LUMINOR FINANCIAL
THE FUTURE GLOWS

ANNUAL REPORT 2022

NOW FOR IMPACT

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

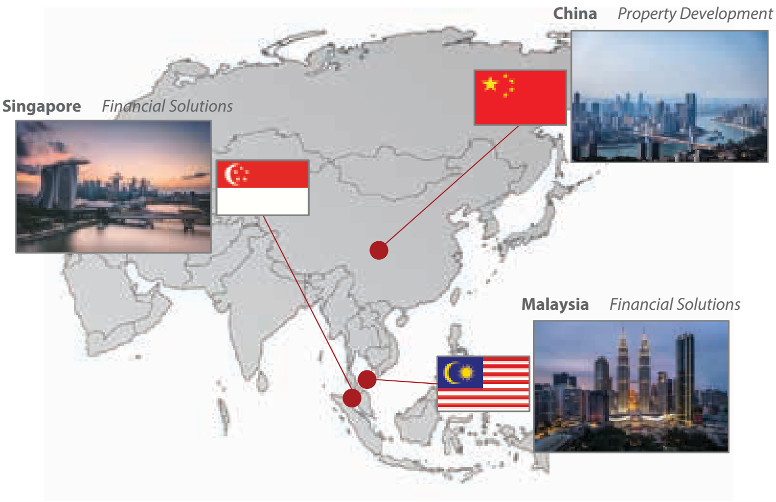
The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE **PROFILE**

Luminor Financial Holdings Limited is a non-bank financial institution committed to providing financing solutions to SMEs regionally. Formerly known as Starland Holdings Limited, the Group has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 27 April 2012.

We are headquartered in Singapore and are listed on the Catalist Board of the Singapore Exchange ("**SGX**"). Formerly known as Starland Holdings Limited, Luminor Financial Holdings Limited (together with its subsidiaries, the "**Group**"), is a financial services company that provides business owners with access to capital through simple yet innovative financial solutions.

Our Presence



The Company has two core businesses:

1. Financial Solutions
2. Property Development

OUR **BUSINESSES**

1. FINANCIAL SOLUTIONS

The Group aims to provide innovative financing solutions to SMEs across the region. Our offerings include:

INVOICE FINANCING

A healthy cashflow is critical to sustainability and growth of every business. Our factoring solution lets businesses monetise its receivables and receive cash upfront (versus a typical collection period of three months), allowing them to maintain a smaller ongoing cash balance and leave more liquidity available for investment in the business' growth.

SUPPLY CHAIN FINANCING

Corporates consistently need to manage working capital against their cash conversion cycle. We offer trade finance solutions through accounts receivable purchase with credit protection. This allows clients to free up valuable cash stuck in the supply chain by offering clients a line of credit while mitigating buyer credit risks.

CORPORATE ADVISORY

We provide comprehensive financial advice and execution expertise, encompassing mergers, acquisitions, divestitures, capital raising, project finance, privatisations and Public Private Partnership services to corporates.

SECURED LENDING

Secured lending allows business owners to unlock the value of their residential or commercial properties/assets, channeling the additional cash flow to their business.

OUR **BUSINESSES**

2. PROPERTY

The Group first started out as a Singaporean-owned and managed property developer for quality integrated residential commercial properties in the People's Republic of China ("PRC") and Singapore. We have successfully completed three projects and sold off our last piece of land bank. Following our restructuring in 2021, we will sell off our remaining residential, commercial and parking spaces to turn inventory into cash and focus on the financial solutions business. Our completed projects are as follows:

SINGAPORE GARDEN 新加坡花苑

PERCENTAGE INTEREST	100%
LOCATION	8 Wubao Road, Fuling District, Chongqing
EXISTING USE	Residential and Commercial
TARGET MARKET	Mid to High-end
LAND TENURE	Leasehold
SITE AREA (SQ M)	32,616
TOTAL GFA (SQ M)	105,350
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	August 2015

UNIVERSITY TOWN 学府新城

PERCENTAGE INTEREST	100%
LOCATION	89 Julong Avenue, Lidu, Fuling District, Chongqing
EXISTING USE	Residential and Commercial
TARGET MARKET	Mass
LAND TENURE	Leasehold
SITE AREA (SQ M)	19,330
TOTAL GFA (SQ M)	43,284
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	April 2011

JALAN NIPAH

PERCENTAGE INTEREST	100%
LOCATION	Jalan Nipah, Singapore
EXISTING USE	Residential
TARGET MARKET	High-end
LAND TENURE	Freehold
SITE AREA (SQ M)	700
TOTAL GFA (SQ M)	803
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	June 2018

OUR BRANDS

We offer our services through various licenses held in Malaysia and Singapore.

MALAYSIA

Invoice Financing/Supply Chain Financing

EL NUWR
Illuminating Your Path

- Approved by Ministry of Finance (Malaysia) as one of ~30 financial institutions with access to e-Perolehan, Malaysia's e-procurement platform
- One of the 14 financial institutions approved for Perintis Telekom Malaysia's vendor financing programme
- Member of the Malaysian Factors Association

Financial Advisory

LUMINOR CAPITAL MARKET

Capital Markets Service Licence issued by Securities Commission Malaysia

Secured Lending

LUMINOR CREDIT

Moneylending Licence issued by Ministry of Local Government Development Malaysia

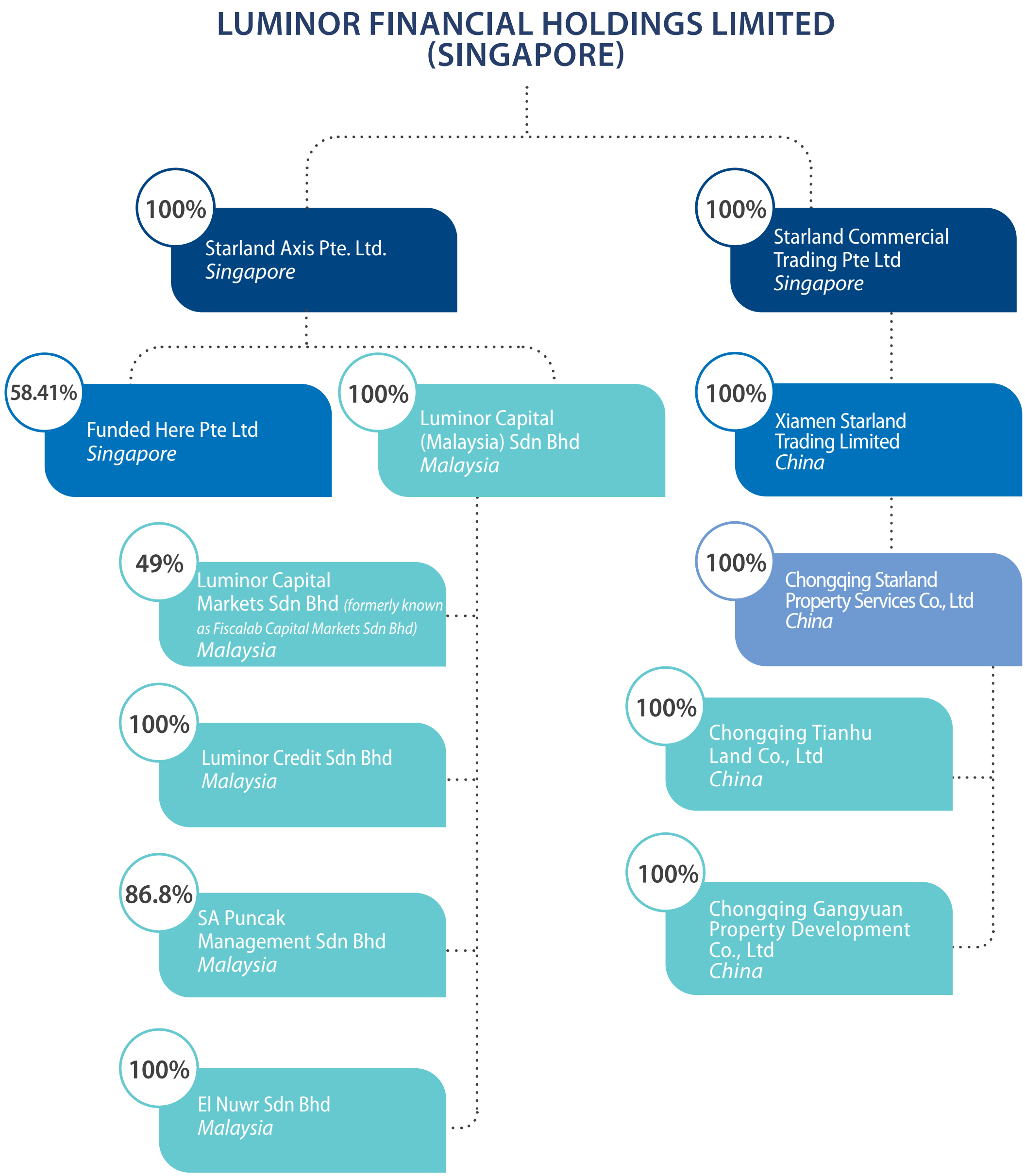
SINGAPORE

Equity Debt Crowdfunding

FundedHere

Capital Markets Service Licence issued by the Monetary Authority of Singapore

CORPORATE **STRUCTURE**



OUR MILESTONES

2011
Completed University Town project (GDV[1]: RMB257.7m, GFA[2]: 43,284sqm)

2012
Admission of 144,733,000 ordinary shares onto SGX-Catalist Board as Starland Holdings Limited

2013
Launched Singapore Garden Project (GDV: ~RMB790m)

2015
Completed Singapore Garden Project (GFA: 105,350 sqm)

2016
Acquisition of 82.91% by GRP Chongqing Land Pte Ltd ("GRP")

2018
Completed Jalan Nipah Project (GFA: 803 sqm)

2019
Shareholders' approval of diversification into Financial Solutions business

2020
Exercised option to convert loan for 51% in Luminor Capital (Malaysia) Sdn Bhd ("LCM")

2021
Name change to LFHL. GRP ceased to be largest shareholder following a distribution in specie

2022
Acquired remaining 49% of LCM. Lead US$1.75m funding round for the Adiwisista Group

CHAIRMAN'S **MESSAGE**

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Luminor Financial Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), I am pleased to present to you the Annual Report of the Group for the financial year ended 31 December 2022 ("**FY2022**").

A LOOK BACK AT 2022

While decreased global demand, high inflation and geopolitical conflicts sent investors scurrying for safety, our focus on investing in people has remained the same. We adapted to the changing needs of businesses by ensuring support was available to those who needed it most. And just as we stuck by our customers, they stuck by us, too. We are deeply humbled to witness the extraordinary demand from both new and repeat customers in our factoring business.

Ongoing economic headwinds notwithstanding, our core businesses showed reassuring resilience this year. The Group saw substantial growth mainly due to our flourishing factoring business, which experienced a boost in demand from both new and repeat customers. The 41.7% growth in revenue from this segment helped mitigate the decline in our property business in China, where strict lockdown mandates forced businesses to cease all promotional activities. The impact of the weakening Chinese property market was offset by a rise in other income to RM23.4 million mainly due to the compensation received for the repossession of land by the China government authority. Hence, the Group recorded a considerable upsurge in net profit, having gone from a loss of RM2.0 million for the financial year ended 31 December 2021 ("**FY2021**") to RM7.1 million in FY2022. However, a decrease in capital reserves led to a reduction in the Group's NAV by 9.4% to RM66.2 million.

Our financial position remains strong, with a positive operating cash flow of RM13.9 million and cash and cash equivalents of RM67.4 million. In these challenging times, we are fortunate to enjoy customer confidence in the marketplace. Our unwavering commitment to small businesses coupled with our stringent risk management framework have proven to be some of our greatest assets, and will continue to be so, as we navigate the path to global economic recovery.

THE PATH AHEAD

Our priority is to keep pushing ahead, extending our footprint in the region, where systematic barriers to financial inclusion still prevail. 2023 is already off to a great start for the Group with the completion of the acquisition of 58.41% of Funded Here Pte Ltd and the remaining 51% of Luminor Capital Markets Sdn Bhd, which will act as a vehicle for our expansion goals in Singapore and Malaysia respectively. Though we may encounter stiff competition from established players as we move into new markets, we are confident that our innovative funding structures will provide us with a unique value proposition. Going forward, we will also keep a close eye on organic growth opportunities and target acquisitions to further strengthen our foothold in the region.

