

# LUMINOR FINANCIAL HOLDINGS LIMITED

Company No. 201131382E

---

## Unaudited Consolidated Financial Statements And Dividend Announcement for the Financial Year Ended 31/12/2022

---

*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 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.*

*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.*

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2021**

	Note	Group					
		Half year ended 31 December			Year ended 31 December		
		2022	2021 (restated)	+ / (-)	2022	2021 (restated)	+ / (-)
	MYR '000	MYR '000	%	MYR '000	MYR '000	%	
<b>Revenue</b>	3	12,091	12,764	(5.3)	22,384	17,516	27.8
Cost of sales		(995)	(995)	-	(1,832)	(1,438)	27.4
<b>Gross profit</b>		<b>11,096</b>	<b>11,769</b>	<b>(5.7)</b>	<b>20,552</b>	<b>16,078</b>	<b>27.8</b>
Other income		(952)	70	NM	21,025	135	NM
Interest income		701	154	NM	1,006	346	NM
Other operating expenses		(12)	(5,050)	(99.8)	(12)	(5,050)	(99.8)
Finance costs		(1,385)	(8)	NM	(1,776)	(457)	NM
Selling expenses		-	-	-	(1)	(13)	(92.3)
Impairment losses on trade and other receivables - net		(2,059)	(735)	NM	(8,543)	(735)	NM
Administrative expenses		(7,061)	(5,801)	21.7	(13,223)	(10,634)	24.3
<b>Profit / (loss) before shares of associate and income tax</b>		<b>328</b>	<b>399</b>	<b>(17.8)</b>	<b>19,028</b>	<b>(330)</b>	<b>NM</b>
Shares of associate		106	(15)	NM	167	10	NM
<b>Profit/(Loss) before income tax</b>		<b>434</b>	<b>384</b>	<b>13.0</b>	<b>19,195</b>	<b>(320)</b>	<b>NM</b>
Income tax expense	6	(1,764)	(1,305)	35.2	(7,633)	(1,647)	NM
<b>Profit/(Loss) after tax for the financial year</b>		<b>(1,330)</b>	<b>(921)</b>	<b>44.4</b>	<b>11,562</b>	<b>(1,967)</b>	<b>NM</b>
Other comprehensive loss - <i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences (at nil tax)		(4,285)	3,622	NM	(3,337)	2,341	NM
<b>Total comprehensive loss for the financial period/year</b>		<b>(5,615)</b>	<b>2,701</b>	<b>NM</b>	<b>8,225</b>	<b>374</b>	<b>NM</b>
<b>(Loss)/profit attributable to</b>							
Owners of the Company		(1,580)	(2,845)	(44.5)	11,129	(3,708)	NM
Non-controlling interests		250	1,924	(87.0)	433	1,741	(75.1)
		<b>(1,330)</b>	<b>(921)</b>	<b>44.4</b>	<b>11,562</b>	<b>(1,967)</b>	<b>NM</b>
<b>Total comprehensive (loss)/income attributable to</b>							
Owners of the Company		(5,865)	777	NM	7,792	(1,367)	NM
Non-controlling interests		250	1,924	(87.0)	433	1,741	(75.1)
		<b>(5,615)</b>	<b>2,701</b>	<b>NM</b>	<b>8,225</b>	<b>374</b>	<b>NM</b>
Basic & Diluted earnings per share (MYR cents)	7	<b>(1.00)</b>	<b>(1.97)</b>		<b>7.31</b>	<b>(2.56)</b>	

**NM = Not Meaningful**

**BALANCE SHEETS AS AT 31 DECEMBER 2022, 31 DECEMBER 2021 AND 1 JANUARY 2021**

	Note	Group			Company		
		As at			As at		
		31/12/22	31/12/21 (restated)	1/1/21 (restated)	31/12/22	31/12/21 (restated)	1/1/21 (restated)
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	
<b><i>Non-current assets</i></b>							
Trade and other receivables	14	-	1,170	1,213	-	-	-
Property, plant and equipment	9	1,726	761	1,136	324	9	12
Investment in Associate		191	23	429	-	-	
Other investments		4,602	-	-	-	-	-
Deferred tax assets		590	609	572	-	-	-
Lease receivable	17	2,272	-	-	2,272	-	-
Goodwill	10	600	600	600	-	-	-
Intangible assets		24	42	18	-	-	-
Right-of-use asset		2,685	531	1,063	1,570	-	-
<b>Total non-current assets</b>		<b>12,690</b>	<b>3,736</b>	<b>5,031</b>	<b>4,166</b>	<b>9</b>	<b>12</b>
<b><i>Current assets</i></b>							
Cash and cash equivalents		67,382	40,940	64,685	5,812	3,449	27,451
Trade and other receivables	14	53,055	43,079	10,977	91,172	53,227	31,423
Lease receivable	17	469	-	-	469	-	-
Properties held for sale	12	15,199	16,430	16,198	-	-	-
Development properties	13	-	6,982	6,513	-	-	-
<b>Total current assets</b>		<b>136,105</b>	<b>107,431</b>	<b>98,373</b>	<b>97,453</b>	<b>56,676</b>	<b>58,874</b>
<b><i>Current liabilities</i></b>							
Trade and other payables		14,765	12,900	5,402	38,000	36,593	35,988
Contract liabilities		-	380	403	-	-	-
Loans from shareholder	18	36,662	-	-	36,662	-	-
Lease liabilities	16	1,053	399	380	705	-	-
Income tax payable		21,461	22,230	20,259	-	-	-
<b>Total current liabilities</b>		<b>73,941</b>	<b>35,909</b>	<b>26,444</b>	<b>75,367</b>	<b>36,593</b>	<b>35,988</b>
<b>Net current assets</b>		<b>62,164</b>	<b>71,522</b>	<b>71,929</b>	<b>22,086</b>	<b>20,083</b>	<b>22,886</b>
<b><i>Non-current liabilities</i></b>							
Trade and other payables		-	-	1,434	-	-	-
Provision for restoration		323	307	292	-	-	-
Lease liabilities	16	4,332	-	399	3,564	-	-
Deferred tax liabilities		1,854	1,916	2,076	-	-	-
<b>Total non-current</b>		<b>6,509</b>	<b>2,223</b>	<b>4,201</b>	<b>3,564</b>	<b>-</b>	<b>-</b>

