



LUMINOR  
FINANCIAL  
THE FUTURE GLOWS

ANNUAL REPORT 2023

# CHAIN PROGRESSION

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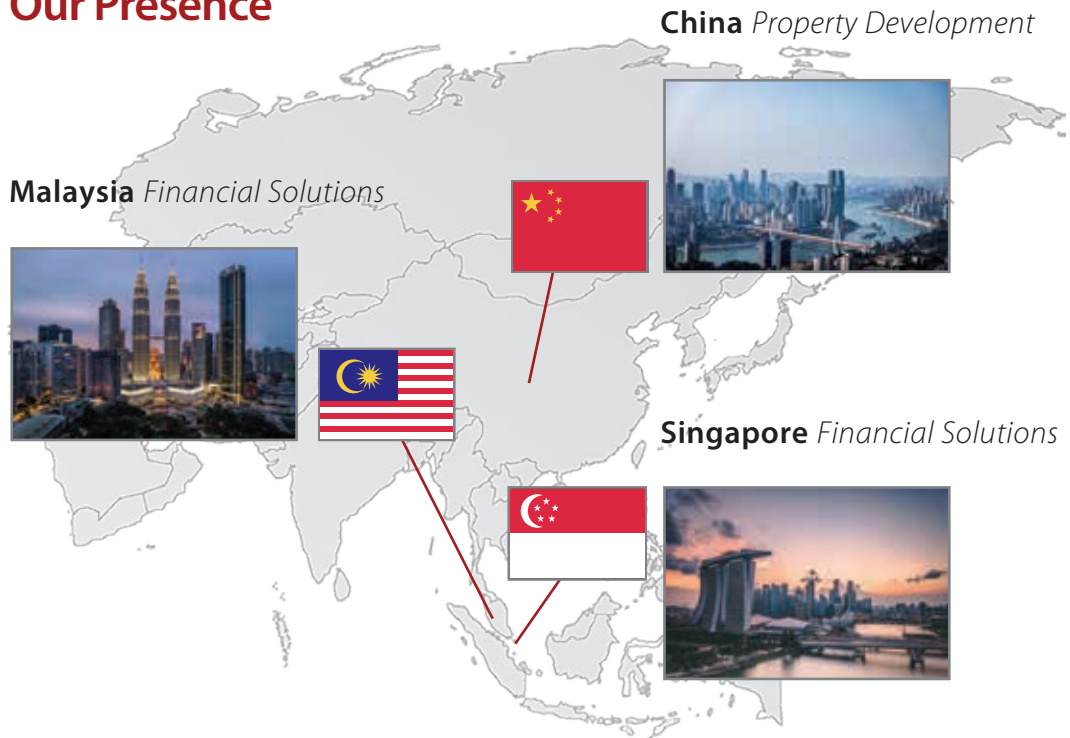
This Annual Report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report. The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

## CORPORATE **PROFILE**

Luminor Financial Holdings Limited is a **non-bank financial institution** committed to providing **financing solutions to SMEs regionally**.

Luminor Financial Holdings Limited (together with its subsidiaries, the "**Group**") is headquartered in Singapore. The Group has been listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 27 April 2012.

### Our Presence



The Group has two core businesses:

Financial Solutions

Property Development

# OUR **BUSINESSES**

## 1. **FINANCIAL SOLUTIONS**

The Group aims to provide innovative financing solutions to SMEs across the region. Our offerings include:



### **INVOICE FINANCING**

A healthy cashflow is critical to sustainability and growth of every business. Our factoring solution lets businesses monetise its receivables and receive cash upfront (versus a typical collection period of three months), allowing them to maintain a smaller ongoing cash balance and leave more liquidity available for investment in the business' growth.



### **SUPPLY CHAIN FINANCING**

Corporates consistently need to manage working capital against their cash conversion cycle. We offer trade finance solutions through accounts receivable purchase with credit protection. This allows clients to free up valuable cash stuck in the supply chain by offering clients a line of credit while mitigating buyer credit risks.



### **CORPORATE ADVISORY**

We provide comprehensive financial advice and execution expertise, encompassing mergers, acquisitions, divestitures, capital raising, project finance, privatisations and Public Private Partnership services to corporates.



### **SECURED LENDING**

Secured lending allows business owners to unlock the value of their residential or commercial properties/assets, channeling the additional cash flow to their business.

## OUR BUSINESSES

### 2. PROPERTY DEVELOPMENT

The Group first started out as a Singaporean-owned and managed property developer for quality integrated residential commercial properties in the People's Republic of China ("PRC") and Singapore. We have successfully completed three projects and sold off our last piece of land bank. Following our restructuring in 2021, we will sell off our remaining residential, commercial and parking spaces to turn inventory into cash and focus on the financial solutions business. Our completed projects are as follows:

#### SINGAPORE GARDEN



<b>PERCENTAGE INTEREST</b>	100%
<b>LOCATION</b>	8 Wubao Road, Fuling District, Chongqing
<b>EXISTING USE</b>	Residential and Commercial
<b>TARGET MARKET</b>	Mid to High End
<b>LAND TENURE</b>	Leasehold
<b>SITE AREA (SQ M)</b>	32,616
<b>TOTAL GFA (SQ M)</b>	105,350
<b>STAGE OF COMPLETION</b>	Completed
<b>DATE OF COMPLETION</b>	August 2015

#### UNIVERSITY TOWN



<b>PERCENTAGE INTEREST</b>	100%
<b>LOCATION</b>	89 Julong Avenue, Lidu, Fuling District, Chongqing
<b>EXISTING USE</b>	Residential and Commercial
<b>TARGET MARKET</b>	Mass
<b>LAND TENURE</b>	Leasehold
<b>SITE AREA (SQ M)</b>	19,330
<b>TOTAL GFA (SQ M)</b>	43,284
<b>STAGE OF COMPLETION</b>	Completed
<b>DATE OF COMPLETION</b>	April 2011

#### JALAN NIPAH



<b>PERCENTAGE INTEREST</b>	100%
<b>LOCATION</b>	Jalan Nipah, Singapore
<b>EXISTING USE</b>	Residential
<b>TARGET MARKET</b>	High-end
<b>LAND TENURE</b>	Freehold
<b>SITE AREA (SQ M)</b>	700
<b>TOTAL GFA (SQ M)</b>	803
<b>STAGE OF COMPLETION</b>	Completed
<b>DATE OF COMPLETION</b>	June 2018

## OUR BRANDS

We offer our services through various entities and licences held in Malaysia and Singapore.

### MALAYSIA



Approved by Ministry of Finance (Malaysia) as one of ~30 financial institutions with access to e-Perolehan, Malaysia's e-procurement platform

Member of the Malaysian Factors Association

One of the 14 financial institutions approved for Perintis Telekom Malaysia's vendor financing programme

One of the featured financing companies on Malaysia Petroleum Resources Corporation (an agency under the Ministry of Economy) on its i-OGSE platform



LUMINOR CAPITAL  
MARKET

Capital Markets Service Licence issued by Securities Commission Malaysia



LUMINOR  
CREDIT

Moneylending Licence issued by Ministry of Local Government Development Malaysia

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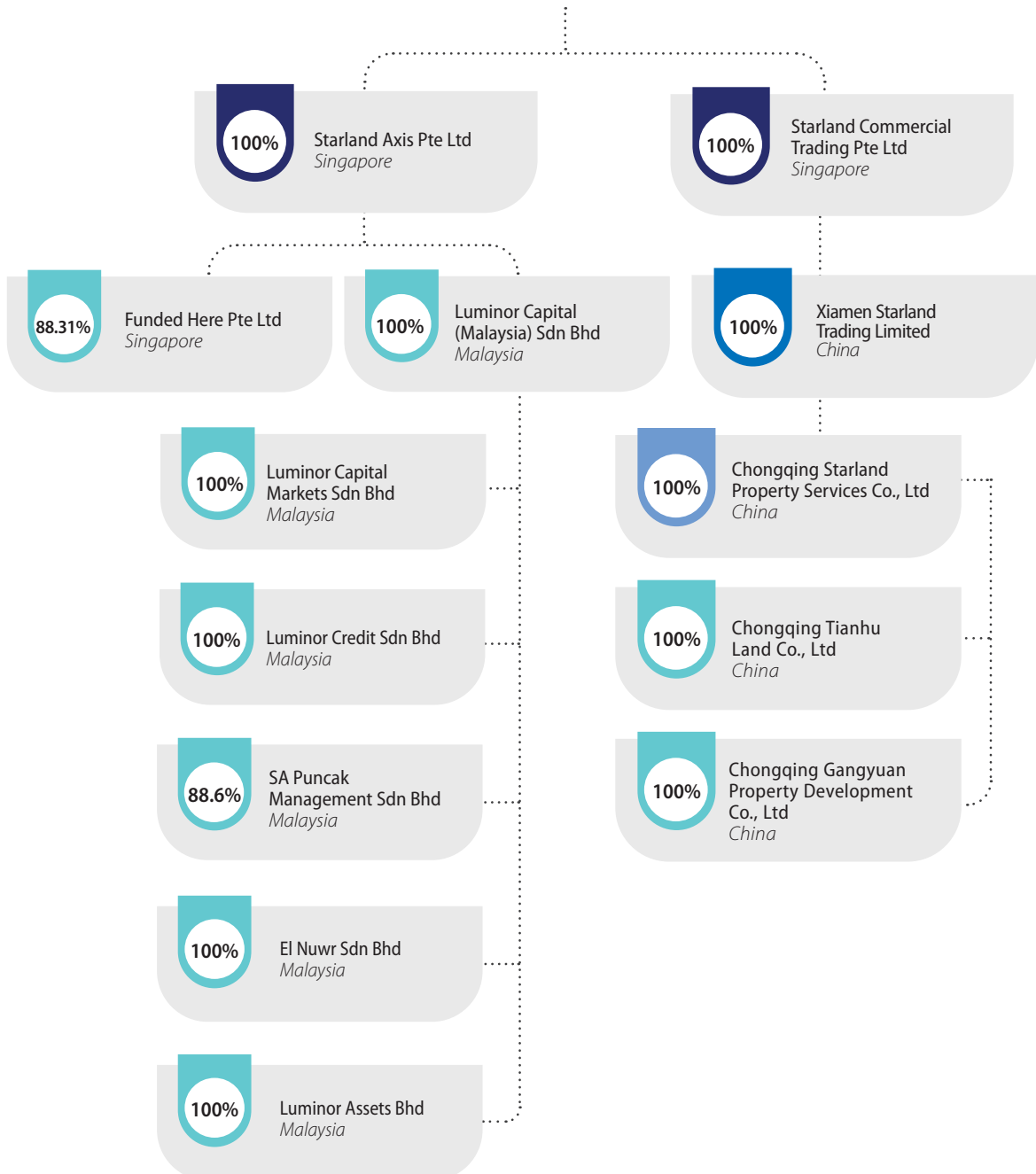
### SINGAPORE



Capital Markets Service Licence issued by the Monetary Authority of Singapore

# CORPORATE STRUCTURE

## LUMINOR FINANCIAL HOLDINGS LIMITED (SINGAPORE)



## OUR MILESTONES

2011

Completed University Town project  
(GDV<sup>1</sup>: ~RMB257.7m,  
GFA<sup>2</sup>: 43,284 sqm)



2016

Acquisition of 82.91% by  
GRP Chongqing Land Pte Ltd  
("GRP")



2021

Name change to LFHL.  
GRP ceased to be largest  
shareholder following  
a distribution in  
specie



2012

Admission of 144,733,000  
ordinary shares onto  
SGX-Catalist Board as  
Starland Holdings Limited

2018

Completed Jalan Nipah  
Project (GFA: 803 sqm)

2022

Acquired remaining 49%  
of LCM. Lead US\$1.75m  
funding round for the  
Adiwisista Group

2013

Launched Singapore  
Garden Project  
(GDV<sup>1</sup>: ~RMB790m)

2019

Shareholders' approval  
of diversification into  
Financial Solutions  
business



2023

Acquired 58.41% of  
Funded Here Pte Ltd

Launched the Redeemable  
Preference Shares  
Programme in Malaysia

2015

Completed Singapore  
Garden Project  
(GFA<sup>2</sup>: 105,350 sqm)



2020

Exercised option to convert  
loan for 51% in Luminor  
Capital (Malaysia) Sdn Bhd  
("LCM")

<sup>1</sup> Gross Development Value

<sup>2</sup> Gross Floor Area



## CHAIRMAN'S STATEMENT

### DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Luminor Financial Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), I am pleased to present to you the Annual Report of the Group for the financial year ended 31 December 2023 ("**FY2023**").

### 2023: A YEAR OF FIRSTS

2023 started off with an air of great uncertainty all around the world. Bloomberg Economics had, at the end of 2022, boldly announced that their recession probability models indicated a 100% chance of recession in the following twelve (12) months. While the United States, along with many other economies, including Singapore and Malaysia where our operations are primarily based, defied expectations with no recession, 2023 was undoubtedly a year of challenges with inflation, rising interest rates, trade tensions and geopolitical conflicts amongst other things.

In spite of the challenges, the Group continued its growth trajectory. The Group saw a net profit of MYR0.6 million in FY2023 against MYR6.8 million for the financial year ended 31 December 2022 ("**FY2022**"), which included a one-time gain of MYR21.9 million from the disposal of our last piece of land bank in the China. This was due to a 41.3% growth in revenue from MYR21.8 million in FY2022 to MYR30.9 million in FY2023. Of the MYR9.1 million increase in revenue, MYR8.8 million was due to the financial solutions business.

### **Turning profitable for the first time:**

Following the shareholders' approval to diversify into the financial solutions business in 2019, we had acquired a 51% stake in Luminor Capital (Malaysia) Sdn Bhd ("**Luminor Malaysia**") in 2020 and the remaining 49% in 2022. I am pleased to announce that in a short span of three (3) years, Luminor Malaysia has turned profitable. The financial solutions business contributed MYR8.2 million (net of expenses) – this is after taking into account the significant investment in the re-development of FundedHere Pte. Ltd. ("**FundedHere**") business (Please refer to Note 27 of the Financial Statements for more information).

### **First bank facility and first debt fundraising programme:**

Our financial position remains strong, with cash and cash equivalents of MYR80.9 million. The Group started out its financial solutions business through balance sheet lending, utilising our earnings generated from the property business, as well as shareholder loans. The continued expansion of this core business requires huge amounts of capital. In FY2023, Luminor Malaysia successfully obtained its first facility from a financial institution in Malaysia to fund the business – a testament to the impressive track record and success it has built up in the past three (3) years.



In addition, Luminor Malaysia launched its Redeemable Preference Shares ("**RPS**") Programme in October 2023. The RPS Programme allows Luminor Malaysia to reach out to Sophisticated Investors in Malaysia and raise debt capital for the expansion of the financial solutions business. As at the date of this Annual Report, the Group has successfully raised MYR38 million through the RPS Programme, once again demonstrating confidence in the business.

### 2024: A YEAR OF MORE FIRSTS

The Group's focus for 2024 will be to continue expanding in Malaysia and in the region. The first expansion for 2024 will take place closer to home in Singapore – the Group had on 1 February 2023 completed its acquisition of FundedHere. Since then, the management has been working to revitalise FundedHere – please look out for more updates to be shared in due course.

I will be retiring as the Chairman of the Board upon the conclusion of the upcoming Annual General Meeting ("**AGM**") since I was appointed to the Board twelve (12) years ago. It has been a privilege marked with many meaningful memories and shared accomplishments. I would like to thank all the shareholders, my fellow Board members, the management and colleagues for the continued trust. The Company is in good hands and I wish the Company every success going forward.

For and on behalf of the Board of Directors

**MR. FOONG DAW CHING**  
Non-Executive Independent Chairman

## DIRECTOR'S STATEMENT

### DEAR SHAREHOLDERS,

It has been a little over three (3) years (as at the date of this Annual Report) since we started our financial solutions business. The decision to diversify then was a huge one, one that was carefully considered and one we did not take lightly. Back then, we had identified Small and Medium-Sized Enterprises (“SMEs”) as a key group that was in serious need of proper financing. Despite SMEs’ importance and key role in driving economic growth and job creation worldwide, SMEs face tremendous difficulties when it comes to accessing financial services as they are traditionally ignored by banks due to the perceived risk and lack of credit data. With that in mind, we sought to build our lending business to address this burgeoning need.

We began our financial solutions business in Malaysia focusing on providing much needed financing to SMEs, the backbone of the country. Constant innovation (with a combination of different solutions) to meet the needs of our clients has been the key to our success. This has paid off in a big way – the business has been growing steadily year-on-year and this year was no exception, with segment revenue rising by 43.2% to MYR29.2 million in FY2023. As mentioned by our Chairman in his statement, Luminor Malaysia turned profitable for the first time in just three (3) years.

The Group successfully completed the acquisition of FundedHere in February 2023. We hold high hopes in this latest acquisition and will leverage on technology to revolutionise the financing space to serve even more SMEs. In this regard, we have assembled a new team and spent the last year working on the development of the new FundedHere platform the fruits of which will come to bear in the next few months.

Our property business saw a slight increase in revenue this year due to the sale of one (1) residential property in FY2023. As at 31 December 2023, the Group has 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. The property market in China continues to be weak and the Group will continue to focus on selling down its remaining inventory and turning it into cash to fund the financial solutions business.

All this would not have been possible without my esteemed colleagues across the Group for their unwavering dedication and contributions, which was absolutely instrumental in achieving the success we have today. I would like to convey my heartfelt thanks to them. I would also like to extend my appreciation to my fellow members of the Board for their consistent leadership and guidance as well as to our shareholders and customers for their steadfast support and trust in Luminor Financial.



Lastly, on behalf of the Group, I would like to take the chance to express my deepest gratitude to our Chairman, Mr Foong Daw Ching, who will be retiring from the Board upon the conclusion of the FY2023 Annual General Meeting. Mr Foong has been the Group’s Chairman and steady guide since 26 March 2012, from when the Group first started out solely as a property developer, to the Group’s diversification into the financial solutions business. The Group has deeply benefited from his wisdom and leadership for the past twelve (12) years. We wish Mr Foong good health and every success in his future endeavours.

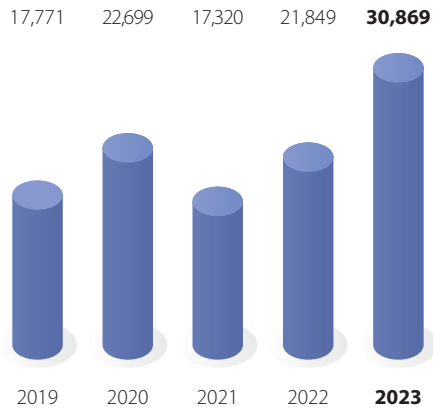
The theme for last year’s annual report was “Now for Impact”. Over the course of FY2023, we leveraged our status as a financial solutions company and grew our expertise in it to generate MYR29.2 million in revenue from financing. We expect even more growth in what we are confident will be a year of “Chain Progression”.

For and on behalf of the Board

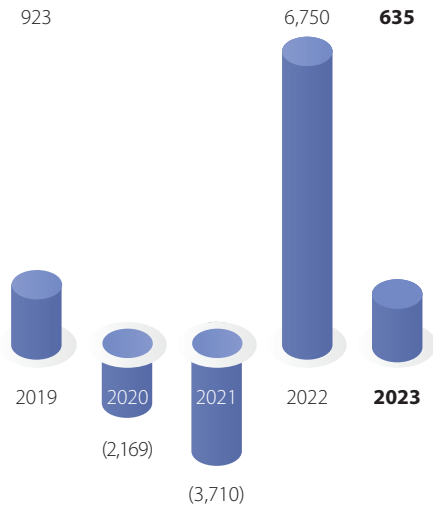
**KWAN YU WEN**  
Executive Director

## FINANCIAL HIGHLIGHTS

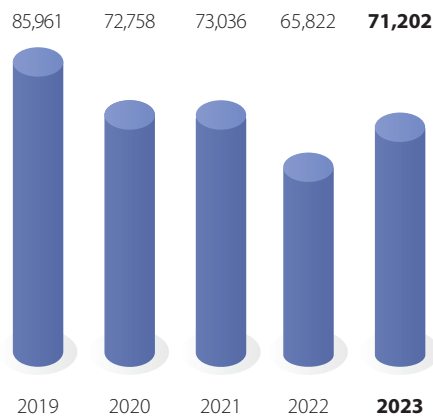
### REVENUE (MYR'000)



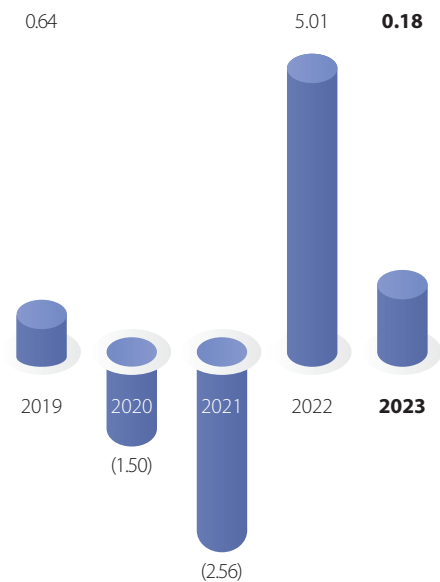
### NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (MYR'000)



### SHAREHOLDERS' EQUITY (MYR'000)



### EARNINGS/(LOSS) PER SHARE (MYR CENTS)



## OPERATING AND FINANCIAL REVIEW

### REVENUE AND SEGMENT INFORMATION

Our revenue is derived from the fees from loans and invoice factoring services provided in Malaysia and the sale of properties and rental income from leasing of our properties in the PRC. Overall revenue for FY2023 was MYR30.9 million compared to MYR21.8 million for FY2022. Revenue from the financial solutions business increased by 43.2% from MYR20.4 million in FY2022 to MYR29.2 million in FY2023, reflecting the continued growth of the financial solutions business. Revenue from the property business increased by 14.2% from MYR1.4 million in FY2022 to MYR1.6 million in FY2023. The increase in revenue for the property business is due to the increase in number of residential units sold offset by the decline in rent. The Company 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. A breakdown of the revenue can be seen from the table below:

	FY2023		FY2022	
	MYR'000	% of Total Revenue	MYR'000	% of Total Revenue
Interest income and fees from loans and invoice factoring	29,234	94.7%	20,417	93.5%
Sales of properties	999	3.2%	702	3.2%
Rental income	636	2.1%	730	3.3%
<b>Total Revenue</b>	<b>30,869</b>	<b>100%</b>	<b>21,849</b>	<b>100%</b>

The segment gross contribution is disclosed in the table below:

	Property		Financial Solutions	
	FY2023	FY2022	FY2023	FY2022
Revenue (MYR'000)	1,635	1,432	29,234	20,417
Segment gross contribution (MYR'000)	1,096	1,031	24,389	19,407
<b>Gross contribution margin</b>	<b>67.0%</b>	<b>72.0%</b>	<b>83.4%</b>	<b>95.1%</b>

The financial solutions business recorded a decrease in gross contribution margin in FY2023 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.

The decrease in gross contribution margin for the property business in FY2023 is due to the higher cost base from the sale of 1 residential unit in FY2023 comparing to none sold in FY2022.

## OPERATING AND FINANCIAL REVIEW

### EXPENSES

Expenses include cost of sales, depreciation expense, commission expense, foreign exchange losses, interest expense, impairment losses, operating expenses, professional fees and staff costs.

The key expenses that have significant movements are as follows:

- 1. Foreign exchange losses**  
The increase in foreign exchange losses of MYR2.1 million is due to the depreciation of the Malaysian Ringgit currency which resulted in an increase in foreign exchange losses arising from funding undertaken by the Group which are denominated in the United States Dollar as well as the Singapore Dollar.
- 2. Interest expense**  
The increase in interest expense of MYR3.1 million is due to the increase in borrowings from counterparties in FY2023. This is in line with the increase in revenue in FY2023.
- 3. Impairment losses on trade and other receivables – net**  
The decrease in impairment losses by MYR5.5 million is due to more stringent lending criteria undertaken by the Group. Also, the impairment losses recognised in FY2022 reflects the cumulative impairment from commencement of business which are long overdue and have assessed to have low recoverability.
- 4. Operating expenses**  
The Group's operating expenses comprise other tax expense, such as land use tax and property tax, arising from the sale of residential property in China, withholding tax and penalties, sales and marketing costs, advertisement and promotional expenses, documentation charges for property transfers, office rental, director fees and other general office operating expenses. The decrease in operating expenses of MYR1.9 million is mainly due to the decrease in management fees paid to the Company's former ultimate holding company.
- 5. 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 MYR1.1 million is mainly due to the one-off professional fees for establishment of the RPS Programme, legal fees for banking facilities, and legal fees for debt recovery.



## OPERATING AND FINANCIAL REVIEW

### 6. 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 61 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.

### OTHER INCOME

Other income comprise gain on disposal of development properties, fair value gain on financial assets at fair value through profit or loss, interest income and other income.

#### 1. 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.

#### 2. Fair Value Gain on Financial Assets at Fair Value through Profit or Loss

There was a fair value gain 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.

#### 3. Interest Income

Interest income comprises of interest income from fixed deposits, current accounts with banks, sub-leasing as well as from the investment in convertible and exchangeable note. The amount remains relatively consistent with FY2022.

#### 4. Other Income

There was an increase of MYR0.5 million in other income in FY2023 compared to FY2022. Other income includes management fee from associate, rental income and other miscellaneous income such as rebates from government.

### PROFIT FOR THE FINANCIAL YEAR

As a result of the above, the Group recorded a profit for the year of MYR0.6 million for FY2023.



## BOARD OF DIRECTORS



**MR FOONG DAW CHING**

*Non-Executive  
Independent Chairman*

**MR FOONG DAW CHING** is our **Non-Executive Independent Chairman** and was appointed to the Board of our Company on 26 March 2012. Mr Foong is the chairman of the Board of Directors. He has more than 30 years of audit experience and was the managing partner of Baker Tilly TFW LLP and the Regional Chairman of Baker Tilly International Asia Pacific Region. He retired as managing partner of Baker Tilly TFW LLP and stepped down as the Regional Chairman of Baker Tilly International Asia Pacific Region in 2010 and 2016 respectively. He is the Lead Independent Director and the Chairman of the audit committee of Travelite Holdings Ltd and Suntar Eco-city Limited. He was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, and a Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003. Mr Foong is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.



**MR KWAN CHEE SENG**

*Non-Executive Director*

**MR KWAN CHEE SENG** is our **Non-Executive Director** and was appointed to the Board of our Company on 18 February 2016. He is also the Non-Independent Non-Executive Director of GRP Limited. Mr Kwan has extensive experience in management and investment, particularly in the area of Mergers and Acquisitions ("**M&A**"). Besides being the Chairman of Van der Horst Holdings Pte Ltd, his investment holding company, Mr Kwan has been a substantial shareholder of ASX-listed company, Variscan Mines Limited since 2008. In 2009, Mr Kwan began his fund management business with Luminor Capital Pte Ltd, a manager of private equity funds, as a founding director. Thus, he brings to the Board an unique set of skills with a M&A angle.



## BOARD OF DIRECTORS



**MS KWAN YU WEN**  
*Executive Director*

**MS KWAN YU WEN** is our **Executive Director** and was appointed to the Board of our Company on 21 December 2020. She was the former Non-Executive Non-Independent Director of GRP Limited as well as the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019. Ms Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015. Ms Kwan is the daughter of Mr Kwan Chee Seng, Non-Executive Director of our Company.



**MR TAN CHADE PHANG**  
*Independent Director*

**MR TAN CHADE PHANG** is our **Independent Director** and was appointed to the Board of our Company on 18 February 2016. He is the CEO and founder of Voyage Research since 2009 till present. Prior to setting up Voyage Research, he was an Investment Analyst with Standard Chartered Bank Singapore from 2007 to 2008, and was also the lead Investment Analyst in SIAS Research from 2005 to 2006. Mr Tan is currently also the President of the Small and Middle Capitalisation Companies Association. Mr Tan is an Independent Director of OUE Lippo Healthcare Limited, Y Ventures Group Ltd, SMI Vantage Limited and Tritech Group Limited. He was an Independent Director of TBK & Sons Holdings Limited from September 2019 to October 2020, and REVEZ Corporation Ltd. from February 2021 to March 2023. Mr Tan graduated with a Bachelor of Business in Accountancy Degree from RMIT University and obtained a Master of Finance from the same university.



**MR LIM SEE YONG**  
*Independent Director*

**MR LIM SEE YONG** is our **Independent Director** and was appointed to the Board of our Company on 1 July 2019. He was the Managing Director of Xin Sheng International Pte Ltd from 2006 to 2018. Mr Lim was also the Independent Director of WPG Resources Limited from 2007 to 2019. Mr Lim graduated from the National University of Singapore with a Bachelor of Business Administration (Major in Finance).



## KEY MANAGEMENT PERSONNEL

### MISS IVANNA LOH YOOK MUN

*Director and Chief Executive Officer, Luminor Capital (Malaysia) Sdn Bhd*

**MISS IVANNA LOH YOOK MUN** was appointed as **Chief Executive Officer** of Luminor Capital (Malaysia) Sdn Bhd ("**LCMSB**") in 2022 and is one of the founders of LCMSB. Miss Loh has over 10 years of experience in the accounting and finance space where she was exposed to audit and several subsegments in the corporate finance industry dealing with equity capital markets. Throughout Miss Loh's career, she has undertaken various corporate exercises involving public listed companies including issuances of new

securities, mandatory take-over offer, initial public offerings (IPO), reverse take-overs (RTOs), independent equity valuation and etc. Miss Loh has a Bachelor of Degree (Hons) in Applied Accounting and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). Prior to joining LCMSB, Ivanna formerly oversaw and was responsible for client coverage, deal analysis and execution for debt and equity capital market related deals at Well-Cept Equity Partners Sdn Bhd.

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### MR RICHARD LIM AIK TEONG

*Director and Chief Operating Officer, Luminor Capital (Malaysia) Sdn Bhd*

**MR RICHARD LIM AIK TEONG** was appointed as **Chief Operating Officer** of LCMSB in 2019 and is one of the founders of LCMSB. With over 15 years of experience in the investment banking field, Mr Lim is experienced in the origination and execution of both debt and equity instruments. Mr Lim commenced his career at KAF Investment Bank Berhad where he served for 8 years and left as an Associate Director in the Corporate Finance department. During his tenure, he was also attached to the Debt Capital Markets and Investment Banking departments. Throughout

his career, he has executed various fund raising and corporate exercises including issuance of Islamic private debt securities (sukuks), M&As, restructurings, fund raising and general corporate advisory services. Mr Lim graduated from the University of Technology Sydney, Australia in Finance and IT. Mr Lim was a Director for Project Finance in Well-Cept Equity Partners Sdn Bhd for almost 4 years and was responsible for overall deal structuring and setting top level strategic direction.