I would like to express my gratitude to our dedicated management team and colleagues for their unwavering commitment as well as to my fellow Board members for sharing their knowledge and perspective, and last but not least, to our shareholders and customers for their continued trust and support.

For and on behalf of the Board of Directors

MR. FOONG DAW CHING
Non-Executive Independent Chairman

EXECUTIVE DIRECTOR'S **STATEMENT**

It has not been long since we established our non-bank financial institution ("**NBFI**") infrastructure and announced our arrival to the financial solutions scene. This past year saw us transition from a property development business to one that centres on financial solutions. It is still early days, yet we have already received, negotiated and executed a flurry of exciting deals both in Singapore and Malaysia.

It appears that our efforts into designing the best products and building the best team have started to pay off. With banks tightening their belts and access to capital becoming more and more limited, our focus on small and medium enterprise ("**SME**") financing has been much welcomed. This shift in thinking has attracted a tremendous amount of interest to our Financial Solutions business, culminating in a 41.7% surge in segment revenue to RM20.4 million in FY2022.

Our property business, on the other hand, observed a decrease in revenue from RM2.9 million to RM1.4 million, contributing just 6.6% of total revenue in FY2022. With our factoring business bringing in the bulk of our revenue, the strategic decision to offload our remaining property inventory will allow us to build momentum in the financial services space and create greater value for shareholders.

Our recent acquisition of Funded Here adds to our ever-expanding repertoire of financial solutions. The debt and equity crowdfunding platform would provide us with greater options and opportunities – to tap on technology to innovate our products, revolutionise the industry and serve even more SMEs.

Gaining a firmer foothold in Singapore and Malaysia is our top priority, but that does not mean our eyes are closed to other countries in the region. We have every intention to grow from strength to strength. By pursuing organic growth opportunities and synergistic acquisitions, we hope to emerge as a trailblazer in the financial services industry across Asia. We hope to replicate our success in Malaysia in other markets to plug the SME funding gap. Our recent partnership with the AdiWisista Group is already a positive step forward in this direction. We plan to provide up to 20% of the company's P2P-lending platform, danai.id's, borrowers with funds to help fuel the Indonesian government's ambition of 90% financial inclusion by 2024 (up from 76% in 2019)[1] . The Asian Development Bank estimates that only 14.8% of bank lending went to SMEs in Southeast Asia in 2020, despite their contribution of 41.1% to the region's GDP[2]. We believe SMEs have an enormous part to play in the road to economic recovery that lies ahead and our focus will be to continue to support them.

In a short span of 2 years, the Group has completed the successful transformation into a credible financial solutions player. I would like to thank my esteemed colleagues across the Group for their utmost dedication and contribution, without which we would not be where we are today. I would like to also thank my fellow members of the Board for their continued leadership and guidance. Lastly, I wish to express our gratitude to our shareholders and customers for your unwavering support and trust in Luminor Financial, especially during this time of unprecedented change in the company's history.

The theme for last year's annual report was "Transformed for Impact". Over the course of FY2022, we successfully transformed into a financial solutions company, ready to impact. Having built up a strong base, we are excited to really grow in 2023. It's "Now for Impact".

KWAN YU WEN
Executive Director

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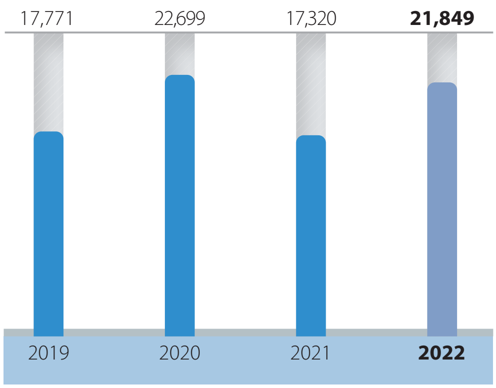
1 https://www.weforum.org/agenda/2022/05/digitalization-financial-inclusion-in-indonesia/

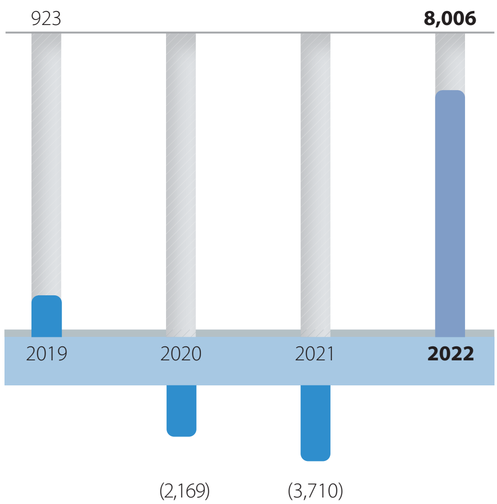
2 Asian Development Bank – Asia Small And Medium-sized Enterprise Monitor 2020

FINANCIAL **HIGHLIGHTS**

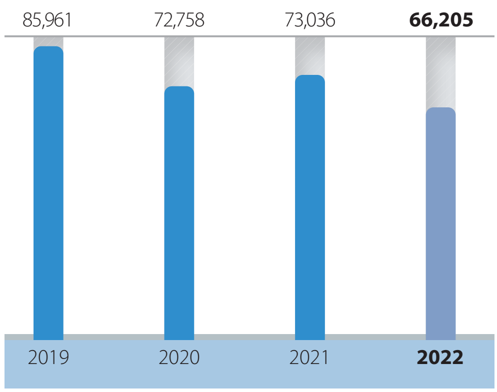
REVENUE (MYR'000)



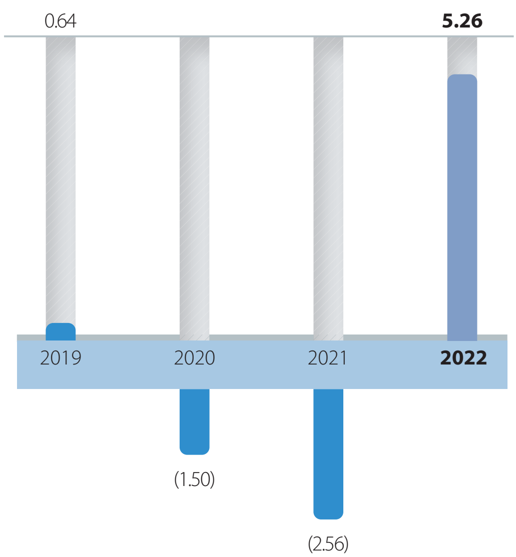
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (MYR'000)



SHAREHOLDERS' EQUITY (MYR'000)



EARNINGS/(LOSS) PER SHARE (MYR CENTS)



OPERATING AND **FINANCIAL REVIEW**

REVENUE

Our revenue is derived from the fees from loans and invoice factoring services provided in Malaysia and the sale of properties and rental income from leasing of our properties in the PRC. Overall revenue for FY2022 was RM21.8 million compared to RM17.3 million for FY2021. Revenue from the financial solutions business increased by 41.7% from RM14.4 million in FY2021 to RM20.4 million in FY2022, reflecting the continued growth of the financial solutions business. The decline in revenue for the property business given that the Company has reached the tail end of its projects with only 9 residential units, 23 commercial units and 19 carpark spaces left for the Singapore Garden project, 2 commercial units and 28 carpark spaces left for the University Town project as at 31 December 2022. A breakdown of the revenue can be seen from the table below:

	FY2022		FY2021	
	RM'000	% of Total Revenue	RM'000	% of Total Revenue
Interest income and fees from loans and invoice factoring	20,417	93.5%	14,409	83.2%
Sales of properties	702	3.2%	2,201	12.7%
Rental income	730	3.3%	710	4.1%
Total Revenue	**21,849**	**100%**	**17,320**	**100%**

COST OF SALES AND GROSS PROFIT

Gross profit increased from RM15.9 million in FY2021 to RM20.4 million in FY2022. Gross profit margin increased from 91.7% in FY2021 to 93.5% for FY2022. Cost of sales for the financial solutions business mainly comprises commission paid to sales staff and interest costs. Cost of sales for the property business 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. A summary of the gross profit margin can be seen from the table below:

	Property		Financial Solutions		Group	
	FY2022 RM'000	FY2021 RM'000	FY2022 RM'000	FY2021 RM'000	FY2022 RM'000	FY2021 RM'000
Revenue	1,432	2,911	20,417	14,409	21,849	17,320
Gross profit	1,031	2,069	19,407	13,813	20,438	15,882
Gross Profit Margin	72.0%	71.1%	95.1%	95.9%	93.5%	91.7%

OPERATING AND **FINANCIAL REVIEW**

EXPENSES

Two major components of the Group's expenses are administrative expenses and finance costs.

1. **Administrative Expenses**

   Administrative expenses comprise mainly staff salary and wages, other staff related costs as well as professional fees. Administrative expenses increased by RM6.7 million to RM17.7 million in FY2022. This was due to the increase in professional fees incurred of RM1.0 million mainly in the legal fees and consultancy fees for the company's acquisition matters, increase in pre-acquisition minority interest's share of losses, write-off of long outstanding items as well as the write down of the cost base of the remaining development property balance in the China entities of approximately RM1.2 million in FY2022, and increase in RM1.7 million in additional staff costs which was incurred by the financial solutions business (headcount increased from 33 in FY2021 to 45 in FY2022) and appointment of additional personnel in the holding company to oversee and facilitate the Company's business operations in FY2022.

2. **Finance costs**

   Finance costs increased by RM1.5 million to RM1.9 million in FY2022. This is mainly due to interest expense incurred on loan from a shareholder and a related party in FY2022.

The Group recorded an increase in impairment losses from RM0.7 million in FY2021 to RM8.2 million in FY2022. The increase mainly relates to factoring receivables that are past 90 days overdue and have been assessed by the management to have low recoverability.

OTHER INCOME

The Group also posted other income of RM23.4 million mainly due to a RM21.9 million gain on disposal of development properties.

NET PROFIT AFTER TAX

The gain on disposal of development properties and the overall expansion of the financial solutions business were key factors contributing to the increase in net profit. As a result, the Group recorded a profit after tax of RM7.1 million for FY2022 compared to a loss after tax of RM2.0 million in FY2021.

BOARD OF **DIRECTORS**

MR FOONG DAW CHING
Non-Executive Independent Chairman

MR FOONG DAW CHING is our Non-Executive Independent Chairman and was appointed to the Board of our Company on 26 March 2012. Mr Foong is the chairman of the Board of Directors. He has more than 30 years of audit experience and was the managing partner of Baker Tilly TFW LLP and the Regional Chairman of Baker Tilly International Asia Pacific Region. He retired as managing partner of Baker Tilly TFW LLP and stepped down as the Regional Chairman of Baker Tilly International Asia Pacific Region in 2010 and 2016 respectively.

He is an Independent Director and the chairman of the audit committee of Travelite Holdings Ltd, and Suntar Eco-city Limited. All these companies are listed on the SGX-ST. He was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, and a Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003.

Mr Foong is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.

MR KWAN CHEE SENG
Non-Executive Director

MR KWAN CHEE SENG is our Non-Executive Director and was appointed to the Board of our Company on 18 February 2016. He is also an Executive Director of GRP Limited, the Company's former ultimate holding company. Mr Kwan has extensive experience in management and investment, particularly in the area of Mergers and Acquisitions ("**M&A**"). Besides being the Chairman of Van der Horst Holdings Pte Ltd, his investment holding company, Mr Kwan has been a substantial shareholder of ASX-listed company, Variscan Mines Ltd since 2008.

In 2009, Mr Kwan began his Fund management business with Luminor Capital Pte Ltd, a manager of private equity funds, as a founding director. Thus, he brings to the Board an unique set of skills with a M&A angle.

BOARD OF **DIRECTORS**

MS KWAN YU WEN
Executive Director

MS KWAN YU WEN is our Executive Director and was appointed to the Board of our Company on 21 December 2020. She is also a Non-Executive Director of GRP Limited, the Company's former ultimate holding company.

She was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019.

Ms Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015.

Ms Kwan is the daughter of Mr Kwan Chee Seng, Non-Executive Director of our company, Executive Director and substantial shareholder of GRP Limited, the Company's former ultimate holding company.

MR TAN CHADE PHANG
Independent Director

MR TAN CHADE PHANG is our Independent Director and was appointed to the Board of our Company on 18 February 2016. He is the CEO and founder of Voyage Research since 2009 till present. Prior to setting up Voyage Research, he was an Investment Analyst with Standard Chartered Bank Singapore from 2007 to 2008, and was also the lead Investment Analyst in SIAS Research from 2005 to 2006. Mr Tan is currently also the President of the Small and Middle Capitalisation Companies Association.

