CONSTRUCTION

LIM SEONG HAI CAPITAL BHD

(LSH MK EQUITY, LSH.KL)

01 Oct 2025

Recreating legacy, reinventing efficiency

Company Report

BUY

(Maintained)

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Rationale for report: Initiation

Price	**RM1.76**
Target Price	**RM3.00**
52-week High/Low	RM1.82/RM0.73

Key Changes

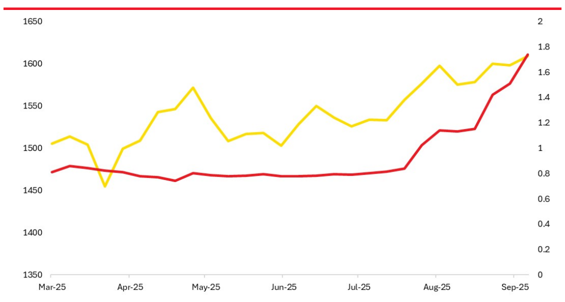
Target Price	⇔
EPS	⇔

YE to Sep	**FY24**	**FY25F**	**FY26F**	**FY27F**
Revenue (RM mil)	361.4	618.7	740.0	973.0
Core net profit (RM mil)	74.3	95.1	130.9	169.3
FD Core EPS (sen)	8.7	11.1	15.3	19.8
FD Core EPS growth (%)	23.6	28.0	37.7	29.3
Consensus Net Profit (RM mil)	-	84.0	93.5	106.4
DPS (sen)	2.5	3.3	4.6	5.9
PE (x)	20.3	15.8	11.5	8.9
EV/EBITDA (x)	14.8	11.1	7.4	5.8
Div yield (%)	1.4	1.9	2.6	3.4
ROE (%)	16.6	16.8	18.7	21.0
Net Gearing (%)	6.9	4.9	nm	4.0

Stock and Financial Data

Shares Outstanding (million)	856.0
Market Cap (RMmil)	1,506.5
Book Value (RM/Share)	0.56
P/BV (x)	3.2
ROE (%)	16.6
FY24 Net Gearing (%)	6.9
Major Shareholders	LSH Resources (65.4%) TS Lim Keng Cheng (1.8%) Lim Pak Lian (1.8%) Dato' Lim Keng Guan (1.8%) Lim Keng Hun (1.8%)
Free Float	27.5
Avg Daily Value (RMmil)	2.1

Price performance	**3mth**	**6mth**	**12mth**
Absolute (%)	118.6	100.0	-
Relative (%)	107.9	87.8	-



Investment Highlights

We initiate coverage on Lim Seong Hai Capital (LSH) with a BUY and a TP of RM3.00 (70% upside), pegged to 15x FY27 P/E, +0.5SD to small-mid construction peers 5-year average. This premium valuation justified by visible growth catalysts and superior margins. Founded on the late Lim Seong Hai's legacy, the group is now led by Tan Sri KC Lim (TSKC) and his siblings, who are leveraging 40 years of construction experience to transform LSH from a conventional contractor into consultant-based construction-cum-developer focused on value engineering. This pivot delivers structurally higher margins (16%-18% PAT) versus peer averages of 7–9%. LSH today is a margin outlier with a concession kicker.

- **Margin outlier with structural edge.** The 13ppt PBT margin gap relative to peers is structural as its synergistic integrated model that spans engineering consultancy, construction, property development and facility management enabled LSH to capture margins along the entire supply chain. LSH's FY24 gross profit margin (GPM) of 35% and PAT margin of 26%, validates its ability to sustain superior profitability. We forecast FY25-27F PAT margins to be 15-18% supported by its property launch pipeline.

- **Strong order + tender book = visibility.** RM1.4bil orderbook and c.RM10bil tender book offer 2-3 years of profit visibility. Notably, the tender pipeline includes high-profile opportunities such as a package of highway project (>RM1.5bil), flood mitigation project (>RM1bil), KL Tower new commercial zones (RM70mil), and LSH Bund (RM506m). This gives scope for upside surprises beyond our base-case earnings. With equity of RM615mil and nearly zero gearing, LSH has the balance sheet to capture future highway and flood mitigation projects.

- **Property anchors growth while KL Tower provides recurring income.** Lake Sides Home (GDV 1.2bil, est. GPM 32%) plus LSH Segar (GDV RM400mil, est. GPM 34%) underwrites the FY25F-27F PAT growth of 32% YoY. Starting April-25, LSH begins its 20-year operate and maintenance (O&M) concession for KL Tower, offering an annual recurring PATMI of RM22mil.

- **Valuation & Risks.** We value LSH at 15x FY27F P/E, +0.5SD to mid-small cap construction 5-year average. A premium to small-cap contractors, justified by its structurally higher margins, recurring concession earnings, and >RM10bil tender pipeline. Our TP embeds upside from potential infra concessions such as Selangor IDRISS. Key risks include execution delays in Lake Side Homes, slower property take-up, cost inflation eroding margins, and concession regulatory reviews. However, LSH's low gearing (FY25F: 0.05x), strong balance sheet, and integrated supply model provide buffers, while its shift toward value-engineered construction and concession-backed recurring income underpins resilience.

Investment Thesis

Recreating legacy, reinventing efficiency: Superior margin from synergistic integrated model and value engineering

Strategic Differentiation

We identified five elements that set LSH apart from peers:

1. Building on legacy – A key intangible driver of our thesis lies in Tan Sri KC Lim's (TSKC) leadership journey. Having gained deep industry insights from his involvement in major infrastructure developments, TSKC is now channeling those learnings into LSH Capital, a platform he established in honour of his late father, Lim Seong Hai.

LSH carries a differentiated vision: to build a consultant-led, value-engineered construction-cum-developer model that prioritises efficiency, structural margin resilience, and a concession-backed recurring income.

2. Structural margin outperformance – LSH has proven its ability to defend margins despite sector cost pressures. In FY24 and 1H25, it delivered PAT margins of 21% and 20%, materially higher than peers. We view this margin resilience as structural, supported by its synergistic integrated model spanning consultancy, construction, products, and facility management.

We forecast 15–18% PAT margins in FY26–27F, supported by high-margin property projects such as: -

i. Lake Side Homes (Gross Development Value: RM1.2bil, Gross Profit Margin: 32%)

ii. LSH Segar (Gross Development Value: RM396mil, Gross Profit Margin: 34%)

3. Strong orderbook and tender pipeline – As of June 2025, LSH holds an orderbook of RM1.4bil, equivalent into 2-3 years' revenue visibility. More importantly, the tender pipeline exceeds RM10bil, which includes: -

i. A highway package (est. >RM1.5bil)

ii. Flood retention projects (>RM1bil)

iii. KL Tower commercial zones (RM70mil)

iv. LSH Bund (RM506mil)

With equity of RM615mil and FY25F net gearing of just 0.05x, LSH has the financial capacity to scale into larger projects. Our base case assumes a conservative 20–25% win rate, leaving upside if conversion is strong.