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## KEY MANAGEMENT PERSONNEL

### MR PANG CHEE CHONG

*Director and Chief Executive Officer, Funded Here Pte Ltd*

**MR PANG CHEE CHONG** is the [Chief Executive Officer](#) of Funded Here Pte. Ltd. Mr Pang possesses extensive expertise in corporate banking and wealth management acquired over two decades from financial institutions such as Citibank, Tat Lee Bank, and the Royal Bank of Canada. Mr Pang graduated with a Bachelor of Business Administration from the

National University of Singapore and obtained a Master of Finance from RMIT Australia. Mr Pang's depth of experience and global perspective make him a valuable asset in driving innovation and growth within the fintech industry.

### MISS TOH WEI SHIENG

*Financial Controller*

**MISS TOH WEI SHIENG** was appointed as the [Financial Controller](#) of the Company on 21 June 2022. She is responsible for the finance, accounting, taxation and compliance matters relating to the Group's operations. Before her current appointment, she was the Group Finance Manager of a leading Energy as a Service (EaaS) provider. Miss Toh has held various finance positions in multi-national corporations, Australian-listed companies, and international accounting firms.

Collectively, Miss Toh has approximately 20 years of experience in the field of accountancy.

Miss Toh graduated from the University of Sydney with a Bachelor of Commerce in 2002 and a Master of Commerce in 2003. She is a Chartered Accountant of the Institute of Chartered Accountants in Australia and a Certified Public Accountant with CPA Australia.

### MR LUO DENG XIAO

*Deputy General Manager, Property*

**MR LUO DENG XIAO** is our [Deputy General Manager](#) and joined our Company in August 2008. Prior to that, from April 1992 to July 2008, he was a superintendent in Fuling Iron Alloy Plant (涪陵铁合金厂) in charge of operations, administrative matters, human resources and finance matters, where he held the position of head of technical department. He was also a planning executive in Sichuan Automobile Factory (四川汽车制造厂) from

July 1983 to March 1992, where he was in charge of its production plans and supervised the production departments. Mr Luo graduated with a Diploma in Economic Management from the Party School of the Central Committee of the Communist Party of China (中共中央党校) in June 2000.

## CSR AND **EMPLOYEE ENGAGEMENT**

### LFHL IN 2023

#### Community Initiatives

##### Luminor Gives Back

In line with the goal of doing good deeds in the holy month of Ramadan, staff volunteers prepared and distributed 400 containers of bubur lambuk to the local Muslim community located near Masjid Salahuddin Al-Ayubbi, Taman Melati, and Surau Putra Al Amin, Precinct Putrajaya, Malaysia.

The preparation of a simple meal like a bowl of bubur lambuk teaches the values of gratitude and sympathy for those less fortunate, while also fostering unity. This is evident as the preparation process is often a collaborative effort within the community before breaking their fast.



##### Annual Team Building

Under the guidance of a well-trained coach, employees engaged in outdoor adventure activities at Skytrex, Melaka, enjoying the scenic tropical Malaysian rainforest and some aquatic recreation. The challenging course encouraged teamwork, leveraging individual strengths, and addressing weaknesses collaboratively.



## CSR AND **EMPLOYEE ENGAGEMENT**

### Sports Club

We value our employees as our greatest asset and team spirit as one of the most important pillars of the Company. We support the organization of monthly Sports Club activities to boost energy, maintain health, and improve the work-life balance of our employees.



### Festive Celebrations

We celebrate various festive occasions and milestone throughout the year. These celebrations not only embrace diverse cultures but also serve as a catalyst for fostering team spirit. By spreading joy and celebrating diversity, we strengthen bonds and create a more inclusive and vibrant community.



# REPORT ON CORPORATE GOVERNANCE

## DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Luminor Financial Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is committed to achieve the highest standards of corporate governance and places importance on continuous improvement of its corporate governance processes and systems to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 31 December 2023 (“**FY2023**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”).

Pursuant to Rule 710 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board confirms that the Company and the Group have complied with the principles as set out in the Code for the FY2023. The Board also confirms that where there are deviations from the provisions of the Code, explanations for the deviations and how the Group’s practices are consistent with the intent of the relevant principle are provided in the sections below.

<b>I. BOARD MATTERS</b>																
<b>Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.</b>																
1.1	Principal Duties of the Board	<p>As at the date of this Annual Report, the Board has 5 members and comprises the following individuals:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"><b>Table 1.1 – Composition of the Board</b></th> </tr> <tr> <th><b>Name of Director</b></th> <th><b>Designation</b></th> </tr> </thead> <tbody> <tr> <td>Mr Foong Daw Ching</td> <td>Non-Executive Independent Chairman of the Board</td> </tr> <tr> <td>Ms Kwan Yu Wen</td> <td>Executive Director</td> </tr> <tr> <td>Mr Kwan Chee Seng</td> <td>Non-Executive Director</td> </tr> <tr> <td>Mr Tan Chade Phang</td> <td>Independent Director</td> </tr> <tr> <td>Mr Lim See Yong</td> <td>Independent Director</td> </tr> </tbody> </table> <p>The Board does not have alternate directors.</p> <p>Mr Foong Daw Ching will be retiring as a director of the Board upon the conclusion of the FY2023 Annual General Meeting (“<b>AGM</b>”) to be held on 25 April 2024 to facilitate the Board’s renewal. The Company is in the process of selecting a new director and will endeavour to appoint the incoming director within two months of the AGM, but not later than three months from the AGM.</p> <p>The Board oversees the business affairs of the Group and sets the overall corporate strategy and direction. The Board is collectively responsible for the long-term success of the Group. Management plays an important role in providing the Board with complete, adequate and timely information to assist the Directors in the fulfilment of their responsibilities.</p>	<b>Table 1.1 – Composition of the Board</b>		<b>Name of Director</b>	<b>Designation</b>	Mr Foong Daw Ching	Non-Executive Independent Chairman of the Board	Ms Kwan Yu Wen	Executive Director	Mr Kwan Chee Seng	Non-Executive Director	Mr Tan Chade Phang	Independent Director	Mr Lim See Yong	Independent Director
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Mr Tan Chade Phang	Independent Director															
Mr Lim See Yong	Independent Director															

## REPORT ON **CORPORATE GOVERNANCE**

		<p>In addition to its statutory duties, the Board's principle functions are to:</p> <ul style="list-style-type: none"> <li>• review and advise on overall strategic plans, key operational initiatives, monitor performance of management of the Company;</li> <li>• assume responsibility for overall corporate governance of the Group and to ensure that the Group's strategies are in the interests of the Group;</li> <li>• establish a framework for risks to be assessed and managed;</li> <li>• determine the Group's values and standards (including ethical standards) and ensure that its obligations to its various stakeholders are understood and met;</li> <li>• maintain a culture of integrity by reviewing and monitoring internal controls and procedures for financial reporting and compliance; and</li> <li>• consider sustainability issues as part of the Group's overall strategy.</li> </ul>
	Independent Judgement	All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.
	Conflict of interest	Each Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively make decisions in the interest of the Company. Any Director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict. This policy also applies to all committees of the Board (collectively the " <b>Committees</b> ", individually a " <b>Committee</b> ").
1.2	Directors' Orientation and Training	<p>The Board believes that board induction, regular training and continuous development programmes are essential to equip all directors (including executive, non-executive and independent directors) with the appropriate skills and knowledge to understand the Company's business and its operating environment and to perform their roles as directors on the Board and Committees effectively. Directors are encouraged to attend courses or seminars at the Company's expense to acquire or maintain relevant skill sets and knowledge.</p> <p>Upon appointment of a new Director, a formal letter of appointment setting out his/her duties and obligations is provided to every new Director, so the new Director understands his responsibilities and the Board's expectations.</p>

## REPORT ON **CORPORATE GOVERNANCE**

		<p>The Company ensures that incoming new Directors are provided with a comprehensive and tailored induction program to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. Accounting matters, risk-related issues, regulatory compliance updates, legal and other industry-specific topics are included in the induction programme. The new Director is introduced to various department heads and visit the Group's various operational facilities to enable the new Director to gain a better understanding of the businesses and operations of the Company.</p> <p>For new Directors who do not have prior experience as a Director of a public listed company in Singapore, they will have to undergo training programme as required by the Singapore Exchange Regulation Pte. Ltd. ("<b>SGX RegCo</b>") to develop the requisite individual skills, such as knowledge on the Companies Act 1967 and the Catalist Rules.</p> <p>The Directors did not attend any trainings and/or seminars during FY2023.</p> <p>All Directors are updated regularly on key accounting and regulatory changes. Where necessary, the Company will arrange for presentations by external professionals, consultants and advisers on topics that would have an impact on the regulations, accounting standards and the implications of certain regulatory changes that may affect the Group and responsibilities of the Directors.</p>
1.3	Board Approval	<p>Matters that require the Board's approval include the following:</p> <ul style="list-style-type: none"> <li>• strategic direction of the Group;</li> <li>• business practices and risk management of the Group;</li> <li>• annual budgets, major funding proposals, investment and divestment of proposals;</li> <li>• the Group's internal control, financial performance, compliance practices and resources allocation;</li> <li>• material acquisitions and disposal of assets;</li> <li>• convening of shareholders' meetings;</li> <li>• corporate or financial restructuring;</li> <li>• share issuance, dividends and other returns to shareholders; and</li> <li>• interested person transaction.</li> </ul>

## REPORT ON CORPORATE GOVERNANCE

1.4	Delegation by the Board	<p>Board committees, namely the Audit Committee (the “<b>AC</b>”), the Nominating Committee (the “<b>NC</b>”), the Remuneration Committee (the “<b>RC</b>”), the Risk Management Committee (the “<b>RMC</b>”) (collectively, “<b>Board Committees</b>”) have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference.</p> <p>As at the date of this Annual Report, the compositions of the Board Committees are as follows:</p> <table border="1" data-bbox="563 596 1204 935"> <thead> <tr> <th colspan="5"><b>Table 1.4 – The compositions of the Board Committees</b></th> </tr> <tr> <th></th> <th><b>AC</b></th> <th><b>NC</b></th> <th><b>RC</b></th> <th><b>RMC</b></th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Foong Daw Ching</td> <td>Tan Chade Phang</td> <td>Tan Chade Phang</td> <td>Lim See Yong</td> </tr> <tr> <td>Member</td> <td>Tan Chade Phang</td> <td>Foong Daw Ching</td> <td>Foong Daw Ching</td> <td>Foong Daw Ching</td> </tr> <tr> <td>Member</td> <td>Lim See Yong</td> <td>Lim See Yong</td> <td>Lim See Yong</td> <td>Tan Chade Phang</td> </tr> <tr> <td>Member</td> <td>–</td> <td>Kwan Chee Seng</td> <td>–</td> <td>–</td> </tr> </tbody> </table> <p>Mr Foong Daw Ching, the Non-Executive Independent Chairman of the Board, the Chairman of the AC, a member of the RC and a member of the RMC of the Company, will retire at the forthcoming AGM of the Company for the financial year ended 31 December 2023 as he has served as Independent Director of the Company for a period exceeding nine years from the date of his first appointment on 26 March 2012. Under Rule 406(3)(d)(iv) of the Catalist Rules, Mr Foong Daw Ching will no longer be deemed independent. Accordingly, Mr Foong Daw Ching’s retirement from the Board will take effect upon the conclusion of the AGM, and will cease to be the Chairman of the AC, member of the NC, RC and RMC of the Company upon his retirement.</p> <p>The new composition of the Board and Board Committees will be announced upon the appointment of the new director.</p>	<b>Table 1.4 – The compositions of the Board Committees</b>						<b>AC</b>	<b>NC</b>	<b>RC</b>	<b>RMC</b>	Chairman	Foong Daw Ching	Tan Chade Phang	Tan Chade Phang	Lim See Yong	Member	Tan Chade Phang	Foong Daw Ching	Foong Daw Ching	Foong Daw Ching	Member	Lim See Yong	Lim See Yong	Lim See Yong	Tan Chade Phang	Member	–	Kwan Chee Seng	–	–
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Member	–	Kwan Chee Seng	–	–																												



## REPORT ON CORPORATE GOVERNANCE

1.5	Board Meetings and Attendance	<p>Board and Board Committees meetings are scheduled in advance in consultation with the Directors. The Board meets at least twice yearly and additional meetings for particular matters are convened as and when they are deemed necessary. In FY2023, the number of Board and Board Committees meetings held and the attendance of each Board member is shown below:</p> <table border="1" data-bbox="563 491 1207 970"> <thead> <tr> <th colspan="6">Table 1.5 – Board and Board Committees Meeting in FY2023</th> </tr> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> <th>RMC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings held</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Name of Director</td> <td colspan="5">No. of Meetings Attended</td> </tr> <tr> <td>Foong Daw Ching</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Kwan Yu Wen</td> <td>4</td> <td>4*</td> <td>1*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Kwan Chee Seng</td> <td>4</td> <td>4*</td> <td>1</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Tan Chade Phang</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Lim See Yong</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Attendance by invitation</li> </ul> <p>Before each Board meeting, the Executive Director sets the agenda in consultation with the Chairman, to ensure that there is sufficient time and information to address all agenda items.</p> <p>The Chairman promotes open and frank discussion by all Directors at every Board meeting. Where exigencies prevent a Director from attending a Board or Board Committees meeting in person, that Director can participate by telephone or video-conference.</p> <p>Notwithstanding some of the Directors having multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The NC has also taken into consideration the other principal commitments of the Directors in deciding if the Directors are able to and have adequately carried out their duties. As such, the Board does not propose to set a limit on the number of listed company board representations which Directors may hold, until such need arises.</p>	Table 1.5 – Board and Board Committees Meeting in FY2023							Board	AC	NC	RC	RMC	Number of Meetings held	4	4	1	1	1	Name of Director	No. of Meetings Attended					Foong Daw Ching	4	4	1	1	1	Kwan Yu Wen	4	4*	1*	1*	1*	Kwan Chee Seng	4	4*	1	1*	1*	Tan Chade Phang	4	4	1	1	1	Lim See Yong	4	4	1	1	1
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## REPORT ON CORPORATE GOVERNANCE

1.6	Access to Information	<p>The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The management provides the Board with half-yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.</p> <table border="1" data-bbox="563 569 1204 1225"> <thead> <tr> <th colspan="3" data-bbox="563 569 1204 633"><b>Table 1.6 – Types of information provided by key management personnel to Directors</b></th> </tr> <tr> <th data-bbox="563 633 642 676"><b>S/N</b></th> <th data-bbox="642 633 961 676"><b>Information</b></th> <th data-bbox="961 633 1204 676"><b>Frequency</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="563 676 642 818">1.</td> <td data-bbox="642 676 961 818">Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td data-bbox="961 676 1204 818">At least biannually and as and when relevant</td> </tr> <tr> <td data-bbox="563 818 642 911">2.</td> <td data-bbox="642 818 961 911">Updates to the Group's operations and the markets in which the Group operates in</td> <td data-bbox="961 818 1204 911">As and when relevant</td> </tr> <tr> <td data-bbox="563 911 642 1058">3.</td> <td data-bbox="642 911 961 1058">Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors' ("EA") report(s)</td> <td data-bbox="961 911 1204 1058">Half-yearly</td> </tr> <tr> <td data-bbox="563 1058 642 1123">4.</td> <td data-bbox="642 1058 961 1123">Reports on on-going or planned corporate actions</td> <td data-bbox="961 1058 1204 1123">As and when relevant</td> </tr> <tr> <td data-bbox="563 1123 642 1188">5.</td> <td data-bbox="642 1123 961 1188">Enterprise risk framework and internal auditors' ("IA") report(s)</td> <td data-bbox="961 1123 1204 1188">Yearly</td> </tr> <tr> <td data-bbox="563 1188 642 1225">6.</td> <td data-bbox="642 1188 961 1225">Shareholding statistics</td> <td data-bbox="961 1188 1204 1225">Yearly</td> </tr> </tbody> </table> <p>Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>	<b>Table 1.6 – Types of information provided by key management personnel to Directors</b>			<b>S/N</b>	<b>Information</b>	<b>Frequency</b>	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	At least biannually and as and when relevant	2.	Updates to the Group's operations and the markets in which the Group operates in	As and when relevant	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors' ("EA") report(s)	Half-yearly	4.	Reports on on-going or planned corporate actions	As and when relevant	5.	Enterprise risk framework and internal auditors' ("IA") report(s)	Yearly	6.	Shareholding statistics	Yearly
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## REPORT ON **CORPORATE GOVERNANCE**

1.7	Access to Management and Company Secretary	<p>The Board, particularly the Independent Directors who are Non-Executive Directors, are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their functions effectively.</p> <p>The Board has separate and independent access to the Company Secretary and the Management at all times through emails, telephone and face-to-face meetings. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.</p> <p>The role of the Company Secretary is as follows:</p> <ul style="list-style-type: none"> <li>• assist the Chairman and the Chairman of each Board Committee in the development of the agenda for the various Board and Board Committees' meetings;</li> <li>• administers and attends all Board and Board Committees' meetings and prepares minutes of meetings;</li> <li>• ensuring that Board procedures are observed and that applicable rules are complied with; and</li> <li>• advising the Board in implementing and strengthening corporate governance practices and processes, with a view to enhance long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its Board Committees.</li> </ul> <p>The appointment and the removal of the Company Secretary are subject to the approval of the Board.</p>
	Independent Professional Advice	<p>Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.</p>

## REPORT ON CORPORATE GOVERNANCE

### II. BOARD COMPOSITION AND GUIDANCE

#### **Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

<p>2.1 2.2</p>	<p>Board Independence</p>	<p>The NC is responsible for determining the independence of all the directors. The Independent Directors, Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong had confirmed their independence during the Company's NC meeting held on 27 February 2024.</p> <p>In FY2023, the Board consisted of 5 Directors, of whom 3 are independent (as ascertained by the NC), which complies with the Code's provisions whereby Independent Directors are to make up majority of the Board.</p> <p>The Board believes there is a strong element of independence in the Board as the Independent Directors constitute majority of the Board, and that no individual or small group of individuals dominates the Board's decision-making process. The Board exercises independent judgement on corporate affairs and provides Management with a diverse, professional and objective perspective on issues.</p> <p>The independence of each Director is assessed and reviewed annually by the NC, taking into account guidelines of the Code and provisions in the Listing Manual for assessing the independence element. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.</p> <p>Mr Foong Daw Ching has served for a period exceeding nine years from the date of his first appointment on 26 March 2012. Under Rule 406(3)(d)(iv) of the Catalist Rules, Mr Foong Daw Ching will no longer be deemed independent after the conclusion of the forthcoming AGM of the Company for the financial year ended 31 December 2023. As such, he will retire as the Non-Executive Independent Chairman of the Company upon conclusion of the forthcoming AGM to facilitate the Board's renewal. The Company is in the process of selecting a new director and will endeavour to appoint the incoming director to fill the vacancy within two months, but not later than three months from the AGM to comply with Rule 704(7) of the Catalist Rules.</p> <p>Apart from Mr Foong Daw Ching, none of the Independent Directors on the Board has served for a period exceeding nine years from the date of their first appointment.</p>
<p>2.3</p>	<p>Proportion of Non- Executive Directors</p>	<p>As at the date of this Annual Report, the majority of the Board are independent Non-Executive Directors.</p>

## REPORT ON **CORPORATE GOVERNANCE**

2.4	Board Composition	<p>The profile of the Directors and key information is set out on pages 13 to 14 of this Annual Report.</p>
	Board Diversity	<p>The Company has in place a formal Board Diversity Policy. The Board understands and embraces the benefits of having diversity and views Board diversity as important to achieving the Company's business objectives. Differences in background, skills, experience, knowledge, gender and other relevant qualities will be taken into consideration in determining the composition of the Board. The Board Diversity Policy provides that, in reviewing the Board composition, the NC will take into account factors such as gender, experience, skills, business experiences, knowledge, and diversity of perspectives. The NC will also evaluate the effectiveness of the Board Diversity Policy and review it periodically to ensure that it remains relevant and effective. The policy demonstrates the Company's commitment to diversity and inclusion in its decision-making processes and corporate governance. In particular, the Company had appointed a female director to the Board, being Ms Kwan Yu Wen, in line with the principles of the Board's Diversity Policy.</p> <p>The Company has established targets to achieve diversity. These targets include achieving 20% female representation, ensuring 60% independence on the Board, and consistently enhancing the Board's skillset. In FY2023, the Company is pleased to report that it has successfully met these targets set.</p> <p>Looking ahead to the financial year ending 31 December 2024, the Company remains committed to work towards maintaining the same diversity targets. In the long term, the Company strives to increase the female representation on the Board up to 25% and two-third independence on the Board by 2030.</p> <p>As at the date of this Annual Report, the Company is of the view that the current size of the Board is suitable for the scale of the Group's operations, with a majority comprising Independent Directors.</p> <p>The NC is responsible for examining the size and composition of the Board and Board Committees. Taking into account the nature and scope of the Group's business and the number of Board Committees, in concurrence with the NC, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making.</p> <p>The Board's primary consideration in identifying Director nominees is to have an appropriate mix of members with core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge.</p>

## REPORT ON CORPORATE GOVERNANCE

		<p>The Board composition as at the date of this Annual Report provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 2.4 – Balance and Diversity of the Board</b></th> </tr> <tr> <th></th> <th><b>Number of Directors</b></th> <th><b>Proportion of Board (%)</b></th> </tr> </thead> <tbody> <tr> <td colspan="3">Core Competencies</td> </tr> <tr> <td>Accounting or finance</td> <td>3</td> <td>60</td> </tr> <tr> <td>Business management</td> <td>5</td> <td>100</td> </tr> <tr> <td>Legal or corporate governance</td> <td>5</td> <td>100</td> </tr> <tr> <td>Relevant industry knowledge or experience</td> <td>2</td> <td>40</td> </tr> <tr> <td>Strategic planning experience</td> <td>5</td> <td>100</td> </tr> <tr> <td>Customer based experience or knowledge</td> <td>5</td> <td>100</td> </tr> <tr> <td colspan="3">Gender</td> </tr> <tr> <td>Male</td> <td>4</td> <td>80</td> </tr> <tr> <td>Female</td> <td>1</td> <td>20</td> </tr> </tbody> </table> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. This ensures that collectively, the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.</p>	<b>Table 2.4 – Balance and Diversity of the Board</b>				<b>Number of Directors</b>	<b>Proportion of Board (%)</b>	Core Competencies			Accounting or finance	3	60	Business management	5	100	Legal or corporate governance	5	100	Relevant industry knowledge or experience	2	40	Strategic planning experience	5	100	Customer based experience or knowledge	5	100	Gender			Male	4	80	Female	1	20
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Male	4	80																																				
Female	1	20																																				
2.5	Meeting of Independent Directors without Management	<p>Led by the Non-Executive Independent Chairman of the Board, Mr Foong Daw Ching and the non-executive Independent Directors discuss and/or meet at least twice a year without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Director, and chairman of such meeting provides feedback to the Board and/or Chairman as appropriate.</p> <p>The Independent Directors have met twice without the presence of Management in FY2023.</p>																																				

## REPORT ON CORPORATE GOVERNANCE

III. CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
<b>Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.</b>		
3.1	Separation of the Role of Chairman and the Chief Executive Officer ("CEO")	<p>In compliance with the Code's provisions on the clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. Mr Foong Daw Ching is the Non-Executive Independent Chairman while Miss Kwan Yu Wen is the Executive Director of the Company in FY2023.</p> <p>Mr Foong Daw Ching is not related to the Executive Director or the Management.</p> <p>The Board notes that Mr Foong Daw Ching will be retiring at the forthcoming AGM as the Non-Executive Independent Chairman of the Company. The Company will identify and appoint the Chairman of the Board in due course.</p> <p>The roles of the Chairman and the Executive Director are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.</p>
3.2	Division of responsibilities between the Chairman and the CEO	<p>The Non-Executive Independent Chairman of the Company bears the responsibility for the effective conduct and has the overall responsibility for the leadership of the Board. His key roles include:</p> <ul style="list-style-type: none"> <li>• leading the Board to ensure its effectiveness on all aspects of its roles and setting its agenda;</li> <li>• ensuring effective communication with shareholders;</li> <li>• encouraging constructive relations between the Board and the Management;</li> <li>• facilitating the effective contribution of the non-executive Directors;</li> <li>• promoting high standards of corporate governance; and</li> <li>• promoting a culture of openness and debate on the Board.</li> </ul> <p>Miss Kwan Yu Wen, the Executive Director, focuses on managing the business and operations of the Company. In particular, she drives the financial performance and spearheads the strategic development of the Company and executes the strategic plans set out by the Board. She also ensures that the Board is kept updated and informed of the Company's business and operations.</p>
3.3	Lead Independent Director	No Lead Independent Director is required to be appointed as the roles of the Chairman and CEO are separate and the Chairman is independent.

# REPORT ON CORPORATE GOVERNANCE

## IV. BOARD MEMBERSHIP

### Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

<p>4.1 4.2</p>	<p>NC Composition and Role</p>	<p>As at the date of this Annual Report, the NC comprises 4 Directors, the majority of whom, including the Chairman of the NC, are independent.</p> <p>Please refer to Provision 1.4 table above on the names of the members and the composition of the NC. The NC holds at least one meeting in each financial year.</p> <p>The NC is guided by key terms of reference as follows:</p> <p>(1) To make recommendations to the Board on relevant matters relating to:</p> <ul style="list-style-type: none"> <li>(a) review of board succession plans for Directors;</li> <li>(b) development of a process for evaluation of the performance of the Board, the Board Committees and individual Director;</li> <li>(c) review of training and professional development programs for the Board;</li> <li>(d) review and approve any new employment of related persons and proposed terms of their employment;</li> <li>(e) decide whether or not a Director is able to and has been adequately carrying out his duties as a Director; and</li> <li>(f) Board appointment and re-nominations of existing Directors for re-election in accordance with the Constitution (including alternate Directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of Directors, as to composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an Independent Director. All Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.</li> </ul>
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## REPORT ON **CORPORATE GOVERNANCE**

		<p>(2) To determine annually the independence of a Director;</p> <p>(3) To regularly review the Board’s structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;</p> <p>(4) In respect of a Director who has multiple Board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitments;</p> <p>(5) To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple Boards;</p> <p>(6) To review and conclude that the person would similarly qualify as an Independent Director before his appointment as an alternate Director to an Independent Director;</p> <p>(7) To assess:</p> <p style="padding-left: 40px;">(a) the effectiveness of the Board as a whole and its Board Committees; and</p> <p style="padding-left: 40px;">(b) the contribution by each Individual Director to the effectiveness of the Board; and</p> <p>(8) To decide how the Board’s performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders’ value.</p>
<p>4.1 4.3</p>	<p>Board Renewal &amp; Succession Planning</p>	<p>The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and succession and leadership development plans to key management personnel (“<b>KMP</b>”). Succession planning is a crucial element to the Group’s corporate governance process. The NC will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.</p>

## REPORT ON CORPORATE GOVERNANCE

4.3	Process for Selection and Appointment of New Directors	<p>The NC establishes and reviews the key criteria for the selection of Board members and makes recommendations to the Board on the appointment, re-appointment and retirement of directors.</p> <table border="1" data-bbox="563 412 1204 1535"> <thead> <tr> <th colspan="3" data-bbox="563 412 1204 473"><b>Table 4.1(a) – Process for the Selection and Appointment of New Directors</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="563 478 609 648">1.</td> <td data-bbox="613 478 762 648">Determination of selection criteria</td> <td data-bbox="766 478 1204 648">The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td> </tr> <tr> <td data-bbox="563 654 609 870">2.</td> <td data-bbox="613 654 762 870">Search for suitable candidates</td> <td data-bbox="766 654 1204 870">When there is a need to appoint a new director, whether due to retirement of a director, growth or increase in complexity of the Company's businesses, the NC and each director will try to source for suitable candidates based on their networks and contacts. External consultants may also be engaged to identify potential candidates in necessary.</td> </tr> <tr> <td data-bbox="563 875 609 1443">3.</td> <td data-bbox="613 875 762 1443">Assessment of shortlisted candidates</td> <td data-bbox="766 875 1204 1443">The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Diversity of experience and appropriate skills which are considered in the selection process include leadership, banking and finance industry experience, management expertise and knowledge in accounting, internal controls, compliance and risk management. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors.</td> </tr> <tr> <td data-bbox="563 1448 609 1535">4.</td> <td data-bbox="613 1448 762 1535">Appointment of Director</td> <td data-bbox="766 1448 1204 1535">Following the rigorous selection process, the NC would recommend the selected candidate to the Board for consideration and approval.</td> </tr> </tbody> </table> <p>The Board is also advised by the Company's sponsor, UOB Kay Hian Private Limited, on appointment of Directors as required under Catalist Rule 226(2)(d).</p> <p>The induction and orientation process for new directors is set out under Provision 1.2.</p>	<b>Table 4.1(a) – Process for the Selection and Appointment of New Directors</b>			1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.	2.	Search for suitable candidates	When there is a need to appoint a new director, whether due to retirement of a director, growth or increase in complexity of the Company's businesses, the NC and each director will try to source for suitable candidates based on their networks and contacts. External consultants may also be engaged to identify potential candidates in necessary.	3.	Assessment of shortlisted candidates	The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Diversity of experience and appropriate skills which are considered in the selection process include leadership, banking and finance industry experience, management expertise and knowledge in accounting, internal controls, compliance and risk management. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors.	4.	Appointment of Director	Following the rigorous selection process, the NC would recommend the selected candidate to the Board for consideration and approval.
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## REPORT ON CORPORATE GOVERNANCE

4.3	Process for Re-appointment of Directors	<p>All Directors submit themselves for re-nomination and re- appointment at regular intervals of at least once every three years. Article 89 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's AGM.</p> <table border="1" data-bbox="563 519 1204 1123"> <thead> <tr> <th colspan="3" data-bbox="563 519 1204 580"><b>Table 4.1(b) – Process for the Re-electing Incumbent Directors</b></th> </tr> <tr> <th data-bbox="563 580 642 617"><b>S/No</b></th> <th data-bbox="642 580 834 617"><b>Information</b></th> <th data-bbox="834 580 1204 617"><b>Frequency</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="563 617 642 949">1.</td> <td data-bbox="642 617 834 949">Assessment of Director</td> <td data-bbox="834 617 1204 949"> <ul style="list-style-type: none"> <li>• The NC would assess performance of the Director in accordance with the performance criteria set by the Board, which included, inter-alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness; and</li> <li>• Individual assessment of each Director is undertaken annually.</li> </ul> </td> </tr> <tr> <td data-bbox="563 949 642 1123">2.</td> <td data-bbox="642 949 834 1123">Re-appointment of Director</td> <td data-bbox="834 949 1204 1123"> <ul style="list-style-type: none"> <li>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.</li> </ul> </td> </tr> </tbody> </table> <p>In addition, Article 88 of the Company's Constitution stipulates that a Director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, he/she is subject to be re-appointed at least once every three years at the Company's AGM.</p> <p>Prior to each AGM, the Company Secretary informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these Directors after taking into account various factors such as their attendance, participation, contribution, expertise and competing time commitments.</p> <p>At the forthcoming AGM of the Company, Mr Kwan Chee Seng and Miss Kwan Yu Wen (collectively, the "<b>Retiring Directors</b>") will retire and submit themselves for re-election pursuant to Article 89 of the Company's Constitution. The Retiring Directors have offered themselves for re-election. The Board has accepted the recommendation of the NC.</p>	<b>Table 4.1(b) – Process for the Re-electing Incumbent Directors</b>			<b>S/No</b>	<b>Information</b>	<b>Frequency</b>	1.	Assessment of Director	<ul style="list-style-type: none"> <li>• The NC would assess performance of the Director in accordance with the performance criteria set by the Board, which included, inter-alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness; and</li> <li>• Individual assessment of each Director is undertaken annually.</li> </ul>	2.	Re-appointment of Director	<ul style="list-style-type: none"> <li>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.</li> </ul>
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## REPORT ON **CORPORATE GOVERNANCE**

