

# **LUMINOR FINANCIAL HOLDINGS LIMITED**

(Formerly Known As: Starland Holdings Limited)

Company No. 201131382E

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## **Interim Condensed Consolidated Financial Statements And Dividend Announcement for the Six-Month Financial Period Ended 30/06/2021**

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*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.*

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	6 Months ended 30 June 2021 RMB'000	6 Months ended 30 June 2020 RMB'000	Change +/(-) %
<b>Revenue</b>	4	7,536	9,587	-21.4
Cost of sales		(703)	(4,083)	-82.8
<b>Gross profit</b>		<b>6,833</b>	<b>5,504</b>	<b>24.1</b>
Other income		104	193	-46.1
Interest income		305	1,065	-71.4
Finance costs		(56)	(222)	-74.8
Selling expenses		(20)	(5)	NM
Administrative expenses		(8,320)	(5,586)	48.9
<b>(Loss)/Profit before shares of associate and income tax</b>		<b>(1,154)</b>	<b>949</b>	<b>NM</b>
Shares of associate		40	(23)	NM
<b>(Loss)/Profit before income tax</b>		<b>(1,114)</b>	<b>926</b>	<b>NM</b>
Income tax expenses	7	(542)	(1,219)	-55.5
<b>Loss after tax for the financial period</b>		<b>(1,656)</b>	<b>(293)</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)		(2,027)	(2,074)	-2.3
<b>Total comprehensive loss for the financial period</b>		<b>(3,683)</b>	<b>(2,367)</b>	<b>55.6</b>
<b>(Loss)/profit attributable to</b>				
Owner of the company		(1,366)	477	NM
Non-controlling interests		(290)	(770)	-62.3
		<b>(1,656)</b>	<b>(293)</b>	<b>NM</b>
<b>Total comprehensive (loss)/profit attributable to</b>				
Owner of the company		(3,393)	(1,597)	NM
Non-controlling interests		(290)	(770)	-62.3
		<b>(3,683)</b>	<b>(2,367)</b>	<b>55.6</b>
<b>(Loss)/Earnings per share attributable to owners of the Company (RMB per share)</b>				
Basic	8	(0.009)	0.003	NM
Diluted	8	(0.009)	0.003	NM

**NM = Not Meaningful**

**INTERIM CONDENSED BALANCE SHEETS AS AT 30 JUNE 2021 AND 31 DECEMBER 2020**

	Note	Group		Company	
		As at		As at	
		30/06/2021	31/12/2020	30/06/2021	31/12/2020
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>					
Trade receivables	14	1,311	1,972	-	-
Property, plant and equipment	10	1,465	1,848	16	19
Investment in Associate		837	697	-	-
Investment in subsidiaries		-	-	-	-*
Deferred tax assets		931	937	-	-
Goodwill	11	934	976	-	-
Intangible assets		23	1	-	-
Right-of-use assets		1,022	1,728	-	-
<b>Total non-current assets</b>		<b>6,523</b>	<b>8,159</b>	<b>16</b>	<b>19</b>
<i>Current assets</i>					
Cash and bank balances		79,619	105,198	18,386	44,644
Trade and other receivables	14	41,946	17,853	56,451	51,105
Properties held for sale	12	25,663	26,344	-	-
Development properties	13	8,413	8,413	-	-
<b>Total current assets</b>		<b>155,641</b>	<b>157,808</b>	<b>74,837</b>	<b>95,749</b>
<i>Current liabilities</i>					
Trade payables		1	1	-	-
Due to subsidiaries		-	-	40,276	56,928
Due to ultimate holding company		92	279	92	279
Other payables and accruals		6,141	5,690	780	707
Contract liabilities		1,578	656	-	-
Due to minority shareholders	15	81	1,206	-	-
Due to director	6	3,935	1,828	-	-
Lease liabilities	16	606	618	-	-
Income tax payable		33,165	32,948	-	-
<b>Total current liabilities</b>		<b>45,599</b>	<b>43,226</b>	<b>41,148</b>	<b>57,914</b>
<b>Net current assets</b>		<b>110,042</b>	<b>114,582</b>	<b>33,689</b>	<b>37,835</b>
<i>Non-current liabilities</i>					
Due to director		-	2,114	-	-
Provision for restoration		466	475	-	-
Lease liabilities	16	314	649	-	-
Deferred tax liabilities		3,341	3,376	-	-
<b>Total non-current liabilities</b>		<b>4,121</b>	<b>6,614</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>112,444</b>	<b>116,127</b>	<b>33,705</b>	<b>37,854</b>

		Group		Company	
		As at		As at	
		30/06/2021	31/12/2020	30/06/2021	31/12/2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<i>Capital and reserves</i>					
Share capital	16	24,471	24,471	24,471	24,471
Capital reserve		48,522	48,522	-	-
Merger reserve		628	628	628	628
Statutory reserve		8,568	8,568	-	-
Translation reserve		(6,555)	(4,528)	(1,628)	159
Retained earnings		37,399	38,765	10,234	12,596
<b>Equity attributable to owners of the Company</b>		<b>113,033</b>	<b>116,426</b>	<b>33,705</b>	<b>37,854</b>
Non-controlling interest		(589)	(299)	-	-
<b>Total equity</b>		<b>112,444</b>	<b>116,127</b>	<b>33,705</b>	<b>37,854</b>