4. Asset light development model – Unlike traditional developers that depend on large land acquisitions, TSKC is strategically leveraging his private landbank to seed LSH's property pipeline. By injecting parcels or mandating LSH as builder and consultant, the group effectively captures either full developer margins or consultancy + construction margins, depending on the structure. This approach ensures that receivable risk is minimised, as LSH is building on related-party land with tighter cashflow control.

5. Concession Kicker from KL Tower – From April 2025, LSH will commence its 20-year O&M concession of KL Tower, a national landmark. This is a game changer, contributing an estimated recurring PATMI of RM22mil annually, stable cashflows, the concession model strengthens brand equity.

Valuation approach

We apply P/E approach to LSH Capital, which we deem appropriate, given its stable earnings profile and asset-light development model.

In addition, Malaysia's construction and property peers are typically valued on P/E basis, allowing fair comparison relative to the sector.

We ascribe 15x FY27F P/E, arriving at our target price (TP) of RM3.00/share, offering 70% upside. Our target P/E multiple is pegged to +0.5SD of 5-year mid-small cap construction average, which mainly involved in construction works with parallel exposure to property development projects.

As a sanity check, we compare our valuation multiple against construction peers, from two angle:

1. Current 1-Year forward P/E vs Net Profit Margin
2. Historical 1-Year forward P/E vs Net Profit Growth

From our analysis, we find that: -

Small-to-mid cap contractors typically trade at 12–18x forward P/E.

Our 15x FY27F P/E multiple places LSH at the sweet spot among peers, with its superior 16% net margins and 40% forward earnings growth. At 15x P/E, investors gain access to high growth at a reasonable valuation. Unlike smaller names like Inta Bina and Kimlun which are cheap at <15x but lack meaningful growth catalysts.

With 16% forward net margin, LSH is well above the sector's typical 6–8% range. This positions it closer to niche premium contractors such as Southern Score Builders and CBH Engineering, which also operate at double-digit margins.

LSH's higher margin profile reflects the structural advantages of its integrated product offering and asset-light model, which together lower working capital requirements.

Smaller contractors such as Kimlun, Inta Bina, and WCT Holdings remain locked in at <5% margins due to pricing pressure and limited differentiation.

Historical valuation cycles further reinforce the potential upside. During past growth spurts, peers such as MGB, WCT Holdings and Southern Score Builders re-rated to peak multiples of 30–35x when earnings growth exceeded 30–40%.

Anchoring LSH at 15x target P/E is conservative given its superior growth and margin setup, leaving valuation headroom from stronger conversion and as execution de-risks.

EXHIBIT 1: VALUATIONS

Target PE (x)	15x
FY27 EPS	19.8sen
12-month target price	RM3.00

**May not add up due to rounding*

EXHIBIT 2: ABBREVIATIONS

Company	Acronym	Ticker
Lim Seong Hai Capital	LSH	LSH MK Equity
CBH Engineering	CBH	CBHB MK Equity
MN Holdings	MNH	MNHLDG MK Equity
Southern Score Builders	SSB	SSB8 MK Equity
Econpile	Econpile	ECON MK Equity
Kimlun	Kimlun	KICB MK Equity
Kerjaya Prospek	KP	KPG MK Equity
Signature Alliance	SA	SAG MK Equity
WCT Holdings	WCT	WCTHG MK Equity
MRCB	MRCB	MRC MK Equity

Binastra	Binastra	BNASTRA MK Equity
Gamuda	Gamuda	GAM MK Equity
Sunway Construction	SunCon	SCGB MK Equity
IJM Corp	IJM	IJM MK Equity
Inta Bina	Inta Bina	INTA MK Equity
MGB	MGB	MLG MK Equity

EXHIBIT 3: CURRENT 1-YR FORWARD P/E VS NET MARGIN

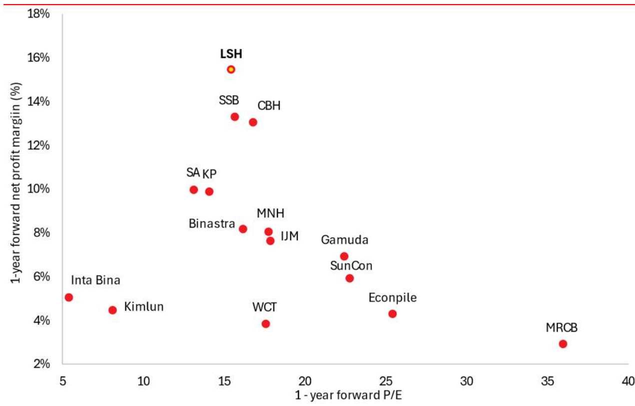


EXHIBIT 4: HISTORICAL PEAK 1-YR FORWARD P/E VS NET MARGIN

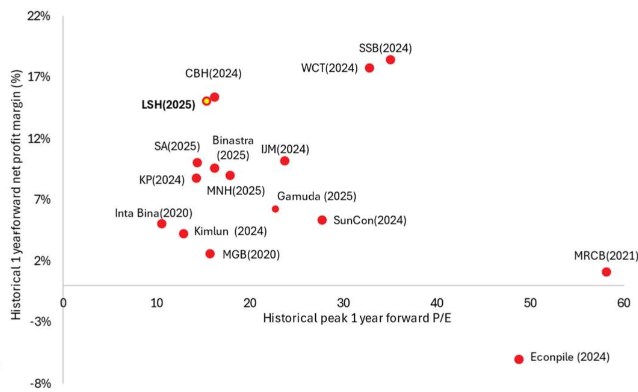


EXHIBIT 5: CURRENT 1-YR FORWARD P/E VS NET PROFIT GROWTH

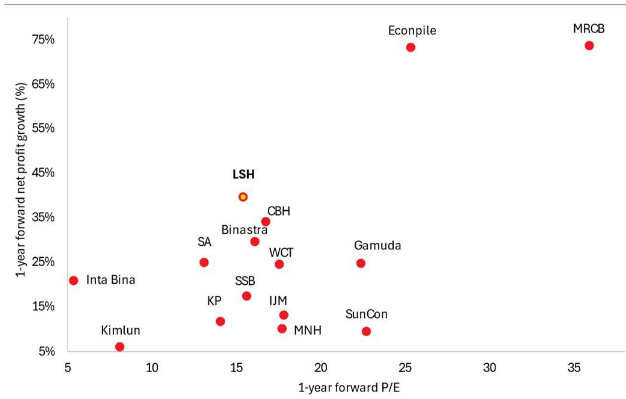
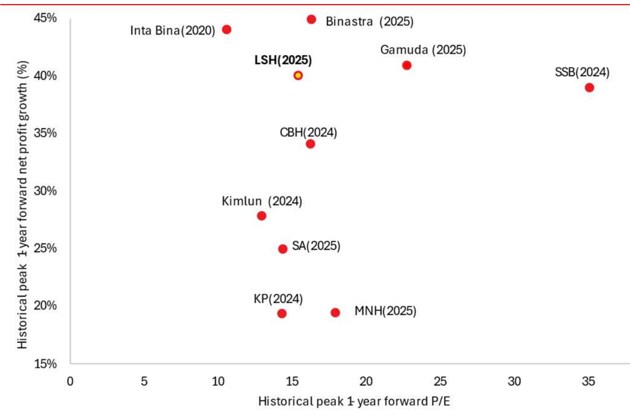


