33. 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
<b>The Group</b>					
<b>2024</b>					
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 33(b))	-	-	31,471	-	31,471
Reassessment of leases (Note 21)	-	-	(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

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**33. CASH FLOW INFORMATION**

(a) The reconciliation of liability arising from financing activities are as follows (Cont'd):-

	Term Loan RM	Bankers' Acceptances RM	Lease Liabilities RM	Hire Purchase RM	Total RM
<b>The Group</b>					
<b>2023</b>					
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 33(b))	-	-	379,646	-	379,646
Reassessment of leases (Note 21)	-	-	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



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**33. CASH FLOW INFORMATION (CONT'D)**

- (b) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<b>Property, plant and equipment</b>		
Cost of property, plant and equipment purchased	5,858,977	11,444,759
Less: Addition of new hire purchase (Note 33(a))	(1,318,500)	-
	4,540,477	11,444,759
	4,540,477	11,444,759
<b>Right-of-use assets</b>		
Cost of right-of-use assets acquired	31,471	379,646
Less: Addition of new lease liabilities (Note 33(a))	(31,471)	(379,646)
	-	-
	-	-

- (c) The total cash outflows for leases as a lessee are as follows:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Payment of lease liabilities	1,893,946	1,540,907
Interest paid on lease liabilities	136,309	191,466
	2,030,255	1,732,373
	2,030,255	1,732,373

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**33. CASH FLOW INFORMATION (CONT'D)**

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with licensed banks	8,595,354	14,823,474	150,000	2,720,000
Cash and bank balances	40,142,649	13,874,284	211,825	59,732
	<u>48,738,003</u>	<u>28,697,758</u>	<u>361,825</u>	<u>2,779,732</u>
Less: Fixed deposits pledged to licensed banks	(8,445,354)	(8,098,328)	-	-
	<u>40,292,649</u>	<u>20,599,430</u>	<u>361,825</u>	<u>2,779,732</u>

**34. 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:-

	The Group	
	2024 RM	2023 RM
<u>Directors of the Group</u>		
Short-term employee benefits:		
- fee	410,573	300,000
- salaries, bonuses and other benefits	3,827,221	4,739,611
Defined contribution benefits	441,105	550,854
	<u>4,678,899</u>	<u>5,590,465</u>
<u>Directors of the Subsidiaries</u>		
Short-term employee benefits:		
- fees	7,500	20,000
- salaries, bonuses and other benefits	350,698	540,329
Defined contribution benefits	39,838	61,620
	<u>398,036</u>	<u>621,949</u>
Total directors' remuneration	<u>5,076,935</u>	<u>6,212,414</u>

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**34. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

The key management personnel compensation during the financial year are as follows (Cont'd):-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<u>Other Key Management Personnel</u>		
Short-term employee benefits:		
- salaries, bonuses and other benefits	4,998,201	3,540,921
Defined contribution benefits	531,503	376,213
	5,529,704	3,917,134
	5,529,704	3,917,134

**35. RELATED PARTY DISCLOSURES**

**(a) Holding companies and Subsidiaries**

The holding companies are disclosed in Note 3 to the financial statements.

The subsidiaries are disclosed in Note 6 to the financial statements.

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**35. 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:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
Sales to ultimate holding company	9,700	11,770
Sales to a related company	40,617	-
Contract income from ultimate holding company	7,019,000	-
Contract income from company in which certain directors of the Company have financial interest	122,435,560	142,577,933
Sales to companies in which certain directors of the Company have substantial financial interests	14,459,805	16,620,606
Rental of machineries to ultimate holding company	1,830	-
Purchases from companies in which certain directors of the Company have substantial financial interests	(12,869,893)	(13,199,605)
Contract cost to companies in which certain directors of the Company have substantial financial interests	(3,495,907)	(113,500)
Rental expenses paid or payable to an ultimate holding company	(2,164,600)	(2,137,800)
Rental expense paid or payable to a company in which certain directors of the Company have substantial financial interests	-	(131,333)
Rental of machineries in which certain directors of the Company have substantial financial interests	(640,476)	(151,700)
Rental expense paid or payable to a director of the Company	(129,200)	(117,600)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

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**36. 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.