Mr Tan is an Independent Director of OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Ltd) and Y Ventures Group Ltd.

He graduated with a Bachelor of Business in Accountancy Degree from RMIT University and obtained a Master of Finance from the same university.

MR LIM SEE YONG
Independent Director

MR LIM SEE YONG is our Independent Director and was appointed to the Board of our Company on 1 July 2019. He was the Managing Director of Xin Sheng International Pte Ltd from 2006 to 2018. Mr Lim was also the Independent Director of WPG Resources Limited from 2007 to 2019.

Mr Lim graduated from the National University of Singapore with a Bachelor of Business Administration (Major in Finance).

KEY **MANAGEMENT PERSONNEL**

MISS TOH WEI SHIENG

Financial Controller

MISS TOH WEI SHIENG was appointed as the Financial Controller of the Company on 21 June 2022. She is responsible for the finance, accounting, taxation and compliance matters relating to the Group's operations. Before her current appointment, she was the Group Finance Manager of a leading Energy as a Service (EaaS) provider. Miss Toh has held various finance positions in multi-national corporations, Australian-listed companies and international accounting firms. Collectively, Miss Toh has approximately 20 years of experience in the field of accountancy.

Miss Toh graduated from the University of Sydney with a Bachelor of Commerce in 2002 and a Master of Commerce in 2003. She is a Chartered Accountant of the Institute of Chartered Accountants in Australia and a Certified Public Accountant with CPA Australia.

MISS IVANNA LOH YOOK MUN

Chief Executive Officer, Luminor Capital (Malaysia) Sdn Bhd

MISS IVANNA LOH YOOK MUN was appointed as Chief Executive Officer of Luminor Capital (Malaysia) Sdn Bhd ("**LCMSB**") in 2022 and is one of the founders of LCMSB. Miss Loh has over 10 years of experience in the accounting and finance space where she was exposed to audit and several subsegments in the corporate finance industry dealing with equity capital market in particular. Throughout Miss Loh's career, she has undertaken various corporate exercises involving public listed companies including issuances of new securities, mandatory take-over offer, initial public offerings (IPO), reverse take-overs (RTOs), independent equity valuation and etc. Miss Loh has a Bachelor of Degree (Hons) in Applied Accounting and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). Prior to joining LCMSB, Ivanna formerly oversaw and was responsible for client coverage, deal analysis and execution for debt and equity capital market related deals at Well-Cept Equity Partners Sdn Bhd.

KEY MANAGEMENT PERSONNEL

MR RICHARD LIM AIK TEONG

Chief Operating Officer, Luminor Capital (Malaysia) Sdn Bhd

MR RICHARD LIM AIK TEONG was appointed as Chief Operating Officer of LCMSB in 2019 and is one of the founders of LCMSB. With over 15 years of experience in the investment banking field, Mr Lim is experienced in the origination and execution of both debt and equity instruments. Mr Lim commenced his career at KAF Investment Bank Berhad where he served for 8 years and left as an Associate Director in the Corporate Finance department. During his tenure, he was also attached to the Debt Capital Markets and Investment Banking departments. Throughout his career, he has executed various fund raising and corporate exercises including issuance of Islamic private debt securities (sukuks), M&As, restructurings, fund raising and general corporate advisory services. Mr Lim graduated from the University of Technology Sydney, Australia in Finance and IT. Mr Lim was a Director for Project Finance in Well-Cept Equity Partners Sdn Bhd for almost 4 years and was responsible for overall deal structuring and setting top level strategic direction.

MR LUO DENG XIAO

Deputy General Manager, Property

MR LUO DENG XIAO is our Deputy General Manager and joined our Company in August 2008. Prior to that, from April 1992 to July 2008, he was a superintendent in Fuling Iron Alloy Plant (涪陵铁合金厂) in charge of operations, administrative matters, human resources and finance matters, where he held the position of head of technical department. He was also a planning executive in Sichuan Automobile Factory (四川汽车制造厂) from July 1983 to March 1992, where he was in charge of its production plans and supervised the production departments.

Mr Luo graduated with a Diploma in Economic Management from the Party School of the Central Committee of the Communist Party of China (中共中央党校) in June 2000.

CSR AND **EMPLOYEE WELFARE**

LFHL IN 2022

Community Initiatives

Luminor Gives Back

We organised our first Corporate Social Responsibility (CSR) event post-COVID in 2022. Our volunteers spent a memorable day with 15 kids from Rumah Raudhatul Al Faeez. Rumah Raudhatul Al Faeez is an organization dedicated to support of children in need of care and protection and to help destitute poor, neglected needy and orphan children. Through this event, we distributed essential Raya foods like rice cubes and cordial drinks to the children.

Team-Bonding Activities – Highlights

Sports Club

Initiated by one of our very own team members, we support the organisation of monthly Sports Club activities. The sports chosen differ each month so as to cater to different interests and allow employees to try new sports. Through the activities, employees across different teams took the time to get to know one another better through fun and games.

REPORT ON **CORPORATE GOVERNANCE**

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the "**Board**") of Luminor Financial Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to achieve the highest standards of corporate governance and places importance on continuous improvement of its corporate governance processes and systems to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2022 ("**FY2022**"), with specific reference made to the principles and provision of the Code of Corporate Governance 2018 (the "**Code**").

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board confirms that the Company and the Group, have complied with the principles as set out in the Code for the FY2022. The Board also confirms that where there are deviations from the provisions of the code, explanations for the deviations and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below.

<table>
<tr><th colspan="3">I. BOARD MATTERS</th></tr>
<tr><td colspan="3">Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.</td></tr>
<tr><td>1.1</td><td>Principal Duties of the Board</td><td>Currently, the Board has 5 members and comprises the following individuals:
<table>
<tr><th colspan="2">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Mr Foong Daw Ching</td><td>Non-Executive Independent Chairman of the Board</td></tr>
<tr><td>Ms Kwan Yu Wen</td><td>Executive Director</td></tr>
<tr><td>Mr Kwan Chee Seng</td><td>Non-Executive Director</td></tr>
<tr><td>Mr Tan Chade Phang</td><td>Independent Director</td></tr>
<tr><td>Mr Lim See Yong</td><td>Independent Director</td></tr>
</table>

The Board does not have alternate directors.

The Board oversees the business affairs of the Group and sets the overall corporate strategy and direction. The Board is collectively responsible for the long-term success of the Group. Management plays an important role in providing the Board with complete, adequate and timely information to assist the Directors in the fulfilment of their responsibilities.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		In addition to its statutory duties, the Board's principle functions are to: • review and advise on overall strategic plans, key operational initiatives, monitor performance of management of the Company; • assume responsibility for overall corporate governance of the Group and to ensure that the Group's strategies are in the interests of the Group; • establish a framework for risks to be assessed and managed; • determine the Group's values and standards (including ethical standards) and ensure that its obligations to its various stakeholders are understood and met; • maintain a culture of integrity by reviewing and monitoring internal controls and procedures for financial reporting and compliance; and • consider sustainability issues as part of the Group's overall strategy.
	Independent Judgement	All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.
	Conflict of interest	Each Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively make decisions in the interest of the Company. Any Director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict. This policy also applies to all committees of the Board (collectively the "**Committees**", individually a "**Committee**").
1.2	Directors' Orientation and Training	The Board believes that board induction, regular training and continuous development programmes are essential to equip all directors (including executive, non-executive and independent directors) with the appropriate skills and knowledge to understand the Company's business and its operating environment and to perform their roles as directors on the Board and Committees effectively. Directors are encouraged to attend courses or seminars at the Company's expense to acquire or maintain relevant skill sets and knowledge.

REPORT ON **CORPORATE GOVERNANCE**

		Upon appointment of a new Director, a formal letter of appointment setting out his/her duties and obligations is provided to every new Director, so the new Director understands his responsibilities and the Board's expectations. The Company ensures that incoming new Directors are provided with a comprehensive and tailored induction program to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. Accounting matters, risk-related issues, regulatory compliance updates, legal and other industry-specific topics are included in the induction programme. The new Director is introduced to various department heads and visit the Group's various operational facilities to enable the new Director to gain a better understanding of the businesses and operations of the Company. For new Directors who do not have prior experience as a Director of a public listed company in Singapore, they will have to undergo training programme, particularly courses conducted by the Singapore Institute of Directors ("**SID**"), to develop the requisite individual skills, such as knowledge on the Companies Act 1967 and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. All the Directors have attended the mandatory sustainability training prescribed by SGX. In addition to the sustainability training as prescribed by the SGX-ST, trainings and/or seminars attended by the Directors during FY2022 are listed below:

Name of Directors	Title of Trainings/Seminars
Mr Foong Daw Ching	ACRA-SGX-SID Audit Committee Seminar 2022
Ms Kwan Yu Wen	SGX ESGenome seminar

All Directors are updated regularly on key accounting and regulatory changes. Where necessary, the Company will arrange for presentations by external professionals, consultants and advisers on topics that would have an impact on the regulations, accounting standards and the implications of certain regulatory changes that may affect the Group and responsibilities of the Directors.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td></td><td></td><td>The NC has assessed and is satisfied that the training, courses and seminars attended by the directors in FY2022 have adequately fulfilled their purposes.</td></tr>
<tr><td>1.3</td><td>Board Approval</td><td>Matters that require the Board's approval include the following:

• strategic direction of the Group;

• business practices and risk management of the Group;

• annual budgets, major funding proposals, investment and divestment of proposals;

• the Group's internal control, financial performance, compliance practices and resources allocation;

• material acquisitions and disposal of assets;

• convening of shareholders' meetings;

• corporate or financial restructuring;

• share issuance, dividends and other returns to shareholders; and

• interested person transaction.</td></tr>
<tr><td>1.4</td><td>Delegation by the Board</td><td>Board committees, namely the Audit Committee (the "AC"), the Nominating Committee (the "NC"), the Remuneration Committee (the "RC"), the Risk Management Committee (the "RMC") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference.

<table>
<tr><th colspan="5">Table 1.4 – The compositions of the Board Committees</th></tr>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th><th>RMC</th></tr>
<tr><td>Chairman</td><td>Foong Daw Ching</td><td>Tan Chade Phang</td><td>Tan Chade Phang</td><td>Lim See Yong</td></tr>
<tr><td>Member</td><td>Tan Chade Phang</td><td>Foong Daw Ching</td><td>Foong Daw Ching</td><td>Foong Daw Ching</td></tr>
<tr><td>Member</td><td>Lim See Yong</td><td>Lim See Yong</td><td>Lim See Yong</td><td>Tan Chade Phang</td></tr>
<tr><td>Member</td><td>–</td><td>Kwan Chee Seng</td><td>–</td><td>–</td></tr>
</table></td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr>
<td>1.5</td>
<td>Board Meetings and Attendance</td>
<td>
Board and Committee meetings are scheduled in advance in consultation with the Directors. The Board meets at least twice yearly and additional meetings for particular matters are convened as and when they are deemed necessary. In FY2022, the number of Board and Committee meetings held and the attendance of each Board member is shown below:
<table>
<tr><th colspan="5">Table 1.5 – Board and Board Committees Meeting in FY2022</th></tr>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings held</td><td>4</td><td>3</td><td>2</td><td>2</td></tr>
<tr><td>Name of Director</td><td colspan="4">No. of Meetings Attended</td></tr>
<tr><td>Foong Daw Ching</td><td>4</td><td>3</td><td>2</td><td>2</td></tr>
<tr><td>Kwan Yu Wen</td><td>4</td><td>3*</td><td>2*</td><td>2*</td></tr>
<tr><td>Kwan Chee Seng</td><td>4</td><td>3*</td><td>2</td><td>2*</td></tr>
<tr><td>Tan Chade Phang</td><td>4</td><td>3</td><td>2</td><td>2</td></tr>
<tr><td>Lim See Yong</td><td>4</td><td>3</td><td>2</td><td>2</td></tr>
</table>
* Attendance by invitation

Before each Board meeting, the Executive Director sets the agenda in consultation with the Chairman, to ensure that there is sufficient time and information to address all agenda items.

The Chairman promotes open and frank discussion by all Directors at every Board meeting. Where exigencies prevent a Director from attending a Board or Committee meeting in person, that Director can participate by telephone or video-conference.

