

LUMINOR FINANCIAL HOLDINGS LIMITED

Company No. 201131382E

Interim Condensed Consolidated Financial Statements And Dividend Announcement for the Six-Month Financial Period Ended 30/06/2022

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

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	6 Months ended 30 June 2022 RMB'000	6 Months ended 30 June 2021 RMB'000	Change +/(-) %
Revenue	4	15,642	7,536	NM
Cost of sales		(1,272)	(703)	80.9
Gross profit		14,370	6,833	NM
Other income		33,399	104	NM
Interest income		464	305	52.1
Finance costs		(429)	(56)	NM
Selling expenses		(2)	(20)	(92.4)
Impairment losses on trade and other receivables - net		(9,854)	-	NM
Administrative expenses		(9,533)	(8,320)	14.6
Profit/(Loss) before shares of associate and income tax		28,415	(1,154)	NM
Shares of associate		93	40	NM
Profit/(Loss) before income tax		28,508	(1,114)	NM
Income tax expenses	7	(8,920)	(542)	NM
Profit/(Loss) after tax for the financial period		19,588	(1,656)	NM
Other comprehensive income/(loss) <i>-Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences (at nil tax)		1,444	(2,027)	NM
Total comprehensive income/(loss) for the financial period		21,032	(3,683)	NM
Profit/(Loss) contributable to				
Owner of the company		19,310	(1,366)	NM
Non-controlling interests		278	(290)	NM
		19,588	(1,656)	NM
Total comprehensive profit/(loss) contributable to				
Owner of the company		20,754	(3,393)	NM
Non-controlling interests		278	(290)	NM
		21,032	(3,683)	NM
Earnings/(Loss) per share attributable to owners of the Company (RMB per share)				
Basic	8	0.132	(0.009)	NM
Diluted	8	0.132	(0.009)	NM

NM = Not Meaningful (applies to % changes >100%)

INTERIM CONDENSED BALANCE SHEETS AS AT 30 JUNE 2022 AND 31 DECEMBER 2021

	Note	Group		Company	
		As at		As at	
		30/06/2022	31/12/2021	30/06/2022	31/12/2021
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>					
Trade and other receivables	14	-	1,788	-	-
Property, plant and equipment	10	1,471	1,975	181	13
Investment in associates		128	36	-	-
Investment in subsidiaries		-	-	-	-
Deferred tax assets		931	931	-	-
Goodwill	11	911	917	-	-
Intangible assets		50	63	-	-
Total non-current assets		3,491	5,710	181	13
<i>Current assets</i>					
Cash and bank balances		101,401	62,548	3,859	5,269
Trade and other receivables	14	75,545	65,684	128,796	81,254
Properties held for sale	12	24,859	25,101	-	-
Development properties	13	-	8,184	-	-
Income tax receivable		67	68	-	-
Total current assets		201,872	161,585	132,655	86,523
<i>Current liabilities</i>					
Trade and other payables		16,209	19,597	56,989	56,240
Contract liabilities		683	583	-	-
Loan from shareholder	15	38,899	-	38,899	-
Lease liabilities	16	307	610	-	-
Income tax payable		37,020	34,008	-	-
Total current liabilities		93,118	54,798	95,888	56,240
Net current assets		108,754	106,787	36,767	30,283
<i>Non-current liabilities</i>					
Provision for restoration		478	469	-	-
Deferred tax liabilities		2,927	2,927	-	-
Total non-current liabilities		3,405	3,396	-	-
Net assets		108,840	109,101	36,948	30,296
<i>Capital and reserves</i>					
Share capital	17	33,498	24,471	33,498	24,471
Other reserves	18	29,338	57,718	628	628
Translation reserve		(6,597)	(8,041)	(1,345)	(2,562)
Retained earnings		52,012	32,702	4,167	7,759
Equity attributable to owners of the Company		108,251	106,850	36,948	30,296
Non-controlling interest		589	2,251	-	-
Total equity		108,840	109,101	36,948	30,296

