



LUMINOR FINANCIAL HOLDINGS LIMITED

Unique Entity Number: 201131382E

Unaudited Consolidated Financial Statements and Dividend Announcement for the Financial Year Ended 31/12/2023

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

	Note	Group					
		Half year ended 31 December			Year ended 31 December		
		2023	2022	+/(-)	2023	2022 Restated	+/(-)
	MYR '000	MYR '000	%	MYR '000	MYR '000	%	
Interest income		13,467	10,926	23.3	29,231	20,414	43.2
Interest expense		(2,799)	(1,192)	NM	(4,845)	(1,808)	NM
Net interest income		10,668	9,734	9.6	24,386	18,606	31.1
Fee income		1	1	-	4	3	33.3
Income from financial services business	3	10,669	9,735	9.6	24,390	18,609	31.1
Income from sale of properties		604	298	NM	999	702	42.3
Rental income		311	346	(10.1)	635	730	(13.0)
Cost of sales		(219)	88	NM	(539)	(401)	34.4
Income from property business	3	696	732	(4.9)	1,095	1,031	6.2
(Loss)/Gain on disposal of development properties		-	(3)	(100)	-	21,941	(100.0)
Fair value gain on investment in financial asset at fair value through profit or loss		3,239	-	100	3,239	-	100
Other income		752	1,236	39.2	1,817	1,541	17.9
Total Income		15,356	11,700	31.2	30,541	43,122	(29.2)
Staff costs		(6,161)	(3,514)	75.3	(9,856)	(5,957)	65.5
Operating expenses		(1,851)	(1,597)	15.9	(4,125)	(3,583)	15.1
Depreciation and amortisation		(688)	(1,056)	(34.8)	(1,438)	(1,571)	(8.5)
Professional fees		(1,915)	(1,819)	5.3	(3,497)	(2,371)	47.5
Commission expense		(1,030)	(667)	54.5	(1,547)	(1,004)	54.1
Other expenses		228	(1,086)	NM	(53)	(1,163)	(95.4)
Interest expense on lease liabilities		(107)	(117)	(8.5)	(230)	(131)	75.6
Foreign exchange losses		(324)	(1,972)	(83.6)	(3,385)	(2,329)	45.3
Impairment losses on trade and other receivables - net		(407)	(1,685)	(75.8)	(1,166)	(8,160)	(85.7)
Profit / (loss) before share of associate and income tax		3,101	(1,813)	NM	5,244	16,853	(68.9)
Share of results of associate		98	105	(6.7)	477	167	NM
Profit/(Loss) before income tax		3,199	(1,708)	NM	5,721	17,020	(66.4)
Income tax expense	6	(3,441)	(4,409)	(22.0)	(3,940)	(10,270)	(61.6)
(Loss)/profit after tax for the financial year		(242)	(6,117)	(96.0)	1,781	6,750	(73.6)
Other comprehensive income/(loss)							

- <i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences (at nil tax)		5,259	(768)	NM	6,836	181	NM
Total comprehensive income/(loss) for the financial period/year		5,017	(6,885)	NM	8,617	6,931	24.3
Profit/(Loss) attributable to							
Owners of the Company		160	(5,061)	NM	1,313	7,623	(82.8)
Non-controlling interests		(402)	(1,056)	(61.9)	468	(873)	NM
		(242)	(6,117)	(96.0)	1,781	6,750	(73.6)
Total comprehensive income/(loss) attributable to							
Owners of the Company		5,377	(5,624)	NM	8,107	8,009	1.2
Non-controlling interests		(360)	(1,261)	(71.5)	510	(1,078)	NM
		5,017	(6,885)	NM	8,617	6,931	24.3
Basic & Diluted earnings per share (MYR cents)	7	0.10	(3.20)	NM	0.79	5.01	(84.2)

NM = Not Meaningful

BALANCE SHEETS AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2022

	Note	Group		Company	
		As at		As at	
		31/12/23	31/12/22	31/12/23	31/12/22
		MYR'000	Restated MYR'000	MYR'000	Restated MYR'000
<i>Non-current assets</i>					
Trade and other receivables	12	-	659	-	-
Financial assets at fair value through profit or loss	14	8,131	4,602	-	-
Property, plant and equipment	9	4,788	4,131	2,836	1,613
Net investment in sub-leases	15	968	2,293	968	2,293
Goodwill	10a	2,077	600	-	-
Intangible assets	10b	4,847	24	-	-
Investment in subsidiaries		-	-	7,563	-*
Investment in associate		667	190	-	-
Deferred tax assets		364	196	-	-
Total non-current assets		21,842	12,695	11,367	3,906
<i>Current assets</i>					
Cash and cash equivalents		80,865	67,382	7,376	5,812
Trade and other receivables	12	98,097	51,419	124,169	91,166
Properties held for sale	11	15,329	15,614	-	-
Net investment in sub-leases	16	262	468	262	468
Income tax receivable		149	48	-	-
Total current assets		194,702	134,931	131,807	97,446
Total assets		216,544	147,626	143,174	101,352
<i>Current liabilities</i>					
Lease liabilities	15	1,156	1,049	785	702
Trade and other payables	17	73,245	50,225	79,571	74,926
Interest-bearing bank loan	18	30,411	-	29,906	-
Contract liabilities		1,002	624	-	-
Income tax payable		23,036	22,708	-	-
Total current liabilities		128,850	74,606	110,262	75,628
Net current assets		65,852	60,325	21,545	21,818
<i>Non-current liabilities</i>					
Lease liabilities	15	3,392	4,203	2,902	3,436
Payable to Redeemable Preference Share Holders	17	8,800	-	-	-
Deferred tax liabilities		2,794	2,672	-	-
Provision for restoration		323	323	-	-
Financial guarantee		-	-	564	-
Total non-current liabilities		15,309	7,198	3,466	3,436
Total liabilities		144,159	81,804	113,728	79,064
Net assets		72,385	65,822	29,446	22,288
<i>Capital and reserves</i>					
Share capital	19	20,629	18,348	20,629	18,348
Other reserves	20	19,570	17,986	6,567	5,006
Retained earnings		30,073	28,760	2,250	(1,066)
Equity attributable to owners of the Company		70,272	65,094	29,446	22,288
Non-controlling interest		2,113	728	-	-
Total equity		72,385	65,822	29,446	22,288