		<p>It was further noted that Mr Foong Daw Ching who has served for a period exceeding nine years from the date of his first appointment on 26 March 2012 and no longer be deemed independent pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, will be retiring upon the conclusion of the forthcoming AGM to facilitate board's renewal.</p> <p>In making the recommendations, the NC had considered the Directors' overall contribution and performance.</p> <p>Mr Kwan Chee Seng will, upon re-election as a Director, remain as a Non-Executive Director of the Company and a member of the NC. Miss Kwan Yu Wen will, upon re-election as a Director, remain as an Executive Director of the Company.</p> <p>The shareholdings of the individual Directors of the Company are set out on page 84. None of the Directors hold shares in the subsidiaries of the Company. Other information such as the experience and the professional qualifications of the Directors are set out on pages 13 and 14.</p> <p>Information relating to the Directors who are seeking re-appointment at the forthcoming AGM to be held on 25 April 2024 will be stated in the Notice of AGM.</p>
4.4	Continuous Review of Directors' Independence	<p>The NC is charged with determining the independence of the Directors as set out under Provision 2.1 above.</p> <p>The Board, after taking into consideration the views of the NC, is of the view that Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong are independent and that, no individual or small group of individual dominates the Board's decision-making process.</p> <p>During FY2023, the Company did not have any alternate Directors.</p>

## REPORT ON **CORPORATE GOVERNANCE**

4.5	Directors' Time Commitment	<p>The NC ensures that new Directors are aware of their duties and obligations.</p> <p>The Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company. As part of the review process, the NC decides on the commitment level of the director and whether he/she has been able to adequately carry out the responsibilities required of him/her as a director. The NC has also adopted several measures that seek to address the competing time commitments that may be faced when a director holds multiple board appointments.</p> <p>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2023.</p> <p>The NC has fixed a maximum limit of 5 on the number of directorships a Director can hold in publicly listed companies.</p> <p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>• Expected and/or competing time commitments of Directors;</li> <li>• Attendance at meetings;</li> <li>• Geographical location of Directors;</li> <li>• Size and composition of the Board; and</li> <li>• Nature and scope of the Group's operations and size.</li> </ul>
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## REPORT ON CORPORATE GOVERNANCE

		<p>The key information of the Directors of the Company, including their appointment dates and directorships held in the past 3 years, are set out as below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Designation</th> <th rowspan="2">Date of initial appointment</th> <th rowspan="2">Date of last re-election/ re-appointment</th> <th colspan="2">Directorship in other listed companies</th> </tr> <tr> <th>Current</th> <th>Past 3 Years</th> </tr> </thead> <tbody> <tr> <td>Foong Daw Ching</td> <td>Non-Executive Independent Chairman</td> <td>26 March 2012</td> <td>27 April 2021</td> <td>(1) Travelite Holdings Ltd. (2) Suntar Eco-City Limited</td> <td>ayondo Ltd (delisted from the Singapore Exchange)</td> </tr> <tr> <td>Kwan Yu Wen</td> <td>Executive Director</td> <td>21 December 2020</td> <td>27 April 2022</td> <td>Nil</td> <td>GRP Limited</td> </tr> <tr> <td>Kwan Chee Seng</td> <td>Non-Executive Director</td> <td>18 February 2016</td> <td>27 April 2022</td> <td>GRP Limited</td> <td>Nil</td> </tr> <tr> <td>Tan Chade Phang</td> <td>Independent Director</td> <td>18 February 2016</td> <td>24 April 2023</td> <td>(1) OUE Lippo Healthcare Limited (2) Y Ventures Group Ltd. (3) SMI Vantage Limited (4) Tritech Group Limited</td> <td>(1) Camsing Healthcare Limited (2) TH Limited (3) REVEZ Corporation Ltd.</td> </tr> <tr> <td>Lim See Yong</td> <td>Independent Director</td> <td>1 July 2019</td> <td>24 April 2023</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Name of Director	Designation	Date of initial appointment	Date of last re-election/ re-appointment	Directorship in other listed companies		Current	Past 3 Years	Foong Daw Ching	Non-Executive Independent Chairman	26 March 2012	27 April 2021	(1) Travelite Holdings Ltd. (2) Suntar Eco-City Limited	ayondo Ltd (delisted from the Singapore Exchange)	Kwan Yu Wen	Executive Director	21 December 2020	27 April 2022	Nil	GRP Limited	Kwan Chee Seng	Non-Executive Director	18 February 2016	27 April 2022	GRP Limited	Nil	Tan Chade Phang	Independent Director	18 February 2016	24 April 2023	(1) OUE Lippo Healthcare Limited (2) Y Ventures Group Ltd. (3) SMI Vantage Limited (4) Tritech Group Limited	(1) Camsing Healthcare Limited (2) TH Limited (3) REVEZ Corporation Ltd.	Lim See Yong	Independent Director	1 July 2019	24 April 2023	Nil	Nil
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### V. Board Performance

#### Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

5.1 5.2	<p>Board Evaluation Process</p> <p>Chairman Evaluation</p> <p>Individual Director Evaluation</p>	<p>The NC implements annual assessment for the evaluation of the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director.</p> <p>During the financial year, all Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. To ensure confidentiality, the completed evaluation forms are submitted to the Company Secretary for collation. The consolidated responses are presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2023, the Board is of the view that the Board has met its performance objectives and the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.</p> <p>The Board has not engaged any external consultant to assess the performance of the Board, and its Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.</p>
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## REPORT ON CORPORATE GOVERNANCE

	Board Evaluation Criteria	<p>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:</p> <table border="1" data-bbox="563 463 1208 1040"> <thead> <tr> <th colspan="3" data-bbox="563 463 1208 500">Table 5: Board Performance Criteria</th> </tr> <tr> <th data-bbox="563 500 724 565">Performance Criteria</th> <th data-bbox="724 500 968 565">Board and Board Committees</th> <th data-bbox="968 500 1208 565">Individual Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 565 724 925">Qualitative</td> <td data-bbox="724 565 968 925">                     a. Size and composition                      b. Information to the Board                      c. Board procedures                      d. Strategic planning and accountability                      e. Attendance record at meetings                 </td> <td data-bbox="968 565 1208 925">                     1. Commitment of time                      2. Knowledge and abilities                      3. Teamwork                      4. Independence                      5. Overall effectiveness                 </td> </tr> <tr> <td data-bbox="563 925 724 1040">Quantitative</td> <td data-bbox="724 925 968 1040">                     a. Financial reporting                      b. Performance measurements                 </td> <td data-bbox="968 925 1208 1040">                     1. Attendance at Board and Board Committee meetings                 </td> </tr> </tbody> </table>	Table 5: Board Performance Criteria			Performance Criteria	Board and Board Committees	Individual Directors	Qualitative	a. Size and composition b. Information to the Board c. Board procedures d. Strategic planning and accountability e. Attendance record at meetings	1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence 5. Overall effectiveness	Quantitative	a. Financial reporting b. Performance measurements	1. Attendance at Board and Board Committee meetings
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### VI. REMUNERATION MATTERS

**Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.**

6.1 6.2 6.3 6.4	RC Composition and Role	<p>As at the date of this Annual Report, the RC comprises three Directors, all of whom including the Chairman of the RC, are independent.</p> <p>Please refer to Provision 1.4 table above on the names of the members and the composition of RC.</p> <p>The RC is guided by key terms of reference as follows:</p> <p>(a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel, as well as specific remuneration packages for each Director and key management personnel of the Company;</p>
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## REPORT ON CORPORATE GOVERNANCE

		<p>(b) to review annually the remuneration of the key management personnel and Director including the terms of renewal for their service agreements;</p> <p>(c) to consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;</p> <p>(d) to review the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance;</p> <p>(e) to review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate and commercially competitive to attract, retain and motivate (i) the Directors to provide good stewardship of the Company; and (ii) key management personnel to successfully manage the Company;</p> <p>(f) to review and consider whether Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive Director and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability;</p> <p>(g) the RC's recommendations should be submitted for endorsement by the entire Board; and</p> <p>(h) to oversee the administration of any performance share plans (as may be implemented by the Company from time to time) upon the terms of reference as defined in the said plan.</p> <p>The Board has not engaged any external remuneration consultant to advise on remuneration matters.</p>
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## REPORT ON CORPORATE GOVERNANCE

VII. LEVEL AND MIX OF REMUNERATION		
<p><b>Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.</b></p>		
7.1 7.3	Remuneration of Executive Directors and KMPs	<p>In determining the level of remuneration, the RC shall ensure that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management in order to promote the long-term success of the Company.</p> <p>The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>Having reviewed and considered the variable components of the Executive Director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.</p> <p>In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.</p>
7.2	Remuneration of Non-Executive Directors	<p>For Non-Executive Directors, their remuneration comprises mainly director's fees. When reviewing the structure and level of directors' fees, the RC takes into consideration the directors' respective roles and responsibilities in the Board and Board Committees. Each of the directors receives a base director's fee. The Board Chairman receives an additional fee to reflect his expanded responsibilities. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairman of the Board Committees receiving a higher fee in respect of their responsibilities and services as chairman of the respective committees.</p> <p>The Board concurred with the RC that the proposed Non-Executive Directors' fees are appropriate and that the Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.</p> <p>Non-Executive Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.</p>

REPORT ON **CORPORATE GOVERNANCE****VIII. Disclosure on Remuneration**

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

8.1 8.2 8.3	Remuneration Criteria	<p>The Company's remuneration policy comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2023. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:</p> <table border="1" data-bbox="563 912 1205 1378"> <thead> <tr> <th colspan="3" data-bbox="563 912 1205 949"><b>Table 8.1 – Performance Conditions for Remuneration</b></th> </tr> <tr> <th data-bbox="563 949 746 1068"><b>Performance Conditions</b></th> <th data-bbox="746 949 975 1068"><b>Short-term Incentives (such as performance bonus)</b></th> <th data-bbox="975 949 1205 1068"><b>Long-term Incentives (such as performance share plans)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1068 746 1258">Qualitative</td> <td data-bbox="746 1068 975 1258"> <ol style="list-style-type: none"> <li>1. Leadership</li> <li>2. People development</li> <li>3. Commitment</li> <li>4. Teamwork</li> </ol> </td> <td data-bbox="975 1068 1205 1258"> <ol style="list-style-type: none"> <li>1. Leadership</li> <li>2. People development</li> <li>3. Commitment</li> <li>4. Teamwork</li> </ol> </td> </tr> <tr> <td data-bbox="563 1258 746 1378">Quantitative</td> <td data-bbox="746 1258 975 1378"> <ol style="list-style-type: none"> <li>1. Relative financial performance of the Group to its industry peers.</li> </ol> </td> <td data-bbox="975 1258 1205 1378"> <ol style="list-style-type: none"> <li>1. Relative financial performance of the Group to its industry peers.</li> </ol> </td> </tr> </tbody> </table> <p>The RC has reviewed and is satisfied that the performance conditions were met in FY2023.</p>	<b>Table 8.1 – Performance Conditions for Remuneration</b>			<b>Performance Conditions</b>	<b>Short-term Incentives (such as performance bonus)</b>	<b>Long-term Incentives (such as performance share plans)</b>	Qualitative	<ol style="list-style-type: none"> <li>1. Leadership</li> <li>2. People development</li> <li>3. Commitment</li> <li>4. Teamwork</li> </ol>	<ol style="list-style-type: none"> <li>1. Leadership</li> <li>2. People development</li> <li>3. Commitment</li> <li>4. Teamwork</li> </ol>	Quantitative	<ol style="list-style-type: none"> <li>1. Relative financial performance of the Group to its industry peers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Relative financial performance of the Group to its industry peers.</li> </ol>
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## REPORT ON CORPORATE GOVERNANCE

Remuneration of Directors	<p>The breakdown for the remuneration of the Directors for FY2023 is as follows:</p> <table border="1" data-bbox="563 384 1208 838"> <thead> <tr> <th colspan="6">Table 8.3 (a) – Directors’ Remuneration</th> </tr> <tr> <th>Name</th> <th>Salary<sup>(1)</sup> (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Directors’ Fees (SGD)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Between S\$200,000 to S\$250,000</td> </tr> <tr> <td>Kwan Yu Wen</td> <td>76</td> <td>24</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td colspan="6">Below S\$100,000</td> </tr> <tr> <td>Foong Daw Ching</td> <td>–</td> <td>–</td> <td>–</td> <td>41,740</td> <td>100</td> </tr> <tr> <td>Tan Chade Phang</td> <td>–</td> <td>–</td> <td>–</td> <td>41,740</td> <td>100</td> </tr> <tr> <td>Lim See Yong</td> <td>–</td> <td>–</td> <td>–</td> <td>36,520</td> <td>100</td> </tr> <tr> <td>Kwan Chee Seng</td> <td>–</td> <td>100</td> <td>–</td> <td>–</td> <td>100</td> </tr> </tbody> </table>	Table 8.3 (a) – Directors’ Remuneration						Name	Salary <sup>(1)</sup> (%)	Bonus (%)	Benefits-in-kind (%)	Directors’ Fees (SGD)	Total (%)	Between S\$200,000 to S\$250,000						Kwan Yu Wen	76	24	–	–	100	Below S\$100,000						Foong Daw Ching	–	–	–	41,740	100	Tan Chade Phang	–	–	–	41,740	100	Lim See Yong	–	–	–	36,520	100	Kwan Chee Seng	–	100	–	–	100
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Remuneration of key management personnel	<p>The breakdown for the remuneration of the Company’s key executive officers (who are not Directors or the CEO) for FY2023 is as follows:</p> <table border="1" data-bbox="563 957 1208 1437"> <thead> <tr> <th colspan="5">Table 8.3 (b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th>Name</th> <th>Salary<sup>(1)</sup> (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5">Between S\$100,000 to S\$200,000</td> </tr> <tr> <td>Loh Yook Mun, Ivanna</td> <td>61</td> <td>39</td> <td>–</td> <td>100</td> </tr> <tr> <td>Lim Aik Teong, Richard</td> <td>60</td> <td>40</td> <td>–</td> <td>100</td> </tr> <tr> <td>Toh Wei Shieng</td> <td>76</td> <td>24</td> <td>–</td> <td>100</td> </tr> <tr> <td>Luo Deng Xiao</td> <td>86</td> <td>14</td> <td>–</td> <td>100</td> </tr> <tr> <td colspan="5">Below S\$100,000</td> </tr> <tr> <td>Pang Chee Chong<sup>(2)</sup></td> <td>60</td> <td>40</td> <td>–</td> <td>100</td> </tr> </tbody> </table> <p>Note:</p> <p>(1) The salary amounts shown are inclusive of Central Provident Fund and other statutory contributions.</p> <p>(2) Mr Pang Chee Chong was appointed as the Chief Executive Officer of Funded Here Pte. Ltd. on 11 May 2023.</p>	Table 8.3 (b) – Remuneration of Key Management Personnel					Name	Salary <sup>(1)</sup> (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)	Between S\$100,000 to S\$200,000					Loh Yook Mun, Ivanna	61	39	–	100	Lim Aik Teong, Richard	60	40	–	100	Toh Wei Shieng	76	24	–	100	Luo Deng Xiao	86	14	–	100	Below S\$100,000					Pang Chee Chong <sup>(2)</sup>	60	40	–	100									
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## REPORT ON CORPORATE GOVERNANCE

		<p>The Company has 5 key management personnel as at 31 December 2023. There were no termination, retirement and post-employment benefits granted to 5 key management personnel in FY2023.</p> <p>For competitive reasons and in view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interest of the Group not to disclose the exact remuneration of the Executive Director and key management personnel in the Annual Report for FY2023.</p> <p>The total remuneration paid to the Executive Director and the 5 key management personnel for FY2023 was S\$1,047,828.</p>
	Remuneration of immediate family members of CEO, Directors or substantial shareholder (remuneration amount exceeded \$100,000 in FY2023)	There was no employee of the Group who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in FY2023.
	Please provide details of the employee share scheme(s).	Since the Company's last performance share plan expired on 10 April 2022, no new performance share plans have been put in place. The Company will look to implement a new performance share plan as and when necessary.

### IX. ACCOUNTABILITY AND AUDIT

#### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

9.1	Risks management and internal controls	<p>The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls. In addition, the Board sets and instils the right risk-focused culture throughout the Group for effective risk management.</p>
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## REPORT ON **CORPORATE GOVERNANCE**

		<p>As at the date of this Annual Report, the RMC comprises 3 Directors, all of whom including the Chairman of the RMC, are independent. Please refer to Provision 1.4 table above on the names of the members and the composition of the RMC.</p> <p>The RMC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.</p> <p>Management highlights and discusses (if any) salient risk management matters to the Board on a half-yearly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. Internal audit is outsourced to a third-party professional firm.</p>
9.2	Assurance from the CEO, Chief Financial Officer ("CFO") and KMPs	<p>The Board has received assurance from the Executive Director and Financial Controller ("FC") that the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Company's operations and finances and the Company's risk management and internal control systems are adequate and effective.</p> <p>In addition, based on the work performed by the Internal Auditor ("IA") and External Auditor ("EA"), the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2023.</p>
<b>X. Audit Committee</b>		
<b>Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.</b>		
10.1 10.2 10.3	AC Composition and Role	<p>As at the date of this Annual Report, the AC comprises three Non-Executive Directors, all of whom including the Chairman of the AC are independent. Please refer to Provision 1.4 table above on the names of the members and the composition of the AC.</p> <p>The Chairman of the AC, Mr Foong Daw Ching, was the former Managing Partner of Baker Tilly TFW LLP and Regional Chairman of Baker Tilly International Asia Pacific. The other two members of the AC also have extensive and practical expertise in accounting, financial management, corporate finance and law. The Board is of the view that the AC members have recent and relevant accounting or related financial management expertise or experience and are appropriately qualified to discharge their responsibilities, including the principal responsibilities of the AC.</p>

## REPORT ON **CORPORATE GOVERNANCE**

		<p>In addition, the AC are continuously briefed and updated by the EA on the changes or amendments to the accounting standards which have a direct impact on the financial statements.</p> <p>None the members of the AC (i) is a former partner or Director of the Company's existing auditing firm or auditing corporation within the previous two years and/or (ii) holds any financial interest in the auditing firm or auditing corporation.</p> <p>The duties and roles of the AC are guided by the following key terms of reference:</p> <ul style="list-style-type: none"> <li>(a) to review the financial statements and results announcement before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risks areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements;</li> <li>(b) to review with the EA their audit plan including the nature and scope of the audit, their evaluation of the system of internal controls, their audit report, their management letter and the management's response;</li> <li>(c) to review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the EA. Where the EA also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the EA would not be affected;</li> <li>(d) to make recommendation to the Board on the proposals to the shareholder on the appointment or re-appointment of the EA and matters relating to resignation or removal of the EA, and approving the remuneration and terms of engagement of the EA;</li> <li>(e) to review with the IA their internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval and its assessment in relation to the adequacy of internal controls prior to the incorporation of such results in the Annual Report;</li> </ul>
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## REPORT ON **CORPORATE GOVERNANCE**

		<ul style="list-style-type: none"> <li>(f) to review the internal control and procedures and ensure co-ordination between the Management and each of the EA and IA, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and/or final audits, and any matters which the IA and EA may wish to discuss in the absence of Management where necessary;</li> <li>(g) to review and discuss with any professional, including the Company's sponsor, the EA and IA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position with Management's response.</li> <li>(h) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;</li> <li>(i) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules as may be amended from time to time and such other rules and regulations under the Catalist Rules that may be applicable in relation to such matters from time to time;</li> <li>(j) to review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;</li> <li>(k) to conduct periodic review of hedging policies (if any) undertaken by the Group;</li> <li>(l) to review the Group's compliance with such functions and duties as may be required under the relevant statutes and regulations or the Catalist Rules, including such amendments made thereto from time to time;</li> <li>(m) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;</li> <li>(n) to review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the Annual Report of the Company or, where the findings are material, to announce such material findings immediately via SGXNET;</li> </ul>
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## REPORT ON **CORPORATE GOVERNANCE**

		<p>(o) to review and sight at least annually all resignation and authorisation letters of the legal representatives of the Company's subsidiaries in People's Republic of China which have been signed in advance and such letters shall be held in custody by the Company Secretaries;</p> <p>(p) to ensure effective co-ordination where more than one audit firm is involved;</p> <p>(q) to investigate any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;</p> <p>(r) to commission an annual internal controls audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any), and prior to the decommissioning of such annual internal controls audit, the Board is required to report to the SGX-ST and the Company's sponsor on how the key internal control weaknesses have been rectified, and the basis for the AC's decision to decommission the annual internal controls audit;</p> <p>(s) to review the adequacy and effectiveness of the internal audit function and to ensure that it is adequately resourced and has appropriate standing within the Company. The internal audit function should be staffed with persons with the relevant qualifications and experience. The IA should carry out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Executive Director;</p> <p>(t) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The IA should have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC;</p>
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## REPORT ON **CORPORATE GOVERNANCE**

		<ul style="list-style-type: none"> <li>(u) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance (or its equivalent rank), the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA;</li> <li>(v) to review the whistle-blowing policy and procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;</li> <li>(w) to ensure that if different auditors are appointed for its subsidiaries or significant associated companies, such appointment would not compromise the standard and effectiveness of the audit of the Company;</li> <li>(x) to review the policy and arrangement by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;</li> <li>(y) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;</li> <li>(z) to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;</li> <li>(aa) to review with the EA the impact of any new or proposed changes in accounting policies or regulatory requirements on the financial statements of the Group;</li> <li>(bb) to assess whether the person to be appointed FC (or its equivalent rank) does have the competence, character and integrity expected of a FC (or its equivalent rank) of a listed issuer;</li> <li>(cc) to review the co-operation given by the management to the EA;</li> </ul>
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## REPORT ON **CORPORATE GOVERNANCE**

		<p>(dd) to meet with the EA and IA without the presence of the Management at least once a year;</p> <p>(ee) to review the performance of Executive Director/FC on an annual basis to ensure satisfactory performance;</p> <p>(ff) to review filings with the SGX-ST or other regulatory bodies which contain the Group's financial statements and ensure proper disclosure; and</p> <p>(gg) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position.</p> <p>The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.</p>
10.1 10.4	Financial Reporting Matters	<p>The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects.</p> <p>The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Independent Directors in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.</p>

## REPORT ON **CORPORATE GOVERNANCE**

	<p>Management provides appropriately detailed management accounts of the Group's performance on a half-yearly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group.</p> <p><u>AC comments on the auditor's report</u></p> <p>The AC met with the EA to discuss the audit findings as well as their audit.</p> <p>The management has made significant judgements relating to significant estimates in the financial statements. These also required the making of assumptions regarding uncertain future events including those relating to the estimation of the net realisable value of development properties and properties held for sale. The financial reporting matters that required significant judgements and estimates are fully described in Note 3 to the accompanying financial statements.</p> <p>The AC also considered the key audit matters ("<b>KAMs</b>") reported by the EA. The KAM relates to impairment assessment of trade receivables.</p> <p>The AC and the EA discussed these KAMs, their reason for justifying them as KAMs and the approach they took in their audit of these account balances. The AC also concurs with the basis and conclusions included in the independent auditor's report with respect to these KAMs.</p>
Internal Controls & Regulatory Compliance	<p>The AC evaluates the findings of the EA and IA on the Group's internal controls annually.</p> <p>Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.</p>

## REPORT ON CORPORATE GOVERNANCE

		Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and FC, as well as reviews performed by management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2023.															
	External Audit	<p>The AC notes that there was no non-audit services provided by the EA and its affiliates for FY2023 and has recommended the re-appointment of the EA at the forthcoming AGM.</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2023</b></th> </tr> <tr> <th></th> <th><b>S\$</b></th> <th><b>% of total</b></th> </tr> </thead> <tbody> <tr> <td>Audit Fees</td> <td>157,321</td> <td>100</td> </tr> <tr> <td>Non-audit fees</td> <td>–</td> <td>–</td> </tr> <tr> <td>Total</td> <td>157,321</td> <td>100</td> </tr> </tbody> </table> <p>The AC reviews the independence of the EA annually and is of the opinion that the EA is independent for the purpose of the Group's statutory audit. The EA has also provided confirmation on their independency.</p> <p>The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its EA.</p>	<b>Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2023</b>				<b>S\$</b>	<b>% of total</b>	Audit Fees	157,321	100	Non-audit fees	–	–	Total	157,321	100
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Non-audit fees	–	–															
Total	157,321	100															
	Internal Audit	<p>The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company' assets. The Company has outsourced its internal audit functions of the Group to Yang Lee &amp; Associates ("YLA") to perform the review and test of controls of its processes.</p> <p>YLA reports directly to the AC and responsible for assessing the reliability, adequacy and effectiveness of the system of internal controls are in place to protect the fund and assets of the Group to ensure control procedures are complied with, assessing the operations of the business processes under review are conducted efficiently and effectively and identifying and recommending improvements to internal control procedures, where required. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p>															

## REPORT ON **CORPORATE GOVERNANCE**

		<p>The AC would review and approve the internal audit plan on an annual basis and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group given its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.</p> <p>The AC has reviewed the internal audit reports and its evaluation of the system of internal controls, their audit findings and the management's response to those findings for FY2023. The AC is satisfied that the internal audit functions have been adequately carried out.</p>
	Whistle blowing Policy	<p>The Company has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are to be sent to the AC Chairman via email at <a href="mailto:whistleblow@luminorfinancialholdings.com">whistleblow@luminorfinancialholdings.com</a>.</p> <p>Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference. New staff are briefed on the policy during the orientation programme.</p> <p>The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its meetings to ensure independent thorough investigation and appropriate follow-up actions are taken. The Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith.</p> <p>During FY2023, there was no incident of concern reported to the AC.</p>
10.5	Meeting Auditors without the Management	<p>The AC has met with the IA and the EA in the absence of key management personnel twice during FY2023.</p>

# REPORT ON CORPORATE GOVERNANCE

## XI. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

11.1 11.2 11.3	Conduct of General Meetings	<p>The Company strongly encourages and supports shareholder attendance and participation at its AGMs. The Company publishes the notice of the AGM on SGXNET and on the Company's website at <a href="https://www.luminorfinancialholdings.com">https://www.luminorfinancialholdings.com</a> (the "<b>Corporate Website</b>") at least 14 days ahead of the AGM to provide ample time for shareholders to receive and review the notice. Shareholders are also informed of the AGM through notice published in newspaper as well as through the notice of the AGM despatched to them.</p> <p>All the directors and senior management attend general meetings of shareholders to address queries and concerns about the Company. The Company's external auditors are also invited to attend the AGM to assist the directors to address shareholders' queries that are related to the conduct of the audit and the preparation and content of the auditors' reports. All directors, including the Chairman of the Board and Executive Director attended the last AGM held in FY2022.</p> <p>The Constitution allows for absentia voting (including but not limited to voting by mail, electronic email or facsimile). However, the Board does not implement absentia voting until issues on security and integrity are satisfactorily resolved.</p> <p>At general meetings, separate resolutions are set out on distinct issues for approval by shareholders. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. All resolutions at the Company's general meetings will be voted on by way of poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. The Company Secretary is present to brief the attendees on the rules governing the general meetings, including voting procedures, upon request by the shareholders. The proceedings of the general meetings are properly recorded, including all comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management.</p> <p>The Company addresses the substantial and relevant questions from the Securities Investors Association (Singapore) and shareholders (if any) before the AGM by electronic means via publication on the Company's website and the SGXNET.</p> <p>The Company is committed to maintaining high standards of corporate disclosure and transparency.</p>
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## REPORT ON **CORPORATE GOVERNANCE**

11.4	Shareholders' Participation	<p>The Company supports active shareholder participation at general meetings. Annual Reports are issued to all shareholders at least 14 days before the scheduled AGM date. All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions.</p> <p>For greater transparency, the Company conducts the voting of all the resolutions tabled at the AGM by poll. Shareholders are briefed on the voting process and vote tabulation procedures prior to the meeting. Independent scrutineers are appointed to count and validate the votes at the AGM. Votes cast for and against each resolution and the respective percentages on each resolution are announced and displayed. The results of the AGM are also released via SGXNET on the same day.</p> <p>If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders to appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.</p>
11.5	Minutes of General Meetings	<p>All minutes of general meetings will be published on the Company's website and SGXNet within one month from the general meetings. In FY2023, all minutes of general meetings were made available by electronic means via publication on the Company's website and SGXNET.</p>
11.6	Dividend Policy	<p>The Company does not have a formal dividend policy. The form, frequency and amount of future dividends on the shares will depend on the Company's level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and other investment plans and restrictions on payment of dividends imposed by financial arrangements (if any).</p> <p>The Company is not recommending any dividend for FY2023. The Company will preserve its cash balances for continued expansion in the financial solutions business in Malaysia.</p>

## REPORT ON CORPORATE GOVERNANCE

### XII. ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

12.1 12.2 12.3	Disclosure of information on timely basis	The Company has in place an Investor Relations Policy which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company is committed to maintaining high standards of disclosure and corporate transparency. The Company provides consistent, relevant and timely information regarding the Group's performance with the fundamental aim of assisting our shareholders and investors in their investment decision-making.
	Investor Relations Practices	<p>Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various means of communication as follows:</p> <ol style="list-style-type: none"> <li>1. Announcements including periodic announcements of financial results, price sensitive information, significant transactions or other announcements or press release through SGXNET;</li> <li>2. Annual Reports and notices of general meetings issued to all shareholders;</li> <li>3. Company's general meetings;</li> <li>4. Corporate website of the Company; and</li> <li>5. Presentations to the investment community and analysts.</li> </ol> <p>The Company's investor relations function is led by the Executive Director, who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media.</p> <p>Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website. Shareholders may also direct queries to <a href="mailto:investor@luminorfinancialholdings.com">investor@luminorfinancialholdings.com</a>.</p>