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

		6 months ended	6 months ended
	Note	30 June 2022	30 June 2021
		RMB'000	RMB'000
Operating activities			
Profit/(loss) before income tax		28,508	(1,114)
Adjustments for:			
Depreciation of property, plant and equipment	5	380	361
Depreciation of right-of-use assets	5	404	421
Loss on disposal of property, plant and equipment		152	-
Interest income		(464)	(305)
Interest expense		429	56
Impairment losses on trade and other receivables - net	5	9,854	-
Shares of result of associates		(93)	(40)
Unrealised foreign exchange differences		1,494	(435)
Operating cash flows before movements in working capital		40,664	(1,056)
Decrease in properties held for sale		242	681
Decrease in development properties		8,184	-
Increase in trade and other receivables, deposits and loan advances		(19,323)	(23,479)
Increase in other payables and accruals		(872)	424
Cash flows generated from/(used in) operations		28,895	(23,430)
Interest received		36	322
Interest paid		(11)	(59)
Income tax paid		(8,861)	(318)
Net cash generated from/(used in) operating activities		20,059	(23,485)
Investment activities			
Purchase of property, plant and equipment	10	(276)	(42)
Acquisition of subsidiaries		(19,624)	-
Net cash flows used in investing activities		(19,900)	(42)
Financing activities			
Repayment to ultimate holding company		-	(165)
Increase in shareholder loan		38,899	-
Repayment of lease liabilities		(273)	(291)
Net cash generated from/(used in) financing activities		38,626	(456)
Effects of foreign exchange rate changes		68	(1,596)
Net increase/(decrease) in cash and cash equivalents		38,853	(25,579)
Cash and cash equivalents at beginning of financial period		62,548	105,198
Cash and cash equivalents at end of financial period		101,401	79,619

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

Group	Share capital	Other reserves	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
6 months ended 30 June 2021	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021	24,471	57,518	(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)
Balance as at 30 June 2021	24,471	57,518	(6,555)	37,399	113,033	(589)	112,444
6 months ended 30 June 2022							
Balance at 1 January 2022	24,471	57,718	(8,041)	32,702	106,850	2,251	109,101
Issue of shares	9,027	-	-	-	9,027	-	9,027
Acquisition of non-controlling interests without a change in control	-	(28,380)	-	-	(28,380)	(1,940)	(30,320)
Total comprehensive income for the financial period	-	-	1,444	19,310	20,754	278	21,032
Balance as at 30 June 2022	33,498	29,338	(6,597)	52,012	108,251	589	108,840

Company	Share capital	Other reserves	Translation reserve	Retained earnings	Total
6 months ended 30 June 2021	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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)
Balance as at 30 June 2021	24,471	628	(1,628)	10,234	33,705
6 months ended 30 June 2022					
Balance at 1 January 2022	24,471	628	(2,562)	7,759	30,296
Issue of shares	9,027	-	-	-	9,027
Total comprehensive income/(loss) for the financial period	-	-	1,217	(3,592)	(2,375)
Balance as at 30 June 2022	33,498	628	(1,345)	4,167	36,948

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 30 Cecil Street #10-01/02, Prudential Tower, Singapore 049712 and principal place of business at 9 Raffles Place #29-01, Republic Plaza, Singapore 048619. On 27 April 2012, the Company was listed on Catalist, 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.

2. Basis of preparation

The interim condensed financial statements for the six-month financial period ended 30 June 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 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 2021.

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.

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 and 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.

2.1. 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 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 2.2 - 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 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
- Note 7 - Income taxes

2.2. 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.