EXHIBIT 6: HISTORICAL PEAK 1-YR FORWARD P/E VS NET PROFIT GROWTH



**Data points with g <0% or g>100% are excluded; avoid low-base/turnaround distortions*

Conclusion. We believe our 15x FY27F P/E multiple for LSH Capital, at the midpoint of 12x-18x PE small-mid cap peer valuation band is well-justified. It reflects a modest premium to small and mid-cap peers, given LSH's sector-leading 16% net margins and 40% forward earnings growth. At the same, our valuation remains conservative relative to historical peaks, where small-mid caps have re-rated up to 30x and premium large contractors have traded in 20–25x range.

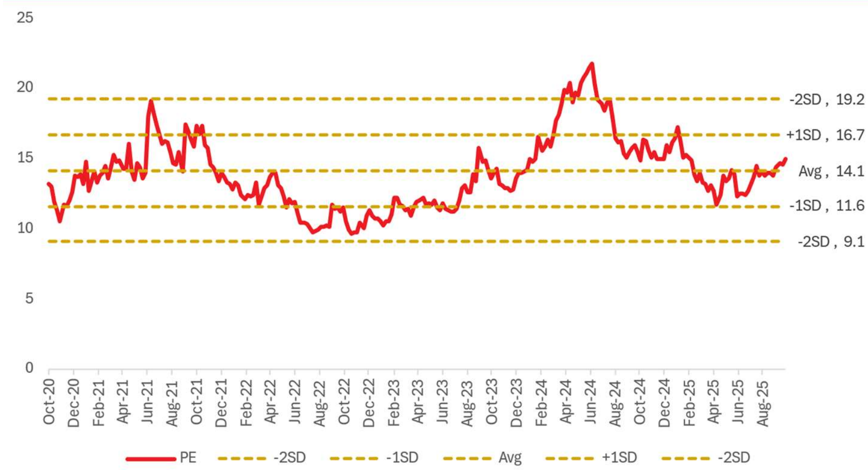
This balanced positioning captures LSH's high-margin, high-growth profile, while allowing for upside optionality as scale improves.

EXHIBIT 7: SMALL-MID CONSTRUCTION PEER COMPARISONS

Name	Ticker	Mkt Cap (RM b)	Last Price	1 Year Forward PE	EV/EBITDA	PB	Div Yld	Next FY PAT Margin
Bina Puri Holdings	BIN MK	0.3	0.35	20.9	13.0	-	0%	3%
Inta Bina Group	INTA MK	0.3	0.43	5.4	3.3	1.1	7%	5%
MGB	MLG MK	0.3	0.46	4.8	3.3	0.4	6%	4%
Kumpulan Kitacon	KITACON MK	0.4	0.72	5.8	-	0.9	5%	6%
Vestland	VLB MK	0.5	0.52	5.7	7.3	137.8	-	10%
Econpile Holdings	ECON MK	0.6	0.41	15.0	7.6	1.4	1%	5%
Kimlun Corp	KICB MK	0.6	1.49	8.0	6.3	0.6	2%	4%
Signature Alliance Group	SAG MK	0.8	0.84	13.0	7.3	-	-	10%
MN Holdings	MNHLDG MK	1.2	1.87	17.9	11.0	5.8	0%	8%
WCT Holdings	WCTHG MK	1.3	0.83	17.5	10.9	0.3	0%	4%
Southern Score Builders	SSB8 MK	1.3	0.58	15.5	10.4	-	3%	13%
Lim Seong Hai Capital	**LSH MK**	**1.5**	**1.76**	**15.0**	**10.1**	**1.8**	**2%**	**16%**
Malaysian Resources Corp	MRC MK	2.4	0.54	35.9	13.5	0.5	2%	3%
Binastra Corp	BNASTRA MK	2.5	2.31	15.8	10.6	6.6	2%	8%
Simple Average				**14.0**	**8.8**	**14.3**	**2%**	**7%**

Source: Bloomberg, AmInvestment Bank

EXHIBIT 8: 5-YEAR FORWARD PE OF SMALL-MID CAP CONSTRUCTION COMPANIES



Source: Bloomberg, AmInvestment Bank

Risk assessments

Execution Risk: Large-scale projects such as Lake Side Homes (GDV RM1.2bil) and infrastructure contracts in the tender pipeline require precise project management. Delays in approvals, construction bottlenecks, or cost overruns could push out revenue recognition and erode margins.

That said, LSH's integrated model and track record of delivering projects such as LSH Segar (87% take-up, on track for 2026 completion) provide comfort on execution discipline.

Property Cycle Sensitivity: Although LSH Segar's strong take-up highlights resilient demand in the mid-market segment, broader macro factors — rising interest rates, weaker affordability, or oversupply in certain sub-markets could slow sales velocity at Lake Side Homes or future projects.

Given that property development will be a key earnings anchor for FY26–27F, sales absorption risk remains a watchpoint.

Concession and Regulatory Risk: The 20-year KL Tower O&M concession provides recurring cash flows and brand equity, but as a government-linked asset, it remains subject to regulatory oversight. Changes in concession terms, rent structures, or policy directions could affect profitability.

Nonetheless, the national importance of KL Tower and the Federal Land Commissioner's involvement mitigate outright concession discontinuity risk.

Cost Inflation and Margin Compression: Rising costs for materials (steel, cement) and labour could pressure construction margins.

However, LSH's internal supply chain via Knight Auto and LSH Lighting provides a natural hedge by capturing product margins in-house, giving it buffers than peers.

Governance and Concentration Risk: As a family-controlled company, concentration of decision-making presents governance risk.

However, we view Tan Sri KC Lim's (TSKC) personal commitment to recreate his late father's legacy under LSH as a strong alignment factor. His willingness to inject private landbank into LSH and pursue an asset-light partnership model with landowners further demonstrates long-term alignment with minority shareholders.

Thesis 1: Margin outlier with structural edge

Structural margin resilience

LSH is delivering margins 2–3x above industry average and has already proven scalability from RM18m GP (FY21) to RM128m (FY24). The sustainability of PAT margins near 20% makes this a valuation premium candidate, particularly when peers in construction typically trade on mid-single digit PAT margins.