\* Denotes amounts less than RMB1,000

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

		<b>6 months ended</b>	<b>6 months ended</b>
	<b>Note</b>	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>			
(Loss)/profit before income tax		(1,114)	926
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	5	361	58
Depreciation of right-of-use assets	5	421	326
Interest income		(305)	(1,065)
Interest expense		56	222
Shares of result of associates		(40)	23
Unrealised foreign exchange differences		(435)	(1,816)
<b>Operating cash flows before movements in working capital</b>		<b>(1,056)</b>	<b>(1,326)</b>
Decrease in properties held for sale		681	4,084
Increase in development properties		-	-
Increase in trade and other receivables, deposits and loan advances		(23,479)	(5,262)
Increase/(decrease) in other payables and accruals		424	(657)
<b>Cash flows used in operations</b>		<b>(23,430)</b>	<b>(3,161)</b>
Interest received		322	777
Interest paid		(59)	(187)
Income tax paid		(318)	(361)
<b>Net cash used in operating activities</b>		<b>(23,485)</b>	<b>(2,932)</b>
<b>Investment activities</b>			
Purchase of equipment	9	(42)	(944)
Advances to associate		-	(52)
Advances to Luminor Malaysia prior to acquisition		-	(407)
Net cash inflow from acquisition of subsidiaries (Note A)		-	4,801
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(42)</b>	<b>3,398</b>
<b>Financing activities</b>			
Decrease in bank deposits pledged		-	3,970
Increase in restricted bank balance (Note B)		-	(26,709)
Dividend paid		-	(21,942)
(Repayment to)/due to ultimate holding company		(165)	1,473
Due to minority shareholders		-	187
Repayment of lease liabilities		(291)	(254)
<b>Net cash used in financing activities</b>		<b>(456)</b>	<b>(43,275)</b>

		6 months ended	6 months ended
	Note	30 Jun 2021	30 Jun 2020
		RMB'000	RMB'000
Effects of foreign exchange rate changes		(1,596)	80
Net decrease in cash and cash equivalents		(25,579)	(42,809)
Cash and cash equivalents at beginning of financial period		105,198	121,151
<b>Cash and cash equivalents at end of financial period</b>		<b>79,619</b>	<b>78,422</b>

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

	6 months ended	6 months ended
	30 Jun 2021	30 Jun 2020
	RMB'000	RMB'000
Cash and bank balances	79,619	105,131
Less restricted bank balances (Note B)	-	(26,709)
<b>Cash and cash equivalents per cashflow statement</b>	<b>79,619</b>	<b>78,422</b>

Note A - Effect on cash flows of the Group arising from acquisition of Luminor Malaysia as at 30 June 2020:

	RMB'000
	30 Jun 2020
Consideration transferred	(3,235)
Less: Conversion of debt securities purchased in FY2019	3,235
Add: Cash and bank balances of subsidiaries acquired	4,801
<b>Net cash inflow from acquisition of subsidiaries</b>	<b>4,801</b>

Note B – Restricted bank balance

On 19 June 2020, the Company became aware that the Bank of China and the Industrial and Commercial Bank of China, had frozen the bank accounts of 2 wholly owned subsidiaries in PRC, Chongqing Tianhu Land Co., Ltd and Chongqing Gangyuan Property Development Co., Ltd. (collectively the “PRC subsidiaries”). The total frozen bank balances as at 30 June 2020 is RMB26.7 million.

On 24 November 2020, the Company announced that it has noted that the affected bank accounts had been “unfrozen”, and the Company has obtained verbal confirmation from the OIC that the bank accounts had been “unfrozen” and the PRC subsidiaries can continue to use the funds in the affected bank accounts for normal business operations.

**INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

<b>Group</b>	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
<b>6 months ended 30 June 2020</b>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2020</b>	<b>24,471</b>	<b>48,522</b>	<b>628</b>	<b>8,568</b>	<b>(31)</b>	<b>64,277</b>	<b>146,435</b>	-	<b>146,435</b>
Dividend	-	-	-	-	-	(21,941)	(21,941)	-	(21,941)
Total comprehensive income for the financial period	-	-	-	-	(2,074)	477	(1,597)	(770)	(2,367)
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	2,055	2,055
<b>Balance as at 30 June 2020</b>	<b>24,471</b>	<b>48,522</b>	<b>628</b>	<b>8,568</b>	<b>(2,105)</b>	<b>42,813</b>	<b>122,897</b>	<b>1,285</b>	<b>124,182</b>
<b>6 months ended 30 June 2021</b>									
Balance at 1 January 2021	24,471	48,522	628	8,568	(4,528)	38,765	116,426	(299)	116,127
Total comprehensive income for the financial period	-	-	-	-	(2,027)	(1,366)	(3,393)	(290)	(3,683)
<b>Balance as at 30 June 2021</b>	<b>24,471</b>	<b>48,522</b>	<b>628</b>	<b>8,568</b>	<b>(6,555)</b>	<b>37,399</b>	<b>113,033</b>	<b>(589)</b>	<b>112,444</b>

