

LUMINOR FINANCIAL HOLDINGS LIMITED
(Company Registration Number: 201131382E)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM SHAREHOLDERS ON THE ANNUAL REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Luminor Financial Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the shareholders of the Company in relation to the Company’s Annual Report for the financial year ended 31 December 2021 and appends the replies as follows:

Question 1

The Company has pivoted towards financial solutions business, does this mean that the Company will not be paying out a dividend in 2022 should it be profitable due to its acquisition pipelines?

Company’s response

The Company does not have a formal dividend policy. There will be no dividend for FY2021 as the Company will preserve its cash balances for expansion in the financial solutions business in Malaysia in view of the weak market conditions. Any dividends for FY2022 will be decided on at the end of the financial year and will depend on various factors such as market conditions, performance and plans for further expansion.

Question 2

What is the target loan book for Luminor Malaysia in 2022?

Company’s response

Although the Company has internal targets, the Company will not disclose its target loan book due to commercial sensitivity. All loans are made after stringent credit risk assessment processes and after taking into account the Company’s overall loan book allocation.

Question 3

The Chongqing subsidiaries have been fined for illegal transaction of forex according to Sina Finance. Can I enquire how this illegal transaction was made as the Company has been dealing in China for more than 10 years and what were the actions taken to address the problem after such transaction had been made?

Company’s response

During the financial year ended 31 December 2019, certain of the Company’s subsidiaries (the “**Subsidiaries**”) in PRC made various fund transfers aggregating RMB68.0 million to unrelated third-party PRC entities, and a Singapore subsidiary of the Company received fund transfers aggregating S\$12.9 million from a remittance agent (the “**Agent**”) licensed by the Monetary Authority of Singapore (“**MAS**”). On 19 June 2020, the Company became aware that certain People’s Republic of China (“**PRC**”) banks had frozen certain PRC bank accounts of the subsidiaries. The Company had obtained a legal opinion from a PRC legal counsel to confirm that the fund transfers from these bank accounts made by the abovementioned PRC subsidiaries aggregating RMB68,025,000 to unrelated third-party PRC entities did not contravene any PRC laws or regulations. The Company had also obtained a legal opinion from a Singapore legal counsel to confirm that the Agent held a remittance license issued by MAS in accordance with the Money-Changing and Remittance Business Act (Chapter 187 of Singapore). The Agent’s license was valid for the period commencing 1 January 2017 to 31 December 2019 (both dates inclusive) when the fund transfers took place. Nonetheless, the Company cooperated with the relevant authorities and submitted documents when requested to do so by the various officers-in-charge. In November 2021, the affected subsidiaries received Notices of Administrative Penalty (the “**Notices**”) from the State Administration of Foreign Exchange (“**SAFE**”). Notwithstanding the abovementioned legal opinions obtained, the Company decided to accept the Notices and the imposed penalty amounting to RMB6.8 million and such amount was paid to SAFE on 3 December 2021. The matter is now closed. Please refer to the announcements made on 21 June 2020, 22 June 2020, 3 August 2020, 4 August 2020, 23 October 2020, 24 November 2020, 15 December 2020, 25 January 2021, 22 October 2021 and 19 November 2021 for more information.

BY ORDER OF THE BOARD

Kwan Yu Wen
Executive Director
22 April 2022

This announcement has been prepared by Luminor Financial Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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