3. Seasonal operations

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

4. Segment and revenue information

4.1. Revenue

	Group	
	1HY2022 RMB'000	1HY2021 RMB'000
Income from sale of properties	614	2,376
Rental income	583	507
Interest income and fee income from financial solutions	14,445	4,653
	<u>15,642</u>	<u>7,536</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	
	1HY2022 RMB'000	1HY2021 RMB'000	1HY2022 RMB'000	1HY2021 RMB'000	1HY2022 RMB'000	1HY2021 RMB'000
Revenue						
External sales	1,197	2,883	14,445	4,653	15,642	7,536
Result						
Segment gross contribution	455	2,203	13,915	4,630	14,370	6,833
Other income	33,399	104	–	–	33,399	104
Interest income	464	305	–	–	464	305
Direct expenses	(10,599)	(755)	(4,491)	(3,769)	(15,090)	(4,524)
Impairment losses on trade and other receivables - net	–	–	(9,854)	–	(9,854)	–
Share of associate loss	–	–	93	40	93	40
Segment net contribution	23,719	1,857	(337)	901	23,382	2,758
Corporate expenses					5,126	(3,872)
Profit/(loss) before income tax					28,508	(1,114)
Income tax expenses					(8,920)	(542)
Profit/(loss) for the period					19,588	(1,656)
Depreciation and amortisation	(11)	(8)	(773)	(774)	(784)	(782)
Share of result of associate	–	–	93	40	93	40

4.2. Segment information (continued)

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

	Property		Financial solutions		Group	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	100,544	81,964	91,235	80,014	191,779	161,977
Unallocated assets					13,584	5,318
Total assets					205,363	167,295
Segment liabilities	2,854	40,329	13,910	16,970	16,764	57,299
Unallocated liabilities					79,759	895
Total liabilities					96,523	58,194

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	
	1HY2022 RMB'000	1HY2021 RMB'000
People's Republic of China	1,197	2,883
Malaysia	14,445	4,653
Total	15,642	7,536

	Non-current assets*	
	30/06/2022 RMB'000	31/12/2021 RMB'000
Singapore	180	14
People's Republic of China	48	47
Malaysia	2,332	2,930
Total	2,560	2,991

* 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	
	1HY2022 RMB'000	1HY2021 RMB'000
Depreciation of property, plant and equipment	380	361
Depreciation of right-of-use assets	404	421
Impairment losses on trade and other receivables - net	9,854	-
Net foreign exchange loss	542	989
Cost of properties held for sale recognised as expenses	630	680
Management fee charged by former ultimate holding company	1,004	1,028
Employee benefits expense (including directors' remuneration)	3,693	3,083

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 period:

	Group	
	1HY2022	1HY2021
	RMB'000	RMB'000
Rental income received from a fellow subsidiary	131	54
Management fee expenses paid to the former ultimate holding company	1,004	1,028
Interest expense on amount due to director *	406	167

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

7. Income tax expenses

	Group	
	1HY2022	1HY2021
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax	8,209	276
PRC land appreciation tax	-	163
Singapore corporate income tax	189	103
Malaysia corporate tax	522	-
	<hr/>	<hr/>
	8,920	542
Deferred tax:		
Origination of temporary differences	-	-
	<hr/>	<hr/>
Total income tax expense	8,920	542

8. Earnings/(Loss) 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:

	Group	
	1HY2022	1HY2021
Net profit/(loss) attributable to owners of the Company (RMB'000)	19,310	(1,366)
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	146,077	144,733
Basic and diluted earnings/(loss) per share (RMB)	0.132	(0.009)

The basic and diluted earnings/(loss) 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 2022 and as at 30 June 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 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.

	Group	
	30/06/2022	31/12/2021
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.69	0.74
- Number of ordinary shares at the end of financial period ('000)	158,183	144,733
	Company	
	30/06/2022	31/12/2021
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.23	0.21
- Number of ordinary shares at the end of financial year ('000)	158,183	144,733

10. Property, plant and equipment

During the six months ended 30 June 2022, the group acquired assets amounting to RMB0.3 million (30 June 2021: RMB0.04 million) and there were no disposals (30 June 2021: Nil).