<b>Company</b>	Share capital	Merger reserve	Translation reserve	Retained earnings	Total
<b>6 months ended 30 June 2020</b>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2020	24,471	628	3,640	39,190	67,929
Dividend	-	-	-	(21,941)	(21,941)
Total comprehensive loss for the financial period	-	-	(1,989)	(2,021)	(4,010)
<b>Balance as at 30 June 2020</b>	<b>24,471</b>	<b>628</b>	<b>1,651</b>	<b>15,228</b>	<b>41,978</b>
<b>6 months ended 30 June 2021</b>					
Balance at 1 January 2021	24,471	628	159	12,596	37,854
Total comprehensive loss for the financial period	-	-	(1,787)	(2,362)	(4,149)
<b>Balance as at 30 June 2021</b>	<b>24,471</b>	<b>628</b>	<b>(1,628)</b>	<b>10,234</b>	<b>33,705</b>



## SELECTED NOTES TO THE INTERIM 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 20 Collyer Quay, #01–02, Singapore 049319 and principal place of business at 8 Marina Boulevard, Marina Bay Financial Centre Tower 1, #13–02 Singapore 018981. On 27 April 2012, the Company was listed on Catalyst, the sponsor–supervised board of the Singapore Exchange Securities Trading Limited.

On 27 April 2021, the shareholders had approved at an extraordinary general meeting the change of name of the Company from Starland Holdings Limited to Luminor Financial Holdings Limited.

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

The principal activities of the subsidiaries comprise:

- Financial solutions business; and
- Property development business.

Please refer to Note 4 for information on the Group’s business segments.

The Company’s immediate holding company is GRP Chongqing Land Pte. Ltd. (“GRP Chongqing”), a company incorporated in Singapore. GRP Chongqing’s ultimate holding company is GRP Limited (“GRP”), a company incorporated in Singapore.

As at 30 June 2021, GRP Chongqing owns 83.17% of the issued and paid–up ordinary shares in the share capital of the Company.

### 2. Basis of preparation

The interim condensed financial statements for the six-month financial period ended 30 June 2021 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 an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

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.

The interim condensed financial statements are presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand (“RMB’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 interim 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 that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

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 2.3 - 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 interim period are included in the following notes:

- Note 2.4- Bank accounts and fund transfers relating to certain subsidiaries in the PRC
- Note 13 and 14 - Estimation of net realisable value of development properties and properties held for sale
- Note 11 - Impairment of goodwill
- Note 15 - Calculation of loss allowance
- Note 7 - Income taxes

## **2.3. 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.

#### **2.4. Bank accounts and fund transfers relating to certain subsidiaries in the PRC**

On 19 June 2020, the Company became aware that certain People's Republic of China ("PRC") banks had frozen certain PRC bank accounts of Chongqing Tianhu Land Co., Ltd. ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd. ("Gangyuan").

These bank accounts were used for normal business operations and fund transfers from these bank accounts were made by the abovementioned PRC subsidiaries aggregating RMB68,025,000 to unrelated third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent") during the financial year ended 31 December 2019. A Singapore subsidiary of the Company had also received fund transfers aggregating SGD12,946,000 from the Agent during the financial year ended 31 December 2019. The receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

The Company had obtained a legal opinion from a firm of 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. Furthermore, the Company had obtained a legal opinion from a firm of Singapore legal counsel to confirm that the Agent held a remittance license issued by the Monetary Authority of Singapore 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.

Legal counsel in the PRC has been appointed to pursue the resolution of the matter. The legal counsel has since initiated communications with the banks and has been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC. The OIC had requested documents from the Group for their investigation.

As at the date of issuance of these interim consolidated financial statements, all documents requested by the OIC have been submitted by 25 January 2021, and no further requests for documents or for information have been received from the OIC.

These PRC bank accounts had been unfrozen as announced on 24 November 2020. Management had obtained verbal confirmation from the OIC that these PRC bank accounts may be used for normal business operations.

As at 30 June 2021, the amounts included in the affected PRC bank accounts which had been unfrozen amounted to RMB13,099,000 (31 December 2020: RMB22,830,000).

Management is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

#### **3. Seasonal operations**

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

#### 4. Segment and revenue information

##### 4.1. Revenue

	Group	
	1HY2021 RMB'000	1HY2020 RMB'000
Income from sale of properties	2,376	8,152
Rental income	507	674
Interest income and fee income from financial solutions	4,653	761
	<u>7,536</u>	<u>9,587</u>

##### 4.2. Reportable segments

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

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.

Segment	Principal activities
(a) Property segment	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.

