

**ESTABLISHMENT OF A REDEEMABLE PREFERENCE SHARES
PROGRAMME OF UP TO RM500,000,000 IN NOMINAL VALUE**

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Luminor Financial Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has on 2 October 2023 established a redeemable preference shares programme of up to RM500,000,000 in nominal value (the “**RPS Programme**”) with Luminor Capital (Malaysia) Sdn. Bhd. as the promoter (“**LCM**” or the “**Promoter**”) and Luminor Assets Berhad as the issuer (the “**Issuer**”). The Issuer shall have the flexibility to issue any number of RPS, from time to time, provided that the aggregate number of RPS in issuance (and not redeemed) shall not at any time exceed 500,000,000 RPS. The Proposed RPS Issue may comprise one or more tranches.

2. ABOUT THE PROMOTER AND THE ISSUER

LCM is a wholly-owned indirect subsidiary of the Company. LCM, together with its subsidiaries (the “**LCM Group**”), is principally engaged in the business of financial services and offers financing solutions such as factoring and supply chain financing. From 1 January 2023 to 31 August 2023, the LCM Group’s Gross Disbursement Value, which refers to the gross amount of monies that the LCM Group has advanced to its clients during its ordinary course of business, amounted to RM173.85 million. Over the same period, LCM Group’s Contracted Value, which refers to the balance outstanding contract value of the clients at the point of entry into the financing facilities with the LCM Group, amounted to RM446.60 million. As at 31 August 2023, LCM Group’s Gross Ending Value, which refers to the balance contract value after financing clients’ invoices, stood at RM209.53 million.

Luminor Assets Berhad was incorporated in Malaysia under the Malaysian Companies Act 2016 (“**Act**”) on 16 August 2023 as a public limited company with the issued share capital at RM100,000 comprising 100,000 ordinary shares (the “**Said Shares**”). The Issuer, which is a wholly-owned subsidiary of LCM, is a special purpose vehicle incorporated to raise financing for the LCM Group’s respective operating entities in Malaysia (“**LCM Operating Entities**”).

As at the date of this announcement, LCM has entered into a share trust deed (the “**Share Trust Deed**”) with TMF Trustees Malaysia Berhad (the “**Share Trustee**”) for the appointment of the Share Trustee as a trustee to hold the Said Shares in trust for LCM for the benefit of the holders of the RPS.

3. SALIENT OF THE PROPOSED RPS ISSUE

The salient terms of the Proposed RPS Issue are as follows:-

Issuer	: Luminor Assets Berhad
Promoter	: Luminor Capital (Malaysia) Sdn. Bhd.
Type	: Redeemable preference shares (“ RPS ”)
Issue Price	: RM1.00 per RPS
Name of Facility	: The proposed issuance of RPS from time to time at an issue price of RM1.00 for each RPS such that the total number of RPS in issuance (and not redeemed) at any one time is not more than 500,000,000 RPS (“ Programme Limit ”)

Purpose of Facility and Utilisation of Proceeds : To raise working capital for the LCM Operating Entities for the expansion of the Group's financial solutions business in Malaysia.

The proceeds from the Proposed RPS Issue shall be advanced to LCM Operating Entities to fund their respective disbursement requirements (for the factoring, secured money lending and consumer financing businesses) (each disbursement as "**Advance**") as well as to defray estimated expenses related to the Proposed RPS Issue.

Minimum Subscription Size : Subject to the Programme Limit, RM100,000.00 per holder of the RPS ("**RPS Holder**") and thereafter, in increments of RM50,000.00.

Tenure : There is no master tenure for the RPS programme. The Issuer will redeem the RPS on the 2nd anniversary of the respective issue date ("**Tenure**").

Dividend : The RPS shall be entitled to such cumulative dividend at the following rate calculated based on the Issue Price as the board of directors of the Issuer shall declare and pay bi-annually in arrears after the date of issue of the RPS subject to availability of distributable profits and in compliance with the Act:

$$A = B + C$$

A = Dividend rate

B = The overnight policy rate published by Bank Negara Malaysia on the respective RPS issue date

C = 5%

No dividend shall be paid on any other class of shares for so long as any RPS has not been fully redeemed by the Issuer.

Redemption at Maturity : Subject to the Act, each RPS shall be redeemed by the Issuer in cash to the RPS Holder on the Business Day immediately preceding the expiry of the Tenure ("**Redemption Date**") at RM1.00 for each RPS ("**Redemption Price**"). On the Redemption Date, in addition to the Redemption Price, the Issuer shall pay the RPS Holder accrued dividend, if any, on each RPS so redeemed.