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#### 36. OPERATING SEGMENTS (CONT'D)

##### 36.1 BUSINESS SEGMENTS

	Segment A RM	Segment B RM	Segment C RM	Segment D RM	Segment E RM	Segment F RM	Segment G RM	The Group RM
<b>2024</b>								
<b>Revenue</b>								
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

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2024</b>								
<b>Revenue</b>								
Represented by:-								
<u>Revenue recognised at a point in time</u>								
- Sales of goods	72,339,305	15,742,966	-	-	-	-	-	88,082,271
- Dividends 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

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2024</b>								
<b>Results</b>								
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 loss 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



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#### 36. OPERATING SEGMENTS (CONT'D)

##### 36.1 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
<b>2024</b>								
<b>Results</b>								
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								<u>74,283,288</u>

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2024</b>								
<b>Assets</b>								
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								<u>641,882,314</u>
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

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#### 36. OPERATING SEGMENTS (CONT'D)

##### 36.1 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
<b>2024</b>								
<b>Liabilities</b>								
Segment liabilities	32,944,758	6,022,743	42,817,483	167,197,643	-	104,804,726	39,435	353,826,788
Unallocated liabilities:-								
Current tax liabilities								8,020,680
Deferred tax liabilities								1,907,741
Consolidation adjustments								(197,191,259)
Consolidated total liabilities								<u>166,563,950</u>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

#### 36. OPERATING SEGMENTS (CONT'D)

##### 36.1 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
<b>2023</b>								
<b>Revenue</b>								
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								<u>357,754,792</u>

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2023</b>								
<b>Revenue</b>								
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								<u>357,754,792</u>

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2023</b>								
<b>Results</b>								
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
Balance carried forward	(1,601,081)	17,524,109	(1,500,298)	50,224,203	9,920,551	1,183,891	(18,666)	75,732,709

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2023</b>								
<b>Results</b>								
Balance brought forward	(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								<u>58,883,245</u>

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**36. OPERATING SEGMENTS (CONT'D)**

36.1 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
<b>2023</b>								
<b>Assets</b>								
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								<u>589,674,435</u>
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



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#### 36. OPERATING SEGMENTS (CONT'D)

##### 36.1 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
<b>2023</b>								
<b>Liabilities</b>								
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>

##### 36.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

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**36. OPERATING SEGMENTS (CONT'D)**

36.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	2024 RM	2023 RM	
Customer A	150,256,737	147,516,291	Segment A, B, D and E
Customer B	36,026,103	55,250,009	Segment D
Customer C	40,002,354	3,187,201	Segment A, B and D

**37. CAPITAL COMMITMENT**

	The Group	
	2024 RM	2023 RM
Capital expenditure in respect of purchase of assets:		
- approved and contracted for	1,602,438	1,390,489

**38. 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:-

38.1 CORPORATE GUARANTEE

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Corporate guarantee extended to subsidiaries		-	-	164,500,000	104,500,000
Corporate guarantee extended by a subsidiary to third parties		28,170,086	25,570,086	-	-
Corporate guarantee extended by a subsidiary to related parties	(a)	2,059,947	4,161,095	-	-

(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.

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**38. CONTINGENT LIABILITIES (CONT'D)**

**38.2 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.

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**38. CONTINGENT LIABILITIES (CONT'D)**

**38.2 MATERIAL LITIGATIONS (CONT'D)**

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 this Appeal 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.

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.

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**39. FINANCIAL INSTRUMENTS**

The activities of the Group and of the Company 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 and of the Company.

**39.1 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 and the Company adopt 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 and of the Company 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 20 and Note 25 to the financial statements.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(ii) Interest Rate Risk (Cont'd)

*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:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<b>Effects on Profit After Taxation</b>		
Increase of 100 basis points	-196,947	- 24,548
Decrease of 100 basis points	196,947	+ 24,548

(iii) Equity Price Risk

The Group and the Company do 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 and the Company manage their 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 and the Company minimise 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.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(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) customers which constituted approximately 67% (2023 - 65%) 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 and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group and the Company have 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 and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate 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 difficult 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;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have 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.

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 months (2023 - 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.



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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 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*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>2024</b>				
Current (not past due)	75,275,268	-	(2,327,378)	72,947,890
1 to 30 days past due	8,887,248	-	(462,047)	8,425,201
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

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

*Allowance for Impairment Losses (Cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows (Cont'd):-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>2023</b>				
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

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.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply 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 and the Company assess 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 and the Company consider 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 and the Company use 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 and the Company measure 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. The remaining receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 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 and the Company consider 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
<b>The Group</b>				
Balance at 1.10.2023	-	-	-	-
Additions	-	-	(677,547)	(677,547)
Balance at 30.9.2024	-	-	(677,547)	(677,547)

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

*Allowance for Impairment Losses (Cont'd)*

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.