#### 4.2. Reportable segments (Continued)

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

	Property		Financial solutions		Group	
	1HY2021 RMB'000	1HY2020 RMB'000	1HY2021 RMB'000	1HY2020 RMB'000	1HY2021 RMB'000	1HY2020 RMB'000
<b>Revenue</b>						
External sales	2,883	8,826	4,653	761	7,536	9,587
<b>Result</b>						
Segment gross contribution	2,203	4,743	4,630	761	6,833	5,504
Other income	104	193	–	–	104	193
Interest income	305	1,065	–	–	305	1,065
Direct expenses	(755)	(800)	(3,769)	(2,229)	(4,524)	(3,029)
Share of associate loss	–	–	40	(23)	40	(23)
<b>Segment net contribution</b>	<b>1,857</b>	<b>5,201</b>	<b>901</b>	<b>(1,491)</b>	<b>2,758</b>	<b>3,710</b>
Corporate expenses					(3,872)	(2,784)
(Loss)/profit before income tax					(1,114)	926
Income tax expenses					(542)	(1,219)
<b>Loss for the period</b>					<b>(1,656)</b>	<b>(293)</b>
Depreciation and amortisation	(8)	(7)	(774)	(377)	(782)	(384)
Share of result of associate	–	–	40	(23)	40	(23)

#### 4.2. Segment information (continued)

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

	<b>Property</b>		<b>Financial solutions</b>		<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	89,599	89,204	54,112	32,511	143,711	121,715
Unallocated assets					18,453	44,252
<b>Total assets</b>					162,164	165,967
Segment liabilities	41,961	41,180	6,887	8,132	48,848	49,312
Unallocated liabilities					872	528
<b>Total liabilities</b>					49,720	49,840

#### 4.2. Segment information (continued)

Below are the geographical segments information.

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	
	1HY2021 RMB'000	1HY2020 RMB'000
Singapore	–	–
People's Republic of China	2,883	8,826
Malaysia	4,653	761
<b>Total</b>	<b>7,536</b>	<b>9,587</b>

  

	Non-current assets*	
	30/06/2021 RMB'000	31/12/2020 RMB'000
Singapore	16	19
People's Republic of China	47	53
Malaysia	4,218	5,178
<b>Total</b>	<b>4,281</b>	<b>5,250</b>

\* Non-current assets information presented above are non-current assets as presented on the consolidated balance sheet excluding financial instruments and deferred tax assets.

#### 5. Significant expenses

Significant expenses include:

	Group	
	1HY2021 RMB'000	1HY2020 RMB'000
Depreciation of property, plant and equipment	361	58
Depreciation of right-of-use assets	421	326
Net foreign exchange loss	989	201
Cost of properties held for sale recognised as expenses	680	4,083
Management fee charged by ultimate holding company	1,028	858
Employee benefits expense (including directors' remuneration)	3,083	2,243

## 6. 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:

	Group	
	1HY2021	1HY2020
	RMB'000	RMB'000
Rental income received from a fellow subsidiary	54	54
Management fee expenses paid to the ultimate holding company	1,028	858
Interest expense on amount due to director *	167	-

\* Amount due to director is unsecured, bearing fixed interest at 10% per annum and payable within the next 12 months.

## 7. Income tax expenses

	Group	
	1HY2021	1HY2020
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax	276	947
PRC land appreciation tax	163	70
Singapore corporate income tax	103	34
	<hr/>	<hr/>
	542	1,051
Deferred tax:		
Origination of temporary differences	-	168
	<hr/>	<hr/>
Total income tax expense	542	1,219

## 8. (Loss)/Earnings per share

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

	Group	
	1HY2021	1HY2020
Net (loss)/profit attributable to owners of the Company (RMB'000)	(1,366)	477
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	144,733	144,733
Basic and diluted (loss)/earnings per share (RMB)	(0.009)	0.003

The basic and diluted (loss)/earning per share for the respective financial period under review were the same as the Company did not have potentially dilutive ordinary shares as at 30 June 2021 and as at 30 June 2020 respectively.

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



## 9. Net asset value

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

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

	<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.78	0.80
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733

	<b>Company</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.23	0.26
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

## 10. Property, plant and equipment

During the six months ended 30 June 2021, the group acquired assets amounting to RMB0.04 million (30 Jun 2020: RMB0.9 million) and there were no disposals (30 Jun 2020: Nil).

## 11. Goodwill

	<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000
<b>Cost</b>		
At beginning of financial year	3,075	-
Additions	-	3,075
Foreign currency translation	(42)	-
At 30 June	3,033	3,075
<b>Accumulated impairment</b>		
At beginning of financial year	(2,099)	-
Impairment charge (Note 23)	-	(2,099)
At 30 June	(2,099)	(2,099)
<b>Net carrying value at end of financial period/ year</b>	934	976

## 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>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000
Luminor Malaysia and its subsidiaries (excluding SA Puncak)	-	2,099
SA Puncak	934	976

At the end of the financial period ended 31 December 2020, management has fully impaired the goodwill arising from the acquisition of Luminor Malaysia and its subsidiaries (excluding SA Puncak) as the Malaysia Movement Control Order causes challenges as the development of the business requires face-to-face discussion with business partners, government agencies, customers and potential customers.