<b>liabilities</b>							
<b>Net assets</b>		<b>68,345</b>	<b>73,035</b>	<b>72,759</b>	<b>22,688</b>	<b>20,092</b>	<b>22,898</b>
<u>Capital and reserves</u>							
Share capital	19	18,347	12,072	12,072	18,347	12,072	12,072
Other reserves	20	13,504	31,517	31,517	313	313	313
Translation reserve		3,519	6,856	4,515	4,711	3,340	2,962
Retained earnings		32,254	21,125	24,833	(683)	4,367	7,551
<b>Equity attributable to owners of the Company</b>		<b>67,624</b>	<b>71,570</b>	<b>72,937</b>	<b>22,688</b>	<b>20,092</b>	<b>22,898</b>
Non-controlling interest		721	1,465	(178)	-	-	-
<b>Total equity</b>		<b>68,345</b>	<b>73,035</b>	<b>72,759</b>	<b>22,688</b>	<b>20,092</b>	<b>22,898</b>

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

	Not e	Group	
		Year ended 31 December	
		31/12/22	31/12/21 (restated)
		MYR'000	MYR'000
<b>Operating activities</b>			
Profit/(Loss) before income tax		19,195	(320)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	5	681	449
Depreciation of right-of-use assets	5	696	566
Amortisation of intangible asset		18	9
Amortisation of land use right	5	-	(3)
Interest income on bank deposits		(1,006)	(456)
Interest expense on other liabilities		488	428
Interest expense on lease liabilities		117	29
Impairment loss on investment in associates		-	500
Impairment loss on trade and other receivables		8,543	735
Shares of result of associates		(167)	(10)
Unrealised foreign exchange differences		(1,339)	110
<b>Operating cash flows before movements in working capital</b>		<b>27,226</b>	<b>2,037</b>
Decrease in properties held for sale		723	(232)
Increase in development properties		4,229	470
Increase in trade and other receivables, deposits and loan advance		(21,405)	(34,108)
Increase/(decrease) in trade and other payables and accruals		8,638	41
<b>Cash flows (used in)/generated from operations</b>		<b>19,411</b>	<b>(31,792)</b>
Interest received		396	456
Interest paid		(305)	(736)
Income tax paid		(7,434)	(1,131)
<b>Net cash generated from/(used in) operating activities</b>		<b>12,068</b>	<b>(33,203)</b>
<b>Investment activities</b>			
(Increase)/decrease in investment in convertible notes		(4,602)	-
Acquisition of subsidiaries		(19,141)	-
Purchase of intangible asset		-	(33)
Purchase of equipment	10	(4,494)	(70)
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(28,237)</b>	<b>(103)</b>
<b>Financing activities</b>			
Issuance of shares		6,094	-
Increase in shareholder loan		36,662	-
Due to minority shareholders		(161)	7,360
Repayment of lease liabilities		(912)	(380)
<b>Net cash (used in)/generated from financing activities</b>		<b>41,683</b>	<b>6,980</b>
Net increase/(decrease) in cash and cash equivalents		<b>25,514</b>	(26,326)
Effect of foreign exchange rate changes		<b>928</b>	2,581
Cash and cash equivalents at beginning of year		<b>40,940</b>	64,685
<b>Cash and cash equivalents at end of financial year</b>		<b>67,382</b>	40,940

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

<b>Group</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Attributable to owners of the company</b>	<b>Non-controlling Interest</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Balance at 1 January 2021 (Restated)</b>	<b>12,072</b>	<b>31,517</b>	<b>4,515</b>	<b>24,833</b>	<b>72,937</b>	<b>(178)</b>	<b>72,759</b>
Profit/(Loss) for the year before prior year adjustment	-	-	-	(3,907)	(3,907)	1,741	(2,166)
Add: Prior year adjustment (Note 2.3)	-	-	-	199	199	-	199
Other comprehensive gain							
Foreign currency translation	-	-	2,341	-	2,341	-	2,341
<b>Total comprehensive gain/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>2,341</b>	<b>(3,708)</b>	<b>(1,367)</b>	<b>1,741</b>	<b>175</b>
<b>Translation differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(98)</b>	<b>(98)</b>
<b>Balance as at 31 December 2021 (Restated)</b>	<b>12,072</b>	<b>31,517</b>	<b>6,856</b>	<b>21,125</b>	<b>71,570</b>	<b>1,465</b>	<b>73,035</b>
<b>2022</b>							
<b>Balance at 1 January 2022 (Restated)</b>	<b>12,072</b>	<b>31,517</b>	<b>6,856</b>	<b>21,125</b>	<b>71,570</b>	<b>1,465</b>	<b>73,035</b>
<b>Increase in share capital of subsidiary</b>	<b>6,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,275</b>	<b>-</b>	<b>6,275</b>
<b>Acquisition of non-controlling interest without a change in control</b>	<b>-</b>	<b>(18,013)</b>	<b>-</b>	<b>-</b>	<b>(18,013)</b>	<b>(966)</b>	<b>(18,979)</b>
Profit/(Loss) for the year	-	-	-	11,129	11,129	433	11,562
Other comprehensive loss	-	-	-	-	-	-	-
Foreign currency translation	-	-	(3,337)	-	(3,337)	-	(3,337)
<b>Total comprehensive gain for the year</b>	<b>-</b>	<b>-</b>	<b>(3,337)</b>	<b>11,129</b>	<b>7,792</b>	<b>433</b>	<b>8,225</b>
<b>Translation differences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(211)</b>	<b>(211)</b>
<b>Balance as at 31 December 2022</b>	<b>18,347</b>	<b>13,504</b>	<b>3,519</b>	<b>32,254</b>	<b>67,624</b>	<b>721</b>	<b>68,345</b>

