



## **PRESS RELEASE**

### **IMMEDIATE RELEASE**

## **Lim Seong Hai Capital Inks Upstream Integration, Expands into Property and Construction Segments**

**KUALA LUMPUR, 28 March 2022** – Lim Seong Hai Capital Berhad (“LSH Capital” or the “Company” or “Group”) has announced a series of corporate proposals which marks its upstream integration expansion into property development, and to further strengthen its fast-growing construction business.

Upon completion of the Proposals, the LSH Capital Group will have an enlarged secured construction orderbook amounting to RM1.1 billion in aggregate with an overall outstanding orderbook of RM782.0 million and also carry a property development project with GDV of RM1.59 billion which is expected to provide earnings visibility until 2026.

In addition, the LSH Capital Group also involves in construction and property development projects amounting to RM2.7 billion via the BEST Framework collaboration. This collaboration will enable our Group to earn certain portion in fees for various value creation efforts.

The corporate proposals entail with a combined acquisition value of RM157.6 million via the execution of Share Sale Agreement to acquire 100% in Astana Setia Sdn Bhd (“Astana Setia”) for RM95 million, Assets Exchange Agreement and Debt Settlement cum Share Subscription Agreement with LSH Ventures Sdn Bhd (“LSH Ventures”) for a total value of approximately RM62 million to be full satisfied via issuance of new LSH Capital shares at 45 sen, which presents a premium of 7.14% to 9.20% over the closing market price on 25 March 2022 and volume weighted average price of 6 months.

Astana Setia has an existing RM395.9 million gross development value (GDV) for its Residensi Laman Segar Hijau (LSH Segar) development project in Taman Segar, Cheras. Astana Setia’s flagship LSH Segar project has secured 100% uptake under the RUMAWIP affordable housing scheme, and 70% uptake among open units. Astana Setia also has an external construction order book of RM390.81 million, of which RM146.82 million is still outstanding.

The proposed transaction with LSH Ventures involves the acquisition of four parcels of lands and buildings on-site in attractive locations across Kuala Lumpur, Kajang and Johor Bahru for a consideration of RM8.14 million. In addition, LSH Capital will settle approximately RM54 million amount owing to directors of LSH Venture.

Upon completion, LSH Capital will own 99% in LSH Ventures and will have 93.75% effective interest in Astana Setia & Euro Saga Sdn Bhd (“Astana Setia Eugo Saga”), an entity which will launch the upcoming flagship project “Lake Side Homes” on a 11.85-acre land in Sungai Besi with an estimated GDV of RM1.19 billion.

LSH Capital will also seek shareholder approval to expand its core businesses to include property and construction-related business as these new integrated upstream businesses are expected to contribute more than 25% of the group’s net profit, moving forward.

“Since its LEAP Market listing in July 2021, LSH Capital has ramped up its growth efforts, while rewarding shareholders with strong earnings performance in the latest financial year ended Sept 30, 2021 (FY2021) and dividends of RM2.34 million, to meet the 30% benchmark set by the Group,” said Tan Sri Lim Keng Cheng.

“The latest exercise puts the Group on the right track towards strengthening its presence in the local construction and property development sectors and to become a billion-ringgit company in the long run,” he said.

Astramina Advisory Sdn Bhd is the Approved Adviser and Continuing Adviser for LSH Capital and is the appointed Adviser for the proposed corporate exercises.

LSH Capital’s expansion of its property development venture also allows it to better synergise the operations currently undertaken by Lim Seong Hai Lighting Sdn Bhd and Knight Auto Sdn Bhd, subsidiaries of LSH Capital with a continuous emphasis on the BEST Framework, that was introduced in 2021 to improve its project execution and business proposition. This will further expand the construction business together with the inclusion of property development and property investment, will allow the Group to achieve significant involvement in the supply chains in the construction industry. This is in line with the BEST Framework adopted by LSH Capital with the aims to transform the core foundation of the construction industry.

The BEST Framework supports both projects and clients via the Blue Ocean Strategy to secure sales and contracts; Enhancement Solutions for Finance in cash flow planning; Sustainability, Made Affordable for business policymaking, as well as Transformation and Innovation in engineering solutions and project execution.

LSH Capital has successfully implemented the BEST Framework in building and infrastructure projects in Kuala Lumpur, Penang, Johor, Negeri Sembilan, Kedah, Pahang and Sabah, and now seeks to repeat its success in the LSH Segar project and Lake Side Homes project moving forward.

Aside from LSH Segar and Lake Side Homes, LSH Capital also has its sights on other property projects that spans parts of Klang Valley including the Sentul Ria Development in Sentul, the LSH Tower in Taman Tasik Titiwangsa, and the LSH Titiwangsa along Jalan Pahang, Kuala Lumpur, which are currently owned by Lim Seong Hai Holdings Sdn Bhd, the ultimate holding company of LSH Capital.

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### **About Lim Seong Hai Capital Berhad**

Lim Seong Hai Capital Berhad (“**LSH Capital**”) was incorporated in Malaysia on 11 November 2020 under the Companies Act 2016 as a private limited company under the name Lim Seong Hai Capital Sdn Bhd. On 21 May 2021, we were converted into a public company limited by shares and adopted our present name, Lim Seong Hai Capital Berhad. LSH Capital was listed on the LEAP Market of Bursa Malaysia Securities Berhad on 30 July 2021.

We are an investment holding company and through our subsidiaries, namely Lim Seong Hai Lighting Sdn Bhd, Knight Auto Sdn Bhd and LSH BEST Builders Sdn Bhd, we are principally involved in the provision of building materials, lighting products and related mechanical & electrical (“**M&E**”) products and services, hardware and tools, and rental of machinery and engaged in the business of construction and construction related services. The experience and expertise of LSH Capital promoters and directors in the fields of construction, property development, accounting and finance and M&E will position LSH Capital as the preferred solution provider in line with our BEST Framework.

### **Forward-Looking Statements**

The statement included in this press release, other than statements of historical facts, are forward- looking statements. Forward-looking statement generally can be identified by the use of forward- looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “seek,” or “believe.” These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations about future event. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statement, including, but not limited to our ability to win additional business. Although we believe the expectations reflected in the forward- looking statements are reasonable, we cannot guarantee future result, level of activity, performance, or achievements. You should not rely upon forward- looking statements as predictions of future events. These forward-looking statements apply only as of the date of this press release; as such, they should not be unduly relied upon as circumstances change. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this release or those that might reflect the occurrence of unanticipated events.

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