### 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>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000
At cost or net realisable value	25,633	26,344

## 12. Properties Held for Sale (cont'd)

Properties held for sale as at 30 June 2021 and 31 December 2020 are as follows:

Location	Description	30/06/2021		31/12/2020	
		Gross floor area (sq. meters)	Group's effective interest	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District, Chongqing, PRC	Commercial units and carpark units	4,650	100%	4,650	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	5,081	100%	5,663	100%

## 13. Development Properties

	Group	
	30/06/2021 RMB'000	31/12/2020 RMB'000
Land use rights	9,143	9,143
Amortisation of land use right	(2,179)	(2,179)
Net land use rights	6,964	6,964
Development cost	1,449	1,449
	8,413	8,413

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.

During the financial year ended 31 December 2019, the Group received an offer from the local authority to repossess the land. The repossession value of the land offered by the local authority is above the carrying value of RMB8,413,000 (2020: RMB8,413,000). The repossession was not completed as at 30 June 2021.

During the financial period ended 30 June 2021, the Group was notified by the local authority to return the land related documents and to re-commence negotiation. Management is of the view that the repossession does not have a material impact on the consolidated financial statements of the Group.

#### 14. Trade And Other Receivables

	Group		Company	
	30/06/2021 RMB'000	31/12/2020 RMB'000	30/06/2021 RMB'000	31/12/2020 RMB'000
<u>Current</u>				
Trade receivables	2,543	71	–	–
Loan advances	7,939	8,981	–	–
Factoring receivables	24,906	2,263	–	–
Other receivables from third parties	1,771	1,200	–	–
Other receivables from subsidiaries	-	–	56,399	51,056
Other receivables from associate	30	173	–	–
Other receivables from non-controlling interests	72	176	–	–
Deposits	697	424	52	49
Interest receivable from fixed deposit	122	69	–	–
Prepayments	24	103	–	–
Advance to a third party	3,705	4,391	–	–
Advances to suppliers	137	2	–	–
	41,946	17,853	56,451	51,105
<u>Non-current</u>				
Loan advances	1,311	1,972	–	–
Total trade and other receivables	43,257	19,825	56,451	51,105

Management expects that the allowance for expected credit loss on loan advances and factoring receivables to be immaterial after considering the value of collaterals mortgaged by the borrowers for loan advances, and the historical default experience and the credit information obtained during the periodic review of customer file, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

#### 15. Due to minority shareholder

During the financial period ended 30 June 2021, the Group reclassified balance of RMB1,184,100 from due to minority interest to other payables as this minority shareholder has disposed its interest in Luminor Capital (Malaysia) Sdn Bhd.

#### 16. Lease liabilities

Lease liabilities of the Group amounting to RMB0.9 million (approximately RM0.6 million) as at 30 Jun 2021 (31 Dec 2020: RMB1.3 million, approximately RM0.8 million) is secured by the right to the leased office in Malaysia.

16. Lease liabilities (cont'd)

	<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000
<b>Amount repayable within one year</b>		
Secured	606	618
Unsecured	–	–
	606	618
<b>Amount repayable after one year</b>		
Secured	314	649
Unsecured	–	–
	314	649
	920	1,267

17. Share capital

	<b>Group and Company</b>			
	<b>30/06/2021</b>		<b>31/12/2020</b>	
	No. of shares	RMB'000	No. of shares	RMB'000
	000		000	
<b>Issued and fully paid ordinary shares</b>				
At the beginning and the end of financial year	144,733	24,471	144,733	24,471

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.

18. Financial instruments

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Financial assets carried at amortised cost	145,902	124,918	90,519	95,749
Financial assets carried at fair value through profit or loss (Note 1)	–	–	–	–
	145,902	124,918	90,519	95,749
<b>Financial liabilities carried at amortised cost</b>	9,265	10,783	56,882	57,914

**18. Financial instruments (cont'd)**

Note 1:

Financial assets carried at fair value through profit or loss relate to 6,547,324 shares (2020: 6,547,324 shares) in ayondo Ltd ("ayondo") which the Group and Company acquired in 2018 pursuant to its involvement in the Initial Public Offering exercise of ayondo on the Singapore Exchange ("SGX").

As the trading of ayondo is suspended on the SGX since the previous financial year, the fair value of the held for trading equity securities was determined to be Nil. In addition, ayondo latest available audited financial information show a net liability position of SGD 3,635,000 as at 31 December 2020.

**19. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## Other information required by 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 remained unchanged at RMB24,471,000 comprising 144,733,000 shares as at 30 June 2021 and 31 December 2020.

The Company did not have any outstanding convertibles as at 30 June 2021 and 30 June 2020.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020.