Notwithstanding some of the Directors having multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The NC has also taken into consideration the other principal commitments of the Directors in deciding if the Directors are able to and have adequately carried out their duties. As such, the Board does not propose to set a limit on the number of listed company board representations which Directors may hold, until such need arises.
</td>
</tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td>1.6</td><td>Access to Information</td><td>The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The management provides the Board with half-yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.

<table>
<tr><th colspan="3">Table 1.6 – Types of information provided by key management personnel to Directors</th></tr>
<tr><th>S/N</th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>At least biannually and as and when relevant</td></tr>
<tr><td>2.</td><td>Updates to the Group’s operations and the markets in which the Group operates in</td><td>As and when relevant</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors’ (“EA”) report(s)</td><td>Half-yearly</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors’ (“IA”) report(s)</td><td>Yearly</td></tr>
<tr><td>6.</td><td>Shareholding statistics</td><td>Yearly</td></tr>
</table>

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group’s performance, position and prospects.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

1.7	Access to Management and Company Secretary	The Board, particularly the Independent Directors who are Non-Executive Directors, are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their functions effectively. The Board has separate and independent access to the Company Secretary and the Management at all times through emails, telephone and face-to-face meetings. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished. The role of the Company Secretary is as follows: • assist the Chairman and the Chairman of each Board Committee in the development of the agenda for the various Board and Board Committees' meetings; • administers and attends all Board and Board Committees' meetings and prepares minutes of meetings; • ensuring that Board procedures are observed and that applicable rules are complied with; and • advising the Board in implementing and strengthening corporate governance practices and processes, with a view to enhance long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its Board Committees. The appointment and the removal of the Company Secretary are subject to the approval of the Board.
	Independent Professional Advice	Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

REPORT ON **CORPORATE GOVERNANCE**

II. BOARD COMPOSITION AND GUIDANCE		
Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.		
2.1 2.2	Board Independence	The NC is responsible for determining the independence of all the directors. The Independent Directors, Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong had confirmed their independence during the Company's NC meeting held on 23 February 2023. Currently, the Board consists of 5 Directors, of whom 3 are independent (as ascertained by the NC), which complies with the Code's provisions whereby Independent Directors are to make up majority of the Board. The Board believes there is a strong element of independence in the Board as the Independent Directors constitute majority of the Board, and that no individual or small group of individuals dominates the Board's decision-making process. The Board exercises independent judgement on corporate affairs and provides Management with a diverse, professional and objective perspective on issues. The independence of each Director is assessed and reviewed annually by the NC, taking into account guidelines of the Code and provisions in the Listing Manual for assessing the independence element. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. Apart from Mr Foong Daw Ching, none of the Independent Directors on the Board has served for a period exceeding nine years from the date of his first appointment. Mr Foong Daw Ching has served as Independent Director of the Company for an aggregate period of more than 9 years. Under Rule 406(3)(d)(iv) of the Catalist Rules, Mr Foong Daw Ching may continue to be considered independent until the next annual general meeting of the Company in April 2024.
2.3	Proportion of Non-Executive Directors	The majority of the Board are independent Non-Executive Directors.

REPORT ON CORPORATE GOVERNANCE

2.4	Board Composition	The profile of the Directors and key information is set out on pages 12 to 13 of this Annual Report.
	Board Diversity	The Company has in place a formal Board Diversity Policy. The Board understands and embraces the benefits of having diversity and views Board diversity as important to achieving the Company's business objectives. Differences in background, skills, experience, knowledge, gender and other relevant qualities will be taken into consideration in determining the composition of the Board. The Board Diversity Policy provides that, in reviewing the Board composition, the NC will take into account factors such as gender, experience, skills, business experiences, knowledge, and diversity of perspectives. The NC will also evaluate the effectiveness of the Board Diversity Policy and review it periodically to ensure that it remains relevant and effective. The policy demonstrates the Company's commitment to diversity and inclusion in its decision-making processes and corporate governance. In particular, the Company had appointed a female director to the Board, being Ms Kwan Yu Wen, in line with the principles of the Board's Diversity Policy. The NC is responsible for examining the size and composition of the Board and Board Committees. Taking into account the nature and scope of the Group's business and the number of Board Committees, in concurrence with the NC, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making. The Board's primary consideration in identifying Director nominees is to have an appropriate mix of members with core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td></td><td></td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th colspan="3">Table 2.4 – Balance and Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr>
<tr><td colspan="3">Core Competencies</td></tr>
<tr><td>Accounting or finance</td><td>3</td><td>60</td></tr>
<tr><td>Business management</td><td>5</td><td>100</td></tr>
<tr><td>Legal or corporate governance</td><td>5</td><td>100</td></tr>
<tr><td>Relevant industry knowledge or experience</td><td>2</td><td>40</td></tr>
<tr><td>Strategic planning experience</td><td>5</td><td>100</td></tr>
<tr><td>Customer based experience or knowledge</td><td>5</td><td>100</td></tr>
<tr><td colspan="3">Gender</td></tr>
<tr><td>Male</td><td>4</td><td>80</td></tr>
<tr><td>Female</td><td>1</td><td>20</td></tr>
</table>

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. This ensures that collectively, the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.</td></tr>
<tr><td>2.5</td><td>Meeting of Independent Directors without Management</td><td>Led by the non-executive and Independent Chairman of the Board, Mr Foong Daw Ching and the non-executive Independent Directors discuss and/or meet at least once a year without the presence of the Management to discuss matters such as the Group’s financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Director, and chairman of such meeting provides feedback to the Board and/or Chairman as appropriate.

The Independent Directors have met without the presence of Management in FY2022 as required.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

III. CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1	Separation of the Role of Chairman and the CEO	In compliance with the Code's provisions on the clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business, Mr Foong Daw Ching is the non-executive and Independent Chairman and Miss Kwan Yu Wen is the Executive Director of the Company. The Chairman is not related to the Executive Director or the Management. The roles of the Chairman and the Executive Director are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.
3.2	Division of responsibilities between the Chairman and the CEO	As the Non-Executive Independent Chairman of the Company, Mr Foong Daw Ching, bears the responsibility for the effective conduct and has the overall responsibility for the leadership of the Board. His key roles include: • leading the Board to ensure its effectiveness on all aspects of its roles and setting its agenda; • ensuring effective communication with shareholders; • encouraging constructive relations between the Board and the Management; • facilitating the effective contribution of the non-executive Directors; • promoting high standards of corporate governance; • promoting a culture of openness and debate on the Board. Miss Kwan Yu Wen, the Executive Director, focuses on managing the business and operations of the Company. In particular, she drives the financial performance and spearheads the strategic development of the Company and executes the strategic plans set out by the Board. She also ensures that the Board is kept updated and informed of the Company's business and operations.
3.3	Lead Independent Director	No Lead Independent Director is required to be appointed as the roles of the Chairman and CEO are separate and the Chairman is independent.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><th colspan="3">IV. BOARD MEMBERSHIP</th></tr>
<tr><td colspan="3">Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.</td></tr>
<tr><td>4.1
4.2</td><td>NC Composition and Role</td><td>The NC comprises 4 Directors, the majority of whom, including the Chairman of the NC, are independent.

Please refer to Provision 1.4 table above on the names of the members and the composition of the NC. The NC holds at least one meeting in each financial year.

The NC is guided by key terms of reference as follows:

(1) To make recommendations to the Board on relevant matters relating to:

(a) review of board succession plans for Directors;

(b) development of a process for evaluation of the performance of the Board, the Board Committees and individual Director;

(c) review of training and professional development programs for the Board;

(d) review and approve any new employment of related persons and proposed terms of their employment;

(e) decide whether or not a Director is able to and has been adequately carrying out his duties as a Director; and

(f) Board appointment and re-nominations of existing Directors for re-election in accordance with the Constitution (including alternate Directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of Directors, as to composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an Independent Director. All Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		(2) To determine annually the independence of a Director; (3) To regularly review the Board's structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary; (4) In respect of a Director who has multiple Board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitments; (5) To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple Boards; (6) To review and conclude that the person would similarly qualify as an Independent Director before his appointment as an alternate Director to an Independent Director; (7) To assess: (a) the effectiveness of the Board as a whole and its Board Committees; and (b) the contribution by each Individual Director to the effectiveness of the Board; and (8) To decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td>4.1
4.3</td><td>Board Renewal & Succession Planning</td><td>The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and succession and leadership development plans to key management personnel (“KMP”). Succession planning is a crucial element to the Group’s corporate governance process. The NC will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.</td></tr>
<tr><td>4.3</td><td>Process for Selection and Appointment of New Directors</td><td>The NC establishes and reviews the key criteria for the selection of Board members and makes recommendations to the Board on the appointment, re-appointment and retirement of directors.
<table>
<tr><th colspan="3">Table 4.1(a) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>When there is a need to appoint a new director, whether due to retirement of a director, growth or increase in complexity of the Company’s businesses, the NC and each director will try to source for suitable candidates based on their networks and contacts. External consultants may also be engaged to identify potential candidates in necessary.</td></tr>
</table></td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		Table 4.1(a) – Process for the Selection and Appointment of New Directors 3. Assessment of shortlisted candidates: The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Diversity of experience and appropriate skills which are considered in the selection process include leadership, banking and finance industry experience, management expertise and knowledge in accounting, internal controls, compliance and risk management. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors. 4. Appointment of Director: Following the rigorous selection process, the NC would recommend the selected candidate to the Board for consideration and approval. The Board is also advised by the Company's sponsor, UOB Kay Hian Private Limited, on appointment of Directors as required under Catalist Rule 226(2)(d). The induction and orientation process for new directors is set out under Provision 1.2.

Table 4.1(a) – Process for the Selection and Appointment of New Directors

3.	Assessment of shortlisted candidates	The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Diversity of experience and appropriate skills which are considered in the selection process include leadership, banking and finance industry experience, management expertise and knowledge in accounting, internal controls, compliance and risk management. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors.
4.	Appointment of Director	Following the rigorous selection process, the NC would recommend the selected candidate to the Board for consideration and approval.

The Board is also advised by the Company's sponsor, UOB Kay Hian Private Limited, on appointment of Directors as required under Catalist Rule 226(2)(d).

The induction and orientation process for new directors is set out under Provision 1.2.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr>
<td>4.3</td>
<td>Process for Re-appointment of Directors</td>
<td>
All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 89 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's Annual General Meeting (the "AGM").
<table>
<tr><th colspan="3">Table 4.1(b) – Process for the Re-electing Incumbent Directors</th></tr>
<tr><th>S/No</th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Assessment of Director</td><td>• The NC would assess performance of the Director in accordance with the performance criteria set by the Board, which included, inter-alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness; and

• Individual assessment of each Director is undertaken annually.</td></tr>
<tr><td>2.</td><td>Re-appointment of Director</td><td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.</td></tr>
</table>
In addition, Article 88 of the Company's Constitution stipulates that a Director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, he/she is subject to be re-appointed at least once every three years at the Company's AGM.
Prior to each AGM, the Company Secretary informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these Directors after taking into account various factors such as their attendance, participation, contribution, expertise and competing time commitments.
</td>
</tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		Mr Tan Chade Phang and Mr Lim See Yong (collectively, the "**Retiring Directors**") will retire and submit themselves for re-election at the forthcoming AGM pursuant to Article 89 of the Company's Constitution. The Retiring Directors have offered themselves for re-election. The Board has accepted the recommendation of the NC. In making the recommendations, the NC had considered the Directors' overall contribution and performance. Mr Tan Chade Phang will, upon re-election as a Director, remain as an Independent Director, the Chairman of NC and RC and a member of the AC and RMC of the Company. Mr Lim See Yong will, upon re-election as a Director, remain as an Independent Director, the Chairman of RMC and a member of AC, NC and RC of the Company. The shareholdings of the individual Directors of the Company are set out on page 85. None of the Directors hold shares in the subsidiaries of the Company. Other information such as the experience and the professional qualifications of the Directors are set out on pages 12 to 13. Information relating to the Directors who are seeking re-appointment at the forthcoming AGM to be held on 24 April 2023 will be stated in the Notice of AGM.
4.4	Continuous Review of Directors' Independence	The NC is charged with determining the independence of the Directors as set out under Provision 2.1 above. The Board, after taking into consideration the views of the NC, is of the view that Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong are independent and that, no individual or small group of individual dominates the Board's decision-making process. During FY2022, the Company did not have any alternate Directors.
4.5	Directors' Time Commitment	The NC ensures that new Directors are aware of their duties and obligations. The Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company. As part of the review process, the NC decides on the commitment level of the director and whether he/she has been able to adequately carry out the responsibilities required of him/her as a director. The NC has also adopted several measures that seek to address the competing time commitments that may be faced when a director holds multiple board appointments.