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

	Note	Group	
		Year ended 31 December	
		31/12/23	31/12/22
		MYR'000	Restated MYR'000
Operating activities			
Profit before income tax		5,721	17,020
Adjustments for:			
Depreciation of property, plant and equipment	4	715	681
Depreciation of right-of-use assets	4	707	872
Amortisation of intangible asset		16	18
Interest income		(1,106)	(1,169)
Interest expense on other liabilities		4,828	1,824
Interest expense on lease liabilities		230	131
Impairment loss on trade and other receivables – net		1,166	8,160
Bad factoring receivables written off		383	383
Loss on disposal of property, plant and equipment		4	-
Fair value gain on financial assets at fair value through profit or loss		(3,239)	-
Share of results of associate		(477)	(167)
Gain on disposal of development properties		-	(21,941)
Unrealised foreign exchange differences		(604)	1,730
Operating cash flows before movements in working capital		8,344	7,542
Net proceeds from disposal of development properties		-	28,923
Decrease in properties held for sale		596	311
Increase in trade and other receivables		(47,571)	(16,445)
Increase in trade and other payables		9,986	323
Increase in contract liabilities		378	253
Currency translation adjustment		7,184	1,405
Cash flows (used in)/generated from operations		(21,083)	22,312
Interest received		1,106	1,169
Interest paid on other liabilities		(4,828)	(1,408)
Interest paid on lease liabilities		(230)	(118)
Income tax paid		(2,674)	(7,809)
Net cash (used in)/generated from operating activities		(27,709)	14,146
Investment activities			
Purchase of property, plant and equipment		(735)	(1,912)
Disposal of property, plant and equipment		417	-
Purchase of intangibles		(4,720)	-
Subscription of exchangeable and convertible notes		-	(4,546)
Lease payment received		467	183
Net cash inflow on acquisition of a subsidiary		1,672	-
Net cash flows used in investing activities		(2,899)	(6,275)
Financing activities			
Acquisition of non-controlling interests		(4,947)	(14,145)
Increase in proceeds from RPS Holders		8,800	-
(repayment to)/advances from former ultimate holding company		(152)	128
Loan from a shareholder		-	25,260

Loan from a related party		-	9,637
Interest-bearing bank loan		29,457	-
Increase in drawdown from minority shareholder		9,867	-
Repayment to minority shareholder		(247)	(572)
Repayment of lease liabilities		(927)	(677)
Net cash generated from financing activities		41,851	19,631
Net increase in cash and cash equivalents		11,243	27,502
Effect of foreign exchange rate changes		2,240	(1,060)
Cash and cash equivalents at beginning of financial year		67,382	40,940
Cash and cash equivalents at end of financial year		80,865	67,382
Less: Deposits withheld as collateral for Standby Letter of Credit		(32,343)	-
Cash and cash equivalents in the statement of cash flows		48,522	67,382

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

Group	Share capital	Capital reserve	Merger reserve	Statutory reserve	Other reserves	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Balance at 1 January 2022	12,072	25,890	313	5,313	-	6,845	21,137	71,570	1,466	73,036
Issuance of ordinary shares	6,276	-	-	-	-	-	-	6,276	-	6,276
Acquisition of non-controlling interest without a change in control	-	-	-	-	(20,761)	-	-	(20,761)	340	(20,421)
Profit/(Loss) for the year before prior year adjustment	-	-	-	-	-	-	8,006	8,006	(873)	7,133
Add: Prior year adjustment (Note 2.4)	-	-	-	-	-	-	(383)	(383)	-	(383)
<u>Other comprehensive gain/(loss)</u>										
Foreign currency translation	-	-	-	-	-	386	-	386	(205)	181
Total comprehensive gain/(loss) for the year	-	-	-	-	-	386	7,623	8,009	(1,078)	6,931
Balance as at 31 December 2022 (Restated)	18,348	25,890	313	5,313	(20,761)	7,231	28,760	65,094	728	65,822
Balance at 1 January 2023 (restated)	18,348	25,890	313	5,313	(20,761)	7,231	28,760	65,094	728	65,822
Acquisition of a subsidiary	2,281	-	-	-	-	-	-	2,281	612	2,893
Acquisition of non-controlling interests without a change in control	-	-	-	-	(5,210)	-	-	(5,210)	263	(4,947)
Profit/(Loss) for the year	-	-	-	-	-	-	1,313	1,313	468	1,781
<u>Other comprehensive gain/(loss)</u>										
Foreign currency translation	-	-	-	-	-	6,794	-	6,794	42	6,836
Total comprehensive gain/(loss) for the year	-	-	-	-	-	6,794	1,313	8,107	510	8,617
Balance as at 31 December 2023	20,629	25,890	313	5,313	(25,971)	14,025	30,073	70,272	2,113	72,385

Company	Share capital	Merger reserve	Translation reserve	Retained earnings	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Balance at 1 January 2022	12,072	313	3,338	4,367	20,090
Issuance of shares	6,276	-	-	-	6,276
Loss for the financial year	-	-	-	(5,050)	(5,050)
Add: prior year adjustment	-	-	-	(383)	(383)
<u>Other comprehensive income</u>	-	-	-	-	-
Foreign currency translation	-	-	1,355	-	1,355
Total comprehensive profit/(loss) for the year	-	-	1,355	(5,433)	(4,078)
Balance as at 31 December 2022 (Restated)	18,348	313	4,693	(1,066)	22,288
Balance at 1 January 2023	18,348	313	4,693	(1,066)	22,288
Issuance of shares	2,281	-	-	-	2,281
Profit for the financial year	-	-	-	3,316	3,316
<u>Other comprehensive income</u>	-	-	-	-	-
Foreign currency translation	-	-	1,561	-	1,561
Total comprehensive profit for the year	-	-	1,561	3,316	4,877
Balance as at 31 December 2023	20,629	313	6,254	2,250	29,446

SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information:

Luminor Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a limited liability company incorporated and domiciled in the Republic of Singapore with its registered office at 30 Cecil Street, #10–01/02, Prudential Tower, Singapore 049712. The Company is listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

The principal activities of the Company is that of an investment holding company. The principal activities of the subsidiaries comprise:

- Financial solutions business; and
- Property development business.

Please refer to Note 3 for information on the Group’s business segments.

2. Basis of preparation

The condensed financial statements for the financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim consolidated financial statements for the six-months ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

These financial statements are presented in Malaysian Ringgit (“**MYR**”) and all financial information presented in MYR has been rounded to the nearest thousand unless otherwise stated.

2.1. New and amended standards adopted by the Group

In the current financial period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 2.3 - Determination of functional currency

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 10 - Goodwill and intangible assets

2.3. Determination of functional currency

SFRS(I) 1–21 The Effects of Changes in Foreign Exchange Rates requires the Company and each of the entities in the Group to determine its functional currency in preparing the financial statements. When determining its functional currency, the Company and the entities in the Group consider the primary economic environment in which each of them operates ie. the one in which it primarily generates and expends cash. The Company and the entities in the Group may also consider where the funds from financing activities are generated. Management applied its judgement and determined that the functional currency of the Company is Singapore Dollars on the basis that its funding is denominated in Singapore Dollars.

2.4. Prior year adjustment

During the financial year, prior year adjustment was made to recognise the under accruals of operating expenses and lease modification on the lease of office premises and sublease its office units to related parties. As a result, the financial statements for the financial year ended 31 December 2022 have been restated. The following line items have been restated:

	As previously reported 2022 MYR'000	Amount adjusted 2022 MYR'000	As restated 2022 MYR'000
Group			
<i>As at 31 December 2022</i>			
Balance sheet			
Current assets			
Trade and other receivables	51,422	(3)	51,419
Net investment in sub-leases	469	(1)	468
Non-current assets			
Property, plant and equipment	4,411	(280)	4,131
Net investment in sub-leases	2,273	20	2,293
Current liabilities			
Lease liabilities	1,053	(4)	1,049
Trade and other payables	49,974	251	50,225
Non-current liabilities			
Lease liabilities	4,331	(128)	4,203
Equity			
Retained earnings	29,143	(383)	28,760
Statement of cash flows			
Profit/(Loss) before income tax	17,403	(383)	17,020
Depreciation of property, plant and equipment*	1,378	(697)	681
Depreciation of right-of-use assets*	0	872	872
Interest expense on lease liabilities	118	13	131
Operating cash flows before movements in working capital	7,737	195	7,542
(Increase)/decrease in trade and other receivables	(16,461)	16	(16,445)
Increase/(decrease) in trade and other payables	443	(120)	323
Currency translation adjustment	826	579	1,405
Cash flows generated from/(used in) operating activities	22,032	280	22,312
Net cash flows generated from/(used in) operating activities	13,866	280	14,148
Purchase of property, plant and equipment	(1,632)	(280)	(1,912)
Net cash flows (used in)/generated from investing activities	(5,995)	(280)	(6,275)
Statement of comprehensive income			
<i>For the financial year ended 31 December 2022</i>			
Operating expenses**	3,388	195	3,583
Depreciation and amortisation**	1,396	175	1,571
Interest expense on lease liabilities**	118	13	131
Profit before tax	17,403	(383)	17,020
Profit for the financial year	7,133	(383)	6,750

Profit attributable to owners of the Company	8,006	(383)	7,623
Total comprehensive profit attributable to owners of the Company	8,392	(383)	8,009

The prior year adjustments have no impact on the Group's opening balance for the balance sheet as at 1 January 2022. Accordingly, the Group's balance sheet as at 1 January 2022 was not presented in these unaudited consolidated financial statements.

*Depreciation of Right-Of-Use Assets was under Depreciation of Property, Plant and Equipment in FY2022. They have since been separated for FY2023.

**Classified under Administrative Expenses in FY2022. Administrative Expenses have since been split out into Staff Costs, Operating Expenses, Depreciation and Amortisation and Professional Fees in FY2023.

3. Seasonal operations

The Group's businesses were not significantly affected significantly by seasonal or cyclical factors during the financial year.

Segment and revenue information

3.1. Revenue

	Group	
	FY2023 MYR'000	FY2022 MYR'000
Property business		
Income from sale of properties	999	702
Rental income	635	730
Total income from property business	1,634	1,432
Financial solutions business		
Interest income	29,231	20,414
Fee income	4	3
Total income from financial solutions business	29,235	20,417

3.2. Reportable segments

The Group's reportable operating segments comprise the property and financial solutions businesses. Accordingly, the above are the Group's reportable segments under SFRS(I) 8 Operating Segments.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics and are similar in respect of nature of services and processes and/or their reported revenue.

Segment	Principal activities
(a) Property	Development of residential, commercial and other properties and leasing of properties held for sale to generate rental income
(b) Financial solutions	Interest income and fees from financial solutions business in Malaysia and Singapore

Information regarding the Group's reportable segments is presented in the tables below.

3.2 Reportable segments (Continued)

Below are the Group's reportable segments as required under SFRS(I) 8 *Operating Segments*

	Property		Financial Solutions		Group	
	FY2023 MYR'000	FY2022 MYR'000	FY2023 MYR'000	FY2022 MYR'000	FY2023 MYR'000	FY2022 MYR'000
Revenue						
External sales	1,634	1,432	29,235	20,417	30,869	21,849
Result						
Segment gross contribution	1,095	1,031	24,390	18,609	25,485	19,640
Other income	796	23,212	7,079	182	7,875	23,394
Interest income	463	1,055	643	114	1,106	1,169
Direct expenses	(1,048)	(3,036)	(20,420)	(19,746)	(21,468)	(22,782)
Share of results of associate	–	–	477	167	477	167
Segment net (loss)/contribution	1,306	22,262	12,169	(674)	13,475	21,588
Corporate expenses					(7,754)	(4,568)
Profit/(Loss) before income tax					5,721	17,020
Income tax expense					(3,940)	(10,270)
Profit/(Loss) for the year					1,781	6,750
Bad factoring receivables written off	–	–	(383)	(383)	(383)	(383)
Impairment loss on trade and other receivables	–	–	(1,166)	(8,160)	(1,166)	(8,160)
Depreciation and amortisation	–	–	(1,438)	(1,571)	(1,438)	(1,571)
Share of result of associate	–	–	477	167	477	167

3.3 Segment information

(l) Below are the Group's reportable segments as required under SFRS(I) 8 *Operating Segments* (cont'd)

	Property		Financial solutions		Group	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Segment assets	65,865	70,186	128,280	66,695	194,145	136,881
Unallocated assets					22,399	10,745
Total assets					216,544	147,626
Segment liabilities	26,899	26,597	40,431	13,398	67,330	39,995
Unallocated liabilities					76,829	41,809
Total liabilities					144,159	81,804

3.3. Segment information (continued)

Below are the segments classified by geography. The Group operates in the following geographic segments: Singapore, People's Republic of China and Malaysia.

Segment revenue is based on the location of customers.

Segment assets (non-current assets) are based on the location of these assets.

	Revenue	
	FY2023 MYR'000	FY2022 MYR'000
Singapore	263	121
People's Republic of China	1,634	1,554
Malaysia	28,972	20,174
Total	30,869	21,849

	Non-current assets*	
	FY2023 MYR'000	FY2022 MYR'000
Singapore	9,158	1,613
People's Republic of China	10	30
Malaysia	3,211	3,302
Total	12,379	4,945

* Non-current assets information presented above are non-current assets as presented in the consolidated balance sheet excluding financial instruments and deferred tax assets.

4. Significant expenses

Significant expenses include:

	Group	
	FY2023 MYR'000	FY2022 MYR'000
Depreciation of property, plant and equipment	715	681
Depreciation of right-of-use assets	707	872
Impairment loss on trade and other receivables	1,166	8,160
Net foreign exchange loss	3,385	2,329
Cost of properties held for sale recognised as expenses	600	396
Management fee charged by former ultimate holding company	580	1,338
Employee benefits expense (including directors' remuneration)	10,263	6,554

5. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	FY2023	FY2022
	MYR'000	MYR'000
Management fee expenses paid to the former ultimate holding company	580	1,338
Interest expense on amount due to director*	1,770	1,114
Interest expense on amount due to a related party**	664	206
Loan drawdown from a shareholder	-	25,260
Loan drawdown from a related party	-	9,637
Lease payment received / receivable and interest income from sub-leasing to related parties	679	465

* Amount due to director is unsecured, bearing fixed interest at 6.5% per annum and payable within the next 12 months.

** Amount due to a related party is unsecured, bearing fixed interest at 6.5% per annum and payable within the next 6 months.

6. Income tax expenses

	Group	
	FY2023	FY2022
	MYR'000	MYR'000
Current tax:		
PRC enterprise income tax	272	5,506
PRC land appreciation tax	8	-
Singapore corporate income tax	39	431
Singapore withholding tax	-	285
Malaysia corporate income tax	3,699	1,546
	<u>4,018</u>	<u>7,768</u>
(Over)/under provision in respect of previous financial years:		
Current income tax	(78)	1,256
Deferred tax:		
Origination of temporary differences	-	1,246
Total income tax expense	<u>3,940</u>	<u>10,270</u>

7. Earnings per share

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group		Group	
	2HY2023	2HY2022	FY2023	FY2022
Net profit/(loss) attributable to owners of the Company (MYR'000)	160	(5,061)	1,313	7,623
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	167,437	158,219	166,766	152,158
Basic and diluted earnings/(loss) per share (MYR) (cents per share)	0.10	(3.20)	0.79	5.01

The basic and diluted earnings/(loss) per share for the respective financial year under review were the same as the Company did not have potentially dilutive ordinary shares as at 31 December 2023 and 31 December 2022 respectively.