- 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.**

	Company	
	30 June 2021	31 December 2020
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

- 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**

The Company's auditors, Messrs Baker Tilly TFW LLP have issued their Independent Auditor's Report with an "except for" qualified opinion on the Group's financial statements for the financial year ended 31 December 2020 due to their inability to obtain sufficient audit evidence on:

- (i) Whether the Group has the rights and ability to recover the bank balances in the PRC bank accounts; and
- (ii) Whether the fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the Group in the event of any breach of applicable laws and regulations.

The auditor's report on the Group's financial statements for the financial year ended 31 December 2019, issued by the Company's previous auditors, Messrs Ernst & Young LLP on 15 April 2020, included a qualification due to the auditor's inability to obtain sufficient audit evidence on whether the fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore.

On 19 June 2020, the Company became aware that certain People's Republic of China ("**PRC**") banks had frozen certain PRC bank accounts of Chongqing Tianhu Land Co., Ltd. and Chongqing Gangyuan Property Development Co., Ltd. These PRC bank accounts had been unfrozen on 24 November 2020. The Management had obtained verbal confirmation from the officer-in-charge of the case that these PRC bank accounts may be used for normal business operations.

The Board and the Management of the Company wish to provide their comments and views in relation to certain matters raised in the Auditor's Report which formed the basis of the qualification:

- (i) As at the date of this announcement, while the matter is still under investigations, the bank accounts maintained in the PRC by our wholly owned subsidiaries, Chongqing Tianhu Land Co., Ltd. ("**Tianhu**") and Chongqing Gangyuan Property Development Co., Ltd. ("**Gangyuan**") (collectively, the "**PRC Subsidiaries**") had been unfrozen on 24 November 2020. The Management of the Company had obtained verbal confirmation from the officer-in-charge ("**OIC**") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC that these PRC bank accounts may be used for normal business operations.
- (ii) The Company had obtained a legal opinion from a firm of PRC legal counsel, which has confirmed that the transfer of RMB Funds from the PRC Subsidiaries to certain unrelated PRC entities as designated by the Singapore licensed remittance agent (the "**Agent**") did not contravene any PRC laws or regulations. Further, relating to the arrangement for transfer of the SGD Funds to the Singapore subsidiary, the Company has also obtained legal opinion from a firm of Singapore legal counsel to confirm that the Agent held a



remittance license issued by the Monetary Authority of Singapore in accordance with the Money-Changing and Remittance 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.

- (iii) The Management had submitted all requested documents to the OIC by 25 January 2021 and since then the OIC has not requested for additional documents or information. The Company will continue to co-operate fully with the OIC on the matters. The Company is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

Based on current available information, the Board confirms that the impact of all outstanding audit issues on the interim condensed financial statements has been adequately disclosed.

**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**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Six months ended 30 June 2021 ("1HY2021") vs. Six months ended 30 June 2020 ("1HY2020")**

**Revenue**

Our revenue is derived from the sale of properties, rental income from leasing of our properties in the People's Republic of China (the "PRC"), interest income and fees from loans and invoice factoring services provided in Malaysia by Luminor Malaysia Sdn Bhd and its subsidiaries ("**Luminor Malaysia**").

The following table shows the breakdown of the revenue:

	<b>1HY2021</b>	<b>1HY2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales of properties	2,376	8,152
Rental income	507	674
Interest income and fees from loans and invoice factoring	4,653	761
	<b>7,536</b>	<b>9,587</b>

***Sales of properties***

The Group sold 1 residential unit and 13 carpark spaces for the Singapore Garden project during 1HY2021 as compared to the Group's sales of 5 residential units and 37 carpark spaces for the Singapore Garden project in 1HY2020.

The lower sales of properties in 1HY2021 in the PRC as compared to 1HY2020 was due to COVID-19 pandemic, the Company has stopped all promotional activities, weak China economy and also we are at the tail end of the projects as there were only 11 residential units, 25 commercial units and 73 carpark spaces remaining unsold at the beginning of FY2021.

The revenue from the sale of properties was RMB2.4 million and accounted for 31.5% of the Group's total revenue for 1HY2021 as compared to revenue amounting to RMB8.2 million which accounted for 85.1% of the Group's total revenue in 1HY2020.

After taking into account the sales in 1HY2021, the remaining unsold units as at 30 June 2021 are 10 residential units, 23 commercial units and 28 carpark spaces for the Singapore Garden project, 2 commercial units and 32 carpark spaces for the University Town project in PRC.

#### ***Rental income***

Rental income for 1HY2021 was RMB0.5 million and accounted for 6.7% of the Group's total revenue for 1HY2021, as compared to RMB0.7 million for 1HY2020 which accounted for 7.0% of the Group's total revenue for 1HY2020. 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 Group leased out 5 commercial units of the Singapore Garden project and 1 commercial units of the University Town project as at 30 June 2021. The rental income decreased by RMB 0.2 million in 1HY2021 as compared to 1HY2020. This is due to the reduced rental rate resulting from the weak market condition during the period under review.