REPORT ON **CORPORATE GOVERNANCE**

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2022.

The NC has fixed a maximum limit of 5 on the number of directorships a Director can hold in publicly listed companies.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Attendance at meetings;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

The key information of the Directors of the Company, including their appointment dates and directorships held in the past 3 years, are set out as below:

Name of Director	Designation	Date of initial appointment	Date of last re-election/ re-appointment	Directorship in other listed companies	
				Current	Past 3 Years
Foong Daw Ching	Non-Executive Independent Chairman	26 March 2012	27 April 2021	(1) Travelite Holdings Ltd. (2) Suntar Eco-City Limited	ayondo Ltd (delisted from the Singapore Exchange)
Kwan Yu Wen	Executive Director	21 December 2020	27 April 2022	GRP Limited (Non-Executive)	Nil
Kwan Chee Seng	Non-Executive Director	18 February 2016	27 April 2022	GRP Limited	Nil
Tan Chade Phang	Independent Director	18 February 2016	27 April 2021	(1) OUE Lippo Healthcare Limited (2) Y Ventures Group Ltd.	(1) Camsing Healthcare Limited (2) TIH Limited (3) TBK & Sons Holdings Limited (4) REVEZ Corporation Ltd.
Lim See Yong	Independent Director	1 July 2019	27 April 2021	Nil	WPG Resources Ltd (formerly known as Western Plain Resources Ltd)

REPORT ON **CORPORATE GOVERNANCE**

V. BOARD PERFORMANCE		
Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.		
5.1 5.2	Board Evaluation Process Chairman Evaluation Individual Director Evaluation	The NC implements annual assessment for the evaluation of the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director. During the financial year, all Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. To ensure confidentiality, the completed evaluation forms are submitted to the Company Secretary for collation. The consolidated responses are presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2022, the Board is of the view that the Board has met its performance objectives and the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, and its Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr>
<td></td>
<td>Board Evaluation Criteria</td>
<td>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:
<table>
<tr><th colspan="3">Table 5: Board Performance Criteria</th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td>Qualitative</td><td>a. Size and composition
b. Information to the Board
c. Board procedures
d. Strategic planning and accountability
e. Attendance record at meetings</td><td>1. Commitment of time
2. Knowledge and abilities
3. Teamwork
4. Independence
5. Overall effectiveness</td></tr>
<tr><td>Quantitative</td><td>a. Financial reporting
b. Performance measurements</td><td>1. Attendance at Board and Board Committee meetings</td></tr>
</table>
</td>
</tr>
<tr><th colspan="3">VI. REMUNERATION MATTERS</th></tr>
<tr><td colspan="3">Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.</td></tr>
<tr>
<td>6.1
6.2
6.3
6.4</td>
<td>RC Composition and Role</td>
<td>The RC comprises three Directors, all of whom including the Chairman of the RC, are independent.

Please refer to Provision 1.4 table above on the names of the members and the composition of RC.

The RC is guided by key terms of reference as follows:

(a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel, as well as specific remuneration packages for each Director and key management personnel of the Company;</td>
</tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		(b) to review annually the remuneration of the key management personnel and Director including the terms of renewal for their service agreements; (c) to consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind; (d) to review the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance; (e) to review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate and commercially competitive to attract, retain and motivate (i) the Directors to provide good stewardship of the Company; and (ii) key management personnel to successfully manage the Company; (f) to review and consider whether Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive Director and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability; (g) the RC's recommendations should be submitted for endorsement by the entire Board; and (h) to oversee the administration of any performance share plans (as may be implemented by the Company from time to time) upon the terms of reference as defined in the said plan. The Board has not engaged any external remuneration consultant to advice on remuneration matters.

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VII.	**LEVEL AND MIX OF REMUNERATION**	
Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.		
7.1 7.3	Remuneration of Executive Directors and KMPs	In determining the level of remuneration, the RC shall ensure that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management in order to promote the long-term success of the Company. The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of as base salary and variable bonus that is linked to the performance of the Company and individual. Having reviewed and considered the variable components of the Executive Director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.
7.2	Remuneration of Non- Executive Directors	For Non-Executive Directors, their remuneration comprises mainly director’s fees. When reviewing the structure and level of directors’ fees, the RC takes into consideration the directors’ respective roles and responsibilities in the Board and Board Committees. Each of the directors receives a base director’s fee. The Board Chairman receives an additional fee to reflect his expanded responsibilities. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairman of the Board Committees receiving a higher fee in respect of their responsibilities and services as chairman of the respective committees.

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		The Board concurred with the RC that the proposed Non-Executive Directors' fees are appropriate and that the Non- Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised. Non-Executive Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.
VIII. DISCLOSURE ON REMUNERATION		
Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.		
8.1 8.2 8.3	Remuneration Criteria	The Company's remuneration policy comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and individual. The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2022. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of base salary and variable bonus that is linked to the performance of the Company and individual.

REPORT ON **CORPORATE GOVERNANCE**

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:

Table 8.1 – Performance Conditions for Remuneration

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as performance share plans)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork	1. Leadership 2. People development 3. Commitment 4. Teamwork
Quantitative	1. Relative financial performance of the Group to its industry peers.	1. Relative financial performance of the Group to its industry peers.

The RC has reviewed and is satisfied that the performance conditions were met in FY2022.

Remuneration of Directors

The breakdown for the remuneration of the Directors for FY2022 is as follows:

Table 8.3 (a) – Directors' Remuneration

Name	Salary[1] (%)	Bonus (%)	Benefits-in-kind (%)	Directors' Fees (SGD)	Total (%)
Between S$200,000 to S$250,000					
Kwan Yu Wen	75	23	2	–	100
Below S$100,000					
Foong Daw Ching	–	–	–	41,740	100
Tan Chade Phang	–	–	–	41,740	100
Lim See Yong	–	–	–	36,520	100
Kwan Chee Seng	–	–	–	–	–

REPORT ON **CORPORATE GOVERNANCE**

	Remuneration of key management personnel	The breakdown for the remuneration of the Company's key executive officers (who are not Directors or the CEO) for FY2022 is as follows:

Table 8.3 (b) – Remuneration of Key Management Personnel

Name	Salary[1] (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)
Between S$100,000 to S$200,000				
Loh Yook Mun, Ivanna	88	12	–	100
Lim Aik Teong, Richard	85	15	–	100
Luo Deng Xiao	100	–	–	100
Below S$100,000				
Toh Wei Shieng[2]	85	12	3	100
Kelvin Kwan Chee Hong[3]	69	–	31	100
Annie Xiong Ying[4]	86	–	14	100

Notes:
(1) The salary amounts shown are inclusive of Central Provident Fund and other statutory contributions.
(2) Ms Toh Wei Shieng was appointed as Financial Controller on 21 June 2022.
(3) Mr Kelvin Kwan Chee Hong has resigned as General Manager (Property Operations) on 1 April 2022.
(4) Miss Annie Xiong Ying has resigned as Finance Manager on 27 May 2022.

The Company has 4 key management personnel as at 31 December 2022. There were no termination, retirement and post-employment benefits granted to 4 key management personnel in FY2022.

For competitive reasons and in view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interest of the Group not to disclose the exact remuneration of the Executive Director and key management personnel in the Annual Report for FY2022.

The total remuneration paid to 6 key management personnel for FY2022 was S$477,478.

REPORT ON **CORPORATE GOVERNANCE**

	Remuneration of immediate family members of CEO, Directors or substantial shareholder (remuneration amount exceeded $100,000 in FY2022)	There was no employee of the Group who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 in FY2022.
	Please provide details of the employee share scheme(s).	Since the Company's last performance share plan expired on 10 April 2022, no new performance share plans have been put in place. The Company will look to implement a new performance share plan as and when necessary.
IX. ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.		
9.1	Risks management and internal controls	The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls. In addition, the Board sets and instils the right risk-focused culture throughout the Group for effective risk management. The RMC comprises 3 Directors, all of whom including the Chairman of the RMC, are independent. Please refer to Provision 1.4 table above on the names of the members and the composition of RMC. The RMC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management. Management highlights and discusses (if any) salient risk management matters to the Board on a half-yearly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. Internal audit is outsourced to a third-party professional firm.

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9.2	Assurance from the CEO, CFO and KMPs	The Board has received assurance from the Executive Director and Financial Controller ("**FC**") that the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Company's operations and finances and the Company's risk management and internal control systems are adequate and effective. In addition, based on the work performed by the Internal Auditor ("**IA**") and External Auditor ("**EA**"), the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2022.
X.	**AUDIT COMMITTEE**	
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.		
10.1 10.2 10.3	AC Composition and Role	The AC comprises three Non-Executive Directors, all of whom including the Chairman of the AC are independent. The Chairman of the AC, Mr Foong Daw Ching, was the former Managing Partner of Baker Tilly TFW LLP and Regional Chairman of Baker Tilly International Asia Pacific. The other two members of the AC also have extensive and practical expertise in accounting, financial management, corporate finance and law. The Board is of the view that the AC members have recent and relevant accounting or related financial management expertise or experience and are appropriately qualified to discharge their responsibilities, including the principal responsibilities of the AC. In addition, the AC are continuously briefed and updated by the EA on the changes or amendments to the accounting standards which have a direct impact on the financial statements. None the members of the AC (i) is a former partner or Director of the Company's existing auditing firm or auditing corporation within the previous two years and/or (ii) holds any financial interest in the auditing firm or auditing corporation. Please refer to Provision 1.4 above on the names of the members and the composition of AC.

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		The duties and roles of the AC are guided by the following key terms of reference: (a) to review the financial statements and results announcement before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risks areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements; (b) to review with the EA their audit plan including the nature and scope of the audit, their evaluation of the system of internal controls, their audit report, their management letter and the management's response; (c) to review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the EA. Where the EA also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the EA would not be affected; (d) to make recommendation to the Board on the proposals to the shareholder on the appointment or re-appointment of the EA and matters relating to resignation or removal of the EA, and approving the remuneration and terms of engagement of the EA; (e) to review with the IA their internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval and its assessment in relation to the adequacy of internal controls prior to the incorporation of such results in the Annual Report; (f) to review the internal control and procedures and ensure co-ordination between the Management and each of the EA and IA, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and/or final audits, and any matters which the IA and EA may wish to discuss in the absence of Management where necessary;

REPORT ON **CORPORATE GOVERNANCE**

		(g) to review and discuss with any professional, including the Company's sponsor, the EA and IA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position with Management's response. (h) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules; (i) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules as may be amended from time to time and such other rules and regulations under the Catalist Rules that may be applicable in relation to such matters from time to time; (j) to review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests; (k) to conduct periodic review of hedging policies (if any) undertaken by the Group; (l) to review the Group's compliance with such functions and duties as may be required under the relevant statutes and regulations or the Catalist Rules, including such amendments made thereto from time to time; (m) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; (n) to review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the Annual Report of the Company or, where the findings are material, to announce such material findings immediately via SGXNET;

REPORT ON CORPORATE GOVERNANCE

		(o) to review and sight at least annually all resignation and authorisation letters of the legal representatives of the Company's subsidiaries in People's Republic of China which have been signed in advance and such letters shall be held in custody by the Company Secretaries; (p) to ensure effective co-ordination where more than one audit firm is involved; (q) to investigate any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly; (r) to commission an annual internal controls audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any), and prior to the decommissioning of such annual internal controls audit, the Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the AC's decision to decommission the annual internal controls audit; (s) to review the adequacy and effectiveness of the internal audit function and to ensure that it is adequately resourced and has appropriate standing within the Company. The internal audit function should be staffed with persons with the relevant qualifications and experience. The IA should carry out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Executive Director; (t) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The IA should have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC;

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		(u) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance (or its equivalent rank), the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA; (v) to review the whistle-blowing policy and procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto; (w) to ensure that if different auditors are appointed for its subsidiaries or significant associated companies, such appointment would not compromise the standard and effectiveness of the audit of the Company; (x) to review the policy and arrangement by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken; (y) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; (z) to undertake such other functions and duties as may be required by statue or the Catalist Rules, and by such amendments made thereto from time to time; (aa) to review with the EA the impact of any new or proposed changes in accounting policies or regulatory requirements on the financial statements of the Group; (bb) to assess whether the person to be appointed FC (or its equivalent rank) does have the competence, character and integrity expected of a FC (or its equivalent rank) of a listed issuer;

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		(cc) to review the co-operation given by the management to the EA; (dd) to meet with the EA and IA without the presence of the Management at least once a year; (ee) to review the performance of Executive Director/FC on an annual basis to ensure satisfactory performance; (ff) to review filings with the SGX-ST or other regulatory bodies which contain the Group's financial statements and ensure proper disclosure; and (gg) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position. The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a materials impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.
10.1 10.4	Financial Reporting Matters	The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Independent Directors in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.