The basic and diluted earnings per share were calculated based on the net profit/loss attributable to the owners of the Company for the respective financial year under review.

8. Net asset value

Net asset value (for the issuer and Group) per ordinary share based on issued share capital at the end of the:

- (a) Current financial period/year reported on; and
- (b) Immediately preceding financial year.

	Group	
	31/12/2023	31/12/2022
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (MYR)	0.432	0.413
- Number of ordinary shares at the end of financial year ('000)	167,437	159,538

	Company	
	31/12/2023	31/12/2022
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (MYR)	0.176	0.140
- Number of ordinary shares at the end of financial year ('000)	167,437	159,538

9. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to MYR0.7million (31 December 2022: MYR1.9 million) and there were disposals amounting to MYR0.4 million (31 December 2022: Nil).

10. Goodwill and Intangible Assets

a) Goodwill

	Group	
	31/12/2023	31/12/2022
	MYR'000	MYR'000
Cost		
At beginning of financial year	1,871	1,871
Additions	1,477	-
	3,348	1,871
Accumulated impairment		
At beginning of financial year	(1,271)	(1,271)
At end of financial year	(1,271)	(1,271)
Net carrying value at end of financial year	2,077	600

Impairment test for goodwill

Goodwill acquired in a business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	31/12/2023	31/12/2022
	MYR'000	MYR'000
Luminor Malaysia and its subsidiaries (excluding SA Puncak Management Sdn. Bhd. (" SA Puncak "))	1,271	1,271
SA Puncak	600	600
Funded Here Pte Ltd (" FHPL ")	1,477	-
	3,348	1,871

At the end of the reporting period ended 31 December 2020, management fully impaired the goodwill arising from the acquisition of Luminor Malaysia and its subsidiaries (excluding SA Puncak).

At the end of the financial year ended 31 December 2023, management has recognised additional goodwill arising from the acquisition of FHPL.

Key assumptions used in value in use calculation of SA Puncak

The recoverable amount is determined from value in use calculations derived from the most recent financial budgets approved by management covering a five-year period (2022: three-year period). Revenue growth for the next five years was projected taking into account the increased efforts that will be channelled into the financial solutions business, and the market demand for financial solutions for the next five years.

SA Puncak

Cash flows beyond the five-year period were extrapolated using an estimated terminal growth rate of 1.92% which does not exceed the average long-term inflation rate of Malaysia. The pre-tax rate used to discount the forecast cash flows from SA Puncak is 8.5%.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key

assumptions would not cause the recoverable amount to be materially lower than the carrying value of goodwill allocated to SA Puncak.

Funded Here Pte Ltd

Management has performed an impairment assessment of goodwill using the discounted cashflow method where management has estimated future cash flows from the business using key assumptions based on judgement and key assumptions derived from business discussions, plans and negotiations coupled with anticipated business and economic demands. Management has subsequently applied a suitable discount rate based on comparable industry rates in order to determine the present value of cash flows. Management has then compared the result with the carrying amount of goodwill recognised in the business acquisition.

Key assumptions used in value in use calculation of FHPL

The recoverable amount is determined from value in use calculations derived from the most recent financial budgets approved by management covering a five-year period. Revenue growth for the next five years was projected taking into account the expected loans that will be facilitated by the platform based on management's past experience starting out the Luminor Malaysia business.

Cash flows beyond the five-year period were extrapolated using an estimated terminal growth rate of 3.6% which does not exceed the average long-term inflation rate of Singapore. The pre-tax rate used to discount the forecast cash flows from FHPL is 9.46%.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of goodwill allocated to FHPL.

b) Intangible Assets

	Group	
	31/12/2023	31/12/2022
	MYR'000	MYR'000
<u>Software licence and FHPL crowdfunding platform</u>		
<u>Cost</u>		
At 1 January	55	55
Additions: FHPL platform	4,839	-
At 31 December	4,894	55
<u>Amortisation</u>		
At 1 January	31	13
Amortisation charged on software licence	16	18
At 31 December	47	31
	4,847	24

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for computer software licence is three years. In August 2023, FHPL commenced the development of an Integrated Financial Service Eco-system. The total cost of MYR4.8 million has been capitalised as intangible asset under development stage. As the platform is still under development, amortisation of the platform will only commence upon the launch of the platform. In addition, management will assess for impairment of the platform annually.

11. Properties Held for Sale

	Group	
	31/12/2023	31/12/2022
	MYR'000	MYR'000
At cost or net realisable value	15,329	15,614

Properties held for sale as at 31 December 2023 and 31 December 2022 are as follows:

Location	Description	31/12/2023		31/12/2022	
		Gross floor area (sq. meters)	Group's effective interest	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District, Chongqing, PRC	Commercial units and carpark units	4,446	100%	4,446	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,263	100%	4,638	100%

12. Trade And Other Receivables

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MYR'000	Restated MYR'000	MYR'000	Restated MYR'000
<u>Current</u>				
Trade receivables	9,497	5,233	-	-
Loan advances	3,196	3,998	-	-
Factoring receivables	94,243	51,457	-	-
Other receivables from third parties	1,557	72	35	59
Other receivables from subsidiaries	-	-	123,714	90,870
Deposits	732	300	175	91
Prepayments	492	223	97	107
Advance to a third party	547	863	-	-
GST receivable	148	39	148	39
	110,412	62,185	124,169	91,166
Less: allowance for impairment losses				
- Trade receivables	(365)	(365)	-	-
- Factoring receivables	(10,043)	(8,494)	-	-
- Loan advances	(1,907)	(1,907)	-	-
	(12,315)	(10,766)	-	-
	98,097	51,419	124,169	91,166
<u>Non-current</u>				
Loan advances	-	659	-	-
Total trade and other receivables	98,097	52,078	124,169	91,166

12. Trade And Other Receivables (continued)

Trade receivables and factoring receivables from the Group's financial solutions business

Trade receivables are unsecured, interest-free and are generally due within 3 months from date of invoice. Factoring receivables are interest bearing at 1% to 15% per transaction (FY2022: 1% to 12% per transaction) and are generally due within 3 months from disbursement date.

Loan advances

Loan advances are interest bearing at 12% (2022: 12%) per annum and are generally on 1-3 months (2022: 1 month) term.

Other receivables from third parties and subsidiaries

Other receivables are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

Advance to a third party

The advance was acquired by the Group during the acquisition of Luminor Malaysia as part of the assets of Luminor Malaysia. The advance was made by Luminor Malaysia to finance a third party's factoring businesses and other businesses. The amount is interest bearing at 12-14% (FY2022: 14%) per annum.

13. Aggregate amount of borrowings and debt securities

	31/12/2023		31/12/2022 (Restated)	
	Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
Amount repayable within one year				
Lease liabilities	1,156	-	1,049	-
Loan from shareholders	-	47,184	-	34,848
Loan from a related party	-	10,616	-	9,999
Interest-bearing bank loan	30,411	-	-	-
Amount repayable after one year				
Lease liabilities	3,392	-	4,203	-
Payable to RPS holders	8,800	-	-	-

Please refer to notes 15, 17 and 18 for further details.