Earnings ramp from RM74mil (FY24) to RM169mil (FY27F) (+32% 3-Year CAGR), driven by

(i) steady conversion of secured orderbook and a higher share of value-engineered, design-and-build packages.

(ii) operating leverage from an asset-light, vertically integrated model (materials, M&E, project management)

(iii) a rising share of recurring income from the KL Tower O&M concession and;

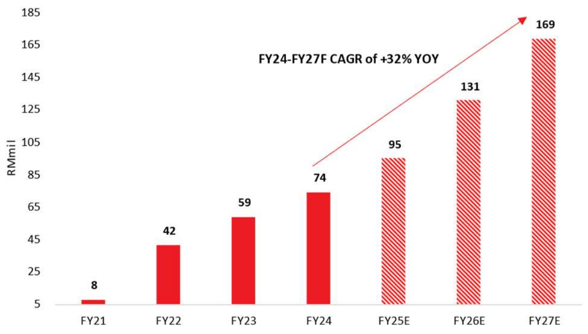
(iv) disciplined bidding that prioritises margin over volume.

On the balance sheet, with equity of RM615mil and nearly zero gearing, LSH has the financial firepower to capture future highway and flood mitigation projects.

Reflecting its stronger financial footing, the group has committed 30% dividend payout policy. For 9M2025, LSH Capital declared DPS of 2.34sen, almost double the DPS of 1.22sen declared in the corresponding period last year. As earnings continue to accelerate, we forecast FY27F DPS of 5.9sen, implying a dividend yield of 3.3%.

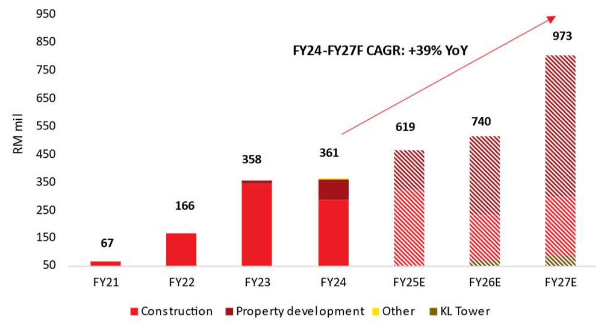
This reflects the group's stronger earnings delivery and improved balance sheet capacity, with dividend growth keeping pace with 32% YoY 3-year CAGR rise in net profit. The higher payout underscores management's commitment to progressively reward shareholders as profitability scale.

EXHIBIT 9: EARNINGS FORECAST



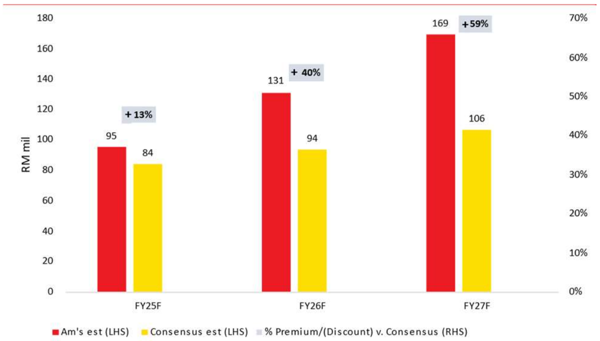
Source: Company, AmInvestment Bank

EXHIBIT 10: REVENUE FORECAST



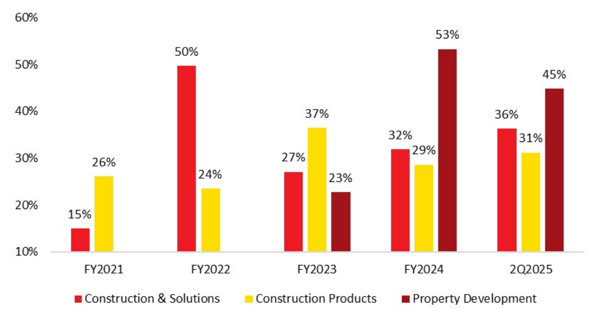
Source: Company, AmInvestment Bank

EXHIBIT 11: AM VS CONSENSUS EARNINGS ESTIMATE



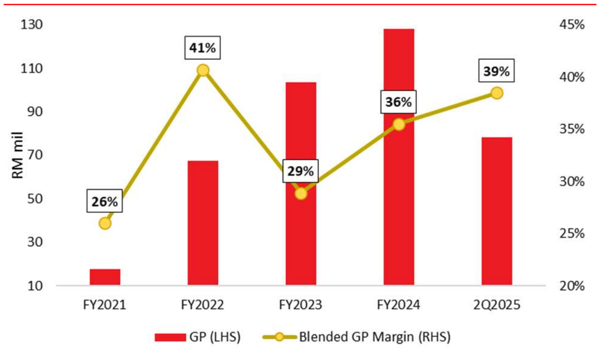
Source: Bloomberg, AmInvestment Bank

EXHIBIT 12: LHS' SEGMENTAL GROSS PROFIT MARGIN



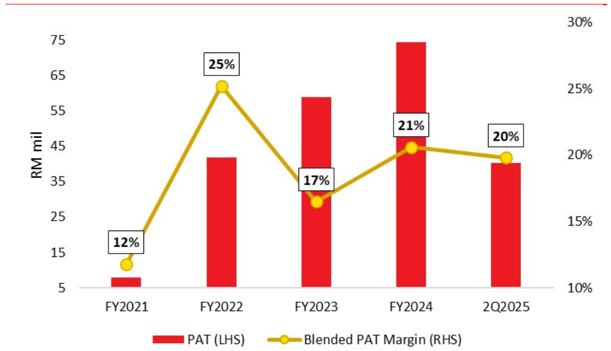
Source: Company, AmInvestment Bank

EXHIBIT 13: LSH GROSS PROFIT MARGIN TREND



Source: Company, AmInvestment Bank

EXHIBIT 14: LSH PAT MARGIN TREND



Source: Company, AmInvestment Bank

Thesis 2: Strong orderbook and tender pipeline

Malaysia's construction sector is entering a favourable cycle, underpinned by industrial, transport, and infrastructure spending. Research & Markets projects ~6% real growth in 2025, supported by strong government allocations and a healthy pipeline of public infrastructure. DOSM data shows construction activity expanding by 17% YoY in 1Q2025, with positive growth across residential, non-residential and civil engineering segments.

Momentum is reinforced by policy direction under the 13th Malaysia Plan, which front-loads allocations for transport, flood control, roadworks and utilities. Contract awards are expected to accelerate into late 2025, with sector earnings projected to remain positive in 2H25 on the back of stronger orderbook momentum and new project rollouts.

Against this backdrop, LSH's RM1.4bil order book and RM10bil tender book together anchor roughly 2-3 years of earnings visibility. The secured order book provides near-term revenue cover, while the live bids extend the runway and reduce reliance on any single project or client. This breadth helps smooth quarterly volatility and supports resource planning (people, equipment, subcontractors) with better pricing discipline.