<b>Company</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Balance at 1 January 2021 (Restated)</b>	<b>12,072</b>	<b>313</b>	<b>2,962</b>	<b>7,551</b>	<b>22,898</b>
Profit/(Loss) for the financial year	-	-	-	(3,184)	(3,184)
Other comprehensive loss	-	-	-	-	-
Foreign currency translation	-	-	378	-	378
<b>Total comprehensive profit/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>(3,184)</b>	<b>(2,806)</b>
<b>Balance as at 31 December 2021 (Restated)</b>	<b>12,072</b>	<b>313</b>	<b>3,340</b>	<b>4,367</b>	<b>20,092</b>
<b>Balance at 1 January 2022 (Restated)</b>	<b>12,072</b>	<b>313</b>	<b>3,340</b>	<b>4,367</b>	<b>20,092</b>
<b>Issuance of shares</b>	<b>6,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,275</b>
Profit/(Loss) for the financial year	-	-	-	(5,050)	(5,050)
Other comprehensive loss	-	-	-	-	-
Foreign currency translation	-	-	1,371	-	1,371
<b>Total comprehensive profit/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>1,371</b>	<b>(5,050)</b>	<b>(3,679)</b>
<b>Balance as at 31 December 2022</b>	<b>18,347</b>	<b>313</b>	<b>4,711</b>	<b>(683)</b>	<b>22,688</b>

## SELECTED NOTES TO THE FINANCIAL STATEMENTS

### 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. The Company is listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

The principal activities of the Company and its subsidiaries (together referred to as the “**Group**”) include the

- Financial solutions business; and
- Property development business.

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

### 2. Basis of preparation

The condensed financial statements for the financial year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim consolidated financial statements for the six-months ended 30 June 2022.

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

Prior to 31 December 2021, the Chinese Renminbi (“**RMB**”) was regarded as the presentation currency. The Group and the Company had, having reviewed the business and operating environment of the Group, changed its presentation currency from RMB to Malaysian Ringgit (“**MYR**”) for the financial year ended 31 December 2022. The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors. The comparative figures of the Group and the Company in these financial statements have been restated in MYR in order to provide meaningful comparable information.

In line with this change, the Company will present its financial statements for the year ended 31 December 2022 in MYR, and all values are rounded to the nearest thousand (“**MYR’000**”) except when otherwise indicated.

#### 2.1. New and amended standards adopted by the Group

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

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



## 2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

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

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

- Note 2.4 - Determination of functional currency

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

- Note 6 - Income tax expense
- Note 12 and 13 - Estimation of net realisable value of development properties and properties held for sale
- Note 11 - Impairment of goodwill
- Note 14 - Calculation of loss allowance

## 2.3. Prior year adjustment

Prior year adjustment has been made in relation to the development properties' cost base as the development properties had been previously amortised. In addition, at the point of the offer from the local authority to repossess the land, the repossession value was higher than the carrying value.

	As previously reported (MYR'000)	Reclassification (MYR'000)	As restated (MYR'000)
As at 31 December 2021			
Profit for the year	(3,907)	199	(3,708)

## 2.4. Determination of functional currency

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

### 3. Seasonal operations

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

#### Segment and revenue information

##### 3.1. Revenue

	Group	
	FY2022 MYR'000	FY2021 (restated) MYR'000
<b>Property business</b>		
Income from sale of properties	1,086	2,201
Rental income	731	710
<b>Total income from property business</b>	<u>1,817</u>	<u>2,911</u>
<b>Financial Solutions business</b>		
Interest income	15,858	10,029
Fee income	4,709	4,576
<b>Total income from financial solutions business</b>	<u>20,567</u>	<u>14,605</u>

##### 3.2. Reportable segments

The Group's reportable operating segments comprise the property and financial solutions businesses.

Accordingly, the above are the Group's reportable segments under SFRS(I) 8 Operating Segments.

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

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

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

### 3.2 Reportable segments (Continued)

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

	Property		Financial Solutions		Group	
	FY2022 MYR'000	FY2021 (restated) MYR'000	FY2022 MYR'000	FY2021 (restated) MYR'000	FY2022 MYR'000	FY2021 (restated) MYR'000
<b>Revenue</b>						
External sales	1,817	2,911	20,567	14,605	22,384	17,516
<b>Result</b>						
Segment gross contribution	1,042	2,069	19,510	14,009	20,552	16,078
Other income	20,899	135	126	-	21,025	135
Other expenses	(500)	(5,293)	(11,416)	(4,239)	(11,916)	(9,532)
Direct expenses	(553)	(566)	(4,207)	(3,089)	(4,760)	(3,655)
Share of associate loss	-	-	167	10	167	10
<b>Segment net (loss)/contribution</b>	<b>20,888</b>	<b>(3,655)</b>	<b>4,180</b>	<b>6,691</b>	<b>25,068</b>	<b>3,036</b>
Corporate expenses					(5,873)	(3,356)
Loss before income tax					19,195	(320)
Income tax expenses					(7,633)	(1,647)
<b>Loss for the year</b>					<b>11,562</b>	<b>(1,967)</b>
Depreciation	-	-	(1,377)	(1,015)	(1,377)	(1,015)
Share of result of associate	-	-	167	10	167	10

### 3.2 Segment information

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

	Property		Financial solutions		Group	
	31/12/2022	31/12/2021 (restated)	31/12/2022	31/12/2021 (restated)	31/12/2022	31/12/2021 (restated)
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Segment assets	62,744	46,997	64,468	51,119	127,212	98,116
Unallocated assets					21,583	13,051
<b>Total assets</b>					<b>148,795</b>	<b>111,167</b>
Segment liabilities	23,126	24,414	48,498	10,401	71,624	34,815
Unallocated liabilities					8,826	3,317
<b>Total liabilities</b>					<b>80,450</b>	<b>38,132</b>

### 3.3. Segment information (continued)

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

Segment revenue is based on the location of customers.

