

ENTRY INTO LOAN AGREEMENT WITH VAN DER HORST HOLDINGS PTE LTD AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

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 Company’s announcements dated 31 March 2022, 29 April 2022, 30 June 2022 and 16 August 2022 (“**Announcements**”), in relation to the Entry into Exchangeable and Convertible Note Agreement.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcements.

The Company disclosed in the Announcements that the principal amount of the Exchangeable Note and Convertible Note subscribed by the Group in cash may be partly funded through a shareholder’s loan to be granted by Mr Kwan Chee Seng (“**Mr Kwan**”), a non-executive Director and controlling shareholder of the Company.

Further to the Announcements, the Board wishes to announce that the Company has on 30 August 2022 entered into a shareholder’s loan agreement (“**SLA**”) with Van Der Horst Holdings Pte Ltd (“**VDHH**”), pursuant to which VDHH will extend an unsecured loan facility of up to an aggregate principal amount of S\$3,000,000 (“**Principal Amount**”) to the Company on the terms and conditions set out in the SLA (“**Loan**”).

2. DETAILS OF LENDER

VDHH is a private company incorporated in Singapore and is principally an investment holding company. VDHH is 99.99% owned by Mr Kwan and 0.01% owned by Madam Fong Peg Hong (“**Madam Fong**”). Mr Kwan is a non-executive Director and controlling shareholder of the Company, through his direct interest of 29.33% and indirect interest of 0.16% in the Company. Madam Fong is the wife of Mr Kwan and mother of Miss Kwan Yu Wen (“**Miss Kwan**”), executive Director of the Company. As such, VDHH is an “interested person” as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited and the entry into the SLA constitutes an “interested person transaction” under Chapter 9 of the Catalist Rules.

3. SALIENT TERMS OF THE SLA

3.1 Aggregate Principal Amount of Loan

The Principal Amount of the Loan is up to S\$3,000,000.

3.2 Purpose of the Loan

The Company will use the proceeds of the Loan solely for the following purposes, unless otherwise agreed by Mr Kwan in writing:

- (a) Subscription of the Exchangeable Note and Convertible Note; and
- (b) the working capital of the Company and its operating subsidiaries in Singapore and Malaysia.

3.3 Interest

The rate per annum of the interest payable on any sums drawn down under the Loan outstanding for the time being of the Loan shall be 6.5% and is on the same commercial terms applied on all shareholder loans to the Group.

3.5 Repayment

The Company shall pay the outstanding drawn down amounts under the Loan by the maturity date, being six (6) months from the date of drawdown or such later date as may be requested by the Company and which will be subject to consent from Mr Kwan.

3.6 Security

The Loan is unsecured but is made with full recourse against the Company and its successors.

4. RATIONALE FOR AND THE BENEFIT OF THE LOAN

The purpose of the Loan is for the financing of the subscription of the Exchangeable Note and the Convertible Note as majority of the Group's cash and cash equivalents are in the People's Republic of China, and are unlikely to be transferred back to Singapore in time for the subscription. In addition, part of the Loan will be used for the working capital of the Group as it continues to expand its financial solutions business in Malaysia.

5. VALUE OF SLA AS AN INTERESTED PERSON TRANSACTION

Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction, which is the amount at risk to the issuer, is the interest payable on the borrowing.

In addition, Rule 905(2) of the Catalist Rules provides that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets, the Company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

The details of all interested person transactions, including the Loan which is the subject of this announcement, entered into with Mr Kwan and his associates for the current financial year ending 31 December 2022 is set out below:

Particulars of Interested Person Transaction	Amount at Risk
<u>GRP Limited</u> Estimated management fee paid or payable to GRP Limited ⁽¹⁾ , the former ultimate holding company of the Group	S\$420,000 per annum
<u>Kwan Chee Seng</u> Interest expense on shareholder loan granted by Mr Kwan to the Company as announced on 2 March 2022	S\$520,000
<u>Kwan Chee Seng and Kwan Yu Wen</u> ⁽²⁾ Office sharing agreement with Luminor Capital Pte Ltd (“ LCPL ”) and GRP Limited (“ GRP ”) in relation to the Premises	S\$544,315.20
<u>Van Der Horst Holdings Pte Ltd</u> ⁽³⁾ Interest payable on Loan (assuming that the aggregate principal amount of S\$3,000,000 is fully drawn down on the date of the SLA at the interest rate of 6.5% per annum and repaid on the maturity date, being 6 months from the date of drawdown)	S\$97,500
<u>Total</u>	S\$1,581,815.20

Note:

- (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 announcement.
- (2) Miss Kwan is the Executive Director of the Company, Non-Executive Director of GRP and holds 20% shareholding interest in LCPL.
- (3) Van Der Horst Holdings Pte Ltd is an associate of Mr Kwan as Mr Kwan holds 99.99% of the total number of issued ordinary shares in Van Der Horst Holdings Pte Ltd as at the date of this announcement.

While transactions below S\$100,000 are not normally aggregated, for the purpose of transparency and disclosure, the interest payable on Loan is included in the aggregation. For the current financial year commencing on 1 January 2022 and up to the date of this announcement, the aggregate value of all transactions entered into by the Group with Mr Kwan and his associates is S\$1,581,815.20. This amounts to approximately 7.05% of the Group’s latest audited net tangible asset 31 December 2021 of S\$22,434,625.98 (“**NTA**”).

On the office sharing agreement with LCPL and GRP in relation to the Premises (“**Agreements**”) as listed in the table above, the Company is exempted from the requirement to obtain shareholders’ approval pursuant to Rule 906(1)(b) of the Catalist Rules for the tenancy of property transaction, as it falls within the exemption under Rule 916(1) of the Catalist Rules. The Agreements are for a period not exceeding three (3) years and the terms are supported by an independent valuation. By excluding this interested person transaction, the aggregate value of all transactions entered into by the Group with Mr Kwan and his associates is S\$1,037,500 which amounts to approximately 4.62% of the Group’s latest audited NTA.

Save as disclosed above, there were no interested person transactions (excluding transactions which are less than S\$100,000) entered into between the Group and other interested persons for the current financial year commencing on 1 January 2022 and up to the date of this announcement.

6. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company, having considered the terms and rationale for the Loan, is of the view that the grant of the Loan by VDHH is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

Mr Kwan is a non-executive Director and controlling shareholder of the Company. Ms Kwan Yu Wen, an executive Director of the Company, is the daughter of Mr Kwan. Mr Kwan and Ms Kwan Yu Wen have abstained from the deliberation, decision and voting on any resolution in respect of the SLA.

Save for Mr Kwan and Ms Kwan Yu Wen, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the SLA, other than through their respective shareholdings (if any) in the Company.

8. DOCUMENT FOR INSPECTION

A copy of the SLA is available for inspection at the registered office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712 for a period of three months from the date of this announcement. Please contact the Company at investor@luminorfinancialholdings.com prior to making any visits to arrange for a suitable time slot for the inspection.

BY ORDER OF THE BOARD

Kwan Yu Wen
Executive Director
30 August 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 Catalist.

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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