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		Management provides appropriately detailed management accounts of the Group's performance on a half-yearly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group. AC comments on the auditor's report The AC met with the EA to discuss the audit findings as well as their audit. The management has made significant judgements relating to significant estimates in the financial statements. The financial reporting matters that required significant judgements and estimates are fully described in Note 3 to the accompanying financial statements. The AC also considered the key audit matters ("**KAMs**") reported by the EA. The KAM relates to impairment assessment of trade receivables and factoring receivables from the Group's financial solutions business. The AC and the EA discussed these KAMs, their reason for justifying them as KAMs and the approach they took in their audit of these account balances. The AC also concurs with the basis and conclusions included in the independent auditor's report with respect to these KAMs.
	Internal Controls & Regulatory Compliance	The AC evaluates the findings of the EA and IA on the Group's internal controls annually. Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td></td><td></td><td>Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and FC, as well as reviews performed by management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2022.</td></tr>
<tr><td></td><td>External Audit</td><td>The AC reviews the independence of the EA annually. The AC has conducted an annual review of the volume of non-audit services provided by the EA. During FY2022, there was no non-audit related work carried out by the EA and hence, no fee was paid in this respect. Based on the review, the AC is satisfied that EA is independent for the purpose of the Group's statutory audit and has recommended the re-appointment of the EA at the forthcoming AGM. The EA has also provided confirmation on their independency.

<table>
<tr><th colspan="3">Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2022</th></tr>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit Fees</td><td>132,009</td><td>100</td></tr>
<tr><td>Non-audit fees</td><td>–</td><td>–</td></tr>
<tr><td>Total</td><td>132,009</td><td>100</td></tr>
</table>

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its EA.</td></tr>
<tr><td></td><td>Internal Audit</td><td>The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company' assets. The Company has outsourced its internal audit functions of the Group to Yang Lee & Associates ("YLA") to perform the review and test of controls of its processes.

YLA reports directly to the AC and responsible for assessing the reliability, adequacy and effectiveness of the system of internal controls are in place to protect the fund and assets of the Group to ensure control procedures are complied with, assessing the operations of the business processes under review are conducted efficiently and effectively and identifying and recommending improvements to internal control procedures, where required. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td></td><td></td><td>The AC would review and approve the internal audit plan on an annual basis and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group given its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

The AC has reviewed the internal audit reports and its evaluation of the system of internal controls, their audit findings and the management's response to those findings for FY2022. The AC is satisfied that the internal audit functions have been adequately carried out.</td></tr>
<tr><td></td><td>Whistle blowing Policy</td><td>The Company has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are to be sent to the AC Chairman.

<table><tr><th>Name</th><th>Email Address</th></tr><tr><td>Foong Daw Ching</td><td>whistleblow@luminorfinancialholdings.com</td></tr></table>
Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference. New staff are briefed on the policy during the orientation programme.

The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its meetings to ensure independent thorough investigation and appropriate follow-up actions are taken. The Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith.

During FY2022, there was no incident of concern reported to the AC.</td></tr>
<tr><td>10.5</td><td>Meeting Auditors without the Management</td><td>The AC has met with the IA and the EA in the absence of key management personnel twice during FY2022.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

XI. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.		
11.1 11.2 11.3	Conduct of General Meeting	The Company strongly encourages and supports shareholder attendance and participation at its AGMs. The Company publishes the notice of the AGM on SGXNET and on the Company's website at https://www.luminorfinancialholdings.com (the "**Corporate Website**") at least 14 days ahead of the AGM to provide ample time for shareholders to receive and review the notice. All the directors and senior management attend general meetings of shareholders to address queries and concerns about the Company. The Company's external auditors are also invited to attend the AGM to assist the directors to address shareholders' queries that are related to the conduct of the audit and the preparation and content of the auditors' reports. All directors, including the Chairman of the Board and Executive Director attended the last AGM held in FY2022. The Constitution allows for absentia voting (including but not limited to voting by mail, electronic email or facsimile). However, the Board does not implement absentia voting until issues on security and integrity are satisfactorily resolved. At general meetings, separate resolutions are set out on distinct issues for approval by shareholders. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting. All resolutions at the Company's general meetings will be voted on by way of poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. The Company Secretary is present to brief the attendees on the rules governing the general meetings, including voting procedures, upon request by the shareholder. The proceeding of the general meetings is properly recorded, including all comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings will be published on the Company's website and SGXNet within one month from the general meetings. The Company held two shareholders' meetings in FY2022, where the entire board was present.

REPORT ON **CORPORATE GOVERNANCE**

		The Company addresses the substantial and relevant questions from the Securities Investors Association (Singapore), if any, and shareholders before the AGM by electronic means via publication on the Company's website and the SGXNET. The Company is committed to maintaining high standards of corporate disclosure and transparency.
11.4	Shareholders' Participation	The Company supports active shareholder participation at general meetings. Annual Reports are issued to all shareholders at least 14 days before the scheduled AGM date. All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions. For greater transparency, the Company conducts the voting of all the resolutions tabled at the AGM by poll. Shareholders are briefed on the voting process and vote tabulation procedures prior to the meeting. Independent scrutineers are appointed to count and validate the votes at the AGM. Votes cast for and against each resolution and the respective percentages on each resolution are announced and displayed. The results of the AGM are also released via SGXNET on the same day. If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders to appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.
11.5	Minutes of General Meetings	In FY2022, all minutes of general meetings were made available by electronic means via publication on the Company's website and SGXNET.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td>11.6</td><td>Dividend Policy</td><td>The Company does not have a formal dividend policy. The form, frequency and amount of future dividends on the shares will depend on the Company's level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and other investment plans and restrictions on payment of dividends imposed by financial arrangements (if any).

The Company is not recommending any dividend for FY2022. The Company will preserve its cash balances for expansion in the financial solutions business in Malaysia.</td></tr>
<tr><td colspan="3">XII. ENGAGEMENT WITH SHAREHOLDERS</td></tr>
<tr><td colspan="3">Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.</td></tr>
<tr><td rowspan="2">12.1
12.2
12.3</td><td>Disclosure of information on timely basis</td><td>The Company has in place an Investor Relations Policy which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company is committed to maintaining high standards of disclosure and corporate transparency. The Company provides consistent, relevant and timely information regarding the Group's performance with the fundamental aim of assisting our shareholders and investors in their investment decision-making.</td></tr>
<tr><td>Investor Relations Practices</td><td>Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various means of communication as follows:

1. Announcements including periodic announcements of financial results, price sensitive information, significant transactions or other announcements or press release through SGXNET;

2. Annual Reports and notices of general meetings issued to all shareholders;

3. Company's general meetings;

4. Corporate website of the Company; and

5. Presentations to the investment community and analysts.</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		The Company's investor relations function is led by the Executive Director, who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media. Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website. Shareholders may also direct queries to investor@luminorfinancialholdings.com.
XIII.	**MANAGING STAKEHOLDERS RELATIONSHIPS**	
Engagement with Stakeholders		
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.		
13.1 13.2	Stakeholders' Engagement	The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Company's business and operations. Six stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, suppliers, customers, employees, community, investors and regulators. The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. More details on Company's approach to stakeholder engagement and materiality assessment are disclosed on pages 63 to 66 of this Annual Report. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Sustainability Report on pages 61 to 83 of this Annual Report for further details.

REPORT ON **CORPORATE GOVERNANCE**

13.3	Corporate Website	All material information on the performance and development of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the periodic financial results are available on the Company's website www.luminorfinancialholdings.com. The corporate website, which is updated regularly contains various information on the Company which serves as an important resource for investors and all stakeholders.
XIV. COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
711A and 711B	Sustainability Reporting	Our annual sustainability report is prepared with reference to the Global Reporting Initiative Standards and Task Force on Climate-Related Financial Disclosures framework. More details and information can be seen on the pages 79 to 83.
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of its auditors.
1204(8)	Material Contracts	The Company entered into a S$8,000,000 shareholder loan agreement on 2 March 2022. The loan is interest-bearing at 6.5% per annum, with interest payable on a quarterly basis within 15 working days at the end of each quarter. The loan is due 5 May 2023, being 12 months from the drawdown date of the loan. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcement made on 2 March 2022. The Company had on 30 August 2022 entered into a S$3,000,000 loan agreement with Van Der Horst Holdings Pte Ltd. The loan is interest-bearing at 6.5% per annum with interest payable on a quarterly basis within 15 working days at the end of each quarter. The loan facility shall have an initial term of 6 months, from the date of the agreement or longer period as may be requested by the Company. The loan facility has been extended for a further 6 months until 30 August 2023. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcement made on 30 August 2022. Save for the above, there are no material contracts entered into by the Company or any Director or controlling shareholder of the Company, either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

REPORT ON **CORPORATE GOVERNANCE**

1204(10)	Confirmation of adequacy of internal controls	Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and Financial Controller as well as reviews performed by Management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2022.
1204(10C)	AC's comment on Internal Audit Function	The Company internal audit function is outsourced to Yang Lee & Associates ("**YLA**"). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies in distribution, manufacturing, services, food & beverage, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines The IA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out its internal audit review. The IA reports directly to the AC and the AC approves its appointment, evaluation, termination and remuneration. The IA has full access to the Company's documents, records, properties and personnel, including the AC, and have appropriate standing within the Company. The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function. The IA completed one review during the financial year ended 31 December 2022 in accordance with the risk-aligned internal audit plan approved by the AC. The AC approved the internal audit report and the Management has adopted key recommendations of the IA as set out in the internal audit report. The AC has reviewed and is satisfied that the internal audit function is independent, adequately resourced and effective.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr>
<td>1204(17)</td>
<td>Interested Persons Transaction (“IPT”)</td>
<td>
The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.
IPTs with value of S$100,000 or more entered into during FY2022 are as follows:
<table>
<tr><th>Name of interested person</th><th>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)</th><th>Aggregated value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than $100,000)</th></tr>
<tr><td>GRP Limited
Estimated management fee expense paid or payable to GRP Limited[1], the former ultimate holding company of the Group</td><td>S$420,000</td><td>–</td></tr>
<tr><td>Kwan Chee Seng
Interest expense on shareholder loan granted by Mr. Kwan to the Company</td><td>S$520,000</td><td>–</td></tr>
<tr><td>Kwan Chee Seng and Kwan Yu Wen
Office sharing agreement with Luminor Capital Pte Ltd[2] (“LCPL”) and GRP Limited (“GRP”) in relation to the premises.</td><td>S$544,315.20</td><td>–</td></tr>
<tr><td>Van Der Horst Holdings Pte Ltd[3]
Interest payable on Loan (assuming that the aggregate principal amount of S$3,000,000 is fully drawn down on the date of the SLA at the interest rate of 6.5% per annum and repaid on the maturity date, being 6 months from the date of drawdown.</td><td>S$97,500</td><td>–</td></tr>
<tr><td>Total</td><td>S$1,581,815.20</td><td>–</td></tr>
</table>
</td>
</tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		Notes: (1) GRP Limited is an associate of Mr Kwan as Mr Kwan holds 35.65% of the total number of issued ordinary shares in GRP Limited as at the date of this annual report. (2) Mr Kwan Chee Seng is the Non-Executive Director of the Company and Executive Director of GRP Limited. Mr Kwan is also a controlling shareholder of GRP Limited. Miss Kwan is the Executive Director of the Company, Non-Executive of GRP and holds 20% of the shareholding interest in LCPL. (3) Van Der Horst Holdings Pte Ltd is an associate of Mr Kwan as Mr Kwan holds 99.99% of the total number of issued shares in Van Der Horst Holdings Pte Ltd as at the date of this annual report. The Group does not have a general mandate for IPT.
1204(19)	Dealing in Securities	In line with Catalist Rule 1204(19) on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results. In addition, the Company, Directors and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2022.
1204(22)	Use of Proceeds	There were no outstanding proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

SUSTAINABILITY **REPORT**

BOARD STATEMENT

Luminor Financial Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present our sixth Sustainability Report.