11. Goodwill

	Group	
	30/06/2022	31/12/2021
	RMB'000	RMB'000
Cost		
At beginning of financial period/year	3,016	3,075
Foreign currency translation	(6)	(59)
	<hr/>	<hr/>
At end of financial period/year	3,010	3,016
	<hr/>	<hr/>
Accumulated impairment		
At beginning of financial period/year	(2,099)	(2,099)
Impairment charge	-	-
	<hr/>	<hr/>
At end of financial period/year	(2,099)	(2,099)
	<hr/>	<hr/>
Net carrying value at end of financial period/year	<hr/>	<hr/>
	911	917

11. Goodwill (continued)

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:

	30/06/2022	31/12/2021
	RMB'000	RMB'000
Luminor Malaysia and its subsidiaries (excluding SA Puncak)	2,099	2,099
SA Puncak	911	917

At the end of the financial period ended 30 June 2022, management has recognised additional goodwill arising from the acquisition of remaining 49% of Luminor Malaysia and its subsidiaries.

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

	Group	
	30/06/2022	31/12/2021
	RMB'000	RMB'000
At cost or net realisable value	24,859	25,101

12. Properties held for sale (continued)

Properties held for sale as at 30 June 2022 and 31 December 2021 are as follows:

Location	Description	30/06/2022		31/12/2021	
		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	4,447	100%	4,650	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,804	100%	4,914	100%

13. Development properties

	Group	
	30/06/2022 RMB'000	31/12/2021 RMB'000
Land use rights	-	9,143
Amortisation of land use right	-	(2,484)
Net land use rights	-	6,659
Development cost	-	1,525
	-	8,184

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 2021, our 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 has received full compensation on 16 February 2022.

14. Trade and other receivables

	Group		Company	
	30/06/2022 RMB'000	31/12/2021 RMB'000	30/06/2022 RMB'000	31/12/2021 RMB'000
<u>Current</u>				
Trade receivables	4,749	3,708	-	-
Loan advances	-	5,815	-	-
Factoring receivables	69,795	56,544	-	-
Other receivables from third parties	6,103	1,644	-	-
Other receivables from subsidiaries	-	-	127,920	81,221
Other receivables from associate	128	-	-	-
Deposits	847	366	876	33
Interest receivable from fixed deposit	186	186	-	-
Prepayments	1,004	100	-	-
Advance to a third party	2,585	1,387	-	-
Advances to suppliers	2	2	-	-
	<u>85,399</u>	<u>69,752</u>	<u>128,796</u>	<u>81,254</u>
Less: allowance for impairment losses				
- Trade receivables	-	(25)	-	-
- Factoring receivables	(9,854)	(1,064)	-	-
- Loan advances	-	(2,979)	-	-
	<u>(9,854)</u>	<u>(4,068)</u>	<u>-</u>	<u>-</u>
	<u>75,545</u>	<u>65,684</u>	<u>128,796</u>	<u>81,254</u>
<u>Non-current</u>				
Advance to a third party	-	1,788	-	-
Total trade and other receivables	<u>75,545</u>	<u>67,472</u>	<u>128,796</u>	<u>81,254</u>

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, subsidiaries and associate

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

14. Trade and other receivables (continued)

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. Management expects to recover the amount in full by 31 December 2021. 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.

Allowance for impairment losses of factoring receivables

The impairment losses recorded relate to factoring receivables that are past 90 days overdue and have been assessed by management to have low recoverability. The overall recoverability of the receivables will be reviewed monthly and amounts in excess will be released back to the profit and loss statement before the upcoming year end.

15. Loan from shareholder

The Company entered into a shareholder loan agreement on 1 March 2022 with one of the shareholders. The shareholder granted a loan facility to the company of up to S\$8 million. The amount 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. Loan from shareholder is unsecured but is made with full recourse against the Company and its successors.

16. Lease liabilities

Lease liabilities of the Group amounting to RMB0.3 million (approximately RM0.2 million) as at 30 June 2022 (31 December 2021: RMB0.6 million, approximately RM0.4 million) is secured by the right to the leased office in Malaysia.