14. Financial assets at fair value through profit or loss

	Group	
	31/12/2023	31/12/2022
	MYR'000	MYR'000
Non-current		
Amount due from AdiWisista group	8,131	4,602

During FY2022, the Group entered into an Exchangeable and Convertible Notes Agreement (“the Notes Agreement”) with PT Adiwisista Daya Investama (“PT ADI”) and PT Adiwisista Daya Pratama (“PT ADP”) (collective term as “AdiWisista Group”) and a Collaboration Agreement with PT Adiwisista Daya Pratama via its subsidiary, Starland Axis Pte Ltd (“SAPL”).

As at 31 December 2023, SAPL is subscribed to the following;

- Exchangeable Notes (“**EN**”) of an aggregate principal amount of US\$950,000, which is exchangeable into such number of ordinary shares in PT Adiwisista Finansial Teknologi (“PT AFT”) representing 10% of the total number of share in PT AFT issued by PT ADI; and
- Convertible Notes (“**CN**”) of an aggregate principal amount of US\$50,000 which is convertible into such number of ordinary share in PT ADI representing 10% of the total number of shares in PT ADI issued by PT ADI.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The fair value of the unquoted equity shares is determined based on the amount subscribed to the Notes. The subscription was made on 16 August 2022. Management has undertaken a professional valuation of the fair value of the investment as at 31 December 2023. As there has been a significant change in the investment’s fair value since its initial inception, the movement in the fair value gain of MYR3.2 million has been recognised as at 31 December 2023. The fair value measurement is categorised in Level 3 of the Fair value hierarchy.

15. Lease liabilities

Lease liabilities of the Group amounting to MYR4.55 million as at 31 December 2023 (31 December 2022: MYR5.25 million) are secured by the right to the leased offices in Malaysia and Singapore.

16. Lease receivable

The lease receivable relates to the discounted cashflows on the lease payments to be received from Luminor Capital Pte Ltd from inception till the end of lease.

17. Trade and other payables

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MYR'000	MYR'000	MYR'000	MYR'000
<u>Current</u>				
Trade payables	-	1	-	-
Deposits from contractors	49	51	-	-

Deposits from tenants	209	204	-	-
Accrued expenses	4,262	2,158	1,636	836
Other payables due to subsidiaries	-	-	38,849	37,134
Other payables due to former ultimate holding company	158	295	158	294
Consideration payable for acquisition of SA Puncak Management Sdn Bhd.	60	67	-	-
Other payables due to third parties	10,256	2,114	-	-
Other tax payables	451	488	-	-
Loan from shareholders	47,184	34,848	28,312	26,663
Loan from a related party	10,616	9,999	10,616	9,999
	<u>73,245</u>	<u>50,225</u>	<u>79,571</u>	<u>74,926</u>
<u>Non-current</u>				
Payable to RPS Holders	8,800	-	-	-
	<u>8,800</u>	<u>-</u>	<u>-</u>	<u>-</u>

Loan from shareholders

The Company entered into a S\$8,000,000 shareholder loan agreement (the “**KCS Loan**”) on 2 March 2022. The loan is interest-bearing at 6.5% per annum, with interest payable on a quarterly basis within 15 working days at the end of each quarter. The loan facility shall have an initial term of 12 months from the date of the drawdown or longer period as may be requested by the Company. The loan agreement was further extended for another six months from 5 November 2023 to 5 May 2024. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcements made on 2 March 2022 and 9 November 2023.

Luminor Capital (Malaysia) Sdn Bhd (“**LCM**”), a wholly-owned subsidiary of the Company, entered into a S\$2,500,000 and S\$3,000,000 loan agreement (the “**MSSB Loan**”) on 20 August 2021 and 8 March 2023. The loan is interest-bearing at 6.5% for the S\$2,500,000 loan and 8% per annum for the S\$3,000,000 loan. The loan facility shall have an initial term of 12 months from the date of the drawdown or longer period as may be requested by LCM. The current amount outstanding is S\$5,425,000.

Loan from a related party

The Company had on 30 August 2022 entered into a S\$3,000,000 loan agreement with Van Der Horst Holdings Pte Ltd. The loan is interest-bearing at 6.5% per annum with interest payable on a quarterly basis within 15 working days at the end of each quarter. The loan facility shall have an initial term of 6 months, from the date of the drawdown or longer period as may be requested by the Company. The loan is unsecured with full recourse against the Company and its successors. The loan agreement was further extended by another six months from 30 August 2023 to 29 February 2024, following the two announcements made on 8 April 2023 and 30 August 2023. For more information, please refer to the announcement made on 30 August 2022, 8 April 2023 and 30 August 2023.

Payable to RPS Holders

The Group has established a redeemable preference shares (“**RPS**”) programme of up to MYR500,000,000 in nominal value. As at 31 December 2023, Tranche 1A, Tranche 1B and Tranche 1C has been advanced from the RPS Holders, totalling MYR8,800,000. Proceeds from these Tranches will be used to fund the disbursement requirements (for factoring, secured lending and consumer financing businesses) as well as to defray estimated expenses related to the RPS programme. The RPS are secured by a put option agreement (the “**Put Option Agreement**”) with the Company. Please refer to the announcements dated 2 October 2023, 7 November 2023, 24 November 2023 and 29 December 2023 for more information.

18. Interest-bearing bank loan

The Company entered into a loan facility from East West Bank China, which is fully backed by a Standby Letter of Credit (“**SBLC**”), to which the Company has pledged a cash deposit of RMB50 million. The loan facility is approximately US\$6.5 million. The amount is interest bearing at 1-month Term Secured Overnight Financing Rate (“**SOFR**”) +1%, payable on a monthly basis.

19. Share capital

	Group and Company			
	31/12/2023		31/12/2022	
	No. of shares '000	MYR '000	No. of shares '000	MYR '000 (restated)
Issued and fully paid ordinary shares				
At the beginning of the financial year	159,538	18,348	144,733	12,072
Issuance of shares	7,899	2,281	14,805	6,276
At the end of financial year	<u>167,437</u>	<u>20,629</u>	<u>159,538</u>	<u>18,348</u>

A holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The increase in share capital is due to allotment and issuance of 7,899,068 ordinary shares at an issue price of S\$0.087 for the acquisition of 58.41% equity interest of FHPL.

20. Other reserves

	Group									
	31/12/2023					31/12/2022				
	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Translation reserve MYR'000	Other reserve MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Translation reserve MYR'000	Other reserve MYR'000
Opening balance										
At the beginning of financial period/year	25,890	313	5,313	7,231	(20,761)	25,890	313	5,313	6,845	-
Acquisition of equity interest from NCI	-	-	-	-	(5,210)	-	-	-	-	-
Premium on acquisition of LCM	-	-	-	-	-	-	-	-	-	(20,761)
Foreign currency translation	-	-	-	6,794	-	-	-	-	386	-
At the end of financial period / year	25,890	313	5,313	14,025	(25,971)	25,890	313	5,313	7,231	(20,761)

21. Financial instruments

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MYR'000	MYR'000	MYR'000	MYR'000
Financial assets carried at amortised cost	<u>179,552</u>	<u>121,959</u>	<u>132,530</u>	<u>99,591</u>
Financial assets carried at fair value through profit or loss	<u>8,131</u>	<u>4,602</u>	<u>-</u>	<u>-</u>
Total financial assets	<u>187,683</u>	<u>126,561</u>	<u>132,530</u>	<u>99,591</u>
Financial liabilities carried at amortised cost	<u>116,551</u>	<u>54,984</u>	<u>113,728</u>	<u>78,944</u>

22. Subsequent events

On 29 January 2024, the Company announced that its indirect wholly-owned subsidiary, Luminor Assets Berhad ("**LAB**") has allotted 6,300,000 Redeemable Preference Shares ("**RPS**") under Tranche 1D of the RPS Programme at the issue price of MYR1.00 per RPS for total nominal value of MYR6.3 million.