The Issuer shall give the RPS Holder(s) notice in writing ("**Notice**"), at least one (1) month prior to the relevant Redemption Date, in the event the Issuer is unable or becomes aware that it is unable to undertake a redemption exercise for the RPS or is unable to pay the total Redemption Price, on the relevant Redemption Date. Upon receipt of the Notice, the RPS Holder(s) shall be entitled to exercise its rights under a put option agreement (the "**Put Option Agreement**") to require the Company to purchase all the RPS held by such holder pursuant to the terms of the Put Option Agreement.

Early Redemption : At any time prior to two (2) months before the relevant Redemption Date and provided always that a Notice has not been issued by the Issuer, and upon receipt of a written

request from the RPS Holder requesting for early redemption of the RPS (“**Request**”), the Issuer shall redeem all or any of the RPS held by such RPS Holder as stipulated in the Request which shall be in multiples of 50,000 RPS (provided that, in the event of a Request for partial redemption, the RPS Holder shall hold at least 100,000 RPS after the said redemption has been completed) (“**RPS to be Redeemed**”) subject to compliance with the Act.

Within seven (7) Business Days from the date of receipt of the Request, the Issuer shall inform the RPS Holder in writing whether it is able to redeem the RPS to be Redeemed (“**Notification**”). If the Issuer is agreeable to redeem the RPS to be Redeemed, the Issuer shall pay the RPS Holder the total Redemption Price for the RPS to be Redeemed on the day falling 30 calendar days after the date of the Notification (“**Early Redemption Date**”) together with fifty per centum (50%) of the accrued dividend as at the date of the Request on a pro-rata basis (if any).

Security

- : Each Advance made by the Issuer to the LCM Operating Entities will be secured against an assignment of receivables of an amount no less than that of the Advance made, granted by LCM Operating Entities to the Issuer under a master assignment agreement (the “**Master Assignment Agreement**”).

In addition, the RPS Holder(s) shall enter into a Put Option Agreement to require the Company to purchase all the RPS held by such holder in the event the Issuer is unable to or becomes aware that it is unable to redeem the RPS.

Voting Rights

- : The RPS Holders shall have the same rights as ordinary shareholders to receive notices, reports and audited financial statements, and to attend and to raise questions (to be submitted prior to the general meeting) at general meetings of the Issuer. However, the RPS Holders shall not be entitled to voting rights at such general meetings of the Issuer except on a proposal that varies, modifies, abrogate the rights and privileges attached to the RPS or the exercise of any of those rights, privileges or conditions.

Ranking of RPS

- : The RPS shall be unsecured and shall, upon allotment and issue, rank (a) equally in all respect amongst themselves; (b) in priority to any other class of shares where in the event of any liquidation, dissolution or winding up of the Issuer (including a merger or consolidation and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Issuer), the RPS holder(s) shall be first paid from the proceeds; and (c) after all secured and unsecured obligations of the Issuer, if any.

Selling Restriction

- : The Proposed RPS Issue shall only be offered to persons falling within Part 1 of Schedule 6 or Section 229(1)(b) and Part 1 of Schedule 7 or Section 230(1)(b) of the Malaysian Capital Markets & Services Act 2007, as amended from time to time.

Property Trustee and Share Trustee

- : TMF Trustees Malaysia Berhad

Issuing House and Share

- : Tricor Investor & Issuing House Services Sdn. Bhd.

Registrar

Transferability	: The RPS are not transferable save and except for the purchase and transfer of RPS to LFHL under the Put Option Agreements.
Listing Status	: The RPS shall not be listed nor quoted on any stock exchange. The RPS shall be deposited with Bursa Depository Sdn. Bhd.
Governing Law	: Laws of Malaysia

The information memorandum of the RPS Programme dated 2 October 2023 ("**Information Memorandum**") shall be deposited by the Issuer with the Securities Commission Malaysia ("**SC**") and the Companies Commission of Malaysia within seven (7) days from the date of the Information Memorandum. The notification pursuant to the SC's Guidelines on Offer of Shares by Unlisted Public Companies to Sophisticated Investors shall be submitted to the SC within seven (7) days after the commencement of the offering of the RPS.

The Proposed RPS Issue will not be offered outside of Malaysia.

BY ORDER OF THE BOARD

Kwan Yu Wen
Executive Director
2 October 2023

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 65906881.