## REPORT ON CORPORATE GOVERNANCE

### XIII. MANAGING STAKEHOLDERS RELATIONSHIPS

#### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

<p>13.1 13.2</p>	<p>Stakeholders' Engagement</p>	<p>The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Company's business and operations. Six stakeholder groups have been identified through an assessment of their significance to the business operations. They are namely, suppliers, customers, employees, community, investors and regulators.</p> <p>The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.</p> <p>More details on Company's approach to stakeholder engagement and materiality assessment are disclosed on pages 60 to 82 of this Annual Report.</p> <p>Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.</p> <p>Please refer to the Sustainability Report on pages 60 to 82 of this Annual Report for further details.</p>
<p>13.3</p>	<p>Corporate Website</p>	<p>All material information on the performance and development of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the periodic financial results are available on the Company's website <a href="http://www.luminorfinancialholdings.com">www.luminorfinancialholdings.com</a>. The corporate website, which is updated regularly contains various information on the Company which serves as an important resource for investors and all stakeholders.</p>

## REPORT ON CORPORATE GOVERNANCE

<b>XIV. COMPLIANCE WITH APPLICABLE CATALIST RULES</b>		
<b>Catalist Rule</b>	<b>Rule Description</b>	<b>Company's Compliance or Explanation</b>
711A and 711B	Sustainability Reporting	Our annual sustainability report is prepared with reference to the Global Reporting Initiative Standards and Task Force on Climate-Related Financial Disclosures framework. More details and information can be found on pages 79 to 82.
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance with the Catalist Rules 712 and 715 in the appointment of its auditors.
1204(8)	Material Contracts	<p>The Company entered into a S\$8,000,000 shareholder loan agreement 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, 9 November 2023 and 29 February 2024.</p> <p>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 drawdown or longer period as may be requested by the Company. The loan facility has been extended for a further 12 months until 28 February 2025. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcement made on 30 August 2022, 8 April 2023, 30 August 2023 and 29 February 2024.</p> <p>Save for the above, there are no other material contracts entered into by the Company or any Director or controlling shareholder of the Company, either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.</p>

## REPORT ON **CORPORATE GOVERNANCE**

1204(10)	Confirmation of adequacy of internal controls	Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and Financial Controller as well as reviews performed by Management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2023.
1204(10C)	AC's comment on Internal Audit Function	<p>The Company internal audit function is outsourced to Yang Lee &amp; Associates ("<b>YLA</b>"). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies in distribution, manufacturing, services, food &amp; beverage, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.</p> <p>The IA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out its internal audit review.</p> <p>The IA reports directly to the AC and the AC approves its appointment, evaluation, termination and remuneration. The IA has full access to the Company's documents, records, properties and personnel, including the AC, and have appropriate standing within the Company.</p> <p>The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function. The IA completed one review during the financial year ended 31 December 2023 in accordance with the risk-aligned internal audit plan approved by the AC. The AC approved the internal audit report and the Management has adopted key recommendations of the IA as set out in the internal audit report.</p> <p>The AC has reviewed and is satisfied that the internal audit function is independent, adequately resourced and effective.</p>

REPORT ON **CORPORATE GOVERNANCE**

1204(17)	Interested Persons Transaction (“IPT”)	<p>The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.</p> <p>IPTs with value of S\$100,000 or more entered into during FY2023 are as follows:</p> <table border="1" data-bbox="563 543 1205 1677"> <thead> <tr> <th data-bbox="563 543 793 818">Name of interested person</th> <th data-bbox="798 543 1005 818">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)</th> <th data-bbox="1011 543 1205 818">Aggregated value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 826 793 972">GRP Limited<sup>(1)</sup> Estimated management fee expense paid to GRP Limited, the former ultimate holding company of the Group.</td> <td data-bbox="798 826 1005 972">S\$175,000</td> <td data-bbox="1011 826 1205 972">–</td> </tr> <tr> <td data-bbox="563 979 793 1332"> <u>Kwan Chee Seng (“Mr Kwan”)</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.         </td> <td data-bbox="798 979 1005 1332">S\$260,000</td> <td data-bbox="1011 979 1205 1332">–</td> </tr> <tr> <td data-bbox="563 1339 793 1646"> <u>Van Der Horst Holdings Pte Ltd (“VDH”)<sup>(2)</sup></u>            a) Interest expense on shareholder loan granted by VDH to the Company as extended to 30 August 2023.             b) Interest expense on shareholder loan granted by VDH to the Company as extended to 29 February 2024.         </td> <td data-bbox="798 1339 1005 1646">S\$97,500</td> <td data-bbox="1011 1339 1205 1646">–</td> </tr> <tr> <td data-bbox="563 1653 793 1677"><u>Total</u></td> <td data-bbox="798 1653 1005 1677">S\$890,000</td> <td data-bbox="1011 1653 1205 1677">–</td> </tr> </tbody> </table>	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)	GRP Limited <sup>(1)</sup> Estimated management fee expense paid to GRP Limited, the former ultimate holding company of the Group.	S\$175,000	–	<u>Kwan Chee Seng (“Mr Kwan”)</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.	S\$260,000	–	<u>Van Der Horst Holdings Pte Ltd (“VDH”)<sup>(2)</sup></u> a) Interest expense on shareholder loan granted by VDH to the Company as extended to 30 August 2023.  b) Interest expense on shareholder loan granted by VDH to the Company as extended to 29 February 2024.	S\$97,500	–	<u>Total</u>	S\$890,000	–
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)															
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<u>Total</u>	S\$890,000	–															

## REPORT ON **CORPORATE GOVERNANCE**

		<p>Notes:</p> <p>(1) GRP Limited is an associate of Mr Kwan as Mr Kwan holds 35.55% of the total number of issued ordinary shares in GRP Limited as at the date of this annual report. Mr Kwan is also the Non-Executive Director of GRP Limited as at the date of this annual report.</p> <p>(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 annual report.</p> <p>The Group does not have a general mandate for IPT.</p>
1204(19)	Dealing in Securities	In line with Catalist Rule 1204(19) on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results. In addition, the Company, Directors and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2023.
1204(22)	Use of Proceeds	There were no outstanding proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

# SUSTAINABILITY REPORT

## BOARD STATEMENT

Luminor Financial Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to present our seventh Sustainability Report. The Group considers environmental, social and governance (“**ESG**”) issues to be of increasing importance and one of the priorities of the Group’s business strategies.

Our defined material matters have been grouped under three pillars: *Creating Stakeholder Value, Upholding our Company Values and Protecting our Environment*. Categorising the material factors as such allows us to better integrate our sustainability endeavours within the Group’s everyday operations.

Our Sustainability Committee continues to support the Board in overseeing the management and monitoring of these factors. In this report, we continue to present the progress of our sustainability efforts and the next phase of our journey towards achieving sustainable growth and creating sustainable value for our stakeholders.

## ABOUT THIS REPORT

Description	Notes and Reference
Reporting period	1 January 2023 to 31 December 2023
Reporting cycle	Annual
Reporting framework and source of reference	This report is prepared with reference to the Global Reporting Initiative (“ <b>GRI</b> ”) Standards. The GRI Standards were adopted by the Group as it is the most established and widely used international sustainability reporting standard. The disclosure principles and performance metrics provided by GRI are useful for the Group to communicate the progress and impact of our ESG efforts with our stakeholders. The climate related disclosures are guided by the Task Force on Climate-related Financial Disclosures (“ <b>TCFD</b> ”) recommendations by the Financial Stability Board. The report covers all primary components as stipulated in SGX-ST Listing Rules 711B and some of the recommended SGX Core ESG Metrics.
Report boundary	Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company and our subsidiaries in FY2023
Internal review	An internal audit conducted by the Group’s independent internal auditor was conducted on the Company’s sustainability reporting process in FY2023 to increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed
External assurance	We have not sought external assurance for FY2023, but may consider doing so in the future

# SUSTAINABILITY REPORT

## **OUR APPROACH AND STRATEGY**

### **Sustainability Commitment**

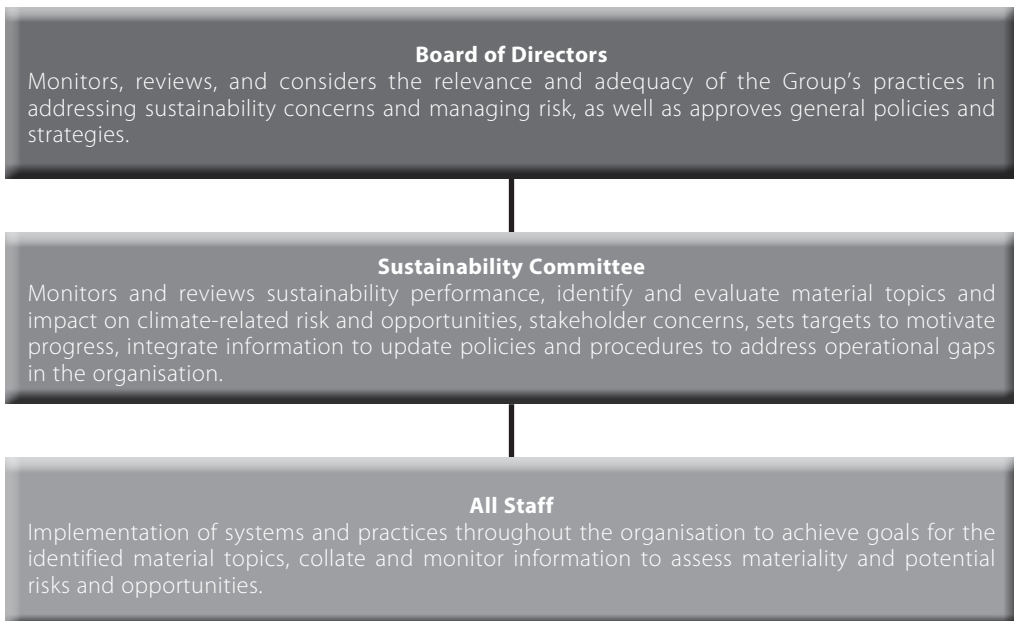
We recognise that sustainability is a key consideration in strategy formulation for the Company and aim to cover a comprehensive range of sustainability disclosures. We are confident that our commitment to sustainability will create both short and long-term value through growth and return on capital, both of which we believe will undoubtedly aid us in achieving our objectives of

- (i) enhancing our shareholder’s returns;
- (ii) rewarding our employees; and
- (iii) ultimately contributing to the business continuity of the Group.

### **SUSTAINABILITY GOVERNANCE STRUCTURE**

The Group has a dedicated governance framework in place to drive, govern and manage the sustainability function to ensure that core material issues are incorporated into our corporate agenda. This structure drives our priorities to protect long-term interests and create value for our stakeholders.

The Board of Directors has the ultimate responsibility for the Group’s sustainability strategy and maintains oversight of the Group’s sustainability direction. The Sustainability Committee, chaired by the Group’s Executive Director, reports to the Board the Group’s sustainability projects and initiatives. The Sustainability Committee comprises the Group’s Executive Director, the Group’s Financial Controller, the Chief Executive Officer as well as the Chief Operating Officer of the Group’s Malaysian subsidiary. The Sustainability Committee is supported by all staff and representatives from each operating entity in Singapore, Malaysia and China assist in the execution, reporting and implementation of our sustainability initiatives.



# SUSTAINABILITY REPORT

## **SUSTAINABILITY FRAMEWORK**

The three pillars for our sustainability framework are

### **01 Creating Stakeholder Value**

The first pillar focuses not only on the creation of financial and economic value for our stakeholders but also non-financial value such as giving back to the community.

### **02 Upholding our Company Values**

The second pillar's focus is on our Group's corporate values upheld in our conduct of our business to both internal and external stakeholders.

### **03 Protecting our Environment**

The last pillar recognises our role as a responsible global corporate citizen to mitigate environmental risk and our aim to be an agent of change.

## **STAKEHOLDER ENGAGEMENT**

GRI2-29

In order to ensure that our business interests are aligned with those of our stakeholders, we regularly communicate with them through various channels. This helps us understand and address their concerns, while improving our own services and product standards and business operations for long-term growth and sustainability.

Our stakeholders have been identified as those who are impacted by our business and operations and those who similarly are able to impact our business and operations. Our key stakeholders comprise our investors, customers, employees, community and regulators.

STAKEHOLDERS	HOW DID WE ENGAGE?	WHAT ARE THE KEY TOPICS RAISED/ FEEDBACK RECEIVED?	HOW DID WE RESPOND?
Investors	<ul style="list-style-type: none"> <li>Addressed all substantive and relevant questions raised by shareholders</li> <li>Annual reports</li> <li>Half-year financial results</li> <li>SGX Announcements</li> </ul>	<ul style="list-style-type: none"> <li>Stable and sustainable growth</li> <li>Strong corporate governance and transparency</li> <li>Timely disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Continued growth of the business</li> <li>Robust corporate and risk governance</li> <li>Timely disclosure and reporting</li> </ul>
Customers	<p><i>Financial Solutions Business</i></p> <ul style="list-style-type: none"> <li>Regular engagements via relationship managers and subject matter specialists, where appropriate</li> <li>Active interaction and prompt follow-up to queries/feedback received via email and social media platforms such as Facebook and on our corporate websites</li> </ul>		
	<ul style="list-style-type: none"> <li>Working capital solutions to support them during the pandemic</li> <li>Competitive products and services</li> <li>Data privacy and security</li> <li>Prompt service and resolutions of feedback</li> </ul>	<ul style="list-style-type: none"> <li>Expanded product offerings</li> <li>Active listening &amp; professional and ethical standards in business conduct</li> <li>Strong data security</li> <li>Good customer service and prompt resolution of feedback and complaints</li> </ul>	



# SUSTAINABILITY REPORT

STAKEHOLDERS	HOW DID WE ENGAGE?	WHAT ARE THE KEY TOPICS RAISED/ FEEDBACK RECEIVED?	HOW DID WE RESPOND?
	<i>Property Business</i>		
	<ul style="list-style-type: none"> <li>Engagement with potential customers through sales hotline, email and phone communication</li> <li>Regular engagements with tenants through face-to-face meetings and/or calls</li> </ul>	<ul style="list-style-type: none"> <li>Timely delivery of product</li> <li>Prompt service and resolutions of feedback</li> </ul>	<ul style="list-style-type: none"> <li>Prompt handover of units upon completion of necessary documentation</li> <li>Good customer service and prompt resolution of feedback and complaints</li> </ul>
Employees	<ul style="list-style-type: none"> <li>One-to-one sessions, virtually or face-to-face</li> <li>Feedback in the course of work and appraisals</li> <li>Conducted Group-wide survey on sustainability matters</li> <li>Focus on work-life balance</li> <li>Regular festive celebrations and team-building activities</li> </ul>	<ul style="list-style-type: none"> <li>Job security</li> <li>Company performance</li> <li>Enhanced safety protocols at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Regular dialogue sessions with staff</li> <li>Training and development programmes</li> <li>Equal opportunities and reward based on meritocracy</li> <li>Whistle-blowing policy</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community engagement programs</li> </ul>	<ul style="list-style-type: none"> <li>Good corporate citizen</li> <li>Positive contribution to the environment</li> </ul>	<ul style="list-style-type: none"> <li>Giving back to the society through our corporate social responsibility activities &amp; donations</li> <li>Effort to reduce environmental footprints</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Dialogues, updates and consultations with regulators where necessary</li> <li>Supportive of industry-wide initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to laws and regulations</li> <li>Support to foster a sound and progressive financial industry</li> <li>Controls to mitigate technology risks and financial crimes</li> </ul>	<ul style="list-style-type: none"> <li>Strong compliance culture and framework</li> <li>Supportive of industry-wide initiatives, where applicable</li> <li>Robust processes, policies and controls to address technology risks, financial crimes, including money laundering and financing of terrorism</li> </ul>

# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

Material ESG matters have the most impact on our ability to create long-term value. We assess materiality through the following steps:

### IDENTIFY

matters that have an impact on the execution of our business strategy.

### PRIORITISE

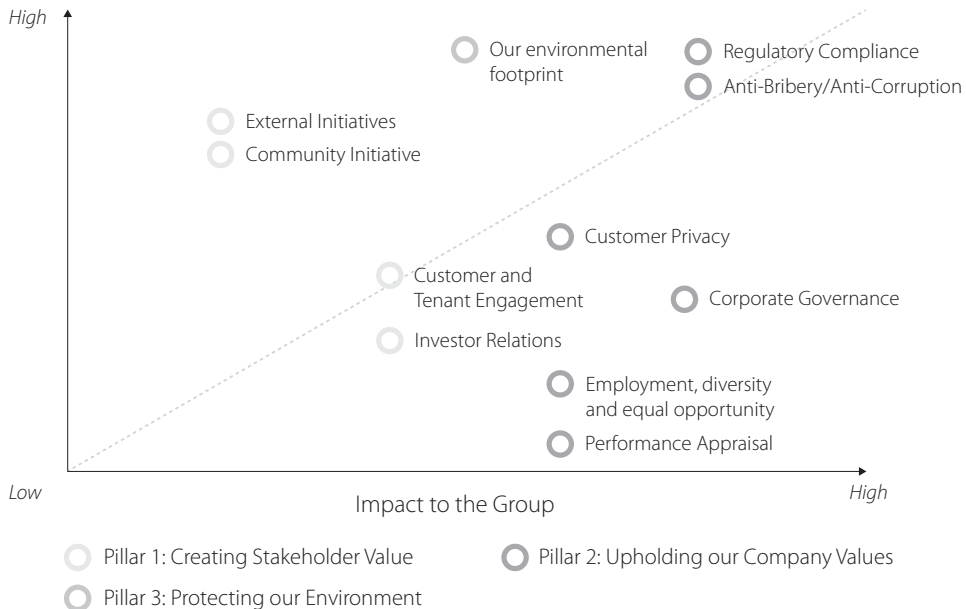
critical areas that affect our business and stakeholders most significantly.

### EMBED

the validated critical factors within our business operational factors.

In FY2023, we reviewed the findings of our last formal materiality assessment in FY2022, which had been completed in the prior year. We also considered the insights that the Sustainability Committee gained from their regular engagement with various stakeholders via regular dialogue and feedback sessions to establish the direction for our sustainability reporting. It was concluded that the key findings of the materiality assessment in FY2022 are still relevant to our business and stakeholders.

The key findings of our materiality assessment in FY2023 are set out in the diagram below:



# SUSTAINABILITY REPORT

## **PILLAR 1: CREATING STAKEHOLDER VALUE**

### **CUSTOMER AND TENANT ENGAGEMENT**

For the property business, the Deputy General Manager and his team (“**Fuling management team**”) are in constant engagement with the tenants and residents of the Group’s Singapore Garden development. The Company handed over the service and management of the Singapore Garden project to the Fuling’s residential committee, a grassroots mass autonomous organisation for self-management and self-service for residents in PRC (“**Residents’ Committee**”), and have also signed a service and management contract with a third-party company to manage the car parks of the Singapore Garden project since FY2018. In FY2023, the Fuling management team, the Residents’ Committee, the outsourced third-party company, the tenants and the residents continue to hold regular meetings so as to resolve issues and enhance the environment of Singapore Garden.

With the slowdown in the China economy, the Fuling management team continues to hold regular dialogue sessions with tenants on how their businesses may be promoted.

The Fuling management team and the Residents’ Committee of the Singapore Garden project have committed to providing assurance to the residents of the Singapore Garden to create and maintain a pleasant living environment.

For the financial solutions business, we hold regular face-to-face meetings with customers to perform on-going monitoring of their financial position, repayment ability as well as to understand the challenges faced by them, if any. Where customers run into repayment difficulties, we restructure products to meet the cashflow requirements of customers so that they can continue to run their operations and service the loans. Customers with a healthy repayment ability will contribute to our sustainability.

### **INVESTOR RELATIONS**

We have always been committed to communicating our financial performance, business strategies and other relevant corporate information. We understand the importance of doing so promptly, transparently and accurately to our stakeholders and the wider investment community.

Key components of our Investor Relations best practices include:

<b>Financial Reporting</b>	<b>Annual General Meeting</b>	<b>Investor Relations Website and Contact</b>
<ul style="list-style-type: none"> <li>• Results announcements</li> <li>• All results and material announcements publicly accessible on SGXNET</li> </ul>	<ul style="list-style-type: none"> <li>• Posting of detailed minutes of the AGM on the Group’s website and SGXNET within one month of the meeting</li> <li>• Several channels: website or email – are open to shareholders who are unable to attend the AGM or wish to provide input and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Updated real-time with SGX announcements, financial results, annual report and financial presentations, corporate governance report, investors’ questions and answers (Q&amp;A) and minutes of the AGM</li> <li>• Dedicated investor relations email address to ensure timely responses to queries, suggestions/clarifications</li> </ul>

# SUSTAINABILITY REPORT

## EXTERNAL INITIATIVES

GRI 2-28

To stay on top of issues relevant to our industry, we actively participated in industry dialogues and we maintain memberships with organisations including the Malaysian Factors Association and Singapore Business Federation.

## COMMUNITY INITIATIVES

We have always been committed to sustainable business strategies which create value for all stakeholders and the communities we operate in. As such, giving back to society in any way possible is part of the Company's culture and constant endeavour.

Please refer to CSR and Employee Engagement on pages 17 to 18 for more information.

## PILLAR 2: UPHOLDING OUR COMPANY VALUES

### CORPORATE GOVERNANCE

The Group recognizes that Corporate Governance has both actual and potential, short- and long-term impacts on the Company, which could lead to financial and reputational losses. Compliance with SGX listing rules, and other regulatory authorities therefore remains critical.

### Internal and External Audits

Internal and external audits are also conducted annually to track effectiveness of actions related to Corporate Governance. Any critical concerns raised during these audits would be communicated to the Audit Committee and Board, and any follow-up actions would be taken up by the management. Actual or potential findings from the audit also allow the opportunity for the Group to review its corporate governance policy and processes. Follow-up reviews will also be performed by auditors to ensure that management action plan items highlighted in previous audit reports have been implemented.

### ANTI-CORRUPTION/ANTI-BRIBERY

GRI 205-3

The Group has zero tolerance towards all forms of corruption, bribery and extortion. Our stakeholders are encouraged to report and raise in good faith their concerns about possible improprieties to our Chairman at the dedicated whistleblowing email. All reports will be addressed in accordance with our Whistleblowing Policy and be kept in strict confidence.

# SUSTAINABILITY REPORT

## Whistleblowing Policy

The Group is committed to maintaining a high standard of integrity in its business conduct and has adopted a whistleblowing policy (the "**Whistleblowing Policy**") to

- (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisal when whistleblowing in good faith;
- (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken; and
- (c) help develop a culture of openness, accountability and integrity.

Please refer to page 51 for more information.

The Whistleblowing Policy is circulated to all employees annually. Any report made is treated with the strictest confidence and every effort will be made to maintain confidentiality. Retaliation against anyone who, in good faith, seeks advice, raises a concern of misconduct, or cooperates in an investigation is strictly prohibited.

## Performance in FY2023

- No instances of corruption and no incidents in which employees were dismissed or disciplined for corruption.
- No contracts with business partners were terminated/not renewed due to violations related to corruption.
- No legal cases regarding corruption brought against the Group or its employees during FY2023.
- No instances of whistleblowing received.

All the targets set for FY2023 have been met.

## Target for FY2024

- Maintain zero instances of corruption and incidents in which employees were dismissed or disciplined for corruption.
- Maintain zero termination or non-renewal of contracts with business partners were terminated/not renewed due to violations related to corruption.
- Maintain zero legal cases regarding corruption brought against the Group or its employees during FY2024.
- Maintain zero instances of whistleblowing reports received.

# SUSTAINABILITY REPORT

## CUSTOMER PRIVACY

GRI 418-1

The Group respects the privacy of all our clients, customers and business contacts and we are committed to safeguard all personal information that have been provided to us. We understand that proper management of information helps to safekeep our stakeholders' personal data and protect our reputation as a trustworthy organisation.

At LFHL, we adhere to our Personal Data Protection Policy which is aligned with Singapore Personal Data Protection Act 2012 ("**PDPA**").

### Performance in FY2023

- No substantiated complaints received concerning breaches of customer privacy

All the targets set for FY2023 have been met.

### Target for FY2024

- Maintain zero substantiated complaints received concerning breaches of customer privacy

## REGULATORY COMPLIANCE

GRI 2-27

The Management recognises that a material breach of any law or regulation could have significant impact and result in irreversible reputational damage or lead to other costly liabilities.

At the corporate level, we also ensure that we are in compliance with the Listing Rules of SGX-ST, Securities and Futures Act and Singapore Companies Act.

For the property business, the Group has put in place policies and procedures to ensure compliance with the relevant laws and regulations. This includes those relating to Singapore Land Authority ("**SLA**") in Singapore and Real Estate Management Bureau of Fuling, Chongqing (重庆市涪陵区房地产业管理局) in the PRC.

For the financial solutions business, the Group is compliance with the Companies Act, Capital Markets and Services Act and Moneylenders Act in Malaysia as well as the Companies Act and Securities and Futures Act in Singapore.

### Performance in FY2023

- No instances of non-compliance with laws and regulations in FY2023
- Complied with the principles as set out in the Code of Corporate Governance 2018

All the targets set for FY2023 have been met.

# SUSTAINABILITY REPORT

## Target for FY2024

- Maintain zero instances of non-compliance with laws and regulations in FY2024
- Comply with the principles as set out in the Code of Corporate Governance 2018

## EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY

GRI401-1, GRI405-1

At LFHL, we embrace diversity and *Pillar 1: Equal Opportunity* to enable us to attract the best people and build the best teams. This is material to us as ensuring equal opportunities for all employees and diversity in the workforce provides the right working environment for trust and respect among our staff, and fosters greater teamwork, creativity and innovation.

### Recruitment

We are guided by our Group's human resources policies and adhere to market best practices where we operate. There is strictly no discrimination in the career advancement and recruitment practices. We hire people on the basis of merit (eg. skills, experience, ability to perform the job), regardless of nationality, age, religion, marital status and physical disability etc. We promote healthy competition and a performance-driven environment where employees are rewarded based on merit, competence and experience. We also believe in the benefits of re-employing older workers to retain and tap their wealth of experience.

### Representation

Women comprise about slightly more than half our workforce and 50% of our senior management who drive our businesses across the Group.

The Company has in place a formal Board Diversity Policy. The Board understands and embraces the benefits of having diversity and views Board diversity as important to achieving the Company's business objectives. The Company has established targets to achieve diversity, including achieving 20% female representation on the Board. The Board is pleased to report that it has achieved this target for the last ten years, including FY2023. In the long term, the Company strives to increase the female representation on the Board up to 25% by 2030. In addition, to promote equal opportunity in line with our Board Diversity Policy, we ensure that we will have at least one female candidate for consideration when identifying potential candidates for the Board.

### Discrimination

There were no incidents of discrimination during the reporting period.

# SUSTAINABILITY REPORT

## Employee Welfare and Team-Bonding

Employee welfare and team-bonding activities are essential for a company's success. A company's employees are its biggest asset, and it is crucial to ensure their well-being to maintain a productive and efficient workforce. We believe that it is important to improve workplace culture and build strong relationships between team members. In FY2023, we organised various health and wellness initiatives, as well as team-bonding activities – some of which were employee-initiated – which were open for all employees to attend subject to their preference. This allowed employees from different teams a chance to interact with one another.

Please refer to pages 17 to 18 for more information.

## Performance in FY2023

- Recorded no incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Recorded no incident of discrimination
- Monitored and reviewed the recruitment procedure and system to ensure fair and non-discrimination in recruitment

All the targets set for FY2023 have been met.

## Target for FY2024

- Maintain zero incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Maintain zero incident of discrimination
- Continue to monitor and review the recruitment procedure and system to ensure fair and non-discrimination in recruitment

The demographics of our employees for our operations in Singapore, Malaysia and China are as follows:

## Employees by gender for FY2023

Gender/Position	Management	Executive	Non-Executive	Total
Male	4	18	2	24
Female	4	23	10	37
<b>Total</b>	<b>8</b>	<b>41</b>	<b>12</b>	<b>61</b>



# SUSTAINABILITY REPORT

## Employees by gender

Gender/No. of Employees	FY2022	FY2023
Male	25	24
Female	28	37
<b>Total</b>	<b>53</b>	<b>61</b>

## Employees by age group for FY2023

Age Group/ No. of Employees	Management	Executive	Non- Executive	Total
Under 30 years old	0	13	5	18
Between 30-50 years old	5	25	4	34
Over 50 years old	3	3	3	9
<b>Total</b>	<b>8</b>	<b>41</b>	<b>12</b>	<b>61</b>

## Employees by age group

Age Group/No. of Employees	FY2022	FY2023
Under 30 years old	26	18
Between 30-50 years old	22	34
Over 50 years old	5	9
<b>Total</b>	<b>53</b>	<b>61</b>

## New employees and employee turnover for FY2023

Gender	New Hires	Resigned	Employee Turnover*
Male	40%	54%	12%
Female	60%	46%	10%
<b>Average Turnover</b>			<b>1.75%</b>

\* Employee turnover was computed based on the number of employees who left during FY2023 over the average number of employees as at 31 December 2022 and 31 December 2023.

# SUSTAINABILITY REPORT

## Employee turnover

Gender	FY2022	FY2023
Male	13%	12%
Female	25%	10%
<b>Average Turnover</b>	<b>2%</b>	<b>1.75%</b>

## Board Diversity

Gender	FY2022	FY2023
Male	80%	80%
Female	20%	20%

## PERFORMANCE APPRAISAL

GRI404-3

At LFHL, our Human Resource department has a system in place to carry out performance appraisal for every individual employee for their roles and responsibilities annually.

The employee performance appraisal comprises mainly quantifiable evaluation criteria. We also actively collect performance information on every employee through inputs from direct supervisors, as well as periodical employee communication sessions.

## Employee Conduct

We have a corporate Code of Business Conduct and Ethics Policy in place, which establishes acceptable standards of behaviour and outlines the Group's values for all employees. The key objective is to promote responsible workplace behaviour and maintain a strong ethical climate among all employees. Employee conduct is taken into account for each's employee's performance appraisal.

## Performance in FY2023

- Conducted annual appraisals for all employees in FY2023

All the targets set for FY2023 have been met.