On 26 February 2024, the Company announced that its indirect wholly-owned subsidiary, Luminor Assets Berhad ("**LAB**") has allotted 10,200,000 Redeemable Preference Shares ("**RPS**") under Tranche 1E of the RPS Programme at the issue price of MYR1.00 per RPS for total nominal value of MYR10.2 million.

Other information required per Appendix 7C of the Catalyst Rules

- 1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no change in the Company's share capital since 30 June 2023.

The Company did not have any outstanding convertibles as at 31 December 2023, 30 June 2023 and 31 December 2022.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2023, 30 June 2023 and 31 December 2022.

- 1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	31 December 2023	31 December 2022
Total number of issued shares	167,437,355	159,538,287

The Company did not have any treasury shares as at 31 December 2023 and 31 December 2022.

- 1(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon.**

Not applicable.

- 1(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

Not applicable.

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 December 2023 ("FY2023") and Financial year ended 31 December 2022 ("FY2022")

OVERVIEW

FY2023 saw continued steady growth in the financial solutions business, with revenue rising 43.2% from MYR20.42 million in FY2022 to MYR29.24 million in FY2023. In FY2023, the Group acquired FHPL, in which the Group has a shareholding interest of 88.31% at the date of this announcement. The financial solutions business (excluding FHPL), contributed MYR13.6 million for FY2023. Overall, the Luminor Malaysia business broke even for the first time since the business commenced in 2020. The Group's overall profitability was impacted by FHPL being in start-up stage with the building up of the FHPL team as well as the development of the FHPL platform.

REVENUE

Our revenue is derived from the sale of properties, rental income from leasing of our properties in the PRC, interest income and fees from loans and invoice factoring services provided in Malaysia.

The following table shows the breakdown of the revenue:

	FY2023		FY2022	
	MYR'000	% of Total Revenue	MYR'000	% of Total Revenue
Financial Solutions				
Interest Income	29,231	94.7%	20,414	93.4%
Fee Income	4	0.0%	3	0.0%
	29,235	94.7%	20,417	93.4%
Property				
Sales of properties	999	3.2%	702	3.2%
Rental income	635	2.1%	730	3.3%
	1,634	5.3%	1,432	6.6%
Total Revenue	30,869	100%	21,849	100%

Composition of Revenue

The composition of revenue remained fairly consistent with the property business contributing 5.3% (FY2022: 6.6%) and the financial solutions business contributing 94.7% (FY2022: 93.4%) of total revenue during the financial year FY2023. The low composition percentage in the property business is due to the business reaching the tail end of sales of its projects. The high composition in the financial solutions business is in line with the Group's shift in focus from the property business to the financial solutions business.

INCOME FROM FINANCIAL SOLUTIONS

	6 months ended 31 December			12 months ended 31 December		
	2023	2022		2023	2022	
	MYR'000	MYR'000	+/(-) %	MYR'000	MYR'000	+/(-) %
Interest Income	13,467	10,926	23.3	29,231	20,414	43.2
Interest Expense	(2,799)	(1,192)	NM	(4,845)	(1,808)	NM
Net Interest Income	10,668	9,734	9.6	24,386	18,606	31.1
Fee Income	1	1	-	4	3	33.3
Income from Financial Solutions	10,669	9,735	9.6	24,390	18,609	31.1

Interest income comprises interest generated through the Group's financial solutions business while interest expense relates to financing costs incurred to fund the financial solutions business.

The Group saw an overall expansion in the financial solutions business in FY2023, with income from the financial solutions business increased by 31.1% from MYR18.6 million in FY2022 to MYR24.4 million in FY2023.

Interest expense increased by MYR3.0 million to MY4.8 million in FY2023 from MYR1.8 million in FY2022. This is in tandem with higher financing costs required to fund the expansion of the financial solutions business.

The increase in income in FY2023 was due to the increase in number of new clients and repeat business in the financial solutions business. This demonstrates significant growth in the financial solutions business, which is in line with the Group's strategy to shift to the financial solutions business. Net interest margin for the financial solutions business in Malaysia was 19.47% in FY2023 (FY2022: 20.1%). The slight decrease is due to the increase in borrowing costs as compared to FY2022.

INCOME FROM PROPERTY BUSINESS

Sales of properties

FY2023 revenue from sales of properties was MYR1.0 million and accounted for 3.2% of revenue as compared to MYR0.7 million for FY2022 which accounted for 3.2% of revenue. This was due to the sales of residential units in FY2023 (FY2022: nil) offset by sales of fewer car park spaces in FY2023 as can be seen from the table below:

Sales	FY2023	FY2022
Singapore Garden in PRC	1 residential unit 9 car park spaces	8 car park spaces
University Town in PRC	-	4 car park spaces

The higher sales of properties is due to the Group carrying on promotional sales activities following PRC's exit from the COVID-19 pandemic lockdown. The Group has reached the tail end of its projects with only 8 residential units, 23 commercial units and 13 carpark spaces left

for the Singapore Garden project, 2 commercial units and 28 carpark spaces left for the University Town project as at 31 December 2023.

Rental income

Rental income has declined slightly in FY2023 and accounted for 2.1% of the Group's total revenue for FY2023 as compared to MYR0.73 million for FY2022 which accounted for 3.3% of the Group's total revenue for FY2022. The Group's rental income is derived from the leasing of the Group's commercial units at both University Town project and Singapore Garden project in PRC.

The decrease in FY2023 was due to the reduction in the number of units being rented out as well as a slight reduction in the rental rates in response to the weak property market conditions during the year under review. The Group leased out 7 commercial units in the Singapore Garden project and 1 commercial unit in the University Town project during FY2023 compared to 8 commercial units in the Singapore Garden project and 1 commercial unit in the University Town project during FY2022.

GROSS PROFIT AND PROFIT MARGIN

The following table shows the revenue, gross profit and profit margin by operating segment.

	Property	
	FY2023	FY2022
	MYR'000	MYR'000
Revenue	1,634	1,432
Cost of Sales	539	401
Gross profit	1,095	1,031
Gross Profit Margin	67.0%	72.0%

Gross profit margin for the property business was 67.0% for FY2023 and 72.0% for FY2022. The decrease in gross profit margin in FY2023 is due to the higher cost base from the sale of 1 residential unit in FY2023 comparing to none sold in FY2022.

	Financial Solutions	
	FY2023	FY2022
	MYR'000	MYR'000
Revenue	29,235	20,417
Interest Expense	4,845	1,808
Gross profit	24,390	18,609
Gross Profit Margin	83.4%	91.1%

Gross profit margin for the financial solutions business was 83.4% for FY2023 and 91.1% for FY2022. The decrease in gross profit margin in FY2023 is mainly due to the increase in interest expense from an increase in loans from an external party at a higher interest rate to fund the expansion of the financial solutions business.