Within the pipeline, several named opportunities can tilt outcomes above our base case: the KL Tower new commercial zones (RM70mil), LSH Bund (RM506mil), and a highway package exceeding RM1.5bil. These bids skew to higher-profile, multi-year work with potential design-and-build or O&M angles, which can lift margins and recurring contributions if structured well. Even modest conversion from this list would add meaningful upside to both revenue and earnings, given the multi-year phasing typical of such jobs.

Financial capacity is not a bottleneck. With shareholders' equity of RM615m and near-zero gearing, LSH can co-fund working capital, meet performance-bond requirements, and absorb milestone timing gaps without stressing the balance sheet. This positions the group to pursue scale opportunities in highways and flood-mitigation—segments where upfront mobilisation is significant, but cash flows are long-dated and relatively predictable once milestones are locked in.

EXHIBIT 15: OUTSTANDING ORDERBOOK AS OF JUNE 2025

As at 30 June 2025 Project Name / Project Type	Customer	Project Location	Start Date / Expected Completion Date (2021 2022 2023 2024 2025 2026 2027 2028 2029)	Percentage Completion[1]	Contract Value (RM mil)	Outstanding Orderbook (RM mil)[1]
Construction Projects						
LSH Segar	ASSB	Cheras, Kuala Lumpur		69.7%	260.6	78.9
Lake Side Homes	ASES	Sungai Besi, Kuala Lumpur		1.1%	779.9	771.3
Sentul Ria	LSH Holdings	Sentul, Kuala Lumpur		11.7%	103.9	91.7
Wisma LSH Extension	LSH Holdings	Setapak, Kuala Lumpur		18.7%	9.0	7.3
Total Building Projects					**1,153.3**	**949.2**
Infrastructure Construction and Engineering Work Projects						
Flood retention	Pertama Makmur Sdn Bhd	Pendang, Kedah		65.6%	78.5	27.0
Road works	Euro Saga Sdn Bhd	Jerantut, Pahang		14.4%	201.0	172.0
Road works	Ganti Juara Sdn Bhd	Sembrong, Johor		76.1%	23.1	5.5
Bridge works	BESB	Nibong Tebal, Penang		99.1%	112.1	1.0
Road works	SLP Construction Sdn Bhd	Tangkak, Johor		43.8%	128.1	72.0
Road works	Tekad Warisan Sdn Bhd	Kota Belud, Sabah		96.5%	44.4	1.6
Cold water & sanitary plumbing works[3]	BESB	Gemas, Negeri Sembilan		42.0%	20.2	11.7
Electrical works[3]	BESB	Gemas, Negeri Sembilan		27.3%	38.4	27.9
Reinforced concrete works[3]	BESB	Gemas, Negeri Sembilan		88.4%	41.0	4.8
Bridge works	BESB	Nibong Tebal, Penang		39.6%	23.2	14.0
Architectural works[3]	BESB	Gemas, Negeri Sembilan		10.6%	95.4	85.3
Infrastructure works[3]	BESB	Gemas, Negeri Sembilan		31.5%	24.1	16.5
Total Civil Engineering Projects					**829.5**	**439.4**
Property Development and Facilities Management						
Off Jalan Pahang (Property Development – GDV: c.RM110.0 mil)				N/A	N/A	N/A
River of Life	Call Times Engineering	Kuala Lumpur		30.2%	6.5	4.5
Total Value					**1,989.3**	**1,393.1**

Source: Company

Net-net, visibility plus optionality anchors the thesis. A secured order book underwrites the next few years, while a RM10bil tender pipeline creates room for positive surprises. With a strong, near-zero-gearing balance sheet, LSH can pick higher-quality, better-priced projects rather than chase volume. Key watch items remain bid conversion, margin discipline, and execution timelines, but the setup offers multiple paths to beat our base-case earnings.

Near term, LSH is collaborating with Permodalan Negeri Selangor and IJM under IDRISS to assess viable road links and transport corridors—work aimed at easing congestion, shortening travel times, and unlocking new development nodes. This positions LSH for design-and-build packages and subsequent operations roles.

Medium term, the goal is concession ownership (e.g., highways), covering build delivery and post-completion O&M. That pivot tilts the earnings mix toward long-dated, recurring cash flows (availability/traffic-linked), supporting more sustainable profitability.

Execution priorities: identify bankable assets (links, interchanges, feeder roads), lodge proposals with clear funding, phasing, and risk-sharing structures, and leverage IDRISS to secure pilot segments. In short, LSH locks in order-book visibility today while creating recurring-income optionality for tomorrow.

Thesis 3: Property anchors growth, recurring KL Tower income

LSH's property segment is a key growth driver, supported by a scalable, asset-light strategy that leverages TKSC's private landbank. This approach minimizes upfront land costs, reduces receivables risk, and eases working capital pressure. The pipeline includes LSH Segar (GDV RM400m, est. GPM 34%) and Lake Side Homes (GDV RM1.2bil, est. GPM 32%), which together underpin FY26–FY27F gross profit expansion of 0.9x to 4.6x, driven by progressive billings and a higher mix of own-developed units.

LSH is also building scale through affordable housing, such as a 268-unit condominium in Sentul (GDV RM160mil), under the BEST framework and targeted for completion in 2027.The group's mid-market positioning, efficient build-to-cost execution, and disciplined sales cadence support margin resilience despite cost volatility.

Flagship project LSH Segar in Cheras has achieved strong take-up, 87% for condominiums and 100% for affordable units, highlighting demand in well-connected urban areas. Lake Side Homes in Sungai Besi, a larger RM1.2bil GDV development with 2,369 units, is expected to drive revenue and profit recognition from FY27–29F.

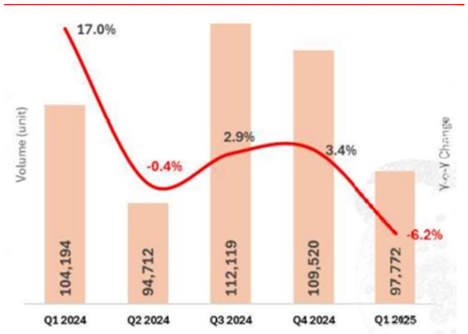
Complementing its development pipeline, LSH has secured a 20-year concession to operate and maintain KL Tower starting April 2025. Covering 10 acres, the concession includes rights to rejuvenate the precinct into a retail, cultural, and tourism hub. It is projected to generate recurring PATMI of RM22mil annually, adding a steady annuity stream and enhancing LSH's infrastructure credentials.

This dual-engine model, property development and KL Tower concession provides LSH with earnings visibility from FY25 onward, diversifies its income base, and reduces reliance on property cycles. The broader market backdrop remains supportive: while 1Q2025 saw a 6.2% YoY dip in residential transaction volume and 8.9% in value, fundamentals are intact. The Malaysia House Price Index held steady, and construction activity remains robust.