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

	Revenue	
	FY2022	FY2021 (restated)
	MYR'000	MYR'000
Singapore	122	-
People's Republic of China	1,817	2,911
Malaysia	20,445	14,605
<b>Total</b>	<b>22,384</b>	<b>17,516</b>

  

	Non-current assets	
	FY2022	FY2021 (restated)
	MYR'000	MYR'000
Singapore	8,769	8
People's Republic of China	619	640
Malaysia	3,302	3,088
<b>Total</b>	<b>12,690</b>	<b>3,736</b>

### 4. Significant expenses

Significant expenses include:

	Group	
	FY2022	FY2021 (restated)
	MYR'000	MYR'000
Depreciation of property, plant and equipment	681	449
Depreciation of right-of-use assets	696	566
Impairment loss on trade and other receivables	8,543	735
Net foreign exchange loss	191	492
Cost of properties held for sale recognised as expenses	1,231	415
Management fee charged by former ultimate holding company	1,382	1,294
Employee benefits expense (including directors' remuneration)	5,957	4,322
Other expenses – penalty expense	-	4,351

## 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</b>	
	<b>FY2022</b>	<b>FY2021</b>
		<b>(restated)</b>
	MYR'000	MYR'000
Management fee expenses paid to the former ultimate holding company	1,382	1,294
Interest expense on amount due to director*	1,320	258
Interest expense on amount due to NCI**	488	155
Rental income from GRP Limited and Luminor Capital Pte Ltd	408	-

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

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

## 6. Income tax expenses

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
		<b>(restated)</b>
	MYR'000	MYR'000
Current tax:		
PRC enterprise income tax	5,393	115
PRC land appreciation tax	-	105
Singapore corporate income tax	714	171
Malaysia corporate income tax	1,526	1,256
	7,633	1,647
Deferred tax:		
Origination of temporary differences	-	-
Total income tax expense	7,633	1,647

## 7. Earnings per share

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

	<b>Group</b>		<b>Group</b>	
	<b>2HY2022</b>	<b>2HY2021</b>	<b>FY2022</b>	<b>FY2021</b>
		<b>(restated)</b>		<b>(restated)</b>
Net profit / loss attributable to owners of the Company (MYR'000)	(1,580)	(2,845)	11,129	(3,708)
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	158,219	144,733	152,158	144,733
Basic and diluted earnings / (loss) per share (MYR) (cents per share)	(1.00)	(1.97)	7.31	(2.56)

## 7. Earnings per share (continued)

The basic and diluted earnings/(loss) per share for the respective financial year under review were the same as the Company did not have potentially dilutive ordinary shares as at 31 December 2022 and 31 December 2021 respectively.

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

## 8. Net asset value

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

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

	<b>Group</b>	
	<b>31/12/2022</b>	<b>31/12/2021 (restated)</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (MYR)	0.428	0.505
- Number of ordinary shares at the end of financial year ('000)	159,538	144,733

	<b>Company</b>	
	<b>31/12/2022</b>	<b>31/12/2021 (restated)</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (MYR)	0.142	0.139
- Number of ordinary shares at the end of financial year ('000)	159,538	144,733

## 9. Property, plant and equipment

During the year ended 31 December 2022, the Group acquired assets amounting to MYR4.5 million (31 December 2021: MYR0.07 million) and there were no disposals (31 December 2021: Nil).

## 10. Goodwill

	<b>Group</b>	
	<b>31/12/2022 MYR'000</b>	<b>31/12/2021 MYR'000 (restated)</b>
<b>Cost</b>		
At beginning of financial year	1,871	1,871
Additions	-	-
Foreign currency translation	-	-
At end of financial year	1,871	1,871
<b>Accumulated impairment</b>		
At beginning of financial year	(1,271)	(1,271)
Impairment charge	-	-
At end of financial year	(1,271)	(1,271)
<b>Net carrying value at end of financial year</b>	<u>600</u>	<u>600</u>

## 11. Goodwill (cont'd)

### *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>31/12/2022</b>	<b>31/12/2021</b>
	MYR'000	MYR'000 <b>(restated)</b>
Luminor Malaysia and its subsidiaries (excluding SA Puncak)	1,271	1,271
SA Puncak	600	600

### Key assumptions used in value in use calculation of SA Puncak

The recoverable amount is determined from value in use calculations derived from the most recent financial budgets approved by management covering a five-year period. Revenue growth for the next five years was projected taking into account the increased efforts that will be channelled into the financial solutions business, and the market demand for financial solutions (including the impact arising from COVID-19 pandemic) for the next five years.

### SA Puncak

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

### Sensitivity to changes in assumptions

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

## 12. Properties Held for Sale

	<b>Group</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	MYR'000	MYR'000 <b>(restated)</b>
At cost or net realisable value	15,199	16,430

Properties held for sale as at 31 December 2022 and 31 December 2021 are as follows:

Location	Description	<b>31/12/2022</b>		<b>31/12/2021</b>	
		<b>Gross floor area (sq. meters)</b>	<b>Group's effective interest</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	4,447	100%	4,650	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,638	100%	4,914	100%



### 13. Development Properties

	Group	
	31/12/2022	31/12/2021
	MYR'000	MYR'000 (restated)
Land use rights	-	5,985
Amortisation of land use right	-	(1,576)
		<hr/>
Net land use rights	-	4,409
Development cost	-	2,573
		<hr/>
	-	6,982
		<hr/> <hr/>

The Group's development properties comprise a 25,560 square meter land parcel located at Zone 5, Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing, PRC (the "**Land**").

During the financial year ended 31 December 2021, our indirectly wholly-owned subsidiary, Gangyuan Property Development Co., Ltd accepted the Offer of RMB42,940,100 as compensation for repossession of the Land from the Fuling District local authority. The subsidiary received full compensation on 16 February 2022.

Following the repossession of the Land, the Group has no more development properties remaining (2021: MYR6,982,000).