## Target for FY2024

- Continue to conduct annual appraisals for all employees in FY2024

# SUSTAINABILITY REPORT

## PILLAR 3: PROTECTING OUR ENVIRONMENT

### Our Environmental Footprint

GRI302-1, GRI302-3, GRI305-2, GRI305-4



Climate change presents a financial risk to businesses. As such, there is a deep need to understand and manage key climate risks and opportunities. We have begun adopting TCFD recommendations to enhance our disclosures in FY2022 and beyond. The Group assesses the environmental risks and opportunities through the short, medium and long-term time scales defined below:



The key climate-related risks (physical and transition) relevant to our business are presented in the table below:

Risk Type	Climate-Related Risks		Rating	Potential Financial Impact
Physical	Acute	Increased severity of extreme weather events such as floods.	M L	<ul style="list-style-type: none"> <li>Reduced revenue due to physical disruptions</li> <li>Impairment of loans as changes negatively impact customers' business</li> </ul>
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	M L	<ul style="list-style-type: none"> <li>Increased insurance premiums</li> </ul>
Transition	Policy and Legal	Increased pricing of GHG emissions	S M L	<ul style="list-style-type: none"> <li>Impairment of loans as changes negatively impact customers' business</li> </ul>
		Enhanced emissions-reporting obligations	S M L	<ul style="list-style-type: none"> <li>Increase in compliance costs to meet mandatory climate-related disclosure requirements</li> </ul>
	Technology	Higher research & development costs/costs incurred in implementing new technologies	S M L	<ul style="list-style-type: none"> <li>Higher costs would adversely impact customers' cash flows and in turn their repayment ability</li> </ul>
	Market	Increased cost of raw materials	S M L	<ul style="list-style-type: none"> <li>Higher costs would adversely impact customers' cash flows and in turn their repayment ability</li> </ul>
	Reputational	Changes in customer sentiment & demand	S M L	<ul style="list-style-type: none"> <li>Challenges in retaining &amp; attracting talents</li> <li>Reduced access to capital needed to expand lending business</li> </ul>

# SUSTAINABILITY REPORT

Opportunities	Examples	Ratings	Potential Financial Impact
Products	New products & services eg. sustainable financing		Increase in revenue
Business	Increase in business volume eg. transition financing		Increase in revenue

## Scenario Analysis

With reference to the Network for Greening the Financial System and the Monetary Authority of Singapore's Industry Wide Stress-Test 2022, we conducted our first scenario analysis on climate risk, based on the TCFD framework.

We considered 3 sets of climate scenarios: Orderly (Net Zero 2050), Disorderly (Delayed Transition) and Hot House World (Current Policies).

Quadrant	Scenario	Description	Mean Global Warming in 2050	Physical Risk	Transition Risk
Orderly	Net Zero 2050	Climate policies are introduced early and become gradually more stringent	1.6°C	Limited	Moderate
Disorderly	Delayed Transition	Policies delayed or divergent across countries and sectors	1.8°C	Limited	Moderate
Hot House World	Current Policies	Only currently implemented policies are preserved, leading to high physical risks.	2.9°C	High	Limited

## Sustainable community practices

For the property business, the Fuling management team has provided sustainable community practices to the Singapore Garden project in the PRC and the team continues to ensure that renovation waste materials are properly disposed of in designated areas.

We have taken the initiative to stop serving plastic bottle drinks since September 2019. This is in support of green movement so as to reduce the use of plastics.

# SUSTAINABILITY REPORT

## Minimising paper usage – going digital

We have also ceased the mailing of printed hard copy annual reports to all shareholders. Shareholders may request for the hard copies or obtain soft copies of our annual reports from SGXNet and our Company's website.

In 2021, we started a new e-filing system in the Singapore office by utilising Microsoft Teams and OneDrive, minimising the printing of documents. In 2022, we expanded this to the Malaysian office.

The Malaysian office also began the process of adopting a supply chain financing solution to automate processes as much as possible to increase efficiency (the "**SCF Project**"). This is part of our continued efforts to build new digital capabilities to further enhance our productivity and competitiveness. The drive towards digitalisation is an on-going process within the Company. The SCF Project is still ongoing and is expected to be integrated into our processes in 2024.

## Energy conservation

We regularly remind our staff to reduce power consumption by shutting down their desktop computers and laptops and switching off the office lights before leaving the office premises. We will encourage our staff to adopt eco-friendly practices in their everyday activities, as well as look into other energy efficient practices.

The figures below highlight our group-wide energy consumption, intensity and GHG emissions figures. For FY2023, our energy consumption stood at 28,105.03 kWh and our combined Scope 1 and Scope 2 GHG emissions stood at 16.85 tonnes of CO<sub>2</sub>e.

## Energy and Emissions

To track our emissions and measure our baseline emissions, we started reporting our Scope 1 and Scope 2 GHG emissions in FY2022. We do so by monitoring and measuring our environmental footprint from our energy consumption.

Scope 1 emissions are greenhouse gas ("**GHG**") emissions that arise from sources owned or directly controlled by an organisation. As the Group's property business segment has no ongoing projects, there is no significant fuel activity within the Group to contribute to Scope 1 emissions.

Scope 2 emissions are GHG emissions that a company causes indirectly through the consumption of acquired energy. In the scope of reporting, this relates to purchased electricity and is expressed in terms of CO<sub>2</sub>. A location-based method is adopted, which reflects the GHG emissions of the grids on which energy consumption occurs. For entities in Singapore, the emission factor for electricity generation was obtained from the Energy Market Authority (EMA) for 2021. For entities in Malaysia and China, the emission factors were obtained from the Ministry of Science, Technology and Innovation Malaysia for 2017 and Statista for 2021 respectively. GHG emissions is expressed in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

# SUSTAINABILITY REPORT

## Energy consumed from non-renewable sources

Energy Source/Consumption (in kWh)	FY2022	FY2023
Group-wide electrical consumption	31,641.55	28,105.03
Electrical consumption/employee	597.01	460.74

## Water Consumption

All our offices group-wide do not have plumbing facilities.

## Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions

Energy Source/Consumption (in tCO <sub>2</sub> e)	FY2022	FY2023
Direct (Scope 1)	0.00	0.00
Indirect (Scope 2) <sup>1</sup>	18.65	16.85
<b>Total</b>	18.65	16.85
GHG emission intensity (tCO <sub>2</sub> e per employee)	0.352	0.276
GHG emission intensity (tCO <sub>2</sub> e per MYR million of revenue)	0.854	0.546

<sup>1</sup> Grid emission factors were taken from the Energy Market Authority Singapore, Malaysian Green Technology Corporation and Statista for Singapore, Malaysia and China respectively.

## Performance in FY2023

- Recorded a decrease in energy consumption from 31,641.55 kWh in FY2022 to 28,105.03 kWh of electricity in FY2023, which may be due to employees taking active care to reduce electricity usage where possible
- Recorded lower GHG emission intensity at 16.85 tCO<sub>2</sub>e in FY2023 as compared to 18.65 tCO<sub>2</sub>e in FY2022
- Assessed risks and opportunities as well as introduced scenario analysis in line with the TCFD framework

All the targets set for FY2023 have been met.

## Target for FY2024

- To lower or at least maintain GHG emission intensity for FY2024
- More granular scenario analysis

# SUSTAINABILITY REPORT

## SGX Core ESG Metrics

The Group has reported the information cited in some of the recommended SGX Core ESG Metrics for the period 1 January 2023 to 31 December 2023.

Topic	Framework Alignment	Metric	Value as at 31 Dec 2023
<b>ENVIRONMENTAL</b>			
Greenhouse Gas Emissions ("GHG")	GRI 305-2, TCFD	Absolute emissions by Scope 2 GHG emissions	16.85 tCO <sub>2</sub> e
	GRI 305-4, TCFD	Emission intensity by Scope 2 GHG emissions	Scope 1 & 2 GHG emission per employee in tCO <sub>2</sub> e: 0.276 Scope 1 & 2 GHG emission per MYR million of revenue: 0.546
Energy Consumption	GRI 302-1, TCFD	Total energy consumption	28,105.03 kWh
	GRI 302-3, TCFD	Energy consumption intensity	Energy consumption per employee: 460.74 kWh
<b>SOCIAL</b>			
Gender Diversity	GRI 405-1	Current employees by gender	Male: 44.26% Female: 55.74%
	GRI 401-1	New hires and turnover by gender	<u>New hires</u> Male: 40% Female: 60% <u>Turnover</u> Male: 12% Female: 10%
Age-Based Diversity	GRI 405-1	Current employees by age group	Under 30 years old: 30% 30-50 years old: 56% Above 50 years old: 14%
	GRI 401-1	Total turnover	1.75%
Employment	Commonly reported metric	Total number of employees	61

# SUSTAINABILITY REPORT

Topic	Framework Alignment	Metric	Value as at 31 Dec 2023
<b>GOVERNANCE</b>			
Board Composition	GRI 102-22	Board independence	60%
	GRI 102-22	Women on the board	20%
Management Diversity	GRI 102-22, GRI 405-1	Women in the management team	50%
Ethical Behaviour	GRI 205-3	Anti-corruption disclosures	Zero incident of corruption
Alignment with Frameworks	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7F	Alignment frameworks and practices	With reference to GRI standards and in accordance with TCFD
Assurance	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7F	Internal/External/None	Internal

## GRI CONTENT INDEX

### General Standard Disclosures

<b>Statement of use</b>	The Group has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure		Page/Note
GRI 2: General Disclosures 2021	2-1	Organisational details	Corporate Profile – Pages 1 to 4
			Corporate Information – Back Cover
	2-2	Entities included in the organisation's sustainability reporting	All entities in the organisation's financial reporting (Report boundary – Page 60) are also included in its sustainability reporting
	2-3	Reporting period, frequency and contact points	Sustainability Report – Page 60 Contact Point: investor@luminorfinancialholdings.com
2-4	Restatements of information	Prior year financial statement have been restated. Please refer to the audited financial statements for further information.	



## SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page/Note
	2-5 External assurance	The Group has not sought external assurance for this report
	2-6 Activities, value chain and other business relationships	Corporate Profile – Pages 1 to 4
	2-7 Employees	Employment, Diversity and Equal Opportunity – Employment, Diversity and Equal Opportunity
	2-8 Workers who are not employees	All employees of the Group are permanent employees
	2-9 Governance structure and composition	Corporate Governance Report – Pages 19 to 29
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report – Pages 60 to 61 Corporate Governance Report – Page 59
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of Interest	Corporate Governance Report – Page 20
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report – Pages 27 to 28
	2-19 Remuneration policies	Corporate Governance Report – Pages 37 to 42
	2-20 Process to determine remuneration	
	2-22 Statement on sustainable development strategy	Sustainability Report – Page 60
	2-23 Policy commitments	Sustainability Report – Page 60
	2-24 Mechanisms for seeking advice and raising concerns	Sustainability Report – Pages 60 to 63
	2-27 Compliance with laws and regulations	No cases of significant non-compliance with laws and regulations during the FY2023.
	2-28 Membership associations	– Singapore Business Federation – Malaysian Factors’ Association
	2-29 Approach to stakeholder engagement	Sustainability Report – Pages 62 to 63

# SUSTAINABILITY REPORT

GRI Standard	Disclosure		Page/Note
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report – Page 61
	3-2	List of material topics	Sustainability Report – Page 64
	3-3	Management of material topics	Sustainability Report – Pages 65 to 76
GRI 205: Anti-Corruption 206	205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption or actions taken.
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report – Page 76
	305-2	Energy indirect (Scope 2) GHG emissions	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report – Pages 70 to 72
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Page 72
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report – Pages 69 to 72
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Page 68
<b>NON-MATERIAL ISSUES</b>			
<b>Community</b> Non-GRI	Key activities undertaken for the community, including employee volunteerism		Community Initiatives – Pages 17 to 18

# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

	<b>Recommended Disclosures</b>	<b>Page, Reference and reasons for omission, if applicable</b>
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Page 60
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	The Group has a dedicated governance Framework in place to drive, govern and manage the sustainability function. The Board has the ultimate responsibility and is supported by the Sustainability Committee, chaired by our Executive Director. The Sustainability Committee comprises the Group's Executive Director, the Group's Financial Controller as well as the Chief Executive Officer and Chief Operating Officer of the Group's Malaysia subsidiary. The Sustainability Committee is supported by representatives from our various operating entities in Singapore, Malaysia and China as well as the rest of the staff to ensure our sustainability efforts are practiced throughout the organisation.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Pages 73 to 74
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 74

## SUSTAINABILITY REPORT

	Recommended Disclosures	Page, Reference and reasons for omission, if applicable
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	The Group identifies and assess climate-related risks using the frameworks mentioned on pages 73 to 74.  Presently, identified climate-related risks are outlined to the Board on an ad-hoc basis. Going forward, the Group plans to integrate climate-related risks into its Enterprise Risk Management Framework.
	b. Describe the organization's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 73 to 76  The Group embarked on developing GHG emissions (Scope 1 and Scope 2) in FY2022 to establish baseline emissions. The Group intends to develop Scope 3 emissions in the coming years. Our target is to reduce or maintain GHG emissions intensity for FY2024. The Group intends to set longer-term targets in the future as part of our ESG strategy.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

## DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Luminor Financial Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

### **Opinion of the directors**

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### **Directors**

The directors of the Company in office at the date of this statement are:

Foong Daw Ching  
Kwan Chee Seng  
Tan Chade Phang  
Lim See Yong  
Kwan Yu Wen

In accordance with Article 89 of the Company's Constitution, Kwan Yu Wen retires and, being eligible, offers herself for re-election.

In accordance with Article 89 of the Company's Constitution, Kwan Chee Seng retires and, being eligible, offers himself for re-election.

### **Arrangements to enable directors to acquire shares and debentures**

Except as described in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## DIRECTORS' STATEMENT

### Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<u>The Company</u>				
(Ordinary shares)				
Kwan Chee Seng <sup>(1)</sup>	46,401,339	46,401,339	245,797	3,629,097
Lim See Yong <sup>(2)</sup>	2,820,036	2,820,036	65	65

- (1) Mr Kwan Chee Seng is deemed under Section 4 of the Securities and Futures Act 2001 ("SFA") to have an interest in the 3,383,300 Shares held by his spouse, Madam Fong Peg Hong and in the 245,797 Shares held by GRP Chongqing Pte Ltd. Mr Kwan has a shareholding interest of 35.55% in GRP Limited. By virtue of Section 7 of the Companies Act 1967, Mr Kwan is deemed to be interested in the ordinary shares of the Company held by GRP Chongqing Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.
- (2) Mr Lim See Yong is deemed to be interested in the ordinary shares of the Company held by his spouse, Ms Sheng Qing.

The director, Kwan Chee Seng, by virtue of Section 7 of the Companies Act is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

Kwan Chee Seng, by virtue of his interest of not less than 20% of the issued share capital of the Company is deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group.

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Subsidiary corporations				
<b>Funded Here Pte. Ltd.</b>				
Kwan Chee Seng				
– Ordinary shares	–	–	–	18,422,822
– Irredeemable convertible preference shares	–	–	–	58,410
<b>SA Puncak Management Pte. Ltd.</b>				
Kwan Chee Seng				
– Ordinary shares	–	–	4,340,000	4,430,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year end and 21 January 2024.

## DIRECTORS' STATEMENT

### Share options

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of financial year, there were no unissued shares of the Company or any corporation in the Group under option.

### Audit committee

The members of the Audit Committee ("**AC**") at the end of the financial year were as follows:

- Foong Daw Ching (AC Chairman)
- Tan Chade Phang (Member)
- Lim See Yong (Member)

The AC carried out its functions in accordance with section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and independent auditors.
- Reviewed the interim and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor.
- Met with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor.

## DIRECTORS' STATEMENT

### **Audit committee (Continued)**

- Reviewed the nature and extent of non-audit services provided by the independent auditor.
- Recommended to the board of directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC has also met with internal and independent auditors, without the presence of the Company's management, at least once a year.

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the board of directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

### **Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the board of directors:

Foong Daw Ching  
Director

Kwan Yu Wen  
Director

Singapore

8 April 2024



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUMINOR FINANCIAL HOLDINGS LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Luminor Financial Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 92 to 100 which comprise the balance sheets of the Group and of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ["**SFRS(I)**"] so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### *Impairment assessment of trade receivables and factoring receivables from the Group's financial solutions business*

As disclosed in Note 6 to the financial statements, the carrying amounts of the Group's trade and factoring receivables from the Group's financial solutions business amounted to MYR8,857,000 and MYR83,253,000 respectively as at 31 December 2023, after recognising expected credit loss ("**ECL**") of MYR834,000 and MYR10,598,000 respectively.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUMINOR FINANCIAL HOLDINGS LIMITED

## Report on the Audit of the Financial Statements (Continued)

### Key Audit Matters (Continued)

*Impairment assessment of trade receivables and factoring receivables from the Group's financial solutions business (Continued)*

The measurement of allowance for ECL of trade and factoring receivables is considered a key audit matter because the carrying amounts of trade and factoring receivables is material to the consolidated financial statements. The determination of ECL is highly dependent on the Group's estimation of the likelihood of default by the debtor and the estimated future cash flows that the Group would expect to receive. As disclosed in Note 3.2 and Note 4(b)(iii), in determining the ECL, management considers both quantitative and qualitative information that is reasonable and supportable, including the creditworthiness of each individual debtor and their recent financial conditions and ability to repay.

*Our procedures to address the key audit matter:*

Our audit procedures include understanding of the management's processes and key controls relating to the credit evaluation of each debtor, ongoing monitoring of the credit risk of the debtor and action plans taken by management when the trade and factoring receivables are past due more than credit terms granted or default in payments.

We evaluated reasonableness of management's judgement in identifying debtors with higher risk of default by considering both quantitative and qualitative information that is reasonable and supportable, including key data sources and assumptions used by management in determination of ECL. We tested management's process for estimating ECL, including evaluating the appropriateness of the methodologies used to determine the allowance for credit losses, testing the completeness and accuracy of data used in the estimate and evaluating the reasonableness of management's determination of ECL.

Our audit procedures also include reviewing and testing the accuracy of the debtor ageing analysis, corroborating representation and explanations from management to assess the recoverability of outstanding debts, where applicable.

In addition, we also considered the adequacy of the disclosures made in the financial statements.

*Impairment assessment of intangible assets*

As disclosed in Note 12 to the financial statements, the carrying amount of the Group's intangible assets comprise mainly goodwill and website under development attributable to a cash-generating unit ("**CGU**"), Funded Here Pte. Ltd ("**FHPL**"), amounting to MYR1,477,000 and MYR5,135,000 respectively. Goodwill and website under development are tested for impairment at least annually, and whenever there is an indication of impairment.

Management determines the recoverable amount using value-in-use ("**VIU**") calculations which are estimated based on discounted cash flow projections. The impairment assessment of CGU is considered a key audit matter because it involved significant estimates and judgements applied by the management in determining the recoverable amount, principally, the budgeted revenue growth rates, terminal growth rate and discount rate used in the VIU calculations. These estimates are inherently subject to estimation uncertainties.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUMINOR FINANCIAL HOLDINGS LIMITED

## **Report on the Audit of the Financial Statements (Continued)**

### **Key Audit Matters (Continued)**

#### *Impairment assessment of intangible assets (Continued)*

*Our procedures to address the key audit matter:*

Our audit procedures include obtained an understanding of the management's impairment assessment process with respect to the goodwill and website under development. We discussed with management on their commercialisation plan of the website under development.

We obtained the Group's VIU calculations for the CGU, evaluated the key assumptions and estimations applied in the VIU calculations including the budgeted revenue growth rate, terminal growth rate and discount rate. We compared the revenue growth rate to the competitors of similar business, where relevant and other relevant documents. We also engaged our internal valuation expert to evaluate the reasonableness of the discount rate used.

We performed sensitivity analysis to assess the impact on the recoverable amount of CGU to reasonably possible changes made to the key assumptions. We also assessed the adequacy and appropriateness of disclosures in respect of the impairment assessment.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2023 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUMINOR FINANCIAL HOLDINGS LIMITED

## **Report on the Audit of the Financial Statements (Continued)**

### ***Responsibilities of Management and Directors for the Financial Statements (Continued)***

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUMINOR FINANCIAL HOLDINGS LIMITED

## **Report on the Audit of the Financial Statements (Continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chee Sum Gilbert.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 April 2024

# BALANCE SHEETS

As at 31 December 2023

	Note	Group (Restated)		Company (Restated)	
		2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>ASSETS</b>					
<b>Current assets</b>					
Trade and other receivables	6	96,797	51,419	124,322	91,165
Cash and cash equivalents	7	80,865	67,382	7,376	5,812
Financial assets at fair value through profit or loss	8	–	–	–	–
Properties held for sale	9	15,329	15,614	–	–
Net investment in sub-leases	11	262	468	262	468
Income tax receivables		149	48	–	–
Total current assets		193,402	134,931	131,960	97,445
<b>Non-current assets</b>					
Trade and other receivables	6	–	659	–	–
Financial assets at fair value through profit or loss	8	7,847	4,602	–	–
Property, plant and equipment	10	4,789	4,131	2,836	1,613
Net investment in sub-leases	11	968	2,293	968	2,293
Goodwill	12(a)	2,077	600	–	–
Intangible assets	12(b)	5,148	24	–	–
Investment in subsidiaries	13	–	–	7,563	–*
Investment in associate	14	667	190	–	–
Deferred tax assets	15	364	196	–	–
Total non-current assets		21,860	12,695	11,367	3,906
<b>Total assets</b>		215,262	147,626	143,327	101,351
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Lease liabilities	11	1,177	1,049	785	701
Trade and other payables	16	73,127	50,225	79,724	74,926
Contract liabilities	16	1,002	624	–	–
Bank borrowings	17	30,411	–	29,906	–
Income tax payables		23,036	22,708	–	–
Total current liabilities		128,753	74,606	110,415	75,627
<b>Non-current liabilities</b>					
Lease liabilities	11	3,390	4,203	2,902	3,436
Redeemable preference shares	16	8,800	–	–	–
Financial guarantee	16	–	–	564	–
Deferred tax liabilities	15	2,794	2,672	–	–
Provision for restoration		323	323	–	–
Total non-current liabilities		15,307	7,198	3,466	3,436
<b>Total liabilities</b>		144,060	81,804	113,881	79,063

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**BALANCE SHEETS**

As at 31 December 2023

	Note	Group (Restated)		Company (Restated)	
		2023	2022	2023	2022
		MYR'000	MYR'000	MYR'000	MYR'000
<b>Equity</b>					
Share capital	18	20,629	18,348	20,629	18,348
Other reserves	19	19,533	17,986	6,567	5,006
Retained earnings/(accumulated losses)		29,055	28,760	2,250	(1,066)
Equity attributable to owners of the Company, total		69,217	65,094	29,446	22,288
Non-controlling interests		1,985	728	–	–
Total equity		71,202	65,822	29,446	22,288
<b>Total liabilities and equity</b>		215,262	147,626	143,327	101,351

\* Denotes amounts less than MYR1,000

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	Group (Restated)	
		2023 MYR'000	2022 MYR'000
<b>Revenue</b>	20	30,869	21,849
<b>Other income</b>			
Gain on disposal of development properties	24	–	21,941
Fair value gain on financial assets at fair value through profit or loss	24	3,239	–
Interest income	21	1,107	1,169
Other income	22	866	372
<b>Total Income</b>		<b>36,081</b>	<b>45,331</b>
<b>Expenses</b>			
Cost of sales	24	(539)	(401)
Depreciation of property, plant and equipment	10	(1,437)	(1,545)
Commission expense		(1,547)	(1,004)
Foreign exchange losses	24	(3,385)	(1,248)
Interest expense	23	(5,075)	(1,955)
Impairment losses on trade and other receivables – net	24	(2,696)	(8,160)
Operating expenses		(3,390)	(5,240)
Professional fees		(3,496)	(2,371)
Staff costs	24	(10,418)	(6,554)
<b>Profit before shares of associate and income tax</b>		<b>4,098</b>	<b>16,853</b>
Share of results of associate, net of tax		477	167
<b>Profit before tax</b>	24	<b>4,575</b>	<b>17,020</b>
Income tax expense	25	(3,940)	(10,270)
<b>Profit for the financial year</b>		<b>635</b>	<b>6,750</b>
Other comprehensive income, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		6,799	181
<b>Total comprehensive income for the financial year</b>		<b>7,434</b>	<b>6,931</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		295	7,623
Non-controlling interests		340	(873)
		<b>635</b>	<b>6,750</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2023

	Note	Group (Restated)	
		2023 MYR'000	2022 MYR'000
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		7,052	8,009
Non-controlling interests		382	(1,078)
		<u>7,434</u>	<u>6,931</u>
<b>Profit per share (MYR cents)</b>			
- Basic	26	0.18	5.01
- Diluted	26	0.18	5.01

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Other reserve MYR'000	Translation reserve MYR'000	Retained earnings MYR'000	Attributable to owners		Total MYR'000
								Company MYR'000	Non-controlling interests MYR'000	
At 1 January 2022	12,072	25,890	313	5,313	-	6,845	21,137	71,570	1,466	73,036
Profit/(loss) for the financial year, as restated	-	-	-	-	-	-	7,623	7,623	(873)	6,750
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	386	-	386	(205)	181
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	386	7,623	8,009	(1,078)	6,931
Transactions with owners	6,276	-	-	-	-	-	-	6,276	-	6,276
Issuance of ordinary shares (Note 18)	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests without change in control [Note 13(c)]	-	-	-	-	(20,761)	-	-	(20,761)	340	(20,421)
At 31 December 2022, as restated	18,348	25,890	313	5,313	(20,761)	7,231	28,760	65,094	728	65,822

The accompanying accounting policies and explanatory notes form an integral part of the financial statement.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Other reserve MYR'000	Translation reserve MYR'000	Retained earnings MYR'000	Attributable to owners		Total MYR'000
								Company MYR'000	Non-controlling interests MYR'000	
At 1 January 2023, as previously reported	18,348	25,890	313	5,313	(20,761)	7,231	29,143	65,477	728	66,205
Less: Prior year adjustments (Note 29)	-	-	-	-	-	-	(383)	(383)	-	(383)
At 1 January 2023, as restated	18,348	25,890	313	5,313	(20,761)	7,231	28,760	65,094	728	65,822
Profit for the financial year	-	-	-	-	-	-	295	295	340	635
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	6,757	-	6,757	42	6,799
Total comprehensive income for the financial year	-	-	-	-	-	6,757	295	7,052	382	7,434
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary by way of issue of shares [Note 13(a)]	2,281	-	-	-	-	-	-	2,281	613	2,894
Acquisition of non-controlling interests without change in control [Note 13(b)]	-	-	-	-	(5,210)	-	-	(5,210)	262	(4,948)
	2,281	-	-	-	(5,210)	-	-	(2,929)	875	(2,054)
<b>At 31 December 2023</b>	20,629	25,890	313	5,313	(25,971)	13,988	29,055	69,217	1,985	71,202

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

<b>Company</b>	<b>Share capital MYR'000</b>	<b>Merger reserve MYR'000</b>	<b>Translation reserve MYR'000</b>	<b>Retained earnings/ losses) MYR'000</b>	<b>Total MYR'000</b>
At 1 January 2022	12,072	313	3,338	4,367	20,090
Loss for the financial year, as previously reported	–	–	–	(5,050)	(5,050)
Add: Prior year adjustments (Note 29)	–	–	–	(383)	(383)
Loss for the financial year, as restated	–	–	–	(5,433)	(5,433)
<u>Other comprehensive income</u>					
Foreign currency translation	–	–	1,355	–	1,355
<b>Total comprehensive income/(loss) for the financial year</b>	–	–	1,355	(5,433)	(4,078)
<u>Transactions with owners</u>					
Issuance of ordinary shares (Note 18)	6,276	–	–	–	6,276
At 31 December 2022, as restated	18,348	313	4,693	(1,066)	22,288
Profit for the financial year	–	–	–	3,316	3,316
<u>Other comprehensive income</u>					
Foreign currency translation	–	–	1,561	–	1,561
<b>Total comprehensive income for the financial year</b>	–	–	1,561	3,316	4,877
<u>Transactions with owners</u>					
Acquisition of a subsidiary by way of issue of shares [Note 13(a)]	2,281	–	–	–	2,281
<b>At 31 December 2023</b>	<b>20,629</b>	<b>313</b>	<b>6,254</b>	<b>2,250</b>	<b>29,446</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

	Note	Group (Restated)	
		2023 MYR'000	2022 MYR'000
<b>Operating activities</b>			
Profit before tax		4,575	17,020
Adjustments for:			
Depreciation of property, plant and equipment	10	1,437	1,545
Amortisation of intangible asset	12(b)	16	18
Interest income	21	(1,107)	(1,169)
Interest expense on others	23	4,845	1,824
Interest expense on lease liabilities	11	230	131
Impairment losses on trade and other receivables – net	24	2,696	8,160
Bad factoring receivables written off	24	–	383
Written off of property, plant and equipment	24	4	–
Written off of investment in fair value through other comprehensive income	24	96	–
Share of results of associate		(477)	(167)
Fair value gain on financial assets at fair value through profit or loss	24	(3,239)	–
Gain on disposal of property, plant and equipment		(21)	–
Gain on disposal of development properties	24	–	(21,941)
Unrealised foreign exchange differences		(1,459)	1,730
<b>Operating cash flows before changes in working capital</b>		7,596	7,534
Net proceeds from disposal of development properties		–	28,923
Decrease in properties held for sale		596	311
Increase in trade and other payables		(46,432)	(16,458)
Increase in contract liabilities		9,251	694
Increase in trade and other payables		378	253
Currency translation adjustment		9,272	809
<b>Cash (used in)/generated from operations</b>		(19,339)	22,066
Interest received		1,107	1,169
Interest paid on other liabilities		(3,681)	(1,407)
Interest paid on lease liabilities		(230)	(131)
Interest paid on bank borrowings		(1,195)	–
Income tax paid		(3,372)	(7,809)
<b>Net cash (used in)/generated from operating activities</b>		(26,710)	13,888
<b>Investing activities</b>			
Purchase of intangible assets	12(b)	(5,026)	–
Purchase of property, plant and equipment	10	(606)	(1,632)
Proceeds from disposal of property, plant and equipment		41	–
Subscription of exchangeable and convertible notes		–	(4,546)
Lease payment received		467	161
Acquisition of a subsidiary	13(a)	1,672	–
<b>Net cash used in investing activities</b>		(3,452)	(6,017)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

	Note	Group (Restated)	
		2023 MYR'000	2022 MYR'000
<b>Financing activities</b>			
Increase in cash deposit restricted in use (pledged)	7	(32,343)	–
Increase in fixed deposit restricted in use (pledged)	7	(1,007)	–
Acquisition of non-controlling interests	13(b)	(4,948)	(14,145)
Net (repayment to)/advances from former ultimate holding company	16	(152)	128
Loan from a shareholder	16	–	25,260
Loan from a related party	16	–	9,637
Advances from former non-controlling interests	16	9,867	–
Proceeds from redeemable preference shares	16	7,950	–
Net repayment to former non-controlling interests	16	(222)	(572)
Repayment of lease liabilities	11	(1,080)	(677)
Drawdown of borrowings	16	30,559	–
		<b>8,624</b>	<b>19,631</b>
<b>Net cash generated from financing activities</b>			
Net (decrease)/increase in cash and cash equivalents		(21,538)	27,502
Effect of foreign exchange rate changes		1,671	(1,060)
Cash and cash equivalents at beginning of financial year		67,382	40,940
<b>Cash and cash equivalents at end of financial year</b>	7	<b>47,515</b>	<b>67,382</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 1. CORPORATE INFORMATION

Luminor Financial Holdings Limited (the “**Company**”) 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. On 27 April 2012, the Company was listed on Catalyst, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 13.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) [“**SFRS(I)**”]. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Presentation currency*

The financial statements are presented in Malaysian Ringgit (“**MYR**”) and all values are rounded to the nearest thousand (“**MYR’000**”) except when otherwise indicated.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and interest-bearing bank borrowings (other than lease liabilities) approximate their respective fair values due to the relatively short term maturity of these financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 *New and revised standards that are adopted*

In the current financial year, 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 except as disclosed below:

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

### 2.3 *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

### 2.4 *Basis of consolidation and business combinations*

#### **(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 *Basis of consolidation and business combinations (Continued)*

#### (b) *Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses as incurred.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 *Intangible assets*

#### *Website under development costs*

Costs directly attributable to the development of website are capitalised as intangible assets to the extent that it is expected that such assets will generate future economic benefits and the costs can be measured reliably. Deferred development costs are amortised from the point at which the asset is ready for use over their estimated useful lives of 5 years.