GAIN ON DISPOSAL OF DEVELOPMENT PROPERTIES

There was no gain on disposal of development properties in FY2023. The gain recorded in FY2022 was a one-off compensation received for the repossession of land by the China government authority, offset by the reversal of capitalised costs previously incurred for the development of land which was repossessed by the China government authority.

FAIR VALUE GAIN ON INVESTMENT

There was a fair value gain on investment of MYR3.2 million in FY2023. This was recognised following the increase in the valuation of the investment in Adiwisista as provided by the professional valuer in FY2023.

OTHER INCOME

There was an increase of MYR0.3 million in other income in FY2023 compared to FY2022. Other income includes interest income received from banks, leases and other investments, management fees as well as other miscellaneous income.

STAFF COSTS

Staff costs comprise mainly staff salary and wages and other staff relating costs such as bonuses, CPF, unutilized staff costs, levies, insurances, recruitment costs and training. Staff costs have increased by MYR3.9 million in FY2023 as compared to FY2022. This was due to the increase of MYR2.5 million in additional staff wages and provident funds' costs which was incurred by Group (headcount increased from 53 in FY 2022 to 62 in FY2023), the remaining MYR1.4 million relates to the increase in staff bonuses paid due to the good performance of the financial solutions business in FY2023 as compared to FY2022.

OPERATING EXPENSES

The Group's operating expenses comprise sales and marketing costs, advertisement and promotional expenses, documentation charges for property transfers, office rental, director fees and other general office operating expenses. The increase in operating expenses is mainly due to increases in other expenses such as rental, stamp duty and other miscellaneous office expenses offset by a slight reduction in the management fees paid to the Company's former ultimate holding company.

DEPRECIATION AND AMORTISATION

The decrease in depreciation and amortisation costs by approximately MYR0.1 million is due to the foreign exchange impact of the Malaysian Ringgit on the depreciation charge from the assets held by the Singapore entities offset by a slight increase in property, plant and equipment in FY2023 as compared to FY2022.

PROFESSIONAL FEES

Professional fees include audit fees, secretarial fees, tax fees, legal fees, valuation fees, sponsor fees and consultancy fees. The increase in professional fees of approximately MYR1.1 million is mainly due to the one-off professional fees for the establishment of the RPS Programme, legal fees for banking facilities, and legal fees for debt recovery.

COMMISSION EXPENSE

The increase in commission expense of MYR0.5 million is mainly due to additional commission paid to sales staff in FY2023. This is in line with the large increase in revenue from our financial solutions business in Malaysia.

OTHER EXPENSES

Other expenses include other tax expense, such as land use tax and property tax, arising from the sale of the residential property in China, withholding tax and penalties. Other expenses in FY2023 has decreased by MYR1.1 million from FY2022. This is due to the prior year adjustments included in this line item in prior year.

INTEREST EXPENSE ON LEASE LIABILITIES

The increase in interest expense of approximately MYR0.1 million is largely due to the impact of the weaker Malaysian Ringgit (the Group's reporting currency) against the Singapore Dollar (in which the lease expense for the Group's Singapore office is denominated).

FOREIGN EXCHANGE LOSSES

The increase in foreign exchange losses of approximately MYR1.1 million is largely due to the continued weakening of the Malaysian Ringgit against the Singapore Dollar (in which the funding for the financial solutions business in Malaysia is denominated) in FY2023 as compared to FY2022.

IMPAIRMENT LOSSES ON TRADE AND OTHER RECEIVABLES

The decrease in impairment losses on trade and other receivables is due to the tightening in screening processes when onboarding clients as well as collection procedures in FY2023. Also, the amount recorded in FY2022 by MYR8.16 million relates to factoring receivables that are past 90 days overdue and have been assessed by management to have low recoverability.

INCOME TAX EXPENSE

Income tax expense related to enterprise income tax, land appreciation tax in the PRC and provision of withholding tax on undistributed profits of the PRC subsidiaries. The decrease in income tax expense by MYR6.3 million is mainly due to the one-off enterprise income tax from the compensation received for the repossession of land by the China government authority in FY2022 offset by the increase in income tax paid to the Malaysian tax authority on the increased revenue.

CONDENSED BALANCE SHEET

Non-current assets

As at 31 December 2023, non-current assets of MYR21.8 million consist of financial assets at fair value through profit or loss, property, plant and equipment, net investment in sub-leases, goodwill, intangible assets, investment in associate and deferred tax assets.

(i) Financial assets at fair value through profit or loss

The MYR3.5 million increase in financial assets at fair value through profit or loss is due to the revaluation gain arising from professional valuation ascertaining that the fair value is higher than what is being carried in the books in FY23 as well as due to the weakening of the Malaysian Ringgit on the company's investment in exchangeable and convertible note in PT Adiwisista ("**PT ADI**") in FY2023 as compared to FY2022. The Investment in PT ADI is based in the United States Dollar.

(ii) Property, plant and equipment

The MYR0.7 million increase in property, plant and equipment is due to the addition of property, plant and equipment of MYR2.0 million mainly from the increase in lease commitments from the Singapore office premises in FY2023 partially offset by depreciation charge of MYR1.4 million.

(iii) Intangible assets

The MYR4.8 million increase in intangible assets is due the current development of the Integrated Financial Service Eco-system (crowdfunding platform) undertaken by FHPL.

(iv) Net investment in sub-leases

The decrease in net investment in sub-leases is due to the unwinding of the lease on the office premises in Singapore as time passes.

(v) Goodwill

Goodwill is in relation to the Group's acquisition of SA Puncak Management Sdn. Bhd. during the financial year ended 31 December 2020 as well as the acquisition of FHPL in FY2023. The MYR1.48 million increase in goodwill arose due to the acquisition of FHPL in FY2023.

(vi) Investment in associate

The increase in investment in associate balance by MYR0.58 million related to increase in profits from the investment in Luminor Capital Markets Sdn Bhd ("**LCM2**"). LCM2 is in the business of providing corporate advisory services.

Current assets

As at 31 December 2023, current assets which amounted to MYR194.7 million mainly consist of cash and bank balances, trade and other receivables, properties held for sale, net investment in sub-leases and income tax receivable.

Trade and other receivables increased by MYR46.7 million to MYR98.1 million as at 31 December 2023. The bulk of this increase is from trade receivables and factoring receivables which is in line with the expansion of the financial solutions business in FY2023.

Properties held for sale comprise the completed but unsold units of Singapore Garden project and University Town project in PRC, which amounted to MYR10.0 million and MYR5.4 million respectively as at 31 December 2023. The decrease of MYR0.3 million is due to the continual sale of properties during FY2023.

Current liabilities

As at 31 December 2023, current liabilities of MYR128.9 million consist of lease liabilities, trade and other payables, interest-bearing bank loan, contract liabilities and income tax payable.

Lease liabilities increased by MYR0.1 million in FY2023 is due to the Company's takeover of the current portion on the lease agreement following the termination of the office sharing agreement with the former ultimate holding company for the Singapore office premise.