	Group	
	30/06/2022	31/12/2021
	RMB'000	RMB'000
Amount repayable within one year		
Secured	307	610
Unsecured	–	–
	<hr/>	<hr/>
	307	610
Amount repayable after one year		
Secured	–	–
Unsecured	–	–
	<hr/>	<hr/>
	–	–
	<hr/>	<hr/>
	307	610
	<hr/>	<hr/>

17. Share capital

	Group and Company			
	30/06/2022		31/12/2021	
	No. of shares		No. of shares	
	'000	RMB'000	'000	RMB'000
Issued and fully paid ordinary shares				
At the end of financial period/year	158,183	33,498	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.

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 for the acquisition of the remaining 49% of Luminor Malaysia.

18. Other reserves

	Group					
	30/06/2022			31/12/2021		
	Capital reserves	Merger reserves	Statutory reserves	Capital reserves	Merger reserves	Statutory reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening balance						
At the beginning of financial period/year	48,522	628	8,568	48,522	628	8,568
Premium on acquisition of LCM	(28,380)	-	-	-	-	-
At the end of financial period/year	20,142	628	8,568	48,522	628	8,568

19. Financial instruments

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets carried at amortised cost	175,940	129,918	132,655	86,523
Financial liabilities carried at amortised cost	54,131	18,642	95,888	56,240

20. 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 Catalyst 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 to RMB33,498,000 comprising 158,182,630 shares as at 30 June 2022 from RMB24,471,000 comprising 144,733,000 shares as at 31 December 2021. The increase in share capital is due to allotment and issuance of 13,449,630 ordinary shares for the acquisition of the remaining 49% of Luminor Malaysia.

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

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2022 and 30 June 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.**

	Company	
	30 June 2022	31 December 2021
Total number of issued shares	158,182,630	144,733,000

The Company did not have any treasury shares as at 30 June 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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2022 ("1HY2022") vs. Six months ended 30 June 2021 ("1HY2021")

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:

	1HY2022	1HY2021
	RMB'000	RMB'000
Sales of properties	614	2,376
Rental income	583	507
Interest income and fees from loans and invoice factoring	14,445	4,653
	15,642	7,536

Sales of properties

The Group sold 2 carpark spaces for the Singapore Garden project during 1HY2022 as compared to the Group's sales of 1 residential unit and 13 carpark spaces for the Singapore Garden project in 1HY2021. For the University Town project, the Group sold 1 car park space for the University Town project in 1HY2022.

The lower sales of properties in 1HY2022 in the PRC as compared to 1HY2021 was due to the Group ceasing all promotional sales activities due to the lockdown situation in China and the overall weakening of the China property market. In addition, the Company has also

reached the tail end of the projects with only 2 commercial units and 31 carpark spaces left for the University Town project and 9 residential units, 23 commercial units and 25 carpark spaces left for the Singapore Garden project as at 30 June 2022.

The revenue from the sale of properties was RMB0.6 million and accounted for 3.9% of the Group's total revenue for 1HY2022 as compared to revenue amounting to RMB2.4 million which accounted for 31.5% of the Group's total revenue in 1HY2021.

Rental income

Rental income for 1HY2022 was RMB0.6 million and accounted for 3.7% of the Group's total revenue for 1HY2022, as compared to RMB0.5 million for 1HY2021 which accounted for 6.7% of the Group's total revenue for 1HY2021. 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 rental income has increased marginally by RMB0.08 million in 1HY2022 as compared to 1HY2021 due to the higher number of units rented out, offset by the rental reduction negotiated by the tenants during the period under review. The Group leased out 8 commercial units of the Singapore Garden project and 1 commercial unit of the University Town project as at 30 June 2022, compared to 5 commercial units of the Singapore Garden project and 1 commercial units of the University Town project as at 30 June 2021.

Interest income and fee from loans and invoice factoring

The revenue from the financial solutions business was RMB14.4 million and accounted for 92.3% of the Group's total revenue for 1HY2022 as compared to RMB4.7 million and accounted for 61.7% of the Group's total revenue for 1HY2021. The interest income increased by RMB9.8 million in 1HY2022 as compared to 1HY2021. This is due to the increase in the number of new clients and repeat business in Luminor Malaysia's factoring business in 1HY2022 as compared to 1HY2021 where the business was still growing.