#### 14. Trade And Other Receivables

	Group		Company	
	31/12/2022 MYR'000	31/12/2021 MYR'000 (restated)	31/12/2022 MYR'000	31/12/2021 MYR'000 (restated)
<u>Current</u>				
Trade receivables	13,340	5,604	-	-
Loan advances	2,091	1,325	-	-
Factoring receivables	40,049	33,951	-	-
Other receivables from third parties	4,416	3,762	45	43
Other receivables from subsidiaries	-	-	90,930	53,163
Deposits	73	3	91	21
Interest receivable from fixed deposit	-	122	-	-
Prepayments	106	65	106	-
Advance to a third party	1,522	908	-	-
Advances to suppliers	1	1	-	-
	61,598	45,741	91,172	53,227
Less: allowance for impairment losses				
- Trade receivables	-	(16)	-	-
- Factoring receivables	(8,543)	(696)	-	-
- Loan advances	-	(1,950)	-	-
	(8,543)	(2,662)	-	-
<u>Non-current</u>				
Loan advances	-	1,170	-	-
Total trade and other receivables	53,055	44,249	91,172	53,227

#### 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 (FY2021: 1% to 12% per transaction) and are generally due within 3 months from disbursement date.

#### Other receivables from third parties

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

#### Advance to a third party

The advance was acquired by the Group during the acquisition of Luminor Malaysia as part of the assets of Luminor Malaysia. The advance was made by Luminor Malaysia to finance a third party's factoring business. The amount is interest bearing at 14% (FY2021: 14%) per annum. The fair value of the non-current advance to a third party at the balance sheet date approximate their carrying values as at the end of the reporting period.

## 15. Due to minority shareholders

During the financial year ended 31 December 2022, the Group reclassified the balance of MYR67,200 from due to minority interest to other payables as this minority shareholder has disposed of its interest in Luminor Capital (Malaysia) Sdn. Bhd.

Advances of MYR8,184,934 received from a minority shareholder as at 31 December 2022 are unsecured, interest bearing at 6.5% per annum, and repayable within the next 6 months.

## 16. Lease liabilities

Lease liabilities of the Group amounting to MYR5.39 million as at 31 December 2022 (31 December 2021: MYR0.4 million) are secured by the right to the leased offices in Malaysia and Singapore.

	Group	
	31/12/2022	31/12/2021
	MYR'000	MYR'000 (restated)
<b>Amount repayable within one year</b>		
Secured	1,053	399
Unsecured	–	–
	<u>1,053</u>	<u>399</u>
<b>Amount repayable after one year</b>		
Secured	4,332	–
Unsecured	–	–
	<u>4,332</u>	<u>–</u>
	<u>5,385</u>	<u>399</u>

## 17. Lease receivable

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

## 18. Loan from shareholder

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 agreement or longer period as may be requested by the Company. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcement made on 2 March 2022.

The Company had on 30 August 2022 entered into a S\$3,000,000 loan agreement with Van Der Horst Holdings Pte Ltd. The loan is interest-bearing at 6.5% per annum with interest payable on a quarterly basis within 15 working days at the end of each quarter. The loan facility shall have an initial term of 6 months, from the date of the agreement or longer period as may be requested by the Company. 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.

## 19. Share capital

	Group and Company			
	31/12/2022		31/12/2021	
	No. of shares '000	MYR '000	No. of shares '000	MYR '000 (restated)
<b>Issued and fully paid ordinary shares</b>				
At the beginning and the end of financial year	144,733	12,072	144,733	12,072
Issuance of shares	14,805	6,275	-	-
At the end of financial year	159,538	18,347	144,733	12,072

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

The increase in share capital is due to allotment and issuance of 13,449,630 ordinary shares at an issue price of S\$0.135 per share and 1,355,657 ordinary shares at an issue price of S\$0.086 per share for the acquisition of the remaining 49% of Luminor Malaysia.

## 20. Other reserves

	Group					
	31/12/2022	31/12/2022	31/12/2022	31/12/2021 (restated)	31/12/2021 (restated)	31/12/2021 (restated)
	Capital reserves MYR'000	Merger reserves MYR'000	Statutory reserves MYR'000	Capital reserves MYR'000	Merger reserves MYR'000	Statutory reserves MYR'000
<b>Opening balance</b>						
At the beginning of financial period/year	25,891	313	5,313	25,891	313	5,313
Premium on acquisition of LCM	(18,013)	-	-	-	-	-
<b>At the end of financial period / year</b>	<b>7,878</b>	<b>313</b>	<b>5,313</b>	<b>25,891</b>	<b>313</b>	<b>5,313</b>

## 21. Financial instruments

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Financial assets carried at amortised cost</b>	<b>125,038</b>	<b>85,189</b>	<b>96,985</b>	<b>56,676</b>
<b>Financial liabilities carried at amortised cost</b>	<b>51,427</b>	<b>13,122</b>	<b>75,730</b>	<b>36,594</b>

On 16 August 2022, the Company entered into an Exchangeable and Convertible Note Agreement with PT Adiwisista Daya Investama ("PT ADI"), PT Adiwisista Daya Pratama ("PT ADP") and other investors. SAPL has subscribed for an Exchangeable Note with principal amount of US\$950,000 which is exchangeable to 10% of PT Adiwisista Finansial Teknologi ("PT AFT") and a Convertible Note with principal amount of US\$50,000 which is convertible into 10% of PT ADI. Please refer to the announcement dated 16 August 2022 for more information.

## 22. Subsequent events

On 1 February 2023, the Company announced that our wholly-owned subsidiary, Starland Axis Pte. Ltd. (“**SAPL**”) has acquired 4,446,888 FundedHere (“**FH**”) Sale Shares, constituting 58.41% of the total number of issued shares in the capital of FH as at the date of FH Completion. Accordingly, the Company has allotted and issued 7,899,068 FH Consideration Shares at the issue price of \$0.087 per FH Consideration Share in satisfaction of the aggregate purchase consideration of S\$2,369,720.49 in respect of the Proposed FH Acquisition.