Looking ahead, Malaysia's real estate market is projected to expand from USD22bil (RM93bil) in 2024 to USD30bil (RM124bil) by 2033, reflects a 3% YoY CAGR).

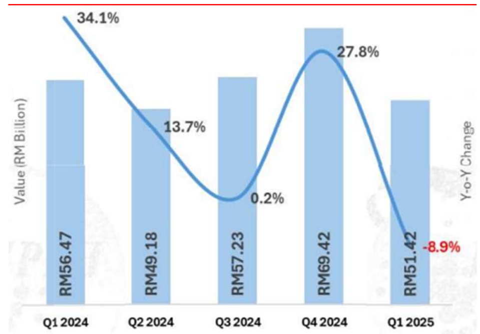
This trajectory is supported by easing financial conditions, after BNM's 25bp OPR cut to 2.75% in July 2025, and with the rate subsequently held steady in September, which supports mortgage affordability in 2H25, on the back of improved sentiments. Coupled with resilient demand in the mass-market segment, property remains a solid anchor for growth.

EXHIBIT 16: PROP. TRANSACTIONS VOLUME



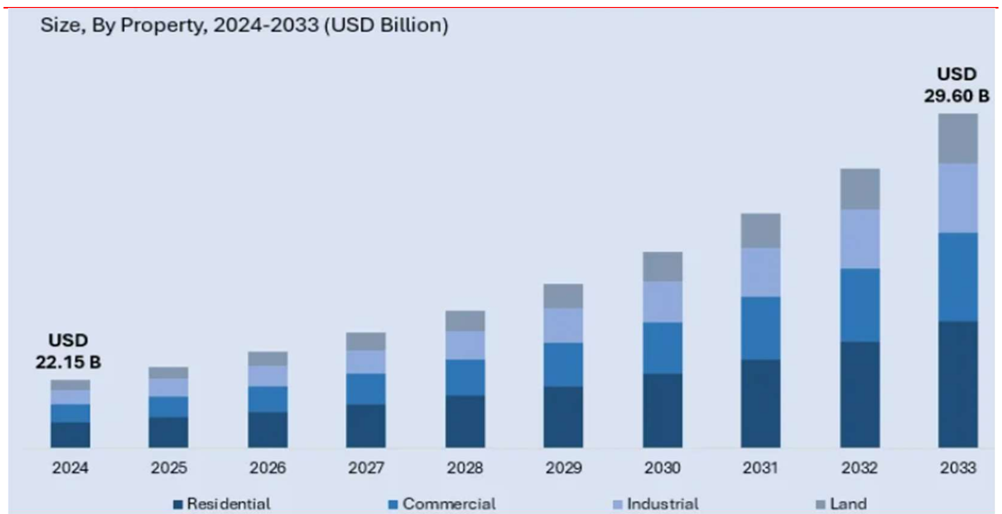
Source: NAPIC- JPPH, AmInvestment

EXHIBIT 17: PROP TRANSACTIONS VALUE



Source: NAPIC- JPPH, AmInvestment

EXHIBIT 18: MALAYSIA REAL ESTATE MARKET FORECAST BY IMARC



Source: IMARC Group, AmInvestment

EXHIBIT 19: PROPERTY DEVELOPMENT: LSH SEGAR PROJECT

Developer	ASSB (100% subsi)
Location	Cheras, Kuala Lumpur
Land size	4.14 acres
GDV	RM395.9 mil
GDC	RM260.6 mil
Estimated project margin	34.2%
Year launched	February 2022
Total units launched	Condominium - 435 Affordable housing - 440
Unit Size and Price Range	Condominium - 1,000 sqft - 3,000 sqft RM540k - RM2.5 mil Affordable housing - 850 sqft RM300k
Take-up rate(1)	Condominiunm - 87.1% Affordable housing - 100.0%
Construction commencement	October 2021
Estimated completion	Q3 2026

Source: Company

EXHIBIT 20: PROPERTY DEVELOPMENT: LAKE SIDE HOMES

Developer	ASES (93.75% subsi)
Location	Sungai Besi, Kuala Lumpur
Land size	11.85 acres
GDV	RM1.15 bil
GDC	RM779.9 mil
Estimated project margin	32.2%
Estimated launch date	2H 2025
Estimated total units	Condominium - 1,183 Affordable housing - 1,186
Unit Size and Price Range	Condominium - 956 sqft - 1,834 sqft RM400k - RM2.0 mil Affordable housing - 869 sqft(1) / 1,012 sqft(1) RM300k
Take-up rate	N/A as yet to be launched
Construction commencement	March 2024(2)
Estimated completion	Q4 2029

Source: Company

EXHIBIT 21: CONSTRUCTION: SENTUL RIA

Developer	LSH Holdings
Location	Sentul, Kuala Lumpur
GDV	RM160.0 mil
GDC	RM103.9 mil
Year launched	N/A
Total units launched	Affordable condo - 268
Take-up rate	N/A as yet to launch
Construction commencement	March 2023
Estimated completion	Q1 2027

Source: Company

EXHIBIT 22: FACILITY MANAGEMENT: KL TOWER

- Executed a **20-year lease agreement** with the Federal Lands Commissioner in line with the concession granted by the Government of Malaysia for the management, operation and maintenance of the KL Tower and its surrounding area
- Entered by LSH Service Master Sdn Bhd ("**LSHSM**")[1]
- The lease agreement empowers LSHSM to modernise and manage KL Tower
- The lease agreement also entitles LSHSM to capitalise on a total land area of c.10.08 acres, which includes the land of KL Tower, along with the Tower Terrace, is erected, as well as the surrounding lands – this includes areas facing the Bukit Nanas Forest Reserve and those with frontage on Jalan Raja Chulan and Jalan P. Ramlee
- LSHSM will rejuvenate and enhance both Kuala Lumpur Tower and the surrounding areas to transform the entire precinct into a vibrant, integrated destination for tourism, retail, and cultural engagement

Intend to evaluate and explore opportunities to operate and manage the facilities of residential buildings for which the Group were involved in the construction and/or development in, which…

- provide additional recurring income following the completion of the construction of building projects
- allow the Group to continue extending its brand presence to its purchasers post-handover of vacant possession by continuing to serve them through maintenance of the residential building

Source: Company

Company profile

Lim Seong Hai Capital Berhad (LSH Capital), listed on Bursa Malaysia's LEAP Market in 2021, traces its roots back to 1966 as a family-run civil contractor before expanding into lighting, M&E, building materials and property development. Today, LSH operates on an asset-light, vertically integrated model across construction, engineering, materials distribution and project management, supported by its BEST Collaboration Framework which emphasizes value-engineering and efficiency.

Investment thesis and catalysts

Structural margin outlier. LSH sustains superior profitability supported by its integrated model spanning consultancy, construction, property, and facility management. FY24 gross margin of 35% and PAT margin of 20% validate its profitability edge. We forecast FY25–27F PAT margins of 15–18% anchored by new launches.