The increase in trade and other payables of MYR23.0 million is due to increase in loan from shareholder of MYR10.7 million, increase in carrying amount of shareholder loan of MYR2.3 million (which is denominated in Singapore Dollar) arising from the weakening of the Malaysian Ringgit against the Singapore Dollar, increase in customer reserve account of MYR8.4 million and the remaining MYR1.6 million arose from the increase in accruals and other miscellaneous payable items. These increases are in line with the increase in business working capital, funding requirements as well as with the weakening of the Malaysian Ringgit.

The bank loan of MYR30.4 million is mainly due to the loan facility the Company entered into with East West Bank during FY2023.

Income tax payable increased by MYR0.3 million in FY2023. This increase in income tax payable is in line with the increase in revenue from our Malaysian entity, offset by the overprovision of income tax payable from the Singapore entities.

Non-Current Liabilities

As at 31 December 2023, non-current liabilities of MYR15.3 million consist of lease liabilities, payable to RPS holders, deferred tax liabilities and provision for restoration.

Lease liabilities of MYR3.4 million was booked for the office lease agreement entered into by both the Singapore office as well as the Malaysia office.

Provision for restoration of MYR0.3 million was recorded for reinstatement of the office premises in Malaysia when the lease of its office ends.

Payable to RPS holders of MYR8.8 million is in relation to the redeemable preference shares programme established by the Group. Please refer to Note 17 for more details.

Shareholders' equity

Shareholders' equity consists of issued share capital, other reserves, retained earnings and non-controlling interest. As at 31 December 2023, shareholders' equity amounted to MYR72.4 million.

CONSOLIDATED CASH FLOW STATEMENT

For FY2023, net cash used in operating activities of MYR27.7 million was mainly due to the increase in trade and other receivables, income tax paid and interest payment, partially offset by increase in trade and other payables.

Net cash flow used in investing activities amounted to MYR2.9 million in FY2023, which was mainly due to the purchase of property, plant and equipment and intangibles, cash inflow arising from the acquisition of 58.41% in FHPL and offset by the disposal of property, plant and equipment.

Net cash flow generated from financing activities amounted to MYR41.9 million in FY2023, which was mainly acquisition of non-controlling interest of MYR4.9 million, due to the increase in proceeds from RPS Holders of MYR8.8 million, increase in interest-bearing bank loan of MYR30.0 million as well as the increase in drawdown from minority interest of MYR11.1 million, offset by repayment of lease liabilities and to former ultimate holding company.

As at 31 December 2023, cash and cash equivalents amounted to MYR80.9 million.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No specific forecast or prospect statement were made previously and the Group's performance for the period under review is in line with expectations disclosed in prior announcements.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's financial solutions business has displayed strong performance in FY2023. The Luminor Malaysia business achieved profitability in FY2023 for the first time since the business

commenced in 2020 and is expected to continue to further acquire market share in Malaysia, where its clients are primarily based.

The Group completed its acquisition of 58.41% equity interest in FHPL on 1 February 2023. Since then, FHPL has recruited a management team to develop its technology platform for its debt offering in the e-commerce sector, targeted to be launched in the second quarter of 2024. The Group plans to use FHPL as an avenue to further expand the financial solutions business in Singapore in conjunction with their expansion strategy in the financial solutions business in Malaysia and other Southeast Asian countries.

With the recent reopening of the PRC borders and resumption of economic activity in China in recent months, the Group will continue to sell the remaining residential units (8 units), commercial units (25 units) and carpark spaces (41 lots) for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC. Going forward, the Group will no longer focus on development in this area.

7. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared for FY2023.

(b) Amount per share (cents) and previous corresponding period (cents).

No dividend was declared for FY2022.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for FY2023.

The Company does not have a formal dividend policy. With the growing financial solutions business, the Company will preserve its cash balances for continued expansion in the financial solutions business in Malaysia.

9. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company has procured the undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) as required under Rule 720(1) of the Catalist Rules.

10. If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”) the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920	Aggregated value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<u>GRP Limited</u> ⁽¹⁾ Estimated management fee paid to GRP Limited, the former ultimate holding company of the Group.	SGD175,000	-
<u>Kwan Chee Seng</u> a) Interest expense on shareholder loan granted by Mr. Kwan to the Company as extended to 5 November 2023. b) Interest expense on shareholder loan granted by Mr. Kwan to the Company as extended to 5 May 2024.	SGD260,000	-
<u>Van Der Horst Holdings Pte Ltd (“VDH”)</u> ⁽²⁾ a) Interest payable on Loan granted by VDH as extended to 30 August 2023. b) Interest payable on Loan granted by VDH as extended to 29 February 2024.	SGD97,500 SGD97,500	-
<u>Total</u>	SGD890,000	-

Notes:

- (1) GRP Limited is an associate of Mr Kwan as Mr Kwan holds 36.01% of the total number of issued ordinary shares in GRP Limited and is a Non-Executive Director as at the date of this announcement.
- (2) Van Der Horst Holdings Pte Ltd is an associate of Mr Kwan as Mr Kwan holds 99.99% of the total number of issued shares in Van Der Horst Holdings Pte Ltd as at the date of this announcement.

The Group does not have a general mandate for IPT.

11. Disclosure of Acquisition (including incorporations) and sale of shares under Catalyst Rule 706A.

On 1 September 2023, the Group increased its equity stake in its indirect wholly-owned subsidiary, SA Puncak Management Sdn Bhd (“**SAPM**”) by 1.8% at a purchase price of MYR120,000, financed by internal resources. Following the increase, the Group has an 88.6% stake in SAPM. The net asset value of SAPM was MYR13.421 million at the time of the exercise of the option on 1 September 2023.

Save as disclosed above, the Company did not acquire or dispose shares in any other companies during the financial year.

On 29 January 2024, Starland Axis Pte. Ltd. (“**SAPL**”) subscribed for 5,434,782 Ordinary Shares in FHPL at an issue price of SGD0.092 per share (the “**FH Subscription**”), arriving at total consideration of SGD499,999.94 which was settled by cash. This FH Subscription is the capital call by FHPL, which SAPL undertakes to subscribe as announced on 30 June 2023. For more information, please refer to the Company’s announcement dated 30 June 2023. Following the FH Subscription, SAPL increased its shareholding interest from 85.33% to 88.28%.

On 29 February 2024, SAPL converted 58,410 Irredeemable Convertible Preference Shares (“**ICPS**”) in FHPL to 58,410 Ordinary Shares at SGD1.00 per share (the “**ICPS Conversion**”). For more information on the ICPS, please refer to the Company’s announcement dated 11 August 2023. FHPL’s net asset value as at 29 February 2024 is SGD1,851,477. Following the ICPS Conversion, SAPL increased its shareholding interest from 88.28% to 88.31%.

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Section 4 – Review of performance – for further details.

13. A breakdown of sales.

	Group		% increase/ (decrease)
	12 months ended	12 months ended	
	31/12/2023	31/12/2022 Restated	
	MYR'000	MYR'000	
Sales reported for first half year	16,486	10,278	60.4
Profit after tax reported for first half year	2,023	12,867	(84.3)
Sales reported for second half year	14,383	11,571	24.3
Loss after tax reported for second half year	(242)	(6,117)	(96.0)

14. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

Not applicable. No dividends have been declared or recommended for the financial years ended 31 December 2023 and 31 December 2022.

- 15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 31 December 2023.

BY ORDER OF THE BOARD

**Kwan Yu Wen
Executive Director
29 February 2024**