Intangible assets not ready for the intended use on the date of the Balance Sheets are disclosed as "Website under development" in Note 12(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 *Intangible assets (Continued)*

#### *Acquired computer software licences*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

### 2.6 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### ***When a Group entity is the lessor***

Where the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

#### ***When a Group is the intermediate lessor***

Rental income from operating leases is recognised on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss on the same basis as the lease income.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Leases (Continued)

#### ***When a Group is the intermediate lessor (Continued)***

Initial direct cost incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

#### ***When a Group entity is the lessee***

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets.

#### *Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments and the exercise price of a purchase option reasonably certain to be exercised by the Group.

The lease liability is presented as a separate line in the balance sheets.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Leases (Continued)

#### *When a Group entity is the lessee (Continued)*

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office premises	–	3 to 6 years
Furniture and fittings	–	5 years
Motor vehicle	–	5 years

The right-of-use assets are presented within property, plant and equipment in the balance sheets.

The Group applies SFRS(I) 1-36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.8.

As a practical expedient, SFRS(I) 16 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

### 2.7 Properties held for sale

Completed properties held for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value of properties held for sales is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs necessary to make the sale.

### 2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 *Impairment of non-financial assets (Continued)*

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

### 2.9 *Financial instruments*

#### (a) *Financial assets*

##### **Recognition and derecognition**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

##### **Classification and measurement**

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through profit or loss
- Fair value in other comprehensive income

The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when, and only when, its business model for managing those assets changes.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 *Financial instruments (Continued)*

#### (a) *Financial assets (Continued)*

##### **Subsequent measurement**

###### *Debt instruments*

Debt instruments include cash and cash equivalents, net investment in sub-leases and trade and other receivables (excluding prepayments). Financial asset that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate, less impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

###### *Fair value through profit or loss ("FVTPL")*

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises.

###### *Investments in equity instruments*

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

#### (b) *Financial liabilities*

All financial liabilities at amortised cost are recognised initially at fair value plus directly attributable transaction costs. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

#### Simplified approach

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

#### General approach

The Group applies the general approach to provide for ECL on all financial instruments at amortised cost. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

#### Measurement of ECL

They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive); or
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 *Impairment of financial assets (Continued)*

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### *Write-off*

A financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

### 2.11 *Revenue*

#### **(a) *Income from financial solutions***

The Group earns fee income from a diverse range of products and services provided to its customers. The Group generally satisfies its performance obligation and recognises the fee income on the following basis:

- Transaction-based fee is recognised at the point in time upon completion of the transaction;
- For a service that is provided over a period of time, fee income is generally recognised over the period during which the related service is provided is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time; and
- Interest income from financial solution and extension fee are recognised using the effective interest method.

#### **(b) *Sale of properties held for sale***

Revenue is recognised when control over the property has been transferred to the customer at a point in time based on the contractual terms and the practices in the legal jurisdictions.

#### **(c) *Rental income***

Rental income arising from properties held for sale is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Taxes

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associated companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 2.13 Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is Singapore Dollars (“SGD”). The financial statements are presented in Malaysian Ringgit as the Group’s operations are mainly in the Malaysia during the financial year (Note 2.1).

### 2.14 Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date and dividends payment are not discretionary, are classified as financial liabilities. The dividends on these preference shares are recognised as “interest expense”.

### 2.15 Property, plant and equipment

Property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office premises	–	3 to 6 years
Motor vehicle	–	3 to 5 years
Renovation, furniture, fixtures and equipment	–	5 years

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

#### *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, i.e. 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 and its transactions are mainly in Singapore Dollars.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *Calculation of loss allowance*

When measuring ECL, the Group uses reasonable and supportable information, which is based on management's estimation of the likelihood of default by a debtor and the estimated future cash flows that the Group would expect to receive. In determining the expected credit loss allowance, management considers both quantitative and qualitative information that is reasonable and supportable, including the creditworthiness of each individual debtor and their recent financial conditions and ability to repay.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables. Details of ECL measurement and carrying values of trade and other receivables at reporting date are disclosed in Note 4(b)(iii) and Note 6.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### *Impairment of intangible assets (including goodwill)*

Goodwill is measured at cost less any accumulated impairment losses. The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or CGU and a suitable discount rate, in order to determine the present value of those cash flows. Any changes in the assumptions used and estimates made will impact the impairment assessment of the CGU. Further details of the key assumptions applied in the impairment assessment of intangible assets and the carrying amount of the intangible assets are disclosed in Note 12.

#### *Estimation of net realisable value of properties held for sale*

Properties held for sale are stated at the lower of cost and estimated net realisable value ("NRV") in accordance with the accounting policies in Note 2.7. A slowdown in economic activity in the PRC might exert downward pressure on transaction volumes as well as property prices. This could lead to future trends in the market departing from known trends based on past experience. The estimated net realisable value was determined based on desktop valuation performed by an independent firm of professional valuer using comparison method. The most significant input into this valuation approach is price per square foot and adjusted for location, size and shape of the properties, market conditions and other factors to arrive at a common basis for comparison.

The carrying amounts of properties held for sale stated at the lower of cost and estimated net realisable value as at 31 December 2023 is MYR15,329,000 (2022: MYR15,614,000).

#### *Fair value estimation of investment in the exchangeable notes ("**EN**") and convertible notes ("**CN**") issued by AdiWista Group as financial assets at fair value through profit or loss*

The fair value of the investment in EN and CN that are not quoted in an active market was determined by using valuation techniques, such as Cox-Ross-Rubinstein ("**CRR**") Binomial Tree Model with key inputs from the discounted cash flows of the investee company. For valuation of investment in EN and CN, management considered the nature and terms of the EN and CN as set out in the agreements and the valuation report and financial information of the investee company.

Management may use significant unobservable inputs such as discount for lack of marketability, credit adjusted discount rate, volatility and post-tax discount rate. Although management believes that the assumptions used are appropriate, changes in assumptions could result in changes in the fair value of the investment in EN and CN. The information about the valuation techniques and inputs used in determining the fair value of EN and CN is disclosed in Note 4(b)(vi). The carrying amount of the Group's investment in EN and CN is disclosed in Note 8(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### *Income taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets, income tax receivables, income tax payables and deferred tax liabilities at the reporting date are MYR364,000 (2022: MYR196,000), MYR149,000 (2022: MYR48,000), MYR23,036,000 (2022: MYR22,708,000) and MYR2,794,000 (MYR2,672,000) respectively.

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	Group (Restated)		Company (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Financial assets</b>				
Financial assets at amortised cost	178,400	121,959	132,831	99,592
Financial assets at fair value through profit or loss	7,847	4,602	–	–
	186,247	126,561	132,831	99,592
<b>Financial liabilities</b>				
Financial liabilities carried at amortised cost	116,295	54,989	113,158	79,063

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) *Financial risk management*

Management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

#### (i) Foreign currency risk

The Group's transactions are largely denominated in MYR, Renminbi ("**RMB**"), United States Dollars ("**USD**") and Singapore Dollars ("**SGD**"). The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its foreign exchange risk.

At the balance sheet date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of the Group entities and Company are as follows:

	Assets		Liabilities	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Group</b>				
RMB	5,822	5,701	14,131	13,855
USD	1,074	427	–	–
SGD	2,949	1,866	69,875	56,140
<b>Company</b>				
RMB	–	–	14,131	13,855

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (i) Foreign currency risk (Continued)

*Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity of the Group's and Company's profit before tax to a reasonably possible change in the RMB, SGD, USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

		<b>2023</b>	<b>2022</b>
		<b>MYR'000</b>	<b>MYR'000</b>
		<b>Profit</b>	<b>Profit</b>
		<b>after tax</b>	<b>after tax</b>
<b>Group</b>			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	(324)	(318)
	– weakened 5%	324	318
RMB/USD	– strengthened 5%	51	16
	– weakened 5%	(51)	(16)
SGD/RMB	– strengthened 5%	(3,280)	(2,117)
	– weakened 5%	3,280	2,117
<b>Company</b>			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	(587)	(575)
	– weakened 5%	587	575

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Interest rate risk is managed principally through having pre-approved limits for issuance of facilities to its customers.

At the reporting date, the interest rate profile of the interest-bearing financial assets and financial liabilities, as reported to the management, was as follows:

	Group (Restated)		Company (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Fixed rate instruments</b>				
Financial assets	174,917	118,554	7,376	5,812
Financial liabilities	(58,306)	(44,847)	(38,929)	(36,662)
Net financial assets/(liabilities)	116,611	73,707	(31,553)	(30,850)
<b>Floating rate instruments</b>				
Financial liabilities, representing net financial liabilities	(38,706)	–	(29,906)	–

These financial instruments are at fixed rates which expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates).

The Group's and the Company's borrowings and RPS payables at variable rates on which effective hedges have not been entered into. If the interest rates increase/decrease by 50 (2022: 50) basis points with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by MYR1,627,000 (2022: Nil) and MYR1,241,000 (2022: Nil) respectively as a result of higher/lower interest expense on these borrowings and RPS payables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) *Financial risk management (Continued)*

#### (iii) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables and net investment in sub-leases. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

As at 31 December 2023, majority of the Group's trade and factoring receivables are collateralised in the forms of mortgage interests over properties, motor vehicles and personal guarantees. The Group assesses the concentration of risk with respect to trade and factoring receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

For sales of properties, sales proceeds are generally fully settled concurrent with delivery of properties.

For its financial solutions business which provides factoring and loan services, credit evaluations are carried out for all customers through analysis of financial information and credit checks using independent sources of information prior to onboarding as customer.

The Risk and Credit Department independently assesses the risk profile of all the customers and conduct the relevant due diligence verification, to assess amongst others, the credit standing of the customers, viability of the financing structure and the source of repayment. Thereafter, the Risk and Credit Department provides recommendation and/or risk mitigation measures, upon which the senior management staff will assess, review and make decisions on credit risks of the Group, in accordance with the credit policies and procedures of the Group.

All credit evaluations and credit limits must be approved by a committee consisting of several senior management members in Luminor Capital (Malaysia) Sdn. Bhd. ("**Luminor Malaysia**") and its subsidiaries ("**Luminor Malaysia subgroup**") prior to issuance of the facility to the customer.

The Risk and Credit Department conducts review on existing customers, on a periodic basis. Established limits and levels of exposure are regularly reviewed and reported to the committee on a periodic basis.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iii) Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 180 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

#### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) *Financial risk management (Continued)*

#### (iii) Credit risk (Continued)

##### Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iii) Credit risk (Continued)

##### Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

##### Trade and factoring receivables

Trade and factoring receivables relate to the Group's customers from its financial solutions business. The Group applies simplified approach to measure lifetime expected credit losses for all trade and factoring receivables taking into consideration the past business relationship and, where applicable, and the economic environment in which the debtor operates. During the assessment, the Group reviewed the recent payments received, ongoing business relationship, any other relevant information concerning the creditworthiness of each individual debtor and their ability to repay.

Trade and factoring receivables are written off when there is no reasonable expectation of recovery and legal means of recovery has been considered. The Group writes off the receivables when a debtor has known credit issues or defaults on agreed repayment terms. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. As at 31 December 2023, the contractual amount outstanding which is subject to enforcement activity is MYR7,686,000 (2022: MYR4,864,000).

The table below details the credit quality:

		<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Net carrying amount</b>
<b>2023</b>	<b>12-month or lifetime ECL</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade receivables	Lifetime ECL	9,691	(834)	8,857
Factoring receivables	Lifetime ECL	93,851	(10,598)	83,253
2022				
Trade receivables	Lifetime ECL	5,233	(365)	4,868
Factoring receivables	Lifetime ECL	51,457	(8,494)	42,963

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iii) Credit risk (Continued)

Trade and factoring receivables (Continued)

Movements in credit loss allowance are as follows:

	Group	
	2023 MYR'000	2022 MYR'000
Balance at 1 January	8,859	699
Loss allowance measured:		
Lifetime ECL – Simplified approach**	2,573	8,160
Balance at 31 December	11,432	8,859

\*\* The additional loss allowances during the financial year relate to trade and factoring receivables which originated or acquired during the reporting period.

Loan advances and advance to a third party

The table below details the credit quality:

2023	12-month or lifetime ECL	Gross carrying amount MYR'000	Loss allowance MYR'000	Net carrying amount MYR'000
Loan advances	Lifetime ECL – credit- impaired	3,385	(2,030)	1,355
Advance to a third party	Lifetime ECL – not credit- impaired	547	–	547
2022				
Loan advances	Lifetime ECL – not credit- impaired	2,091	–	2,091
Loan advances	Lifetime ECL – credit- impaired	1,907	(1,907)	–
Advance to a third party	Lifetime ECL – not credit- impaired	1,522	–	1,522

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iii) Credit risk (Continued)

#### Loan advances and advance to a third party (Continued)

Movements in credit loss allowance are as follows:

	Loan advances	
	2023 MYR'000	2022 MYR'000
<b>Group</b>		
Balance at 1 January	1,907	1,907
Loss allowance measured:		
Lifetime ECL		
– credit-impaired	123	–
<b>Balance at 31 December</b>	<b>2,030</b>	<b>1,907</b>

#### Other financial assets

Other financial assets mainly comprise other receivables, deposits, cash and cash equivalents with financial institutions, non-trade receivables from third parties and subsidiaries, deposits with third parties and net investment in sub-leases. The credit risk exposure for the Group's financial assets at amortised cost have been assessed to be insignificant and accordingly, these are at 12-month ECL and no credit loss allowances are required at 31 December 2023 and 2022.

#### Exposure to credit risk

The Group's maximum exposure to credit risk without taking into account any collateral held, comprises the sum of the carrying amounts of financial assets recorded in the financial statements.

#### Credit risk concentration profile

Trade receivables from six (2022: seven) major debtors accounted for 71% (2022: 76%) of the Group's total trade receivables of MYR8,857,000 (2022: MYR4,868,000).

Loan advances to two (2022: two) major debtors accounted for 100% of the Group's total loan advances.

Factoring receivables from seven (2022: thirteen) debtors accounted for 65% (2022: 72%) of the Group's total factoring receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations.

Group	2023			2022 (Restated)			
	Within one year MYR'000	Within two to five years MYR'000	Total MYR'000	Within one year MYR'000	Within two to five years MYR'000	More than five years MYR'000	Total MYR'000
<b>Financial assets:</b>							
Trade and other receivables	102,488	–	102,488	53,890	706	–	54,596
Cash and cash equivalents	80,865	–	80,865	67,382	–	–	67,382
Financial assets at fair value through profit or loss	293	5,081	5,374	276	5,062	–	5,338
Net investment in sub-leases	308	1,040	1,348	574	2,297	215	3,086
Total undiscounted financial assets	183,954	6,121	190,075	122,122	8,065	215	130,402
<b>Financial liabilities:</b>							
Trade and other payables	76,612	–	76,612	52,318	–	–	52,318
Lease liabilities	1,358	3,624	4,982	1,269	4,262	320	5,851
Bank borrowings	31,345	–	31,345	–	–	–	–
Redeemable preference shares	704	9,504	10,208	–	–	–	–
Total undiscounted financial liabilities	110,019	13,128	123,147	53,587	4,262	320	58,169
Total net undiscounted financial assets	73,935	(7,007)	66,928	68,535	3,803	(105)	72,233

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (iv) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations. (Continued)

Company	2023			2022			
	Within one year MYR'000	Within two to five years MYR'000	Total MYR'000	Within one year MYR'000	(Restated) Within two to five years MYR'000	More than five years MYR'000	Total MYR'000
<b>Financial assets:</b>							
Trade and other receivables	123,748	–	123,748	91,019	–	–	91,019
Cash and cash equivalents	7,376	–	7,376	5,812	–	–	5,812
Net investment in sub-leases	308	1,040	1,348	574	2,297	215	3,086
Total undiscounted financial assets	131,432	1,040	132,472	97,405	2,297	215	99,917
<b>Financial liabilities:</b>							
Trade and other payables	82,619	–	82,619	74,926	–	–	74,926
Lease liabilities	924	3,115	4,039	861	3,445	320	4,626
Financial guarantee liabilities	564	–	564	–	–	–	–
Bank borrowings	30,840	–	30,840	–	–	–	–
Total undiscounted financial liabilities	114,947	3,115	118,062	75,787	3,445	320	79,552
Total net undiscounted financial assets/(liabilities)	16,485	(2,075)	14,410	21,618	(1,148)	(105)	20,365

#### (v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in unquoted equity instruments. The Group exposure to the market price risk at the end of reporting period is immaterial as at 31 December 2022 and 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management (Continued)

#### (vi) Fair value of financial instruments

##### **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of financial assets measured at fair value at the end of the reporting period:

	<b>Fair value measurements at the end of the reporting period using significant unobservable input Level 3</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
<b>Group</b>		
<b>Financial assets measured at fair value:</b>		
Amount due from AdiWisista group [Note 8(b)]	7,847	4,602
Held for trading equity securities [Note 8(a)]	–	–
<b>Company</b>		
<b>Financial assets measured at fair value:</b>		
Held for trading equity securities [Note 8(a)]	–	–



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*(vi) Fair value of financial instruments (Continued)

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	<b>Amount due from AdiWisista group</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<b>Group</b>		
Balance at 1 January	4,602	–
Additions	–	4,546
Fair value gain recognised in profit or loss (Note 24)	3,239	–
Translation difference	6	56
Balance at 31 December	7,847	4,602
Total gains for the period included in: <i>Profit or loss:</i>		
Fair value gain (Note 24)	3,239	–

*Amount due from AdiWisista group [Note 8(b)]*

During the financial year, the Group engaged an independent professional valuer for the fair value assessment. The fair value of the CN and EN is determined based on CRR Binomial Tree Model with key inputs from the five-year period discounted cash flows of the investee company.

The valuer has also considered that the computed EV/Sales multiple and P/S multiple of the equity investment are within the range of EV/Sales multiple and P/S multiple of the comparable companies.

The significant unobservable inputs are discount for lack of marketability of 20.5%, credit adjusted discount rate of 13.63%, volatility of 59.52% and post-tax discount rate of 36% (2022: Not applicable).

The estimated fair value of CN and EN would increase/decrease if discount for non-marketability, credit adjusted discount rate and post-tax discount rate was lower/higher. The estimated fair value of CN and EN would increase/decrease if the volatility was higher/lower.

*Cash and cash equivalents (Note 7), trade and other receivables (Note 6), trade and other payables (Note 16) and bank borrowings (Note 17)*

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as the effect of discounting is immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity structure.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, bank borrowings, redeemable preferences shares, trade and other payables and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to owners of the Company less the restricted statutory reserve fund as disclosed in Note 19.

The Group reviews the capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from the prior period.

	<b>Group (Restated)</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
Trade and other payables (Note 16)	(73,127)	(50,225)
Bank borrowings (Note 17)	(30,411)	–
Redeemable preference shares (Note 16)	(8,800)	–
Lease liabilities (Note 11)	(4,567)	(5,252)
Add: Cash and cash equivalents (Note 7)	80,865	67,382
Net (debt)/cash	<u>(36,040)</u>	<u>11,905</u>
Equity attributable to owners of the Company	69,217	65,094
Less: Statutory reserve	(5,313)	(5,313)
Total capital	<u>63,904</u>	<u>59,781</u>
Capital and net debt	<u>99,944</u>	<u>47,876</u>
Gearing ratio	<u>36%</u>	<u>NA</u>

The Group is currently in a net debt position (2022: net cash position). This was due to the increase in debt financing from financial institutions and the launch of the Redeemable Preference Shares Programme and is in line with the Group's expansion of the financial solutions business. Nonetheless, the Group will continue to actively monitor gearing while balancing its expansion strategy and goal of generating returns for shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 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:

	<b>Group (Restated)</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
Rental income received from a fellow subsidiary	70	86
Management fee expenses paid to former ultimate holding company*	580	1,338
Interest expense on loan from a shareholder (Note 23)	1,768	1,114
Interest expense on loan from a related party (Note 23)	666	206
Loan drawdown from a shareholder	–	25,260
Loan drawdown from a related party	–	9,637
Lease payment received/receivable from sub-leasing to related parties	(467)	(465)

\* One of the directors of the Company, who is also the controlling shareholder of the Company, has resigned as key management personnel of the former ultimate holding company. Following the resignation as key management personnel of the former ultimate holding company, the management fee expense paid to former ultimate holding company ceased and it was charged for five-month period ended 31 May 2023 (2022: 12-months).

	<b>Group</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
<b>Compensation of key management personnel</b>		
Salaries and other short-term benefits	3,375	2,470
Defined contribution plans	259	191
	3,634	2,661
<i>Comprise amounts paid to:</i>		
Directors of the Company	1,481	1,139
Directors of the subsidiaries	1,307	835
Other key management personnel	846	687
	3,634	2,661

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6. TRADE AND OTHER RECEIVABLES

	Group (Restated)		Company (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<u>Current</u>				
Trade receivables	9,691	5,233	–	–
Factoring receivables	93,851	51,457	–	–
Loan advances	3,385	3,998	–	–
Other receivables from third parties	1,453	72	35	58
Other receivables from subsidiaries	–	–	124,015	90,870
Deposits	832	300	175	91
Interest receivable from fixed deposit	8	–	–	–
Prepayments	492	223	97	107
Advance to a third party	547	863	–	–
Goods and services tax ("GST") receivable	–	39	–	39
	110,259	62,185	124,322	91,165
Less: Expected credit losses				
– Trade receivables	(834)	(365)	–	–
– Factoring receivables	(10,598)	(8,494)	–	–
– Loan advances	(2,030)	(1,907)	–	–
	(13,462)	(10,766)	–	–
	96,797	51,419	124,322	91,165
<u>Non-current</u>				
Advance to a third party	–	659	–	–
Total trade and other receivables	96,797	52,078	124,322	91,165

### 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 12% per transaction (2022: 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-month (2022: 1-month) term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6. TRADE AND OTHER RECEIVABLES (CONTINUED)

### 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 Capital Markets Sdn. Bhd ("**LCMSB**") as part of the assets of LCMSB. The advance was made by LCMSB to finance a third party's factoring business.

The amount is interest bearing at 14% to 18% (2022: 14%) per annum. Management expects to recover the amount in full by 31 July 2024.

## 7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
Cash on hand	5	6	—*	—*
Cash at banks	79,853	62,374	7,376	5,812
Fixed deposits	1,007	5,002	—	—
Cash and cash equivalents	80,865	67,382	7,376	5,812

For the purpose of presenting consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2023 MYR'000	2022 MYR'000
Cash and cash equivalents	80,865	67,382
Less: Cash deposit restricted in use (pledged) (Note 17)	(32,343)	—
Less: Fixed deposit restricted in use (pledged) (Note 17)	(1,007)	—
Cash and cash equivalents as per consolidated cash flow statement	47,515	67,382

\* Denotes amounts less than MYR1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Current</b>				
Held for trading equity securities	–	–	–	–
<b>Non-current</b>				
Amount due from AdiWisista group	7,847	4,602	–	–

### (a) Held for trading equity securities

Held for trading equity securities relate to 6,547,324 shares (2022: 6,547,324 shares) in ayondo Ltd (“ayondo”) which the Group and Company acquired in the previous financial years pursuant to its involvement in the Initial Public Offering exercise of ayondo on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

As ayondo has been delisted on 24 December 2021, the fair value of the held for trading equity securities was determined to be Nil.

### (b) Amount due from AdiWisista group

In 2022, 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**”) (collectively termed as the “**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 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 shares 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 shares in PT ADI representing 10% of the total number of shares in PT ADI issued by PT ADI.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

### (b) Amount due from AdiWisista group (Continued)

The other key terms of the Notes Agreement include:

- SAPL and PT ADP agree to work together and collaborate with each other to explore potential business opportunities and collaborations within the financial services industry in Indonesia, Malaysia and Singapore;
- Both the EN and CN bear simple interest at the rate of six per cent per annum accruing on a daily basis based on the principal amount of EN and CN;
- SAPL is entitled at any time prior to the maturity date to require all the Noteholders to collectively apply and exchange the EN and CN into shares of PT AFT;
- In the event that the EN and CN are not redeemed and exchanged prior to the maturity date (i.e. 36 months from 16 August 2022 or any other date as may be mutually agreed by the investors, PT ADI and PT ADP), the EN and CN shall be automatically redeemed and the borrower shall repay the principal amount and interest accrued thereon to SAPL.

The Group has classified the investment as financial assets at fair value through profit or loss. During the financial year, the Group has engaged an independent professional valuer who has adopted CRR Binomial Model in estimating the fair value of the EN and CN. Significant judgement is required in determining the appropriateness of the assumptions used in the fair valuation of the EN and CN. Information about the valuation techniques and inputs used in determining the fair value of the EN and CN is disclosed in Note 4(b)(vi).

In 2022, the fair value of the unquoted equity shares was determined based on the amount subscribed to the Notes. The subscription was made on 16 August 2022 and management has assessed that there have been no significant factors identified which will result in a material change to the fair value of the investments as at 31 December 2022. The directors had assessed and concluded that there is no significant change to the investment's fair value since its initial recognition.

The fair value measurement is categorised in Level 3 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. PROPERTIES HELD FOR SALE

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
At cost or net realisable value	15,329	15,614

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

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

Properties held for sale as at 31 December 2022 were as follows:

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



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. PROPERTY, PLANT AND EQUIPMENT

Group	Office premises MYR'000	Renovation MYR'000	Motor vehicles MYR'000	Furniture, fixtures and equipment MYR'000	Total MYR'000
<b>Cost</b>					
At 1 January 2022	1,467	1,212	538	480	3,697
Additions	2,774	359	–	1,273	4,406
Written off	(830)	–	–	–	(830)
Translation difference	(29)	14	(18)	(4)	(37)
At 31 December 2022, as restated	3,382	1,585	520	1,749	7,236
Additions	–	156	155	477	788
Transfers	1,209	–	–	–	1,209
Disposals	–	–	(412)	–	(412)
Written off	–	–	–	(5)	(5)
Translation difference	131	23	9	7	170
<b>At 31 December 2023</b>	<b>4,722</b>	<b>1,764</b>	<b>272</b>	<b>2,228</b>	<b>8,986</b>
<b>Accumulated depreciation</b>					
At 1 January 2022	935	698	511	261	2,405
Depreciation for the financial year	864	449	–	232	1,545
Written off	(830)	–	–	–	(830)
Translation difference	8	–*	(17)	(6)	(15)
At 31 December 2022, as restated	977	1,147	494	487	3,105
Depreciation for the financial year	708	194	3	532	1,437
Disposals	–	–	(391)	–	(391)
Written off	–	–	–	(1)	(1)
Translation difference	28	6	7	6	47
<b>At 31 December 2023</b>	<b>1,713</b>	<b>1,347</b>	<b>113</b>	<b>1,024</b>	<b>4,197</b>
<b>Carrying amount</b>					
At 31 December 2022, as restated	2,405	438	26	1,262	4,131
<b>At 31 December 2023</b>	<b>3,009</b>	<b>417</b>	<b>159</b>	<b>1,204</b>	<b>4,789</b>

(a) Included in property, plant and equipment of the Group are right-of-use assets of MYR3,186,000 (2022: MYR2,405,000) (Note 11).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Net cash outflow for purchase of property, plant and equipment is as follows:

	Group	
	2023 MYR'000	2022 MYR'000
Aggregate cost of property, plant and equipment	788	4,406
Less: Addition to right-of-use assets	(182)	(2,774)
Net cash outflows for purchase of property, plant and equipment	606	1,632

Company	Office premises MYR'000	Renovation MYR'000	Furniture, fixtures and equipment MYR'000	Total MYR'000
<b>Cost</b>				
At 1 January 2022	–	–	26	26
Additions	1,659	345	–	2,004
Translation difference	(27)	13	–*	(14)
At 31 December 2022, as restated	1,632	358	26	2,016
Additions	–	155	89	244
Transfers	1,209	–	–	1,209
Translation difference	130	23	2	155
<b>At 31 December 2023</b>	2,971	536	117	3,624
<b>Accumulated depreciation</b>				
At 1 January 2022	–	–	17	17
Depreciation for the financial year	332	41	3	376
Translation difference	10	–*	–*	10
At 31 December 2022, as restated	342	41	20	403
Depreciation for the financial year	258	86	7	351
Translation difference	27	5	2	34
<b>At 31 December 2023</b>	627	132	29	788
<b>Carrying amount</b>				
At 31 December 2022, as restated	1,290	317	6	1,613
<b>At 31 December 2023</b>	2,344	404	88	2,836

\* Denotes amounts less than MYR1,000

Included in property, plant and equipment of the Company are right-of-use assets of MYR2,368,000 (2022: MYR1,290,000) (Note 11).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. LEASES

### *Nature of the Group's leasing activities*

The Group lease office units, motor vehicle and office equipment from non-related parties. The lease term was disclosed in Note 2.6.

The Company is a sub-lessor (intermediate lessor) of the right-of-use assets. The Company subleased approximately 33% (2022: 67%) of office space to its related parties without any mark-up. The sub-lease of office space is for the same period as head lease (i.e. 6 years including option to extend the lease) and is classified as a finance lease because the risks and rewards incidental to ownership of the right-of-use assets are substantially transferred. The sublease payments are fixed and match the payments under the head lease. Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised.

The maturity analysis of the lease liabilities is disclosed in Note 4(b)(iv).