Fixed Deposits with a Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade balances) (Cont'd)

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the balances are not recoverable other than those which had already impaired in the previous financial year.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to third parties and related parties are financial guarantee contract.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts (Cont'd)

*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 and the Company practice prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*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):-

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (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
<b>2024</b>						
<b>The Group</b>						
<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	-



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#### 39. FINANCIAL INSTRUMENTS (CONT'D)

##### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2023</b>						
<b>The Group</b>						
<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 loan	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	-

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#### 39. FINANCIAL INSTRUMENTS (CONT'D)

##### 39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2024</b>						
<b>The Company</b>						
<u>Non-derivative Financial Liability</u>						
Other payables and accruals	-	1,546,867	1,546,867	1,546,867	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	164,500,000	164,500,000	-	-
		<u>1,546,867</u>	<u>166,046,867</u>	<u>166,046,867</u>	<u>-</u>	<u>-</u>

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2023</b>						
<b>The Company</b>						
<u>Non-derivative Financial Liability</u>						
Other payables and accruals	-	1,513,849	1,513,849	1,513,849	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	104,500,000	104,500,000	-	-
		<b>1,513,849</b>	<b>106,013,849</b>	<b>106,013,849</b>	<b>-</b>	<b>-</b>

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their 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 and the Company 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 and the Company manage their 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 and the Company include 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 and the Company at the end of the reporting period is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Term loans	26,198,736	9,363,117	-	-
Lease liabilities	2,221,095	4,161,433	-	-
Hire purchase payables	1,689,121	1,447,988	-	-
Bankers' acceptances	12,098,597	3,230,000	-	-
Total borrowings	42,207,549	18,202,538	-	-
Less: Cash and cash equivalents (Note 33(d))	(40,292,649)	(20,599,430)	(361,825)	(2,779,732)
Net debt	1,914,900	(2,396,892)	(361,825)	(2,779,732)
Total equity	475,318,364	420,883,498	334,782,728	336,043,251
Debt-to-equity ratio	0.004	*	*	*

\* Not applicable as the Group's and the Company's cash and cash equivalents exceed its borrowings.

There were no changes in the approach to capital management during the financial year.

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Trade receivables	99,180,566	115,022,094
Other receivables and deposits	2,439,761	13,636,538
Fixed deposits with a licensed bank	8,595,354	14,823,474
Cash and bank balances	40,142,649	13,874,284
	<b>150,358,330</b>	<b>157,356,390</b>
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Trade payables	64,157,592	84,689,659
Other payables and accruals	6,557,811	8,597,504
Term loan	26,198,736	9,363,117
Bankers' acceptances	12,098,597	3,230,000
Hire purchase payables	1,689,121	1,447,988
	<b>110,701,857</b>	<b>107,328,268</b>

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Other receivables and deposits	37,945,072	38,034,129
Fixed deposits with a licensed bank	150,000	2,720,000
Cash and bank balances	211,825	59,732
	<b>38,306,897</b>	<b>40,813,861</b>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Other payables and accruals	1,546,867	1,513,849
	<b>1,546,867</b>	<b>1,513,849</b>

39.4 GAINS/(LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	RM	RM
<b>Financial Asset</b>		
<u>Amortised Cost</u>		
Net gains/(losses) recognised in profit or loss	4,458,602	(4,111,757)
	<b>4,458,602</b>	<b>(4,111,757)</b>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(2,294,841)	(916,720)
	<b>(2,294,841)</b>	<b>(916,720)</b>

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are 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 RM	Carrying Amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
<b>The Group</b>								
<b>2024</b>								
<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
<b>2023</b>								
<u>Financial Liabilities</u>								
Term loans:								
- fixed rate	-	-	-	-	9,363,117	-	9,363,117	9,363,117

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**39. FINANCIAL INSTRUMENTS (CONT'D)**

39.5 FAIR VALUE INFORMATION (CONT'D)

- (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%) and the fair value is within level 2 of the fair value hierarchy.

**40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 10 February 2024, the Company subscribed for an additional 1,250,000 ordinary shares of RM1.00 each in the share of Astana Setia, a wholly-owned subsidiary of the Company, for a total cash consideration of RM1,250,000.
- (b) On 7 June 2024, LSH Best Builders Sdn Bhd and Service Master (M) Sdn Bhd Joint Venture ("LSHBB-SMMSB JV) 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-SMMSB JV to undertake the operation and maintenance management of Kuala Lumpur Tower ("KL Tower").

On 28 June 2024, LSHBB, a wholly-owned subsidiary of Company, collaborated with 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.



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**40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

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

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

On 30 September 2024, AmInvestment 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.

**41. COMPARATIVE FIGURE**

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
Statement of Financial Position (Extract):-		
Other payables and accruals	45,377,150	38,520,365
Contract liabilities	15,276,675	22,133,460

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