FY2022 started off with post-COVID optimism but ended off with uncertainty due to concerns about prolonged geopolitical tensions, decreased global demand and high inflation amidst climate concerns. The Group considers environmental, social and governance ("**ESG**") issues to be of increasing importance and one of the priorities of the Group's business strategies.

This year, the Group revisited and repositioned the material ESG factors that were previously identified to be of high importance to our business and stakeholders. Our defined material matters have been grouped under three pillars: *Creating Stakeholder Value, Upholding our Company Values* and *Protecting our Environment*. Categorising the material factors as such allows us to better integrate our sustainability endeavours within the Group's everyday options.

Our Sustainability Committee continues to support the Board in overseeing the management and monitoring of these factors. In this report, we continue to present the progress of our sustainability efforts and the next phase of our journey towards achieving sustainable growth and creating sustainable value for our stakeholders.

ABOUT THIS REPORT

Description	Notes and Reference
Reporting period	1 January 2022 to 31 December 2022
Reporting cycle	Annual
Reporting framework and source of reference	This report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards. The GRI Standards were adopted by the Group as it is the most established and widely used international sustainability reporting standard. The disclosure principles and performance metrics provided by GRI are useful for the Group to communicate the progress and impact of our ESG efforts with our stakeholders. The climate related disclosures are guided by the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations by the Financial Stability Board. The report covers all primary components as stipulated in SGX-ST Listing Rules 711B and some of the recommended SGX Core ESG Metrics.
Report boundary	Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company and all our subsidiaries (all entities in the Group's included in the audited consolidated financial statements) in FY2022
Internal Review	Internal review has been conducted on the Company's sustainability reporting process to increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed
External assurance	We have not sought external assurance for FY2022, but may consider doing so in the future

SUSTAINABILITY **REPORT**

OUR APPROACH AND STRATEGY

Sustainability Commitment

We recognise that sustainability is a key consideration in strategy formulation for the Company and aim to cover a comprehensive range of sustainability disclosures. We are confident that our commitment to sustainability will create both short and long-term value through growth and return on capital, both of which we believe will undoubtedly aid us in achieving our objectives of

(i) enhancing our shareholder's returns;
(ii) rewarding our employees; and
(iii) ultimately contributing to the business continuity of the Group.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group has a dedicated governance framework in place to drive, govern and manage the sustainability function to ensure that core material issues are incorporated into our corporate agenda. This structure drives our priorities to protect long-term interests and create value for our stakeholders.

The Board of Directors has the ultimate responsibility for the Group's sustainability strategy and maintains oversight of the Group's sustainability direction. The Sustainability Committee, chaired by the Group's Executive Director, reports to the Board on the Group's sustainability projects and initiatives. The Sustainability Committee is supported by all staff and representatives from each operating entity in Singapore, Malaysia and China who assist in the execution, reporting and implementation of our sustainability initiatives.

Board of Directors
Monitors, reviews, and considers the relevance and adequacy of the Group's practices in addressing sustainability concerns and managing risk, as well as approves general policies and strategies.

Sustainability Committee
Monitors and reviews sustainability performance, identify and evaluate material topics and impact on climate-related risk and opportunities, stakeholder concerns, sets targets to motivate progress, integrate information to update policies and procedures to address operational gaps in the organisation.

All Staff
Implementation of systems and practices throughout the organisation to achieve goals for the identified material topics, collate and monitor information assess materiality and potential risks and opportunities.

SUSTAINABILITY **REPORT**

SUSTAINABILITY FRAMEWORK

The three pillars for our sustainability framework are

01 Creating Stakeholder Value

The first pillar focuses not only on the creation of financial and economic value for our stakeholders but also non-financial value such as giving back to the community.

02 Upholding our Company Values

The second pillar's focus is on our Group's corporate values upheld in our conduct of our business to both internal and external stakeholders.

03 Protecting our Environment

The last pillar recognises our role as a responsible global corporate citizen to mitigate environmental risk and aim to be an agent of change.

STAKEHOLDER ENGAGEMENT

GRI2-29

In order to ensure that our business interests are aligned with those of our stakeholders, we regularly communicate with them through various channels. This helps us understand and address their concerns, while improving our own services and product standards and business operations for long-term growth and sustainability.

Our stakeholders have been identified as those who are impacted by our business and operations and those who similarly are able to impact our business and operations. Our key stakeholders comprise our investors, customers, employees, community and regulators.

STAKEHOLDERS	HOW DID WE ENGAGE?	WHAT ARE THE KEY TOPICS RAISED/ FEEDBACK RECEIVED?	HOW DID WE RESPOND?
Investors	• Addressed all substantive and relevant questions raised by shareholders • Annual reports • Half-year financial results • SGX Announcements	• Stable and sustainable growth • Strong corporate governance and transparency • Timely disclosures	• Continued growth of the business • Robust corporate and risk governance • Timely disclosure and reporting
Customers	*Financial Solutions Business*		
	• Regular engagements via relationship managers and subject matter specialists, where appropriate • Active interaction and prompt follow-up to queries/feedback received via email and social media platforms such as Facebook and on our corporate websites	• Working capital solutions to support them during the pandemic • Competitive products and services • Data privacy and security • Prompt service and resolutions of feedback	• Expanded product offerings • Active listening & professional and ethical standards in business conduct • Strong data security • Good customer service and prompt resolution of feedback and complaints

SUSTAINABILITY **REPORT**

STAKEHOLDERS	HOW DID WE ENGAGE?	WHAT ARE THE KEY TOPICS RAISED/ FEEDBACK RECEIVED?	HOW DID WE RESPOND?
	Property Business		
	• Engagement with potential customers through sales hotline, email and phone communication • Regular engagements with tenants through face-to-face meetings and/or calls	• Timely delivery of product • Prompt service and resolutions of feedback	• Prompt handover of units upon completion of necessary documentation • Good customer service and prompt resolution of feedback and complaints
Employees	• One-to-one sessions, virtually or face-to-face • Feedback in the course of work and appraisals • Work-life balance	• Job security • Company performance • Enhanced safety protocols at the workplace	• Regular dialogue sessions with staff • Training and development programmes • Equal opportunities and reward based on meritocracy • Whistle-blowing policy
Community	• Community engagement programs	• Good corporate citizen • Positive contribution to the environment	• Giving back to the society through our corporate social responsibility activities & donations • Effort to reduce environmental footprints
Regulators	• Dialogues, updates and consultations with regulators where necessary • Supportive of industry-wide initiatives	• Adherence to laws and regulations • Support to foster a sound and progressive financial industry • Controls to mitigate technology risks and financial crimes	• Strong compliance culture and framework • Supportive of industry-wide initiatives, where applicable • Robust processes, policies and controls to address technology risks, financial crimes, including money laundering and financing of terrorism

SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

Material ESG matters have the most impact on our ability to create long-term value. We assess materiality through the following steps:

IDENTIFY	**PRIORITISE**	**EMBED**
matters that have an impact on the execution of our business strategy.	critical areas that affect our business and stakeholders most significantly.	the validated critical factors within our business operational factors.

In FY2022, we reviewed the findings of our last formal materiality assessment in FY2021, which had been completed in the prior year. We also considered the insights that the Sustainability Committee gained from their regular engagement with various stakeholders via regular dialogue and feedback sessions to establish the direction for our sustainability reporting. It was concluded that the key findings of the materiality assessment in FY2021 are still relevant to our business and stakeholders with some updates as follows:

Pillar 1: Creating Stakeholder Value

- Inclusion of “Investor Relations”
- Inclusion of “Community Initiatives”

Pillar 2: Upholding our Company Values

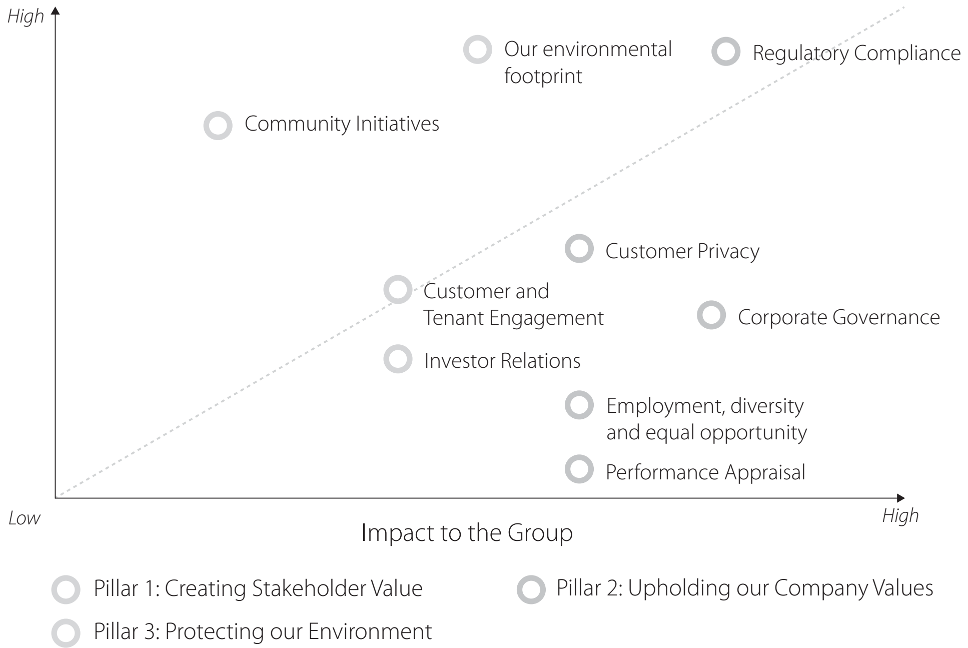
- “Customer Privacy” which was formerly under “Customer and Tenant Engagement” is now a standalone material factor, in line with GRI418
- “Human capital” in FY2021 has been expanded to “Employment, diversity and equal opportunity” as well as “Performance appraisal” in FY2022 to provide more insights in line with GRI401-1, GRI404-3, GRI405-2 and GRI406-1.
- “Market presence” has been removed
- “Anti-Corruption and Anti-fraud” has been updated to “Anti-Corruption/Anti-Bribery” and expanded to “Whistleblowing Policy” to be in line with GRI205-3

Pillar 3: Protecting our Environment

- “Sustainable community practices” has been replaced by “Our environmental footprint”
- “Our environmental footprint” has also been included for FY2022 in line with GRI302-1, GRI305-1, GRI305-2.

SUSTAINABILITY **REPORT**

The key findings of our materiality assessment in FY2022 are set out in the diagram below:



PILLAR 1: CREATING STAKEHOLDER VALUE

CUSTOMER AND TENANT ENGAGEMENT

For the property business, the Deputy General Manager and his team ("**Fuling management team**") are in constant engagement with the tenants and residents of the Group's Singapore Garden development. The Company handed over the service and management of the Singapore Garden project to the Fuling's residential committee, a grassroots mass autonomous organisation for self-management and self-service for residents in PRC ("**Residents' Committee**"), and have also signed a service and management contract with a third-party company to manage the car parks of the Singapore Garden project since FY2018. In FY2022, the Fuling management team, the Residents' Committee, the outsourced third-party company, the tenants and the residents continue to hold regular meetings so as to resolve issues and enhance the environment of Singapore Garden.

With the slowdown in the China economy, the Fuling management team continues to hold regular dialogue sessions with tenants on how their businesses may be promoted.

SUSTAINABILITY **REPORT**

The Fuling management team and the Residents' Committee of the Singapore Garden project have committed to providing assurance to the residents of the Singapore Garden to create and maintain a pleasant living environment.

For the financial solutions business, we hold regular face-to-face meetings with customers to perform on-going monitoring of their financial position, repayment ability as well as to understand the challenges faced by them, if any. Where customers run into repayment difficulties, we restructure products to meet the cashflow requirements of customers so that they can continue to run their operations and service the loans. Customers with a healthy repayment ability will contribute to our sustainability.

INVESTOR RELATIONS

We have always been committed to communicating our financial performance, business strategies and other relevant corporate information. We understand the importance of doing so promptly, transparently and accurately to our stakeholders and the wider investment community.