Information about leases for which the Group is a lessee is presented below:

### *Amounts recognised in the balance sheets*

	<b>Group (Restated)</b>		<b>Company (Restated)</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
<u>Carrying amount of right-of-use assets</u>				
Office premises	3,009	2,405	2,344	1,290
Motor vehicle	153	–	–	–
Furniture, fixtures and equipment	24	–	24	–
	<u>3,186</u>	<u>2,405</u>	<u>2,368</u>	<u>1,290</u>
<u>Carrying amount of net investment in sub-leases</u>				
Non-current	968	2,293	968	2,293
Current	262	468	262	468
	<u>1,230</u>	<u>2,761</u>	<u>1,230</u>	<u>2,761</u>
<u>Carrying amount of lease liabilities</u>				
Non-current	3,390	4,203	2,902	3,436
Current	1,177	1,049	785	701
	<u>4,567</u>	<u>5,252</u>	<u>3,687</u>	<u>4,137</u>
Additions to right-of-use assets	182	2,774	27	1,659
Transfer from net investment in sub-leases	1,209	–	1,209	–
	<u>1,391</u>	<u>2,774</u>	<u>1,236</u>	<u>1,659</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. LEASES (CONTINUED)

*Amounts recognised in profit or loss*

	Group		Company	
	2023	(Restated) 2022	2023	(Restated) 2022
	MYR'000	MYR'000	MYR'000	MYR'000
Depreciation charged for the financial year				
– Office premises	708	864	258	332
– Motor vehicle	3	–	–	–
– Furniture, fixtures and equipment	2	–	2	–
	713	864	260	332
Interest income from sub-leasing (Note 21)	107	49	107	49
Interest expense on lease liabilities	230	131	169	122

### Group

Total cash flows for leases amounted to MYR1,310,000 (2022: MYR808,000).

### Company

Total cash flows for leases amounted to MYR903,000 (2022: MYR399,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group		Company	
	2023	(Restated) 2022	2023	(Restated) 2022
	MYR'000	MYR'000	MYR'000	MYR'000
Less than one year	308	574	308	574
One to five years	1,040	2,297	1,040	2,297
<b>More than 5 years</b>	–	215	–	215
	1,348	3,086	1,348	3,086

Reconciliation of undiscounted lease payments to net investment in sub-leases at the end of the reporting period:

	Group		Company	
	2023	(Restated) 2022	2023	(Restated) 2022
	MYR'000	MYR'000	MYR'000	MYR'000
Total undiscounted lease payments	1,348	3,086	1,348	3,086
Unearned interest income from sub-leasing	(118)	(325)	(118)	(325)
	1,230	2,761	1,230	2,761

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. LEASES (CONTINUED)

*Reconciliation of movements of liabilities to cash flows arising from financing activities:*

	<b>Group MYR'000</b>
Balance as at 1 January 2022	399
Changes from financing cash flows:	
– Addition	5,555
– Repayments	(677)
– Interest expense on lease liabilities	131
– Interest paid	(131)
Translation difference	(25)
Balance as at 31 December 2022, as restated	5,252
Changes from financing cash flows:	
– Addition	154
– Repayments	(1,080)
– Interest expense on lease liabilities	230
– Interest paid	(230)
Translation difference	241
<b>Balance as at 31 December 2023</b>	<b>4,567</b>

## 12. GOODWILL AND INTANGIBLE ASSETS

### (a) Goodwill

	<b>Group</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
<b>Cost</b>		
At 1 January	1,871	1,871
Additions [Note 13(a)]	1,385	–
Translation difference	92	–
At 31 December	3,348	1,871
<b>Accumulated impairment</b>		
At 1 January/31 December	(1,271)	(1,271)
<b>Net carrying amount at 31 December</b>	<b>2,077</b>	<b>600</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

### (a) Goodwill (Continued)

#### *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:

	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Luminor Malaysia and its subsidiaries (excluding SA Puncak Management Sdn. Bhd.)	1,271	1,271
SA Puncak Management Sdn. Bhd. (" <b>SAPM</b> ")	600	600
Funded Here Pte Ltd (" <b>FHPL</b> ")	1,477	–

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

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGUs.

#### *Key assumptions used in value in use calculation of SAPM and 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 for SAPM and FHPL respectively (2022: three-year period for SAPM). Forecast revenue for the 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 five years.

	<b>Average growth rate in revenue %</b>	<b>Terminal value growth rate %</b>	<b>Discount rate (pre-tax) %</b>
<b>31 December 2023</b>			
– SAPM	35	4.0	6.9
– FHPL	25	3.6	13.3
<b>31 December 2022</b>			
– SAPM	21	2.4	7.2

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amount of the goodwill of SAPM and FHPL as their recoverable amounts were in excess of their carrying amounts.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

## (a) Goodwill (Continued)

*Impairment test for goodwill (Continued)**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 SAPM and FHPL.

## (b) Intangible assets

	<b>Website under development MYR'000</b>	<b>Software MYR'000</b>	<b>Total MYR'000</b>
<b>Group Cost</b>			
At 1 January 2022, 31 December 2022 and 1 January 2023	–	55	55
Additions	5,021	5	5,026
Translation difference	114	–	114
At 31 December 2023	<u>5,135</u>	<u>60</u>	<u>5,195</u>
<b>Amortisation</b>			
At 1 January 2022	–	13	13
Amortisation charged	–	18	18
At 31 December 2022	–	31	31
Amortisation charged	–	16	16
At 31 December 2023	<u>–</u>	<u>47</u>	<u>47</u>
<b>Carrying amount</b>			
At 31 December 2022	–	24	24
<b>At 31 December 2023</b>	<u><u>5,135</u></u>	<u><u>13</u></u>	<u><u>5,148</u></u>

Website development costs relate to costs paid to a third-party vendor to develop Integrated Financial Service Eco-system that would generate future economic benefits upon commercialisation. Website development costs have a finite useful life, over which the assets are to be amortised. No amortisation is charged as at 31 December 2023 as the website is still under development stage. The directors have approved to invest up to US\$2 million (equivalent to MYR9.2 million) in this website development project.

As at 31 December 2023, management performed an impairment test for the website development costs which is under FHPL CGU. The key assumptions and sensitivity for the determination of the recoverable amount of FHPL CGU are disclosed in Note 12(a).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 MYR'000	2022 MYR'000
<b>Unquoted equity shares, at cost</b>		
Balance at 1 January	6,558	6,178
Additions	599	–
Translation difference	406	381
Balance at 31 December	7,563	6,559
<b>Accumulated impairment loss</b>		
Balance at 1 January	(6,559)	(6,178)
Reversal of impairment loss	6,799	–
Translation difference	(240)	(381)
Balance at 31 December	–	(6,559)
<b>Net carrying amount at 31 December</b>	<b>7,563</b>	<b>–*</b>

\* Denotes amounts less than MYR1,000

### Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group		Proportion of voting power held	
			2023	2022	2023	2022
			%	%	%	%
Starland Axis Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding	100	100	100	100
Starland Commercial Trading Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding	100	100	100	100
<u>Subsidiary of Starland Commercial Trading Pte. Ltd.</u>						
Xiamen Starland Trading Limited <sup>(3)</sup>	People's Republic of China	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information	100	100	100	100
<u>Subsidiary of Xiamen Starland Trading Limited</u>						
Chongqing Starland Property Services Co., Ltd. <sup>(3)</sup>	People's Republic of China	Property management service	100	100	100	100



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group		Proportion of voting power held	
			2023	2022	2023	2022
			%	%	%	%
<u>Subsidiaries of Chongqing Starland Property Services Co., Ltd.</u>						
Chongqing Gangyuan Property Development Co., Ltd. <sup>(4)</sup>	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100
Chongqing Tianhu Land Co., Ltd. <sup>(4)</sup>	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100
<u>Subsidiary of Starland Axis Pte. Ltd.</u>						
Luminor Capital (Malaysia) Sdn. Bhd. <sup>(2)</sup>	Malaysia	Investment holding and provision of financial solution	100	100	100	100
Funded Here Pte. Ltd. <sup>(1)</sup>	Singapore	Crowdfunding business	85.33 <sup>(5)</sup>	–	85.33 <sup>(5)</sup>	–
<u>Subsidiaries of Luminor Capital (Malaysia) Sdn. Bhd.</u>						
EL Nuwr Sdn. Bhd. <sup>(2)</sup>	Malaysia	Financial solution – Asset management	100	100	100	100
Luminor Credit Sdn. Bhd. <sup>(2)</sup>	Malaysia	Financial solution – Loan advances business	100	100	100	100
SA Puncak Management Sdn. Bhd. <sup>(2)</sup>	Malaysia	Financial solution – Factoring business	88.6	86.8	88.6	86.8
Luminor Asset Berhad <sup>(2)</sup>	Malaysia	Other financial service activities	100	–	100	–

(1) Audited by Baker Tilly TFW LLP for Group consolidation purposes.

(2) Audited by Baker Tilly Malaysia.

(3) Not required to be audited in country of incorporation.

(4) Audited by member firm of Baker Tilly International in the PRC for Group consolidation purposes.

(5) As at 31 December 2023, the Group owns 85.33% of the ordinary shares and 100% of the Irredeemable Convertible Preference Shares ("ICPS") of Funded Here Pte. Ltd. Subsequent to financial year end, the Group converted 58,410 ICPS to ordinary shares on 29 February 2024 as disclosed in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Acquisition of Funded Here Pte. Ltd. ("FHPL")

On 11 February 2022, Starland Axis Pte Ltd ("SAPL") entered into a Sales and Purchase Agreement ("SPA") to subscribe 4,446,888 ordinary shares of Funded Here Pte Ltd ("FHPL"), representing 58.41% equity interest for a purchase consideration of S\$687,000 (approximately MYR2,281,000) (the "Acquisition"). The completion of the Acquisition took place on 1 February 2023 and the purchase consideration was satisfied by way of allotment and issuance of 7,899,068 ordinary shares of the Company based on the listed share price of the Company at 1 February 2023 of MYR0.29 as disclosed in Note 18.

FHPL is Singapore's first MAS-licensed equity and debt crowdfunding platform that aspires to connect the most promising start-ups and companies to strategic investors through its regulated platform. As a result of the Acquisition, the Group and the Company could leverage its experience to expand its financial solution business to include peer-to-peer equity and lending based crowdfunding marketplace services regionally.

*Fair values of identifiable assets and liabilities of FHPL at acquisition date*

	<b>FHPL 2023 MYR'000</b>
Investment in financial assets at fair value through other comprehensive income	96
Deferred tax assets	65
Other receivables	405
Cash and cash equivalents	1,672
Trade and other payables	(729)
Total identifiable net assets acquired by SAPL	1,509
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	(613)
Net identifiable assets acquired	896
Goodwill [Note 12(a)]	1,385
<b>Total consideration transferred</b>	<b>2,281</b>

*Effect on cash flows of the Group*

	<b>FHPL 2023 MYR'000</b>
Total consideration transferred	2,281
Less: Equity instrument issued as consideration (Note 18)	(2,281)
Less: Cash and cash equivalents in subsidiary acquired	1,672
<b>Net cash inflow from acquisition of a subsidiary</b>	<b>1,672</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (a) Acquisition of Funded Here Pte. Ltd. ("FHPL") (Continued)

#### *Goodwill*

The acquired subsidiary is involved in the crowdfunding services. The goodwill of MYR1,385,000 is attributable to business synergies expected to arise to the Group after the acquisition as disclosed above.

#### *Revenue and profit contribution*

The acquired subsidiary contributed revenue of Nil and net loss of MYR1,769,000 to the Group for the financial period from 1 February 2023 to 31 December 2023. If the acquisition had occurred on 1 January 2023, the Group income from 1 January 2023 to 31 December 2023 would have been MYR30,869,000 and total profit and comprehensive income for the financial year would have been MYR574,000 and MYR7,373,000 respectively.

### (b) Increase ownership in FHPL and SAPM

On 30 June 2023, SAPL completed the acquisition of additional 13,975,932 ordinary shares of FHPL for a consideration of S\$1,344,000 (approximately MYR4,828,000). The Group paid the consideration in cash for the acquisition. Following the increase in equity interest, SAPL held 85.33% in FHPL. The carrying value of the net assets of FHPL at 30 June 2023 was MYR5,281,000 and the carrying value of additional non-controlling interests acquired was MYR504,000. The difference of MYR5,332,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity under other reserve as premium paid for acquisition of non-controlling interests.

On 1 September 2023, LCM subscribed for additional of 90,000 ordinary shares of SAPM for a consideration of MYR120,000. The Group paid the consideration in cash for the acquisition. Following the increase in equity interest, LCM held 88.6% in SAPM. The carrying value of the net assets of SAPM at 31 August 2023 was MYR13,421,000 and the carrying value of the additional interest acquired was MYR242,000. The difference of MYR122,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity under other reserve as gain for acquisition of non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (b) Increase ownership in FHPL and SAPM (Continued)

The following summarises the effect of the change in the Group ownership interest in FHPL and SAPM on the equity attributable to equity holders of the Company.

	<b>FHPL</b> <b>26.92%</b> <b>MYR'000</b>	<b>2023</b> <b>SAPM</b> <b>1.80%</b> <b>MYR'000</b>	<b>Total</b> <b>MYR'000</b>
Carrying amount of additional non-controlling interests acquired	(504)	242	(262)
Consideration paid	(4,828)	(120)	(4,948)
<b>Net differences in other reserves attributable to equity holders of the Group</b>	<b>(5,332)</b>	<b>122</b>	<b>(5,210)</b>

### (c) Increase ownership in Luminor Capital (Malaysia) Sdn. Bhd. ("LCM")

On 14 June 2022, SAPL acquired an additional 49% equity interest in LCM from its non-controlling interests. The Group paid by cash consideration of MYR14,145,000 and allotment of shares of Company on 14 June 2022 and 27 December 2022 based on the listed share prices of MYR0.44 and MYR0.28 at the respective dates for the acquisition:

	<b>Paid in cash</b> <b>MYR'000</b>	<b>Paid in shares</b> <b>of the Company</b>
On 14 June 2022	12,809	13,449,630 shares
On 27 December 2022	1,336	1,355,657 shares
	<b>14,145</b>	<b>14,805,287 shares</b>

As a result of this acquisition, LCM is now 100% held by the Group. The carrying value of the net assets of LCM at 14 June 2022 was MYR767,000 and the carrying value of the additional interest acquired was MYR340,000. The difference of MYR20,761,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity under other reserve as premium paid for acquisition of non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (c) Increase ownership in Luminor Capital (Malaysia) Sdn. Bhd. ("LCM") (Continued)

The following summarises the effect of the change in the Group ownership interest in LCM on the equity attributable to equity holders of the Company.

	<b>2022 MYR'000</b>
Consideration paid for acquisition of non-controlling interests:	
– paid in cash	14,145
– paid by way of shares of the Company	6,276
Total consideration paid	20,421
Carrying amount of non-controlling interests acquired	340
Decrease in other reserve attributable to equity holders of the Company	20,761

### (d) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that has NCI that is considered by management to be material to the Group:

<b>Name of subsidiaries</b>	<b>Principal place of business/Country of incorporation</b>	<b>Ownership interests held by NCI</b>
<b>2023</b>		
Funded Here Pte. Ltd.	Singapore	14.67%
SA Puncak Management Sdn. Bhd.	Malaysia	11.4%
<b>2022</b>		
SA Puncak Management Sdn. Bhd.	Malaysia	13.2%

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (d) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (Continued)

The following is the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

#### Summarised Balance Sheet

	<b>Funded Here Pte Ltd 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2022 MYR'000</b>
Non-current assets	4,606	1,791	2,128
Current assets	641	104,137	55,197
Non-current liabilities	–	(73,983)	(48,573)
Current liabilities	(646)	(20,453)	(3,236)
<b>Net assets</b>	<b>4,601</b>	<b>11,492</b>	<b>5,516</b>
<b>Net assets attributable to NCI</b>	<b>675</b>	<b>1,310</b>	<b>728</b>

#### Summarised Statement of Comprehensive Income

	<b>Funded Here Pte Ltd 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2022 MYR'000</b>
Revenue	–	27,129	19,375
(Loss)/profit before tax	(1,789)	8,981	3,244
Income tax expenses	–	(3,004)	(282)
<b>(Loss)/profit after tax and total comprehensive (loss)/income</b>	<b>(1,789)</b>	<b>5,977</b>	<b>2,962</b>
<b>(Loss)/profit allocated to NCI</b>	<b>(489)</b>	<b>829</b>	<b>873</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (d) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (Continued)

*Summarised Cash Flows*

	<b>Funded Here Pte Ltd 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2023 MYR'000</b>	<b>SA Puncak Management Sdn. Bhd. 2022 MYR'000</b>
Cash flows from operating activities	726	13,778	1,022
Cash flows used in investing activities	(4,822)	(334)	(1,377)
Cash flows generated from/(used in) financing activities	4,139	(5,038)	6,507
<b>Net increase in cash and cash equivalents</b>	<b>43</b>	<b>8,406</b>	<b>6,152</b>

### (e) Call option

In accordance with the Call Option Agreement ("Call Option Agreement"), the non-controlling shareholder of SA Puncak Management Sdn. Bhd. ("SA Puncak") granted LCM a call option over the remaining 15% interest in SA Puncak Management Sdn. Bhd. for RM1,000,000. Under the Call Option Agreement, SA Puncak had the right to exercise the call option up to 22 August 2022.

On 3 August 2022, SA Puncak and LCM extended the option period for a further three years which shall expire thereafter on 21 August 2025. The call option is exercisable by LCM at any time during the extended option period, in respect of the call shares in accordance to the terms and conditions as below:

<b>Timeline</b>	<b>Amount of call shares (ordinary shares)</b>	<b>Option price and payment manner</b>
Before 22 August 2023	45,000**	MYR120,000 payable in tranches by 22 May 2024
Before 22 August 2024	45,000	MYR120,000 payable in tranches by 22 November 2024
Before 22 August 2025	240,000	MYR793,600 payable on or before 22 August 2025

\*\* This tranche has been exercised during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### (f) Company level – impairment review of investment in subsidiaries

During the financial year, the management performed impairment test for the investment in LCM and its subsidiaries (“LCM Group”) as there is indicator of reversal of impairment resulted from the improvements of financial position of LCM Group. The recoverable amount of the investment in LCM Group has been determined based on the value-in-use calculation using five-year period cash flow projections approved by management.

The key assumptions used in estimation of value-in-use were as follows:

	<b>Average growth rate in revenue %</b>	<b>Terminal value growth rate %</b>	<b>Discount rate (pre-tax) %</b>
<b>31 December 2023</b>			
– LCM Group	35	4.0	7.2
<b>31 December 2022</b>			
– LCM Group	31	2.4	7.2

Based on the assessment, a reversal of impairment loss of MYR6,799,000 was recognised during the financial year ended 31 December 2023 (2022: Nil).

#### *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 investment in LCM Group.

## 14. INVESTMENT IN ASSOCIATE

	<b>Group</b>	
	<b>2023 MYR'000</b>	<b>2022 MYR'000</b>
Unquoted equity shares, at cost	400	400
Loan due from associate	156	156
Share of post-acquisition reserves	611	134
Allowance for impairment loss	(500)	(500)
	<u>667</u>	<u>190</u>

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. INVESTMENT IN ASSOCIATE (CONTINUED)

Movements in allowance for impairment loss during the financial year are as follows:

	Group	
	2023 MYR'000	2022 MYR'000
At 1 January and 31 December	(500)	(500)

Details of the Group's associate is as below:

Name of associate	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group	
			2023 %	2022 %
<u>Associate of LCM</u>				
Luminor Capital Markets Sdn. Bhd. <sup>(1)</sup>	Malaysia	Financial solutions	49	49

(1) Audited by Baker Tilly Malaysia.

Summarised financial information for Luminor Capital Markets Sdn. Bhd. ("LCMSB") based on its SFRS(I) financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investment in the consolidated financial statements is as follows::

	LCMSB	
	2023 MYR'000	2022 MYR'000
Revenue	1,225	435
Profit before tax	97	342
Income tax expenses	–	–
<b>Profit after tax</b>	97	342
Other comprehensive income	–	–
<b>Total comprehensive income</b>	97	342
Current assets	1,412	436
Current liabilities	(12)	(10)
<b>Net asset</b>	1,400	426
Group's share of net assets based on proportion of ownership interest	686	209
Reconciliation of net assets to carrying amount as at financial year end:		
Share of net assets	686	209
Adjustment	(19)	(19)
<b>Carrying amount of investment in associate</b>	667	190

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. DEFERRED TAX

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Deferred tax assets	364	196
Deferred tax liabilities	(2,794)	(2,672)

The deferred tax assets and liabilities recognised by the Group and movements thereon during the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	<b>Deferred tax liabilities</b>			<b>Deferred tax assets</b>		
	<b>Undistributed retained profits MYR'000</b>	<b>Pre-levied Land Appreciation Tax ("LAT") MYR'000</b>	<b>Subtotal MYR'000</b>	<b>Tax credits MYR'000</b>	<b>Subtotal MYR'000</b>	<b>Total MYR'000</b>
At 1 January 2022	(1,867)	(49)	(1,916)	609	609	(1,307)
Credited to profit or loss for the financial year (Note 25)	(840)	–	(840)	(406)	(406)	(1,246)
Translation difference	82	2	84	(7)	(7)	77
At 31 December 2022	(2,625)	(47)	(2,672)	196	196	(2,476)
(Credited)/charged to profit or loss for the financial year (Note 25)	(117)	47	(70)	99	99	29
Acquisition of subsidiary [Note 13(a)]	–	–	–	65	65	65
Translation difference	(52)	–	(52)	4	4	(48)
<b>At 31 December 2023</b>	<b>(2,794)</b>	<b>–</b>	<b>(2,794)</b>	<b>364</b>	<b>364</b>	<b>(2,430)</b>

### Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular [Guoshuihan [2008] 112] effective from January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on their profits generated from 1 January 2008 onwards to its "non-resident" investors who do not have an establishment or place of business in the PRC. A preferential withholding income tax rate of 5% is applicable to the PRC subsidiaries which fulfil the requirements under the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No. 30.

In accordance with the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No. 30, the Group completed the declaration in the PRC during the financial year ended 31 December 2018, on its eligibility to enjoy the preferential withholding tax rate of 5%.

### Temporary differences relating to pre-levied LAT

In PRC, LAT is pre-levied based on certain percentage of pre-sale proceeds, which is stipulated by the local taxation bureau. According to "Notice on Adjustment of Pre-levying Rate of LAT" issued by Chongqing local tax bureau in 2011, LAT pre-levying rate for ordinary residential properties is 2% while the rate for non-ordinary residential properties is 3.5%.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES

	Group (Restated)		Company (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Non-current</b>				
Redeemable preference shares	8,800	–	–	–
Financial guarantee to a subsidiary	–	–	564	–
	8,800	–	564	–
<b>Current</b>				
Trade payables	29	1	–	–
Deposits from contractors	49	51	–	–
Deposits from tenants	209	204	–	–
Accrued expenses	3,907	2,159	1,436	836
Other payables due to subsidiaries	–	–	38,849	37,134
Other payables due to former ultimate holding company	158	294	158	294
Payables to former non-controlling interests	18,872	8,185	–	–
Consideration payable for acquisition of SAPM	60	67	–	–
Other payables due to third parties	10,304	2,114	193	–
Other tax payables	451	488	–	–
Loan from a shareholder	28,312	26,663	28,312	26,663
Loan from a related party	10,617	9,999	10,617	9,999
GST payable	159	–	159	–
	73,127	50,225	79,724	74,926
<b>Contract liabilities</b>				
	1,002	624	–	–

Other payables due to subsidiaries and former ultimate holding company are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

Payables to former non-controlling interests are unsecured, interest bearing at 6.5% and 8% (2022: 6.5%) per annum and repayment is within the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES (CONTINUED)

Loan from a shareholder (who is also the controlling shareholder and the director of the Company) is unsecured, interest bearing at 6.5% (2022: 6.5%) per annum and repayment is within the next 12 months.

Loan from a related party (related to the controlling shareholder) is unsecured, interest bearing at 6.5% (2022: 6.5%) per annum and repayment is within the next 12 months.

### *Redeemable preference shares*

The Group has established a redeemable preference shares ("RPS") programme of up to MYR500,000,000 in nominal value. As at 31 December 2023, redeemable preference shares issued totalling MYR8,800,000 at MYR1.00 per RPS. The RPS are interest bearing at 5% plus overnight policy rate published by Bank Negara Malaysia on the respective RPS issued date, and the interest rate is at 8% for the financial year. The RPS is mandatorily redeemable at MYR1.00 per RPS with tenure of two years from the following issuance dates.

<b>RPS allotment dates</b>	<b>Amount of RPS (ordinary shares)</b>	<b>Amount MYR'000</b>
7 November 2023	5,850,000	5,850,000
24 November 2023	2,100,000	2,100,000
29 December 2023	850,000	850,000
<b>Total</b>	<b>8,800,000</b>	<b>8,800,000</b>

The RPS are secured by a put option agreement between RPS Holders with the Company where the RPS Holders have rights to require the Company to redeem the RPS in one tranche at any time during the tenure of two years at the price of MYR1.00 per RPS. The fair value of the non-current RPS at the 31 December 2023 approximate their carrying values as at the end of the reporting period.

Financial guarantee contracts are initially recognised at their fair values. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9. Financial guarantee liability pertains to the fair value of the put option amounting to MYR599,000 on initial recognition provided by the Company on behalf of the subsidiary to obtain financing through the RPS programme, less amortisation. Correspondingly, the Company recorded the financial guarantee liability as additions to the investment in subsidiaries amounting to MYR599,000 as disclosed in Note 13.

Contract liabilities pertains to:

- advances from customers for the sale of its properties which are recognised as revenue when control of the property has been transferred to the customer.
- final instalment received in advance from customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES (CONTINUED)

A reconciliation of contract liabilities is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
At 1 January	624	381
Revenue recognised included in opening balance	–	(38)
New contracts	371	291
Translation difference	7	(10)
At 31 December	1,002	624

A reconciliation of liabilities arising from financing activities is as follows:

	<b>Other payables due to former ultimate holding company MYR'000</b>	<b>Payables to former non-controlling interests MYR'000</b>	<b>Loan from a shareholder MYR'000</b>	<b>Loan from a related party MYR'000</b>	<b>Bank borrowings MYR'000</b>	<b>RPS payable MYR'000</b>	<b>Total MYR'000</b>
<b>Group</b>							
Balance at 1 January 2022	153	8,352	–	–	–	–	8,505
Changes from financing cash flows:							
– Advances	3,652	60	–	–	–	–	3,712
– Loan drawdown	–	–	25,260	9,637	–	–	34,897
– Repayments	(3,524)	(632)	–	–	–	–	(4,156)
– Interest paid	–	(686)	(676)	(45)	–	–	(1,407)
Non-cash changes:							
– Interest expense	–	488	1,114	206	–	–	1,808
– Unrealised foreign exchange loss	–	670	–	–	–	–	670
Translation differences	14	–	965	201	–	–	1,180
Balance at 31 December 2022	295	8,252	26,663	9,999	–	–	45,209

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES (CONTINUED)

A reconciliation of liabilities arising from financing activities is as follows: (Continued)

	Other payables due to former ultimate holding company MYR'000	Payables to former non-controlling interests MYR'000	Loan from a shareholder MYR'000	Loan from a related party MYR'000	Bank borrowings MYR'000	RPS payable MYR'000	Total MYR'000
<b>Group</b>							
Balance at 1 January 2023	295	8,252	26,663	9,999	–	–	45,209
Changes from financing cash flows:							
– Advances	1,474	120	–	–	–	–	1,594
– Loan drawdown	–	9,867	–	–	30,559	–	40,426
– Proceeds	–	–	–	–	–	7,950	7,950
– Repayments	(1,626)	(342)	–	–	–	–	(1,968)
– Interest paid	–	(1,230)	(1,768)	(666)	(1,195)	–	(4,859)
Non-cash changes:							
– Interest expense	–	1,199	1,768	666	1,195	–	4,828
– Unrealised foreign exchange loss	–	1,066	–	–	–	–	1,066
– Other receivables	–	–	–	–	–	850	850
Translation differences	15	–	1,649	618	(148)	–	2,134
<b>Balance at 31 December 2023</b>	<b>158</b>	<b>18,932</b>	<b>28,312</b>	<b>10,617</b>	<b>30,411</b>	<b>8,800</b>	<b>97,230</b>

## 17. BANK BORROWINGS

	Group		Company	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Current liabilities</b>				
– Revolving loan	29,906	–	29,906	–
– Bank guarantees	505	–	–	–
	<b>30,411</b>	<b>–</b>	<b>29,906</b>	<b>–</b>

### *Revolving loan*

As at 31 December 2023, the Group and the Company has a revolving loan from a licensed bank of US\$6.5 million (equivalent to MYR29.83 million), which is fully backed by a Standby Letter of Credit (“**SBLC**”), to which the Company has pledged a cash deposit of RMB50 million (equivalent to MYR32,343,000) as disclosed in Note 7. Interest rate for the short-term loan is at a floating rate ranging from 6.07% to 6.36% (2022: Nil) per annum. The maturity date of the short-term loan is one year from the first drawdown date or one month prior to the maturity date stated in facility letter, whichever is earlier.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. BANK BORROWINGS (CONTINUED)

### Revolving loan (Continued)

#### *Bank guarantees*

As of 31 December 2023, the Group has bank guarantees facility from a licensed bank of RM505,000. Interest rate for the bank guarantees are at a fixed commission rate and service fee of 1.2% and 1% per annum respectively. The maturity date of the bank guarantees are 28 months or one year from the drawdown dates. The bank guarantees are secured by placement of fixed deposit amounting to MYR1,007,000 (Note 7).

Reconciliation of movements of liabilities to cash flows arising from financing activities is disclosed in Note 16.

## 18. SHARE CAPITAL

	No. of shares '000	MYR'000
<b>Group and Company</b>		
<i>Issued and fully paid ordinary shares</i>		
At 1 January 2022	144,733	12,072
Issued during the financial year	14,805	6,276
At 31 December 2022	159,538	18,348
Issued during the financial year	7,899	2,281
<b>At 31 December 2023</b>	<b>167,437</b>	<b>20,629</b>

The 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.

On 14 June 2022 and 27 December 2022, the Company allotted and issued 13,449,630 and 1,355,657 shares to pay the non-controlling interest shareholder for the acquisition of LCM [Note 13(c)].

On 1 February 2023, the Company allotted and issued 7,899,068 shares pursuant to the acquisition as disclosed in Note 13(a).

The newly issued shares rank pari passu in all aspects with the previously issued shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. OTHER RESERVES

### Capital reserve

Arising from the restructuring exercise in financial year 2012, being balancing of advances from ex-shareholders (net of tax) that were waived by the ex-shareholders are included as capital reserve.

### Merger reserve

Arising from the restructuring exercise in financial year 2012, the merger reserve is the difference between the nominal amount of the share capital of the subsidiaries at the date on which the subsidiaries were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition.

### Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

### Other reserve

Arising from acquisition of non-controlling interests in subsidiaries that do not result in a change in control of the subsidiaries are accounted for as equity transactions. Other reserve is the difference between the consideration paid and the carrying amount of the additional non-controlling interests acquired. The Group has elected to recognise the difference as other reserve under equity [Note 13(b) and (c)].

### Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

**20. REVENUE**

	Timing of transfer	Group	
		2023 MYR'000	2022 MYR'000
Interest income from financial solutions	Over time	29,223	20,349
Income from sale of properties	At a point in time	999	702
Rental income	Over time	636	730
Service fee income from financial solutions	Over time	7	65
Fee income from financial solutions	At a point in time	4	3
		<u>30,869</u>	<u>21,849</u>

**21. INTEREST INCOME**

	Group	
	2023 MYR'000	2022 MYR'000
Interest income from fixed deposit	638	994
Interest income from current accounts with banks	76	3
Interest income from sub-leasing (Note 11)	107	49
Interest income from investment in financial assets at fair value through profit or loss	286	123
	<u>1,107</u>	<u>1,169</u>

**22. OTHER INCOME**

	Group	
	2023 MYR'000	2022 MYR'000
Management fee from associate	60	30
Rental income	–	122
Rental income from leasing of motor vehicles	88	71
Others*	718	149
	<u>866</u>	<u>372</u>

\* Included in others of MYR708,000 is the rebate received from the local authority of the People's Republic of China ("PRC") for the repossession of the land parcel located at Zone 5, Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing, PRC.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. INTEREST EXPENSES RELATED TO FINANCIAL SOLUTIONS

	Group (Restated)	
	2023 MYR'000	2022 MYR'000
Interest expense on advances from former non-controlling interests	1,199	488
Interest expense on loan from a shareholder	1,768	1,114
Interest expense on loan from a related party	666	206
Interest expense on bank borrowings	1,195	–
Interest expense on lease liabilities	230	131
Interest expense on unwinding of provision for restoration	–	16
Others	17	–
	5,075	1,955

## 24. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Group (Restated)	
	2023 MYR'000	2022 MYR'000
Amortisation of intangible assets	16	18
Bad factoring receivables written off	–	383
Depreciation of property, plant and equipment	1,437	1,545
Foreign exchange losses	3,385	1,248
Impairment losses on trade and other receivables – net	2,696	8,160
Management fee expenses paid to former ultimate holding company	580	1,338
Written off of property, plant and equipment	4	–
Written off of investment in financial assets at fair value through other comprehensive income	96	–
Employee benefits expense (including directors' remuneration):		
Salaries and other short-term benefits	9,215	5,831
Defined contribution plans	1,203	723
Total employee benefits expense	10,418	6,554
Audit fees:		
– Auditors of the Company	378	174
– Other auditors, network firms	221	200
– Other auditors, non-network firms	–	–
Non-audit fees:		
– Auditors of the Company	–	–
– Other auditors, network firms	–	–
– Other auditors, non-network firms	321	71
Cost of properties held for sale recognised as expenses	539	401
Gain on disposal of development properties	–	(21,941)
Fair value gain on financial assets at fair value through profit or loss	(3,239)	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits from the jurisdictions in which members of the Group are domiciled and operate.

The statutory income tax rate applicable is 17% (2022: 17%) and 24% (2022: 24%) for companies incorporated in Singapore and Malaysia respectively.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("**New Law**") by Order No. 63 of the President of the PRC, with an effective date of 1 January 2008. On 28 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing 1 January 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2022: 25%) for subsidiaries in the PRC.

The Group is subject to Land Appreciation Tax ("**LAT**") in the PRC which has been included in the income tax expense of the Group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Current tax:		
PRC enterprise income tax	374	5,506
Singapore corporate income tax	–	431
Singapore withholding tax	75	285
Malaysia corporate income tax	3,356	1,546
	<u>3,805</u>	<u>7,768</u>
Under provision in respect of previous financial years		
Current income tax	164	1,256
Deferred tax:		
(Reversal)/origination of temporary differences (Note 15)	(29)	1,246
Total income tax expense	<u>3,940</u>	<u>10,270</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. INCOME TAX EXPENSE (CONTINUED)

### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December are as follows:

	<b>Group</b>	
	<b>(Restated)</b>	
	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Profit before tax	4,575	17,020
Tax at statutory rate of 17% (2022: 17%)	778	2,893
Different tax rate in other countries	474	1,613
Non-deductible items	2,825	4,064
Income not subjected to tax	(687)	(599)
Withholding tax on undistributed profits	–	839
Singapore statutory stepped exemption	(46)	–
Withholding tax on foreign interest income	75	285
Unrecognised/(utilisation) of previously unrecognised tax losses and capital allowances	145	(82)
Under provision income tax expense in prior years	164	1,256
Others	212	1
Income tax expense recognised in profit or loss	3,940	10,270

Deferred tax assets are recognised for unutilised tax losses and other deductible temporary differences carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unutilised tax losses of MYR30,575,000 (2022: MYR29,780,000) and other deductible temporary differences of approximately MYR85,000 (2022: MYR64,000) respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The related deferred tax assets have not been recognised in the financial statements due to the uncertainty that future taxable profits will be sufficient to allow the related tax benefits to be realised.

The unutilised tax losses can be carried forward indefinitely except for those arising from the subsidiaries in the jurisdiction of Malaysia amounting to MYR4,550,000 (2022: MYR4,523,000) which can only be utilised to offset against its future taxable profits within ten years from the date the tax losses were incurred. The unutilised tax losses in Malaysia will expire at various dates up to and including 2033.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. EARNINGS PER SHARE

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

	<b>Group (Restated)</b>	
	<b>2023</b>	<b>2022</b>
Net profit attributable to owners of the Company (MYR'000)	295	7,623
Number of ordinary shares ('000)	167,437	159,538
Weighted average number of ordinary shares ('000)	166,766	152,158
Earnings per share (MYR cents) (cents per share)		
– Basic	0.18	5.01
– Diluted	0.18	5.01

## 27. SEGMENT INFORMATION

The Group's reportable operating segments comprise of property segment and financial solution segment.

Accordingly, the above are the Group's reportable segments under SFRS(I) 8 Operating Segments. Information regarding the Group's reportable segments is presented below.

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.

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

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

The Group's reportable operating segments comprise property and financial solutions. Property covers development of residential, commercial and other properties and rental income from leasing of properties held for sale to generate rental income. Financial solutions business cover interest income and fees from financial solutions business in Malaysia and Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 27. SEGMENT INFORMATION (CONTINUED)

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

	Financial solutions		Property (Restated)		Group (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>Revenue</b>						
External sales	29,234	20,417	1,635	1,432	30,869	21,849
<b>Result</b>						
Segment gross contribution	24,389	19,407	1,096	1,031	25,485	20,438
Other income	70	182	796	190	866	372
Interest income	644	114	463	1,055	1,107	1,169
Gain on disposal of development properties	-	-	-	21,941	-	21,941
Fair value gain on financial assets at fair value through profit or loss	3,239	-	-	-	3,239	-
Interest expense	(5,075)	(1,955)	-	-	(5,075)	(1,955)
Direct expenses	(15,550)	(17,791)	(1,069)	(2,338)	(16,619)	(20,129)
Share of results of associate	477	167	-	-	477	167
<b>Segment net contribution</b>	<b>8,194</b>	<b>124</b>	<b>1,286</b>	<b>21,879</b>	<b>9,480</b>	<b>22,003</b>
Corporate expenses					(4,905)	(4,983)
Profit before income tax					4,575	17,020
Income tax expense					(3,940)	(10,270)
<b>Profit for the financial year</b>					<b>635</b>	<b>6,750</b>

	Financial solutions (Restated)		Property (Restated)		Group (Restated)	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
Bad factoring receivables written off	-	(383)	-	-	-	(383)
Depreciation of property, plant and equipment	(1,100)	(1,335)	(337)	(210)	(1,437)	(1,545)
Impairment loss on trade and other receivables	(2,696)	(8,160)	-	-	(2,696)	(8,160)
Share of results of associate	477	167	-	-	477	167
Segment assets	137,473	66,959	65,931	70,186	203,404	137,145
Unallocated assets					11,858	10,481
<b>Total assets</b>					<b>215,262</b>	<b>147,626</b>
Segment assets includes:						
Additions to non-current assets*	8,408	2,402	-	1,756	8,408	4,158
Segment liabilities	42,700	13,278	26,899	26,597	69,599	39,875
Unallocated liabilities					74,461	41,929
<b>Total liabilities</b>					<b>144,060</b>	<b>81,804</b>

\* Non-current assets additions other than financial instruments and deferred tax assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 27. SEGMENT INFORMATION (CONTINUED)

### *Segment results*

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated financial statements. Expenses of the Company is not allocated to segments as the holding company provide administrative support on a Group basis.

### *Segment assets and liabilities*

The amounts provided to the management with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Management monitors the assets and liabilities attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets and liabilities are allocated to reportable segments other than of the Company which are classified as unallocated assets and liabilities.

Below are the geographical segments by location of customers.

Segment revenue: Segment revenue is analysed based on the location of customers.

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

	Revenue	
	2023 MYR'000	2022 MYR'000
Singapore	200	121
People's Republic of China	1,634	1,554
Malaysia	29,035	20,174
<b>Total</b>	<b>30,869</b>	<b>21,849</b>

	Non-current assets* (Restated)	
	2023 MYR'000	2022 MYR'000
Singapore	9,459	1,613
People's Republic of China	10	30
Malaysia	3,212	3,302
<b>Total</b>	<b>12,681</b>	<b>4,945</b>

\* Non-current assets information presented above are non-current assets as presented on the consolidated balance sheet excluding financial instruments, deferred tax assets, trade and other receivables and net investment in sub-leases.

### *Information about major customer*

Revenue is derived from 2 (2022: 2) external customer who individually contributed 10% or more of the Group's revenue and are attributable to financial solutions business in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements:

	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Capital commitment in respect of web development costs under intangible assets	4,727	–

## 29. COMPARATIVE FIGURES

During the financial year, the Group made prior year adjustments to correct the following transactions. The nature and impact of these prior year adjustments of the Group are as follows:

(a) *Under accrual of operating expenses*

Prior year adjustments to recognise administrative expenses incurred which were not accrued in the financial year ended 31 December 2022 amounted to RM240,642. These expenses were accounted for retrospectively, and the comparative figures have been restated to recognise the administrative expenses incurred.

(b) *Measurement of right-of-use assets and lease liabilities*

Prior year adjustments to rectify the measurement of lease of office premises and its lease receivables arising from the subleases of 67% of its office premises to related parties in the financial year ended 31 December 2022, lease modification due to revision of monthly rental on 8 April 2022 and the rent-free periods. These changes were accounted for retrospectively, and the comparative figures have been restated to rectify the carrying amounts of right-of-use assets, lease liabilities and the corresponding impact in the depreciation and finance costs.

(c) *Change in classification of income and expenses in consolidated statement of comprehensive income*

The Group reassessed the classification of income and expenses in the consolidated statement of comprehensive income during the financial year and elected the nature of income and expenses method of presentation as this method provides information that is reliable and more relevant to users of the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. COMPARATIVE FIGURES (CONTINUED)

- (c) *Change in classification of income and expenses in consolidated statement of comprehensive income (Continued)*

The effects on the comparative figures are as follows:

	As previously reported MYR'000	Prior year adjustments MYR'000	As restated MYR'000
<b>Group</b>			
<b>Balance sheets as at</b>			
<b>31 December 2022</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,411	(280)	4,131
Net investment in sub-leases	2,273	20	2,293
<b>Current assets</b>			
Trade and other receivables	51,422	(3)	51,419
Net investment in sub-leases	469	(1)	468
<b>Non-current liabilities</b>			
Lease liabilities	4,331	(128)	4,203
<b>Current liabilities</b>			
Trade and other payables	49,974	251	50,225
Lease liabilities	1,053	(4)	1,049
<b>Equity</b>			
Retained earnings	29,143	(383)	28,760
<b>Consolidated statement of comprehensive income for the financial year ended 31 December 2022</b>			
Cost of sales	(1,411)	1,010	(401)
Other income/(expenses)	23,394	(23,394)	-
Gain on disposal of development properties	-	21,941	21,941
Other income	-	372	372
Finance costs	(1,942)	1,942	-
Interest expense	-	(1,955)	(1,955)
Selling expense	(1)	1	-
Administrative expenses	(17,662)	17,662	-
Depreciation of property, plant and equipment	-	(1,545)	(1,545)
Commission expense	-	(1,004)	(1,004)
Foreign exchange losses	-	(1,248)	(1,248)
Operating expense	-	(5,240)	(5,240)
Professional fees	-	(2,371)	(2,371)
Staff costs	-	(6,554)	(6,554)
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 income attributable to owners of the Company	8,392	(383)	8,009
<b>Consolidated statements of cash flows for the financial year ended 31 December 2022</b>			
Net cash generated from operating activities	13,866	22	13,888
Net cash used in financing activities	(5,995)	(22)	(6,017)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. COMPARATIVE FIGURES (CONTINUED)

- (c) *Change in classification of income and expenses in consolidated statement of comprehensive income (Continued)*

	<b>As previously reported MYR'000</b>	<b>Prior year adjustments MYR'000</b>	<b>As restated MYR'000</b>
<b>Company</b>			
<b>Balance sheet as at 31 December 2022</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,893	(280)	1,613
Net investment in sub-leases	2,273	20	2,293
<b>Current assets</b>			
Trade and other receivables	91,168	(3)	91,165
Net investment in sub-leases	469	(1)	468
<b>Non-current liabilities</b>			
Lease liabilities	3,564	(128)	3,436
<b>Current liabilities</b>			
Trade and other payables	74,675	251	74,926
Lease liabilities	705	(4)	701
<b>Equity</b>			
Accumulated losses	(683)	(383)	(1,066)

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

## 30. EVENTS AFTER THE BALANCE SHEET DATE

- (a) The Group allotted the following RPS by tranches at the issue price of MYR1.00 per RPS to the RPS holders.

<b>RPS allotment dates</b>	<b>Amount of RPS (ordinary shares)</b>	<b>Amount MYR'000</b>
29 January 2024	6,300,000	6,300,000
26 February 2024	10,200,000	10,200,000
29 January 2024	12,700,000	12,700,000
<b>Total</b>	<b>29,200,000</b>	<b>29,200,000</b>

- (b) On 29 January 2024, SAPL subscribed to capital call for 5,434,782 ordinary shares in FHPL at an issue price of SGD0.092 per share at total cash consideration of SGD499,999.94. Following the capital call subscription, SAPL increased its shareholding interest from 85.33% to 88.28%.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

- (c) 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**”). Following the ICPS Conversion, SAPL increased its shareholding interest from 88.28% to 88.31%.

As at the date of issue of these financial statements, the Group is still evaluating the impact of the capital call subscription and ICPS conversion.

- (d) On 13 March 2024, LCM completed the acquisition of the remaining 51% equity interest in the investment in associate, LCMSB. Following the completion of the acquisition, LCMSB became a wholly-owned subsidiary of the Company, held through LCM. LCMSB will be consolidated with effect from 13 March 2024. Details of the assets acquired, liabilities assumed that will be recognised, acquisition costs and the effects on the Group’s profit or loss and cash flows for the financial year ending 31 December 2024 are not disclosed as the accounting for this business combination is still incomplete at the time these financial statements are authorised for issue.

## 31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 8 April 2024.

# STATISTICS OF SHAREHOLDINGS

As at 25 March 2024

Number of Shares	:	167,437,355
Class of shares	:	Ordinary shares
Voting rights	:	On a Poll, 1 vote for each ordinary share
Number of treasury shares	:	Nil
Number of Subsidiary Holdings	:	Nil

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 25 MARCH 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
<b>1 – 99</b>	248	9.22	7,822	0.01
<b>100 – 1,000</b>	830	30.88	423,273	0.25
<b>1,001 – 10,000</b>	1,065	39.62	3,962,910	2.37
<b>10,001 – 1,000,000</b>	523	19.46	30,579,988	18.26
<b>1,000,001 and above</b>	22	0.82	132,463,362	79.11
<b>Total</b>	<b>2,688</b>	<b>100.00</b>	<b>167,437,355</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 25 MARCH 2024

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	44,408,449	26.52
2	ESTATE OF LIN WEI DANIEL, DECEASED	7,899,068	4.72
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	7,583,897	4.53
4	OCBC SECURITIES PRIVATE LTD	7,583,180	4.53
5	PHILLIP SECURITIES PTE LTD	7,283,909	4.35
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,218,395	4.31
7	CHENG LIM KONG	6,436,955	3.84
8	CJN CAPITAL PTE LTD	5,992,200	3.58
9	ANG CHENG LAM	5,207,641	3.11
10	HASSAN ISSA YAUNIS	4,660,200	2.78
11	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	4,355,966	2.60
12	RAFFLES NOMINEES (PTE) LIMITED	3,888,627	2.32
13	FONG PEG HONG	3,383,300	2.02
14	TEO TAT BENG	3,174,500	1.90
15	GOH KENG HUAY	2,230,266	1.33
16	TAN KOOI JIN	1,994,411	1.19
17	KWAN CHEE SENG	1,993,666	1.19
18	MAYBANK SECURITIES PTE. LTD.	1,736,063	1.04
19	OW PAUL PENG YONG	1,535,095	0.92
20	LIM SEE YONG	1,463,102	0.87
	<b>TOTAL</b>	<b>130,028,890</b>	<b>77.65</b>

# STATISTICS OF SHAREHOLDINGS

As at 25 March 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 25 MARCH 2024

Name	Direct Interest		Indirect Interest	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Kwan Chee Seng <sup>(1)</sup>	46,401,339	27.71	3,629,097	2.17

**Note:**

- (1) Mr Kwan Chee Seng is deemed under Section 4 of the Securities and Futures Act 2001 (“SFA”) to have an interest in the 3,383,300 Shares held by his spouse, Madam Fong Peg Hong and in the 245,797 Shares held by GRP Chongqing Pte Ltd. Mr Kwan has a shareholding interest of 35.55% in GRP Limited. By virtue of Section 7 of the Companies Act 1967, Mr Kwan is deemed to be interested in the ordinary shares of the Company held by GRP Chongqing Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 25 March 2024, the percentage of shareholdings held in the hands of the public was approximately 70.12%. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of Luminor Financial Holdings Limited (the “**Company**”) will be held at Empress Ballroom 2, Level 2 of Carlton Hotel Singapore, 76 Bras Basah Road Singapore 189558 on Thursday, 25 April 2024, 10.30 a.m., for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Ms Kwan Yu Wen, a Director retiring pursuant to Article 89 of the Company’s Constitution. **(Resolution 2)**  
*(see explanatory note 1)*
3. To re-elect Mr Kwan Chee Seng, a Director retiring pursuant to Article 89 of the Company’s Constitution. **(Resolution 3)**  
*(see explanatory note 2)*
4. To approve the payment of Directors’ fees of S\$120,000 for the financial year ending 31 December 2024 payable half yearly in arrears (2023: S\$120,000). **(Resolution 4)**
5. To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) which will be proposed as Ordinary Resolution:

6. **Authority to Allot and Issue Shares** **(Resolution 6)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors be authorised and empowered to:

- (a) (i) allot and issue shares in the share capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

## NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and

## NOTICE OF ANNUAL GENERAL MEETING

- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

*(see explanatory note 3)*

7. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong  
Company Secretary

9 April 2024  
Singapore

### Explanatory Notes:

1. Ms Kwan Yu Wen will, if re-elected as Director of the Company, continue to serve as the Executive Director of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
2. Mr Kwan Chee Seng will, if re-elected as Director of the Company, continue to serve as the Non-Executive Director and remain as a member of the Nominating Committee of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
3. Ordinary Resolution 6 proposed in item 6 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a *pro rata* basis to shareholders of the Company.

### IMPORTANT INFORMATION

1. All shareholders of the Company are invited to **physically attend** the AGM. There will be no option for shareholders of the Company to participate virtually. Printed copies of this Notice of AGM and Proxy Form will be despatched to shareholders. These documents together with the Company's Annual Report are made available to shareholders of the Company on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.luminorfinancialholdings.com>.



## NOTICE OF ANNUAL GENERAL MEETING

2. Shareholders may request a printed copy of the Company's Annual Report by completing and returning the Request Form which is despatched to them:

- a) by email to [investor@luminorfinancialholdings.com](mailto:investor@luminorfinancialholdings.com); or
- b) by post to the registered office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712,

in either case, the Request Form must be submitted to the Company by 23 April 2024.

3. Shareholders may submit questions relating to the Annual Report and resolutions set out in this Notice of AGM in advance:

- a) by email to [investor@luminorfinancialholdings.com](mailto:investor@luminorfinancialholdings.com); or
- b) by post to the registered office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712,

in either case, all questions must be submitted by 16 April 2024.

Shareholders, including CPF and SRS investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the office address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from shareholders soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from shareholders will be posted on the SGXNET and the Company's website. Any subsequent clarifications sought by the shareholders after 16 April 2024 will be addressed at the AGM. The minutes of the AGM will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

4. A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such shareholder appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified in Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A shareholder who is a relevant intermediary is entitled to appoint more than 2 proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

## NOTICE OF ANNUAL GENERAL MEETING

5. A proxy need not be a shareholder of the Company.
6. The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notorially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:
  - a) by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com); or
  - b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619,in each case, not less than 48 hours before the time appointed to hold the AGM, i.e. by 10.30 a.m. on 23 April 2024.
7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notorially certified copy thereof (failing previous registration with the Company) must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
10. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depository to be entitled to attend and vote at the AGM.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Kwan Chee Seng and Miss Kwan Yu Wen are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the above Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

	KWAN CHEE SENG	KWAN YU WEN
Date of Appointment	18 February 2016	21 December 2020
Date of last re-appointment	27 April 2022	27 April 2022
Age	66	33
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Kwan Chee Seng for re-appointment as Non-Executive Director of the Company.</p> <p>The Board has reviewed and concluded that Mr Kwan Chee Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Ms Kwan Yu Wen for re-appointment as Executive Director of the Company.</p> <p>The Board has reviewed and concluded that Ms Kwan Yu Wen possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive  Miss Kwan Yu Wen is responsible for the overall business and general management of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>– Non-Executive Director</li> <li>– Nominating Committee Member</li> </ul>	Executive Director
Professional qualifications	Not applicable	Bachelor of Science (Economics) Degree from Singapore Management University

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>- February 2024 to present: Non-Independent Non-Executive Director of GRP Limited</li> <li>- October 2022 to present: Executive Director of LCPL Partners VCC</li> <li>- September 2022 to present: Executive Director of Frontier Axis (formerly known as Higgs11 Capital VCC)</li> <li>- March 2013 to June 2023: Executive Director of GRP Limited</li> <li>- 2013 to present: Non-Executive Director of Luminor Capital Pte Ltd</li> <li>- 2011 to present: Executive Director of Luminor Pacific Fund 2 Ltd</li> <li>- 2009 to present: Executive Director of Luminor Pacific Fund 1 Ltd</li> <li>- 2001 to present: Managing Director of Van der Horst Holdings Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>- February 2019 to June 2023: Non-Executive Director of GRP Limited</li> <li>- 2017 to 2019: Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd, and Consultant of GRP Limited</li> <li>- 2015 to 2016: Management Associate of GRP Limited</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 46,401,339 ordinary shares (27.71%) Deemed Interest: 3,629,097 ordinary shares (2.17%)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Yes  Mr Kwan Chee Seng is the father of Miss Kwan Yu Wen, Executive Director of the Company.	Yes  Miss Kwan Yu Wen is the daughter of Mr Kwan Chee Seng, Non-Executive Director of the Company.  Mr Kwan Chee Seng also holds 46,401,339 ordinary shares in the Company (27.71% direct interest) and owns 2.17% indirect interest of the Company through GRP Limited, as well as through his spouse, Madam Fong Peg Hong.

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments including Directorships</b>		
Past (for the last 5 years)	<p>Directorships:</p> <ul style="list-style-type: none"> <li>- Variscan Mines Limited</li> <li>- GRP Developments Sdn Bhd</li> <li>- GRP Project Management Sdn Bhd</li> <li>- VDH Land Sdn Bhd</li> <li>- Rumah Kami Sdn Bhd</li> <li>- Luminor Harbour Fund 1 Pte Ltd (struck off)</li> </ul> <p>Other Principal Commitments: None</p>	<p>Directorships:</p> <ul style="list-style-type: none"> <li>- GRP Limited</li> <li>- GRP Project Management Sdn Bhd</li> <li>- Nakhoda Fishery (Sarawak) Sdn Bhd</li> <li>- GRP Hose &amp; Marine Sdn Bhd (formerly known as GRP Hua Kai Sdn Bhd)</li> <li>- VDH Tower (Ipoh) Sdn Bhd</li> <li>- VDH Land Sdn Bhd</li> <li>- Rumah Kami Sdn Bhd</li> </ul> <p>Other Principal Commitments: None</p>
Present	<p>Directorships:</p> <ul style="list-style-type: none"> <li>- Multiple Lodge Sdn Bhd</li> <li>- Luminor Capital (Malaysia) Sdn Bhd</li> <li>- GRP Limited</li> <li>- GRP Tangshan Trading Co. Ltd</li> <li>- GRP Chongqing Land Pte. Ltd.</li> <li>- GRP Dormitories Pte. Ltd.</li> <li>- GRP Hua Kai (S) Pte. Ltd.</li> <li>- Starland Commercial Trading Pte. Ltd.</li> <li>- Starland Axis Pte. Ltd.</li> <li>- Luminor Capital Pte Ltd</li> <li>- Dalian Van Der Horst Marine Engineering Co Ltd</li> <li>- Van Der Horst Holdings Pte Ltd</li> </ul>	<p>Directorships:</p> <ul style="list-style-type: none"> <li>- Multiple Lodge Sdn Bhd</li> <li>- Amira Properties Sdn Bhd</li> <li>- Accenvest Sdn Bhd</li> <li>- Luminor Credit Sdn Bhd (formerly known as Venture Credit Sdn Bhd)</li> <li>- Ratus Nautika Sdn Bhd</li> <li>- Luminor Capital (Malaysia) Sdn Bhd</li> <li>- Luminor Capital Markets Sdn Bhd (formerly known as Fiscalab Capital Markets Sdn Bhd)</li> <li>- GRP Energiser Sdn Bhd</li> <li>- Starland Commercial Trading Pte. Ltd.</li> </ul>

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
	<ul style="list-style-type: none"> <li>- Van Der Horst Limited</li> <li>- Van Der Horst Technologies Phils. Inc</li> <li>- VDH Land Inc.</li> <li>- Luminor Pacific Fund 1 Ltd (in liquidation)</li> <li>- Luminor Pacific Fund 2 Ltd (in liquidation)</li> <li>- LCPL Partners VCC</li> <li>- Frontier Axis (formerly known as Higgs11 Capital VCC)</li> <li>- TRT Royal Food Pte Ltd</li> <li>- TRT Royal Food Investment Pte Ltd</li> </ul> <p>Other Principal Commitments: None</p>	<ul style="list-style-type: none"> <li>- Starland Axis Pte. Ltd.</li> <li>- El Nuwr Sdn Bhd</li> <li>- SA Puncak Management Sdn Bhd</li> </ul> <p>Other Principal Commitments: None</p>
<p><b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b></p>		
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No
c) Whether there is any unsatisfied judgement against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No



## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>KWAN CHEE SENG</b>	<b>KWAN YU WEN</b>
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p>	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	KWAN CHEE SENG	KWAN YU WEN
<p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only.</b>		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to re-appointment of Director.	Not applicable. This relates to re-appointment of Director.

# LUMINOR FINANCIAL HOLDINGS LIMITED

(Company Registration Number 201131382E)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

### IMPORTANT:

- CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote may approach their respective CPF agent banks and SRS operators at least 7 working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such CPF and SRS investors shall be precluded from attending the AGM.
- This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to this Proxy Form. By submitting an instrument appointing proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

I/We\*, \_\_\_\_\_ (Name) (NRIC/Passport/Registration Number\*) \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a shareholder/shareholders\* of Luminor Financial Holdings Limited (the "Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

or failing him, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at Empress Ballroom 2, Level 2 of Carlton Hotel Singapore, 76 Bras Basah Road Singapore 189558 on Thursday, 25 April 2024 at 10.30 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, vote against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as \*my/our proxy for that resolution will be treated as invalid. All resolutions put to the vote at the AGM shall be decided by way of poll.

NO.	RESOLUTION	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor's Report thereon ( <b>Resolution 1</b> )			
2.	To re-elect Ms Kwan Yu Wen, a Director retiring pursuant to Article 89 of the Company's Constitution ( <b>Resolution 2</b> )			
3.	To re-elect Mr Kwan Chee Seng, a Director retiring pursuant to Article 89 of the Company's Constitution ( <b>Resolution 3</b> )			
4.	To approve the payment of Directors' fees of S\$120,000 for the financial year ending 31 December 2024 payable half yearly in arrears (2023: S\$120,000) ( <b>Resolution 4</b> )			
5.	To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration ( <b>Resolution 5</b> )			
<b>SPECIAL BUSINESS</b>				
6.	Authority to allot and issue shares ( <b>Resolution 6</b> )			

\* Delete accordingly.

\*\* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) or Common Seal of Shareholder(s)

**IMPORTANT: PLEASE READ THE NOTES OVERLEAF**



**Notes:**

1. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the shareholder.
2. A shareholder who is not a relevant intermediary is entitled to appoint not more than 2 proxies to attend and vote at the AGM. Where such shareholder appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a shareholder of the Company.
4. This Proxy Form, duly executed must be submitted (a) by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com); or (b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.30 a.m. on 23 April 2024.
5. The appointment of a proxy or proxies shall not preclude a shareholder from attending and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.
6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
8. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.
9. Persons who hold shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this Proxy Form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 9 April 2024.

# CORPORATE INFORMATION

## **FULL NAME OF COMPANY**

**Luminor Financial Holdings Limited**

(Company registration number: 201131382E)

## **BOARD OF DIRECTORS**

**Foong Daw Ching**

(Non-Executive Independent Chairman)

**Kwan Chee Seng**

(Non-Executive Director)

**Kwan Yu Wen**

(Executive Director)

**Tan Chade Phang**

(Independent Director)

**Lim See Yong**

(Independent Director)

## **COMPANY SECRETARY**

**Wee Woon Hong**

## **REGISTERED OFFICE**

30 Cecil Street

Prudential Tower #10-01/02

Singapore 049712

TEL: (65) 6865 9960

FAX: (65) 6536 0688

## **SHARE REGISTRAR &**

### **SHARE TRANSFER OFFICE**

**Tricor Barbinder Share Registration Services**

9 Raffles Place

Republic Plaza Tower I #26-01

Singapore 048619

## **CATALIST SPONSOR**

**UOB Kay Hian Private Limited**

8 Anthony Road #01-01

Singapore 229957

## **INDEPENDENT AUDITOR**

**Baker Tilly TFW LLP**

**Public Accountants and Chartered Accountants,  
Singapore**

600 North Bridge Road

#05-01 Parkview Square

Singapore 188778

Partner-in-charge:

**Lee Chee Sum Gilbert**

(Appointed since financial year ended

31 December 2021)

## **PRINCIPAL BANKERS**

**United Overseas Bank**

大华银行

**OCBC Bank**

华侨银行

**LUMINOR FINANCIAL HOLDINGS LIMITED**  
30 CECIL STREET #10-01/02 PRUDENTIAL TOWER  
SINGAPORE 049712