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 interest expenses, stamp duty, filing fees/credit check, mobilization fees, commission paid to sales staff, insurance, discount and referral fee. Cost of sales increased by RMB0.6 million in 1HY2022 as compared to 1HY2021 which is relatively consistent with the higher revenue recorded in 1HY2022 as compared to 1HY2021.

Gross profit and profit margin

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

	Property		Financial solutions		Group	
	1HY2022	1HY2021	1HY2022	1HY2021	1HY2022	1HY2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,197	2,883	14,445	4,653	15,642	7,536
Gross profit	455	2,203	13,915	4,630	14,370	6,883
Profit Margin	38.0%	76.4%	96.3%	99.5%	91.9%	91.3%

Gross profit increased from RMB6.8 million in 1HY2021 to RMB14.4 million in 1HY2022. Gross profit margin was 91.9% in 1HY2022 as compared to 91.3% in 1HY2021.

Gross profit margin for property business is 38.0% for 1HY2022 and 76.4% for 1HY2021. This is due to significantly lower sales income generated in 1HY2022 as compared to 1HY2021. Also, the profit margin of the sale of carpark lots which contributed to the revenue of the property business in 1HY2022 is significantly lower than that of the residential and commercial units.

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

Other income

Other income increased to RMB33.4 million in 1HY2022. The increase is mainly due to the compensation received of RMB43 million for the repossession of land by the China government authority, offset by the RMB9.7 million reversal of capitalized costs previously incurred for the development of the land which was repossessed by the China government authority.

Interest income

Interest income increased by RMB0.2 million in 1HY2022 as compared to 1HY2021. This is mainly due to the increase in bank balance in China arising from the compensation received on the repossession of land by the China government authority.

Finance costs

Finance costs relate to the lease liabilities as well as interest expense for a shareholder loan. The amount increased from RMB0.05 million in 1HY2021 to RMB0.4 million in 1HY2022 mainly due to the interest expense on the shareholder loan extended to the company to fund working capital and acquisitions.

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 was due to the Group ceasing all promotional sales activities due to the lockdown situation in China.

Impairment losses on trade and other receivables - net

The impairment losses recorded of RMB9.9 million relates to factoring receivables that are past 90 days overdue and have been assessed by management to have low recoverability.

Administrative expenses

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to former ultimate holding company, travelling and transport, professional expenses and value added taxes ("VAT") payable to PRC tax authority. Administrative expenses increased by RMB1.2 million in 1HY2022 mainly due to additional spending from the Singapore holding entities on rental expenses, corporate secretarial related fees, consultancy fees and stamp duty on the further acquisition of Luminor Malaysia as well as the increase in headcount in Luminor Malaysia from 30 in 1HY2021 to 36 in 1HY2022 which is in line with the business expansion activities in Luminor Malaysia.

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 RMB8.4 million is mainly due to enterprise income tax arising from the increase in taxable income arising from the compensation received for the repossession of land by the China government authority.

INTERIM CONDENSED BALANCE SHEET

Non-current assets

As at 30 June 2022, non-current assets of RM3.5 million consist of property, plant and equipment, investment in associates, deferred tax assets, goodwill and intangible assets.

(i) Property, plant and equipment

The RMB0.5 million decrease in property, plant and equipment is due to depreciation charge partially offset by the addition of property, plant and equipment of RMB0.3 million during 1HY2022.

(ii) Investment in associate

The increase in balance of RMB0.09 million is mainly due to the increase in share of profit in Luminor Malaysia's investment in Fiscalab Capital Market Sdn. Bhd. ("**Fiscalab**"). Fiscalab 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 2021.

Current assets

As at 30 June 2022, current assets amounted to RMB201.9 million mainly consist of cash and bank balances, trade and other receivables and properties held for sale.