Earnings visibility with upside. RM1.4bil secured orderbook and ~RM10bil tenders provide 2-3 years of profit visibility. High-profile bids (a highway package >RM1.5 billion), flood mitigation >RM1 billion, KL Tower commercial zones RM70 mil, and LSH Bund RM506 mil) create potential upside. Backed by RM615mil equity and minimal gearing, LSH is well-positioned to secure large-scale jobs.

Dual growth + recurring income. Property projects (LSH Segar, Lake Side Homes; combined GDV RM1.55bil, GPM 32–34%) underpin near-term growth. These developments are expected to drive gross profit expansion by 0.9x to 4.6x from FY25F to FY27F. Meanwhile the 20-year KL Tower concession adds RM22mil recurring PATMI p.a, diversifying cash flows and enhancing earnings sustainability.

Valuation methodology

We value LSH Capital using a P/E approach, which is appropriate given its stable earnings profile and asset-light development model, and in line with sector practice where Malaysian construction and property peers are typically benchmarked on P/E.

Our 15x FY27F P/E target multiple, pegged to +0.5SD of the 5-year mid-small cap construction average, placing it at the midpoint of 12x-18x PE small-mid cap peer valuation band.

It reflects a modest premium to small and mid-cap peers, given LSH's sector-leading 16% net margins and 40% forward earnings growth.
At the same, our valuation remains conservative relative to historical peaks, where small-mid caps have re-rated up to 30x and premium large contractors have traded in 20–25x range.

This balanced positioning captures LSH's high-margin, high-growth profile, while allowing for upside optionality as scale improves.

Risk factors

Execution risk: Large-scale projects (e.g. Lake Side Homes, infrastructure tenders) carry approval, delay, and cost overrun risks, though mitigated by LSH's integrated model and proven delivery track record.

Property cycle sensitivity: Sales absorption at Lake Side Homes may face macro headwinds (rates, affordability, oversupply), but mid-market resilience provides some buffer.

Concession/regulatory risk: KL Tower O&M concession offers recurring cash flow but is subject to policy oversight; mitigated by national importance and Federal Land Commissioner involvement.

Cost inflation: Rising steel, cement, and labour costs could compress margins, partly offset by in-house supply chain (Knight Auto, LSH Lighting).

Governance/concentration risk: Family control presents governance concerns, but strong shareholder alignment from TSKC's landbank injections and asset-light strategy mitigates.

Appendix – Company Background

LSH's footprint in the construction industry began in 1995.

Pre-Diversification (1995–2018):

- **1995**: LSH Lighting began supplying lighting and M&E products for property projects.
- **1999**: Knight Auto entered the wholesale and distribution of construction hardware and machinery.
- **2015–2018**: ASSB secured multiple infrastructure contracts on DUKE Phase 2 and Phase 3, including bridge works, ramps, and toll plaza buildings. ASSB and LSHEBB were registered as G7 contractors, enabling them to undertake large-scale projects.

Post-Diversification (2021–2025):

- **2021**: LSH listed on the LEAP Market and acquired LSHBB, expanding into construction services.
- **2022-2024**: ASSE launched the LSH Segar project and obtained DBKL approval for Lake Side Homes. It also acquired ASSE and LSH Ventures, enhancing its property development capabilities.
- LSHEBB received certification to jointly manage KL Tower operations and maintenance for 20 years.
- Completion of LSH33 marked the group's first BIM-based construction project.

2025

- Successful transfer from LEAP to ACE Market.
- Commencement of KL Tower operations and management in **April 2025**

Tan Sri KC Lim's extensive track record in the construction industry, highlighting over RM20bil worth of completed projects across four decades.

Before 2000

- Infrastructure works in Felda Sahabat – RM200mil
- Labuan Financial Park – RM380mil

2000–2010

- DUKE Phase 1 – RM1bil
- Iskandar Coastal Highway – RM995mil
- Universiti Tun Hussein Onn – RM800mil

2010–2020

- DUKE Phase 2 – RM1.18bil
- Universiti Malaysia Sabah – RM1bil
- Beautification of Kolam Biru – RM81.6mil
- Beautification of Titiwangsa Lake – RM100mil

After 2020

- SPE (Setiawangsa–Pantai Expressway) – RM4.2bil
- LSH 33 – RM347.2mil

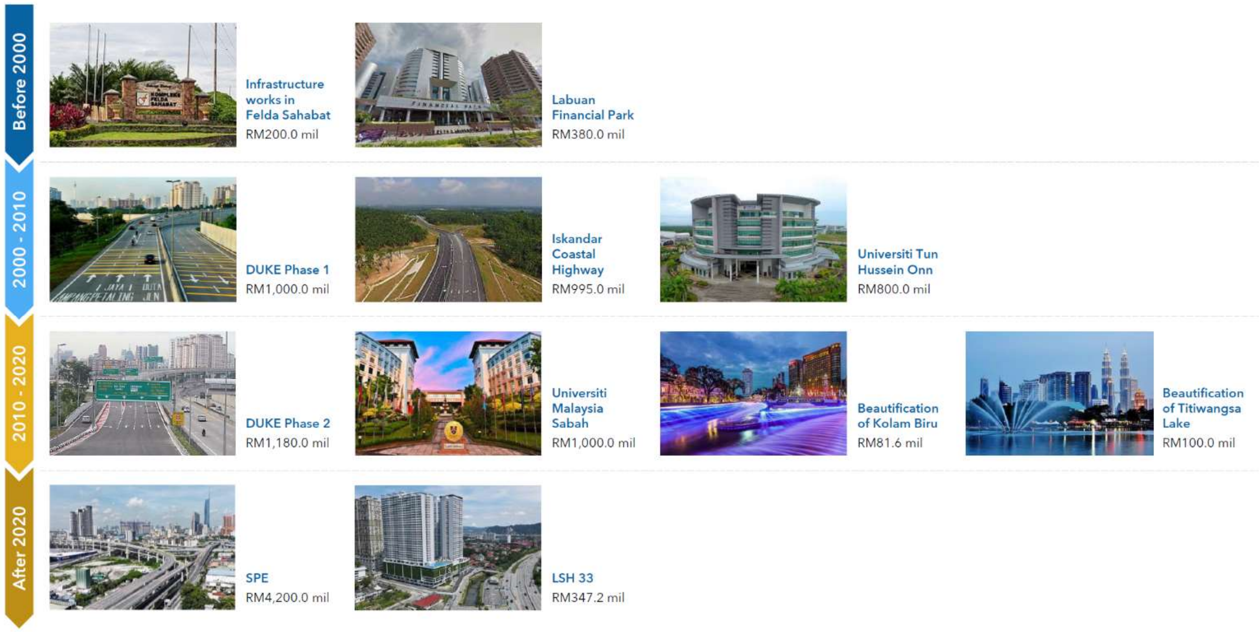
This portfolio underscores Tan Sri KC Lim's leadership in delivering large-scale infrastructure and urban development projects, reinforcing LSH's credibility and execution capabilities. Let me know if you'd like this summarized into a slide or formatted for a report.