#### ***Interest income and fee from loans and invoice factoring***

The revenue from the financial solutions business was RMB4.7 million and accounted for 61.8% of the Group's total revenue for 1HY2021 as compared to RMB0.8 million and accounted for 7.9% of the Group's total revenue for 1HY2020. The interest income increased by RMB3.9 million in 1HY2021 as compared to 1HY2020. This is due to the increased revenue from Luminor Malaysia's factoring business.

#### **Cost of sales**

Cost of sales for the property mainly comprises costs incurred directly for our property development activities. It is determined by apportionment of the total land costs and development costs during the development period with such apportionment based on the Gross Floor Area ("GFA") of which the properties have been successfully delivered to the customers.

Cost of sales for the Luminor Malaysia mainly comprise commission paid to sale staff and interest cost.

Cost of sales decreased by RMB3.4 million in 1HY2021 as compared to 1HY2020 which is in line with the lower revenue from properties sales in PRC recorded in 1HY2021.

#### **Gross profit and Profit margin**

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

	Property		Financial solutions		Group	
	1HY2021	1HY2020	1HY2021	1HY2020	1HY2021	1HY2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2,883	8,826	4,653	761	7,536	9,587
Gross profit	2,203	4,743	4,630	761	6,883	5,504
Profit Margin	76.4%	53.7%	99.5%	100%	91.3%	57.4%

Gross profit increased from RMB5.5 million in 1HY2020 to RMB6.8 million in 1HY2021. Gross profit margin was 91.3% in 1HY2021 as compared to 57.4% in 1HY2020.

Gross profit margin for property business is 76.4% for 1HY2021 and 53.7% for 1HY2020. This is due to rental income making up a higher proportion of revenue in the property business in 1HY2021 as compared to 1HY2020.

Gross profit margin from the loans and invoice factoring business contributed positively to the Group gross margin as the source of financing for the loans and invoice factoring is from the Company and its minority shareholders.

#### **Other income**

Other income decreased by RMB0.1 million in 1HY2021 as compared to 1HY2020. The decrease is mainly due to reduced government job credit grant received from Singapore government in 1HY2021 as compared to 1HY2020 due to the COVID-19 pandemic.

#### **Interest income**

Interest income decreased by RMB0.8 million in 1HY2021 as compared to 1HY2020. This is mainly due to the non-recurring interest income received under the joint development arrangement of the Jalan Nipah project in Singapore during 1HY2020 as the sales was completed in July 2020 and bank balances remitted to Luminor Malaysia to finance the expansion of the factoring business.

#### **Finance costs**

Finance costs relate to the lease liabilities. The amount decreased from RMB0.2 million in 1HY2020 to RMB0.06 million in 1HY2021 was due to lease expired during FY2020.

#### **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 increase of selling expenses by RMB0.02 million in 1HY2021 as compared to 1HY2020 was due to higher selling expenses incurred to generate property sale in PRC in 1HY2021 as the demand for properties in PRC has declined since the COVID-19 outbreak in January 2020.

#### **Administrative expenses**

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, professional expenses and value added taxes ("VAT") payable to PRC tax authority. Administrative expenses increased by RMB2.7 million in 1HY2021 mainly due to additional staff cost incurred by financial solutions business as the number of headcounts increased from 13 headcount in 1HY2020 to 30 headcount in 1HY2021 and depreciation incurred by the Luminor Malaysia during 1HY2021.

#### **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 decrease in income tax expense of RMB0.7 million is mainly due to lower profit generated in 1HY2021 as compared to 1HY2020.

## **INTERIM CONDENSED BALANCE SHEET**

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

As at 30 June 2021, non-current assets of RMB6.5 million consist of trade receivables, property, plant and equipment, investment in associate, deferred tax assets, goodwill, intangible assets and right-of-use assets.

(i) Trade receivables

The RMB0.7 million decrease in trade receivables is due to collection from trade receivables during 1HY2021.

(ii) Property, plant and equipment

The RMB0.4 million decrease in property, plant and equipment is due to depreciation charge partially offset by the addition of property, plant and equipment of RMB0.04 million during 1HY2021.

(iii) Investment in associate

The balance of RMB0.8 million related to investment cost of RMB0.66 million and 49% equity accounting of the investment amounting to RMB0.18 million in Fiscalab Capital Market Sdn. Bhd. ("**Fiscalab**"). Fiscalab is in the business of providing corporate advisory service.

(iv) Goodwill

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

(v) Right-of-use assets

The RMB 0.7 million decrease in right-of-use assets is due to depreciation of RMB0.4 million and translation adjustment to right of use asset amounted to RMB0.3 million.

### ***Current assets***

As at 30 June 2021, current assets amounted to RMB155.6 million mainly consist of cash and bank balances, trade receivables, other receivables and deposits, loan advances, properties held for sale and development properties.

Trade and other receivables consist of trade receivables, other receivables and deposit, loan advance and factoring receivables. The amount increased by RMB24.1 million to RMB 42.0 million as at 30 June 2021. This is mainly due to higher loan advance, factoring receivables and office rental deposit resulting from expansion in the financial solutions business in Malaysia.