On 10 February 2023, Luminor Capital (Malaysia) Sdn. Bhd. (“**LCMSB**”), an indirect 51%-owned subsidiary of the Company, which held 49% equity interest in the registered capital of Luminor Capital Markets Sdn. Bhd. (“**LCM2**”), acquired the balance 51% equity interest (which is equivalent to 2,541,078 ordinary shares) in LCM2 from Fiscalab Holdings Sdn. Bhd. (“**FHSB**”) for a consideration of RM100,000 (the “**LCM2 Acquisition**”). Upon completion of the LCM2 Acquisition, LCM2 will be a wholly-owned subsidiary of LCMSB and the Company’s effective interest in LCM2 will increase from 49% to 100%. LCM2 holds a capital markets services license for advising on corporate finance issued by Securities Commission Malaysia under the Capital Markets and Services Act in Malaysia. The principal activity of LCM2 is providing corporate finance advisory services. The acquisition of LCM2 is expected to offer synergistic benefits through the cross-selling of LCM2’s advisory services to the customers of the LCM Group on fund raising via the Malaysian capital markets. Similarly, it will also provide an avenue to the LCM Group to offer advisory services to nurture potential small medium enterprises (SMEs) as they scale up and seek access to the capital markets either in the form of debt and/or equity fund raising.

### Other information required per Appendix 7C of the Catalist Rules

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

The Company’s share capital has increased from MYR17,942,000 comprising 158,182,630 shares as at 30 June 2022 to MYR18,347,000 comprising 159,538,287 shares as at 31 December 2022. The increase in share capital is due to allotment and issuance of 1,355,657 ordinary shares for the acquisition of the remaining 49% of Luminor Malaysia.

The Company did not have any outstanding convertibles as at 31 December 2022, 30 June 2022 and 31 December 2021.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2022, 30 June 2022 and 31 December 2021.

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

<b>Company</b>		
	31 December 2022	31 December 2021
Total number of issued shares	159,538,287	144,733,000

The Company did not have any treasury shares as at 31 December 2022 and 31 December 2021.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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

Not applicable.

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

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

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 December 2022 ("FY2022") and Financial year ended 31 December 2021 ("FY2021")

#### REVENUE

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

The following table shows the breakdown of the revenue:

	FY2022		FY2021	
	MYR'000	% of Total Revenue	MYR'000	% of Total Revenue
<b>Financial Solutions</b>				
Interest Income	15,858	70.8%	10,029	57.3%
Fee Income	4,709	21.0%	4,576	26.1%
	<b>20,567</b>	<b>91.8%</b>	<b>14,605</b>	<b>83.4%</b>
<b>Property</b>				
Sales of properties	1,086	4.9%	2,201	12.6%
Rental income	731	3.3%	710	4.0%
	<b>1,817</b>	<b>8.2%</b>	<b>2,911</b>	<b>16.6%</b>
<b>Total Revenue</b>	<b>22,384</b>	<b>100%</b>	<b>17,516</b>	<b>100%</b>

#### Composition of Revenue

The property business contributed 8.2% (FY2021: 16.6%) and the financial solutions business contributed 91.8% (FY2021: 83.4%) of total revenue during the financial year FY2022. The change is due to the property business reaching the tail end of sales of its projects and the growth of the financial solutions business. The shift in composition is in line with the Group's long-term goal of switching from the property business to the financial solutions business.

#### INCOME FROM FINANCIAL SOLUTIONS

	6 months ended 30 June			12 months ended 31 December		
	2022	2021		2022	2021	
	MYR'000	MYR'000	+/(-) %	MYR'000	MYR'000	+/(-) %
Interest Income	8,202	7,799	5.2	15,858	10,029	58.1
Interest Expense	-1,294	-399	NM	-1,642	-413	NM
<b>Net Interest Income</b>	<b>6,908</b>	<b>7,400</b>	<b>-6.6</b>	<b>14,216</b>	<b>9,616</b>	<b>47.8</b>
Fee Income	2,860	3,872	-26.1	4,709	4,576	2.9
<b>Income from Financial Solutions</b>	<b>9,768</b>	<b>11,272</b>	<b>-13.3</b>	<b>18,925</b>	<b>14,192</b>	<b>33.3</b>

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

The Group saw an overall expansion in the financial solutions business in FY2022, with income from the financial solutions business increasing by 33.3% from MYR14.2 million in FY2021 to RM18.9 million in FY2022.

Interest expense increased by MYR1.2 million to MYR1.6 million in FY2022 from MYR0.4 million in FY2021. This is in tandem with higher financing costs required to fund the expansion of the financial solutions business.

The increase in income in FY2022 was due to the increase in number of new clients and repeat business in the financial solutions business. This demonstrates significant growth in the financial solutions business, which is in line with the Group's strategy to shift to the financial solutions business. Consequentially, net interest margin increased to 20.60% in FY2022 from 16.50% in FY2021.

## **INCOME FROM PROPERTY BUSINESS**

### ***Sales of properties***

FY2022 revenue from sales of properties was MYR1.1 million and accounted for 4.9% of revenue as compared to MYR2.2 million for FY2021 which accounted for 12.6% of revenue. This was due to lower sales as can be seen from the table below:

<b>Sales</b>	<b>FY2022</b>	<b>FY2021</b>
Singapore Garden in PRC	8 car park spaces	2 residential units 14 car park spaces
University Town in PRC	4 car park spaces	-

The lower sales of properties can be attributed to the Group stopping all promotional sales activities due to the COVID-19 pandemic, as well as the overall weak property market in the PRC. In addition, the Company has reached the tail end of its projects with only 9 residential units, 23 commercial units and 19 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 2022.

### ***Rental income***

Rental income remained steady at MYR0.73 million in FY2022 and accounted for 3.3% of the Group's total revenue for FY2022 as compared to MYR0.71 million for FY2021 which accounted for 4.0% of the Group's total revenue for FY2021. The Group's rental income is derived from the leasing of the Group's commercial units at both University Town project and Singapore Garden project in PRC.