EXHIBIT 23: DIRECTORS AND KEY SENIOR MANAGEMENT

Note(s): (1) Including but not limited to building, civil, design and build, turnkey construction works and projects, machinery trading as well as property development; (2) Including building and civil engineering works, design and build, turnkey projects as well as trading in building materials, reconditioning and rental of machinery; (3) Particularly, the distribution and retail of building materials, lighting and related M&E products and services

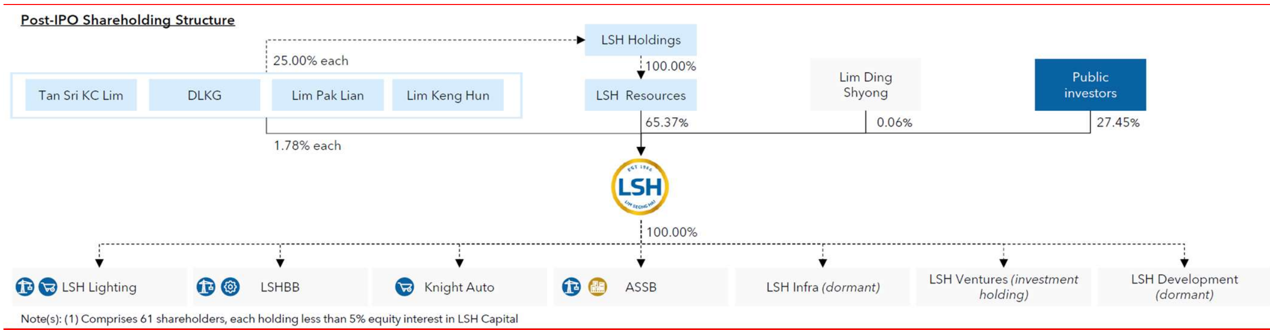
Source: Company

EXHIBIT 24: YTD COMPLETED PROJECTS WORTH >RM20BIL



Source: Company

EXHIBIT 25: SHAREHOLDING STRUCTURE



Source: Company

EXHIBIT 26: LSH CAPITAL - FULL-FLEDGED CONSTRUCTION COMPANY

Source: Company

EXHIBIT 27: FINANCIAL DATA

Income Statement (RMmil, YE 31 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	357.8	361.4	618.7	740.0	973.0
EBITDA	80.4	104.3	139.2	203.2	265.7
Depreciation/Amortisation	(3.6)	(4.3)	(8.2)	(10.0)	(11.7)
Operating income (EBIT)	76.8	100.1	130.9	193.3	254.0
Other income & associates	-	-	-	-	-
Net interest	(1.1)	(2.3)	(1.5)	(10.4)	(17.3)
Exceptional items	-	-	-	-	-
Pretax profit	**75.7**	**97.8**	**129.4**	**182.9**	**236.7**
Taxation	(16.8)	(23.5)	(31.1)	(43.9)	(56.8)
Minorities/pref dividends	-	-	(3.2)	(8.1)	(10.6)
Net profit	**58.9**	**74.3**	**95.1**	**130.9**	**169.3**
Core net profit	58.9	74.3	95.1	130.9	169.3

Balance Sheet (RMmil, YE 31 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	30.0	31.6	33.4	33.4	31.7
Intangible assets	0.5	0.3	0.3	0.3	0.3
Other long-term assets	159.6	158.0	158.0	158.0	158.0
Total non-current assets	**190.1**	**189.9**	**191.7**	**191.7**	**190.0**
Cash & equivalent	13.9	40.1	99.4	299.5	406.2
Stock	-	-	-	-	-
Trade debtors	115.0	99.2	169.8	203.1	267.0
Other current assets	270.7	312.6	422.3	451.2	557.9
Total current assets	**399.6**	**452.0**	**691.4**	**953.8**	**1,231.1**
Trade creditors	-	-	-	-	-
Short-term borrowings	84.7	64.2	122.8	135.5	182.0
Other current liabilities	72.3	90.2	90.2	90.2	90.2
Total current liabilities	**157.0**	**154.3**	**213.0**	**225.6**	**272.2**
Long-term borrowings	7.4	8.7	8.7	158.7	258.7
Other long-term liabilities	4.4	3.5	3.5	3.5	3.5
Total long-term liabilities	**11.8**	**12.3**	**12.3**	**162.3**	**262.3**
Shareholders' funds	**420.8**	**475.3**	**654.6**	**746.3**	**864.8**
Minority interests	0.1	-	3.2	11.3	21.9
BV/share (RM)	0.50	0.56	0.77	0.89	1.04

Cash Flow (RMmil, YE 31 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	75.7	97.8	129.4	182.9	236.7
Depreciation/Amortisation	3.6	4.3	8.2	10.0	11.7
Net change in working capital	86.9	101.6	137.6	192.9	248.4
Others	(127.9)	(180.4)	(290.3)	(286.4)	(429.2)
Cash flow from operations	**38.4**	**23.2**	**(15.0)**	**99.4**	**67.5**
Capital expenditure	(11.4)	(4.5)	(10.0)	(10.0)	(10.0)
Net investments & sale of fixed assets	-	-	-	-	-
Others	(6.0)	0.4	-	-	-
Cash flow from investing	**(17.4)**	**(4.1)**	**(10.0)**	**(10.0)**	**(10.0)**
Debt raised/(repaid)	(16.3)	16.6	-	150.0	100.0
Equity raised/(repaid)	-	-	112.7	-	-
Dividends paid	(15.3)	(19.8)	(28.5)	(39.3)	(50.8)
Others	1.4	3.9	-	-	-
Cash flow from financing	**(30.3)**	**0.7**	**84.2**	**110.7**	**49.2**
Net cash flow	**(9.4)**	**19.7**	**59.2**	**200.1**	**106.7**
Net cash/(debt) b/f	**30.0**	**20.6**	**40.3**	**99.5**	**299.6**
Net cash/(debt) c/f	**20.6**	**40.3**	**99.5**	**299.6**	**406.4**

Key Ratios (YE 31 Sep)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	115.7	1.0	71.2	19.6	31.5
EBITDA growth (%)	41.1	29.8	33.4	46.0	30.7
Pretax margin (%)	21.2	27.0	20.9	24.7	24.3
Net profit margin (%)	16.5	20.6	15.4	17.7	17.4
Interest cover (x)	69.7	42.9	85.5	18.7	14.7
Effective tax rate (%)	22.2	24.0	24.0	24.0	24.0
Dividend payout (%)	26.0	26.7	30.0	30.0	30.0
Debtors turnover (days)	93	108	79	92	88

Source: Company, AmInvestment Bank Bhd estimates

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