Properties held for sale comprised the completed but unsold units of Singapore Garden project and University Town project in PRC, which amounted to RMB17.2 million and RMB8.5 million respectively as at 30 June 2021. The decrease of RMB0.7 million is due to the continual sale of properties in the Singapore Garden project in 1HY2021.

Development properties amounting to RMB8.4 million is related to the Royal Waterhouse land in PRC.

### ***Current liabilities***

As at 30 June 2021, current liabilities of RMB45.6 million consist of trade payables, due to ultimate holding company, other payables and accruals, contract liabilities, minority shareholders, due to director, lease liabilities and income tax payable.

Amount due to ultimate holding company decreased by RMB0.2 million as at 30 June 2021 as compared to 31 December 2020. This is due to payment made during the year under review.

Other payables and accruals, which mainly comprised deposits from tenants, advance rental, accrued expenses, amount due to associate and amount due to third parties. The balance increased by RMB0.4 million in 1HY2021. The increased is mainly due to the reclassification of amount due to former minority shareholders of RMB1.2 million to amount due to third parties. This increase is offset by a decrease of RMB0.8 million in other payables and accrued expenses as the Group has been making prompt payment to its suppliers.

Contract liabilities is the advance receipt from sale of properties increased by RMB0.9 million as at 30 June 2021 mainly due to deposit collected from the buyers for the Singapore Garden project in PRC in 1HY2021.

Amount due to minority shareholders of RMB0.08 million is related to Luminor Malaysia. The decrease of RMB1.2 million is due to the reclassification of RMB1.2 million for amount due to former minority shareholders to other payables as this minority shareholder has disposed its interest in Luminor Malaysia.

Due to director increased by RMB2.1 million as a result of the reclassification from non-current liabilities to current liabilities.

Income tax payable increased by RMB0.2 million in 1HY2021. This is mainly due to the income tax provision in PRC during 1HY2021.

### ***Non-Current Liabilities***

As at 30 June 2021, non-current liabilities of RMB4.1 million consist of provision for restoration, lease liabilities and deferred tax liabilities.

Due to director is Nil in 1HY2021 as compared to RMB2.1 million in 1HY2020. This is due to reclassification of due to the director amount of RMB2.1 million to current liabilities.

Provision for restoration of RMB0.5 million has been recorded by Luminor Malaysia for reinstatement of the office premises when the lease end.

Lease liabilities of RMB0.3 million is related to the rental of premises at Luminor Malaysia.

### ***Shareholders' equity***

Shareholders' equity consists of issued share capital, other reserves, retained earnings and non-controlling interest. As at 30 June 2021, shareholders' equity amounted to RMB112.4 million.

## **INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For 1HY2021, net cash used in operating activities of RMB23.5 million was mainly due to the increased in trade and other receivables, deposits and loan advance of RMB23.5 million resulting from expansion of the financial solutions business in Malaysia.

Net cash flow used in investing activities amounted to RMB0.04 million in 1HY2021, which was mainly due to the purchase of property, plant and equipment.

Net cash flow used in financing activities amounted to RMB0.5 million in 1HY2021, which was mainly due to the following:

- (a) Repayment to ultimate holding company of RMB0.2 million.
- (b) Repayment of lease liabilities of RMB0.3 million.

As at 30 June 2021, cash and cash equivalents amounted to RMB79.6 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 will continue to sell the remaining residential units (10 units), commercial units (25 units) and carpark spaces (60 lots) for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC. The Group is in negotiations with the Fuling government regarding the repossession of Royal Waterhouse Land in PRC. At the same time, the Group will continue to pursue the expansion of the financial solutions business in Malaysia.

The rapidly evolving global pandemic continues to impact all the business segments of the Group with the resurgence of COVID-19 infections in countries due to the emergence of new virus variants. Amid the profound uncertainties, the residential property market in Fuling district of Chongqing, PRC where the Singapore Garden project and University Town project are located and the financial solutions business in Malaysia for the next 12 months are expected to be challenging.

However, as governments across the globe continue to roll out vaccinations to curb the pandemic, we will continue to be vigilant but also cautiously optimistic.

**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 1HY2021.

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

No dividend has been declared for 1HY2020.

**(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 1HY2021.

The Company does not have a formal dividend policy. In view of the weak market conditions, the Company will preserve its cash balances for expansion in the financial solutions business in Malaysia.

**9. Confirmation pursuant to Rule 720(1) of the Catalyst 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 Catalyst 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
GRP Limited -Management fee expense	S\$210,000 (RMB1,027,754)	-
Kwan Chee Seng -Interest expense on amount due to director	RM105,100(RMB166,668)	-

GRP Limited (“GRP”) is the Group’s ultimate holding company.

Mr Kwan Chee Seng is the Non-Executive Director of the Company and Executive Director of GRP Limited, the ultimate holding Company. Mr Kwan is also a controlling shareholder of GRP Limited.

The Group does not have a general mandate for IPT.

**11. Changes in the composition of the Group**

Not applicable

**12. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the six months ended 30 June 2021 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Kwan Yu Wen**  
**Executive Director**  
**13 August 2021**