The increase of MYR0.02 million in FY2022 was due to the increase in units being rented out, offset by the reduction in rental rates in response to the weak property market conditions during the year under review. The Group leased out 8 commercial units of the Singapore Garden project and 1 commercial unit of the University Town project during FY2022 compared to 6 commercial units of the Singapore Garden project and 1 commercial unit of the University Town project during FY2021.

## **COST OF SALES**

Cost of sales increased by 27.4% to MYR1.8 million in FY2022. The increase in cost of sales is in line with the increase in sales in the financial solutions business in FY2022 as compared to FY2021.



## **GROSS PROFIT AND PROFIT MARGIN**

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

	<b>Property</b>	
	<b>FY2022</b>	<b>FY2021</b>
	MYR'000	MYR'000
Revenue	1,817	2,911
Gross profit	1,042	2,069
Gross Profit Margin	57.3%	71.1%

Gross profit margin for the property business was 57.3% for FY2022 and 71.1% for FY2021. The decrease in gross profit margin in FY2022 is due to the recognition of operating costs from the development properties following the recompensation of the Land.

	<b>Financial Solutions</b>	
	<b>FY2022</b>	<b>FY2021</b>
	MYR'000	MYR'000
Revenue	20,567	14,605
Gross profit	19,510	14,009
Gross Profit Margin	94.9%	95.9%

Gross profit margin for the financial solutions business was 94.9% for FY2022 and 95.9% for FY2021. The decrease in gross profit margin in FY2022 is mainly due to the increase in cost of funds in tandem with an increase in shareholder loans to fund the expansion of the financial solutions business.

## **OTHER INCOME**

Other income increased by MYR20.9 million to MYR21.0 million in FY2022 from MYR0.14 million in FY2021. This is mainly due to the 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.

## **INTEREST INCOME**

Interest income increased by MYR0.7 million to MYR1.0 million in FY2022 from MYR0.3 million in FY2021. This is mainly due to the additional cash held at bank from the compensation received for the repossession of land by the China government authority.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses comprise mainly staff salary and wages, other staff related costs as well as professional fees. Administrative expenses increased by MYR2.6 million in FY2022 as compared to FY2021. This was due to the increase in professional fees incurred of MYR1.0 million mainly in the legal fees and consultancy fees for the company's acquisition matters, increase in interest expense on shareholder loan of MYR1.2 million in FY2022 as well as increase in MYR1.7 million in additional staff costs which was incurred by the financial solutions business (headcount increased from 33 in FY2021 to 43 in FY2022) and appointment of additional personnel in the holding company to oversee and facilitate the Company's business operations in FY2022.

## **SELLING EXPENSES**

The Group's selling expenses mainly comprise sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. The decrease in selling expenses is largely due to the decrease in sales of properties.

## **IMPAIRMENT COSTS**

The impairment losses recorded of MYR8.5 million relates to factoring receivables that are past 90 days overdue and have been assessed by management to have low recoverability.

### **OTHER OPERATING EXPENSES**

Other operating expenses have decreased by MYR5.0 million in FY2022 compared to FY2021. This is mainly due to an impairment charge on investment in associates and the non-recurring penalty paid in FY2021 on the funds transferred from PRC bank accounts to Singapore.

### **INCOME TAX EXPENSES**

Income tax expenses related to enterprise income tax, land appreciation tax in the PRC and provision of withholding tax on undistributed profits of the PRC subsidiaries. The increase in income tax expense of MYR6.0 million is mainly due to enterprise income tax from the compensation received for the repossession of land by the China government authority as well as slight increase in income tax paid to the Malaysian tax authority on the increased revenue.

### **CONDENSED BALANCE SHEET**

#### ***Non-current assets***

As at 31 December 2022, non-current assets of MYR12.7 million consist of property, plant and equipment, investment in associate, other investments, deferred tax assets, lease receivable, goodwill, intangible assets and right-of-use assets.

(i) Property, plant and equipment

The MYR1.0 million increase in property, plant and equipment is due to depreciation charge of MYR1.5 million partially offset by the addition of property, plant and equipment of MYR4.5 million during FY2022, mainly for renovation costs and Oracle licensing.

(ii) Investment in associate

The increase in investment in associate balance by MYR0.2 million related to increase in profits from the investment in Luminor Capital Markets Sdn Bhd (“**LCM2**”). LCM2 is in the business of providing corporate advisory services.

(iii) Goodwill

Goodwill is in relation to the Group’s acquisition of SA Puncak Management Sdn. Bhd. during the financial year ended 31 December 2020.

(iv) Right-of-use assets

The MYR2.2 million increase in right-of-use assets is due to additional lease undertaken for office premises in Singapore as well as the extension of office lease rental in Malaysia, offset by the depreciation charged during FY2022.

(v) Other investments

The MYR4.6 million of other investments relate to the Company’s investment in exchangeable and convertible note with PT Adiwisista in FY2022.

(vi) Lease receivable

The MYR2.3 million of lease receivable relates to the rental payments receivable from Luminor Capital Pte Ltd and GRP Limited.

### **Current assets**

As at 31 December 2022, current assets which amounted to MYR136.1 million mainly consist of cash and bank balances, trade and other receivables, lease receivable, and properties held for sale.

Trade and other receivables increased by MYR10.0 million to MYR53.1 million as at 31 December 2022. This is in line with the expansion of the financial solutions business in FY2022.

Properties held for sale comprise the completed but unsold units of Singapore Garden project and University Town project in PRC, which amounted to MYR9.9 million and MYR5.3 million respectively as at 31 December 2022. The decrease of MYR1.2 million is due to the continual sale of properties during FY2022.

Development properties is nil (FY2021: MYR7.0 million) due to the repossession of land by the China government authority in FY2022.