Trade and other receivables consist of trade receivables, other receivables and deposit, loan advance and factoring receivables. The amount increased by RMB9.9 million to RMB75.5 million as at 30 June 2022. This is mainly due to higher factoring receivables and other receivables which is in line with the increase in revenue in 1HY2022 as compared to 1HY2021 and the increase in prepayments and advance to a third party.

Properties held for sale comprised the completed but unsold units of Singapore Garden project and University Town project in PRC, which amounted to RMB16.4 million and RMB8.4 million respectively as at 30 June 2022.

Development properties has decreased to nil due to the repossession of land by the government authority in China.

Current liabilities

As at 30 June 2022, current liabilities of RMB93.1 million consist of trade payables, other payables and accruals, contract liabilities, lease liabilities, income tax payable and loan from shareholder. The loan from shareholder was undertaken by the company to fund its working capital as well as acquisition activities.

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 decrease in the trade and other payables is mainly due a decrease of lease liability, trade deposits from contractors, other payables and accrued expenses.

Contract liabilities is the advance receipt from sale of properties. Contract liabilities increased by RMB0.1 million as at 30 June 2022 mainly due to deposit collected from the buyers for the Singapore Garden project in PRC in 1HY2022.

Income tax payable increased by RMB3 million in 1HY2022. This is mainly due to the additional income tax provision, offset by the tax paid in PRC during 1HY2022.

Non-current liabilities

As at 30 June 2022, non-current liabilities of RMB3.4 million consist of provision for restoration and deferred tax liabilities. Provision for restoration of RMB0.5 million has been recorded by Luminor Malaysia for reinstatement of the office premises when the lease end.

Shareholders' equity

Shareholders' equity consists of issued share capital, other reserves, retained earnings and non-controlling interest. As at 30 June 2022, shareholders' equity amounted to RMB108.8 million.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For 1HY2022, net cash generated from operating activities of RMB20.1 million was mainly due higher profit recorded arising from the repossession of land by the government authority in China as well as higher revenue generated from the expansion of financial solutions business in Luminor Malaysia.

Net cash flow used in investing activities amounted to RMB19.9 million in 1HY2022 was mainly due to the purchase of property, plant and equipment as well as the acquisition of remaining 49% in LCM.

Net cash flow generated from financing activities amounted to RMB38.6 million in 1HY2022, which was mainly due to the following:

- (a) Increase in shareholder loan of RMB38.9 million.
- (b) Repayment of lease liabilities of RMB0.3 million.

As at 30 June 2022, cash and cash equivalents amounted to RMB101.4 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 residential property market in Fuling district of Chongqing, PRC where the Singapore Garden project and University Town project are located for the next 12 months is expected to be challenging. The Group will continue to sell the remaining 9 residential units, 25 commercial units and 56 carpark spaces for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC. Due to the changing landscape of the property market, the Group will no longer focus on development in this area.

With the easing of the COVID-19 pandemic and the opening of international borders, the Group is cautiously optimistic that the worst is over. The Group's financial solutions business has been growing steadily and is expected continue to increase its market share in Kuala Lumpur, where its clients are primarily based. The Group is continually seeking new business opportunities and pursuing its growth in the financial solutions business regionally as well as locally.

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 1HY2022.

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

No dividend has been declared for 1HY2021.

(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 1HY2022.

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 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
Management fee expense paid to GRP Limited ⁽¹⁾ , the former ultimate holding company of the Group	SGD 210,000 (RMB1,003,968)	-
Kwan Chee Seng - Interest expense on shareholder loan	SGD 81,205 (RMB406,027)	-

Mr Kwan Chee Seng is the Non-Executive Director of the Company.

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.

The Group does not have a general mandate for IPT.

11. Changes in the composition of the Group

The Company has completed the acquisition of the remaining 49% in Luminor Malaysia in 1HY2022. As such, Luminor Malaysia is now a wholly-owned subsidiary of the Group. Please refer to the announcements dated 28 January 2022, 25 February 2022, 30 May 2022, 6 June 2022 and 14 June 2022 for further information.

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 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

**Kwan Yu Wen
Executive Director
12 August 2022**