### **Current liabilities**

As at 31 December 2022, current liabilities of MYR73.9 million consist of trade and other payables, loan from shareholder, lease liabilities and income tax payable.

The increase in trade and other payables of MYR1.9 million is due to increase in amount due to former ultimate holding company by MYR0.14 million at FY2022 as compared to FY2021. This is due to the increase in salary recharge to the Company, in line with the additional staff costs for FY2022. Also, there was an increase in security deposits our Malaysia business counterparts hold on behalf of clients as security by MYR1.6 million for FY2022 as well as the increase in accruals made in our financial solutions business in Malaysia for commission, staff bonuses and corresponding staff costs making up the rest of the balance.

Loans from shareholder of MYR36.7 million is due to the company undertaking loans from shareholder for the purposes of acquisition of businesses as well as to fund working capital.

Lease liabilities increased by MYR0.7 million in FY2022 is due the current portion on the additional lease agreement signed on the Singapore office premise as well as the extension of lease agreement on the Malaysia office premise.

Income tax payable decreased by MYR0.8 million in FY2022. This was mainly due to overprovision of tax in prior year by our Malaysian entity. Also, there has been a decrease in income tax payable from the China entities mainly due to the weakening of the Malaysia Ringgit from prior year.

### **Non-Current Liabilities**

As at 31 December 2022, non-current liabilities of MYR6.5 million consist of provision for restoration, lease liabilities and deferred tax liabilities.

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

Lease liabilities of MYR4.3 million was booked for the office lease agreement entered into by the Singapore office as well as the extension of office lease agreement for the Malaysia office.

### **Shareholders' equity**

Shareholders' equity consists of issued share capital, other reserves, retained earnings and non-controlling interest. As at 31 December 2022, shareholders' equity amounted to MYR68.3 million.

## **CONSOLIDATED CASH FLOW STATEMENT**

For FY2022, net cash generated from operating activities of MYR12.1 million was mainly due to the increase in profits before tax arising from the repossession of land by the China authorities as well as the increase in revenue from the financial solutions business in Malaysia.

Net cash flow used in investing activities amounted to MYR28.2 million in FY2022, which was mainly due to the purchase of property, plant and equipment, investment in convertible notes as well as acquisition of subsidiaries.

Net cash flow generated from financing activities amounted to MYR41.7 million in FY2022, which was mainly due to the issuance of shares of MYR6.1 million as well as the increase in shareholder loan of MYR36.7 million.

As at 31 December 2022, cash and cash equivalents amounted to MYR67.4 million.

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

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

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

The Group's financial solutions business has been growing steadily and is expected to continue to further acquire market share in Malaysia, where its clients are primarily based. The Group most recently completed its acquisition of FH on 1 February 2023 and plans to use FH as an avenue to further expand the financial solutions business in Singapore in conjunction with their expansion strategy in the financial solutions business in Malaysia and other Southeast Asian countries.

With the recent reopening of the PRC borders and resumption of economic activity in China in recent months, the Group will continue to sell the remaining residential units (9 units), commercial units (25 units) and carpark spaces (47 lots) for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC. Going forward, the Group will no longer focus on development in this area.

**7. Dividend**

**If a decision regarding dividend has been made:-**

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

No dividend has been declared for FY2022.

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

No dividend was declared for FY2021.

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

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

No dividend has been declared for FY2022.

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

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

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920	Aggregated value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000
<u>GRP Limited</u> Estimated management fee expense paid or payable to GRP Limited <sup>(1)</sup> , the former ultimate holding company of the Group	SGD420,000	-
<u>Kwan Chee Seng</u> Interest expense on shareholder loan granted by Mr. Kwan to the Company as announcement on 2 March 2022.	SGD520,000	-
<u>Kwan Chee Seng and Kwan Yu Wen</u> Office sharing agreement with Luminor Capital Pte Ltd <sup>(2)</sup> (“LCPL”) and GRP Limited (“GRP”) in relation to the premises.	SGD544,315.20	-
<u>Van Der Horst Holdings Pte Ltd<sup>(3)</sup></u> 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.	SGD97,500	-
<u>Total</u>	SGD1,581,815.20	-

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 of GRP and holds 20% of the 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 shares in Van Der Horst Holdings Pte Ltd as at the date of this announcement.

The Group does not have a general mandate for IPT.

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

On 19 August 2022, the Group increased its equity stake in its indirect wholly-owned subsidiary, SA Puncak Management Sdn Bhd (“**SAPM**”) by 1.8% at a purchase price of RM120,000. Following the increase, the Group has a 86.8% stake in SAPM. The supplementary agreement provides the call option to purchase an additional 45,000 shares for an additional 1.5% equity stake for RM120,000 before 22 August 2023, 45,000 shares for an additional 1.5% equity stake for RM120,000 before 22 August 2024 and 240,000 shares for an additional 9.6% equity stake for RM793,600 before 22 August 2025. The net asset value of SAPM was MYR4.863 million at the time of the exercise of the option on 19 August 2022.

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

Please refer to Section 8 – Review of performance – for further details.

**13. A breakdown of sales.**

	<b>Group</b>	
	<b>12 months ended 31/12/2022</b>	<b>12 months ended 31/12/2021</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Sales reported for first half year (Loss)/profit after tax reported for first half year	10,293 12,892	4,752 (1,046)
Sales reported for second half year (Loss)/profit after tax reported for second half year	12,091 (1,330)	12,764 (921)

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

Not applicable.

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

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Kelvin Kwan Chee Hong	68	<p>Brother of Mr Kwan Chee Seng, non-executive director of the Company and executive director and substantial shareholder of GRP Limited, former ultimate holding company.</p> <p>Uncle of Ms Kwan Yu Wen, Executive Director of the Company.</p>	<p>General Manager</p> <p>Date of appointment: 18 Feb 2016</p>	<p>NA</p> <p>Date of cessation: 1 April 2022</p>

**BY ORDER OF THE BOARD**

**Kwan Yu Wen**  
**Executive Director**  
**1 March 2023**