Key components of our Investor Relations best practices include:

Financial Reporting	General Meetings	Company Website and Contact
• Results announcements accompanied by a press release in English with highlights of the results and analysis of the Group's performance (starting from 1HFY2022 onwards) • All results and material announcements publicly accessible on SGXNET	• Posts detailed minutes of general meetings on the Group's website and SGXNET within one month of the meeting • Several channels: website or email – are open to shareholders who are unable to attend the general meetings or wish to provide input and feedback	• Updated real-time with SGX announcements, financial results, annual report and financial presentations, corporate governance report, investors' questions and answers (Q&A) and minutes of the general meetings • Dedicated investor relations email address investor@luminorfinancialholdings.com to ensure timely responses to queries, suggestions and clarifications

EXTERNAL INITIATIVES

GRI 2-28

To stay on top of issues relevant to our industry, we actively participated in dialogue and maintain memberships with organisations including the Malaysian Factors Association and Singapore Business Federation.

SUSTAINABILITY **REPORT**

COMMUNITY INITIATIVES

We have always been committed to sustainable business strategies which create value for all stakeholders and the communities we operate in. As such, giving back to society in any way possible is part of the company's culture and constant endeavour.

Please refer to page 17 for more information.

PILLAR 2: UPHOLDING OUR COMPANY VALUES

CORPORATE GOVERNANCE

The Group recognizes that Corporate Governance has both actual and potential, short- and long-term impacts on the company, which could lead to financial and reputational losses. Compliance with SGX listing rules, and other regulatory authorities therefore remains critical.

Internal and External Audits

Internal and external audits are also conducted annually to track effectiveness of actions related to Corporate Governance. Any critical concerns raised during these audits would be communicated to the Audit Committee and Board, and any follow-up actions would be taken up by the management. Actual or potential findings from the audit also allow the opportunity for the Group to review its corporate governance policy and processes. Follow-up reviews will also be performed by auditors to ensure that management action plan items highlighted in previous audit reports have been implemented.

ANTI-CORRUPTION/ANTI-BRIBERY

GRI205-3

The Group has zero tolerance towards all forms of corruption, bribery and extortion. Our stakeholders are encouraged to report and raise in good faith their concerns about possible improprieties to our Chairman at the dedicated whistleblowing email listed in the next section. All reports will be addressed in accordance with our Whistleblowing Policy and be kept in strict confidence.

SUSTAINABILITY **REPORT**

Whistleblowing Policy

The Group is committed to maintaining a high standard of integrity in its business conduct and has adopted a whistleblowing policy (the "**Whistleblowing Policy**") to

(a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisal when whistleblowing in good faith;

(b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken; and

(c) help develop a culture of openness, accountability and integrity.

Please refer to page 52 of the Corporate Governance Report for more details.

The Whistleblowing Policy is circulated to all employees annually. Any report made is treated with the strictest confidence and every effort will be made to maintain confidentiality. Retaliation against anyone who, in good faith, seeks advice, raises a concern of misconduct, or cooperates in an investigation is strictly prohibited.

Performance in FY2022

- No instances of corruption, no incidents in which employees were dismissed or disciplined for corruption.
- No contracts with business partners were terminated/not renewed due to violations related to corruption.
- No legal cases regarding corruption brought against the Group or its employees during FY2022.
- No instances of whistleblowing received.

Target for FY2023

- Maintain zero corruption and incidents in which employees were dismissed or disciplined for corruption.
- Maintain zero termination of contracts with business partners due to violations related to corruption.
- Maintain zero legal cases regarding corruption brought against the Group or its employees during FY2023.
- Maintain zero whistleblowing reports received.

SUSTAINABILITY **REPORT**

CUSTOMER PRIVACY

GRI418-1

The Group respects the privacy of all our clients, customers and business contacts and we are committed to safeguard all personal information that have been provided to us. We understand that proper management of information helps to safekeep our stakeholders' personal data and protect our reputation as a trustworthy organisation.

At LFHL, we adhere to our Personal Data Protection Policy which is aligned with Singapore Personal Data Protection Act 2012 ("**PDPA**").

Performance in FY2022

- No substantiated complaints received concerning breaches of customer privacy

Target for FY2023

- Maintain zero substantiated complaints received concerning breaches of customer privacy

REGULATORY COMPLIANCE

GRI2-27

The Management recognises that a material breach of any law or regulation could have significant impact and result in irreversible reputational damage or lead to other costly liabilities.

At the corporate level, we also ensure that we are in compliance with the Listing Rules of SGX-ST, Securities and Futures Act and Singapore Companies Act.

For the property business, the Group has put in place policies and procedures to ensure compliance with the relevant laws and regulations. This includes those relating to Singapore Land Authority ("**SLA**") in Singapore and Real Estate Management Bureau of Fuling, Chongqing (**重庆市涪陵区房地产业管理局**) in the PRC.

For the financial solutions business, the Group is compliance with the Companies Act, Capital Markets and Services Act and Moneylenders Act in Malaysia.

Performance in FY2022

- No instances of non-compliance with laws and regulations in FY2022
- Complied with the principles as set out in the Code of Corporate Governance 2018

Target for FY2023

- No instances of non-compliance with laws and regulations in FY2022
- Comply with the principles as set out in the Code of Corporate Governance 2018

SUSTAINABILITY **REPORT**

EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY

GRI401-1, GRI405-2, GRI406-1

At LFHL, we embrace diversity and Pillar 1: equal opportunity to enable us to attract the best people and build the best teams. This is material to us as ensuring equal opportunities for all employees and diversity in the workforce provides the right working environment for trust and respect among our staff, and fosters greater teamwork, creativity and innovation.

Recruitment

We are guided by our Group's human resources policies and Board Diversity Policy and adhere to market best practices where we operate. There is strictly no discrimination in the career advancement and recruitment practices. We hire people on the basis of merit (eg. skills, experience, ability to perform the job), regardless of nationality, age, religion, marital status and physical disability etc. We promote healthy competition and a performance-driven environment where employees are rewarded based on merit, competence and experience. We also believe in the benefits of re-employing older workers to retain and tap their wealth of experience.

Representation

Women comprise about slightly over half our workforce and 60% of our senior management and drive our businesses across the Group. In the last 10 years, at least 20% of our Board comprised women. To promote equal opportunity in line with our Board Diversity Policy, we ensure that we will have at least one female candidate for consideration when identifying potential candidates for the Board.

Employee Welfare and Team-Bonding

Employee welfare and team-bonding activities are essential for a company's success. A company's employees are its biggest asset, and it is crucial to ensure their well-being to maintain a productive and efficient workforce. We believe that it is important to improve workplace culture and build strong relationships between team members. In FY2022, we organised various health and wellness initiatives, as well as team-bonding activities – some of which were employee-initiated – which are open for all employees to attend subject to their preference. This allowed employees from different teams a chance to interact with one another.

Please refer to page 17 for more information.

SUSTAINABILITY **REPORT**

Performance in FY2022

- Recorded no incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Recorded no incident of discrimination
- Female employees comprised about 53% of our workforce in FY2022, an increase from 43 in FY2021
- Female representation in management increased from 25% in FY2021 to 60% in FY2022
- Relatively young workforce at approximately 91% to be below 50 years of age

Target for FY2023

- Continue to maintain no incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Continue to maintain no incident of discrimination
- Continue to monitor and review the recruitment procedure and system to ensure fair and non-discrimination in recruitment

The demographics of our employees for our operations in Singapore, Malaysia and China are as follows:

Employees by gender for FY2022

Gender/Position	Management	Executive	Non-Executive	Total
Male	2	10	13	25
Female	3	5	20	28
Total	**5**	**15**	**33**	**53**

Employees by gender

Gender/No. of Employees	FY2021	FY2022
Male	24	25
Female	18	28
Total	**42**	**53**

SUSTAINABILITY **REPORT**

Employees by age group for FY2022

Age Group/ No. of Employees	Management	Executive	Non-Executive	Total
Under 30 years old	0	7	19	26
Between 30-50 years old	4	4	14	22
Over 50 years old	1	4	0	5
Total	**5**	**15**	**33**	**53**

Employees by age group

Age Group/No. of Employees	FY2021	FY2022
Under 30 years old	13	26
Between 30-50 years old	22	22
Over 50 years old	7	5
Total	**42**	**53**

New employees and employee turnover for FY2022

Gender	New Hires	Resigned	Employee Turnover*
Male	48%	33%	13%
Female	52%	67%	25%
Average Turnover			**2%**

* Employee turnover was computed based on the number of employees who left during FY2022 over the average number of employees as at 31 December 2021 and 31 December 2022.

SUSTAINABILITY **REPORT**

Employee turnover

Gender	FY2021	FY2022
Male	7%	13%
Female	5%	25%
Average Turnover	**5%**	**2%**

Board Diversity

Gender	FY2021	FY2022
Male	80%	80%
Female	20%	20%

PERFORMANCE APPRAISAL

GRI404-3

At LFHL, our Human Resource department has a system in place to carry out performance appraisal for every individual employee for their roles and responsibilities annually.

The employee performance appraisal comprises mainly quantifiable evaluation criteria. We also actively collect performance information on every employee through inputs from direct supervisors, as well as periodical employee communication sessions.

Employee Conduct

We have a corporate Code of Business Conduct and Ethics Policy in place, which establishes acceptable standards of behaviour and outlines the Group's values for all employees. The key objective is to promote responsible workplace behaviour and maintain a strong ethical climate among all employees. Employee conduct is taken into account for each's employee's performance appraisal.

Performance in FY2022

- Conducted annual appraisals for all employees in FY2022

Target for FY2023

- Continue to conduct annual appraisals for all employees in FY2023

SUSTAINABILITY **REPORT**

PILLAR 3: PROTECTING OUR ENVIRONMENT

OUR ENVIRONMENTAL FOOTPRINT

GRI302-1, GRI305-1, GRI305-2

Climate change presents a financial risk to businesses. As such, there is a deep need to understand and manage key climate risks and opportunities. We have begun adopting TCFD recommendations to enhance our disclosures in FY2022 and beyond. Our first-year disclosure focuses on key climate-related risks (physical and transition) that may impact customers we have identified likely to most susceptible to climate-related risks.

Risk Type	Climate-Related Risks	Potential Financial Impacts	Identified Industry/Our Response
Physical	Acute	Increased severity of extreme weather events such as floods.	Food and Agribusiness Although our clients are mostly further down the supply chain, we expect our clients to be impacted by physical climate-related risks through passed-on costs (eg. higher cost of buying grains). This would impact their bottom-line especially for those with long-term supply contracts. We continue to monitor our overall exposure to the industry and in the meantime encourage our clients to build in possible shifts in prices into long-term contract (>1 year). Shipping We expect the sector to face long-term challenges such as higher operating costs from carbon pricing policies and increased capital expenditures from the adoption of newer technologies to reduce emissions intensities of vessels. We recognise that decarbonisation in the shipping sector would require medium to long-term strategies. In the short-term, we will encourage clients to utilise ships that are more energy efficient/adopt lower GHG-emitting fuels.
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	
Transition	Policy and Legal	Increased pricing of GHG emissions	
	Market	Increased cost of raw materials	

SUSTAINABILITY **REPORT**

Sustainable community practices

For the property business, the Fuling management team has provided sustainable community practices to the Singapore Garden project in the PRC and the team continues to ensure that renovation waste materials are properly disposed of in designated areas.

We have taken the initiative to stop serving plastic bottle drinks since September 2019. This is in support of green movement so as to reduce the use of plastics.

Minimising paper usage – going digital

We have ceased the mailing of printed hard copy annual reports to all shareholders. Shareholders may instead obtain softcopies of our annual reports from SGXNet and our Company's website.

In 2021, we started a new e-filing system in the Singapore office by utilising Microsoft Teams and OneDrive, minimising the printing of documents. In 2022, we expanded this to the Malaysian office.

The Malaysian office also began the process of adopting a supply chain financing solution to automate processes as much as possible to increase efficiency (the "**SCF Project**"). This is part of our continued efforts to build new digital capabilities to further enhance our productivity and competitiveness. The drive towards digitalisation is an on-going process within the Company. The SCF Project is expected to go live in 2023.

Energy conservation

We regularly remind our staff to reduce power consumption by shutting down their desktop computers and laptops and switching off the office lights before leaving the office premises. We will encourage our staff to adopt eco-friendly practices in their everyday activities, as well as look into other energy efficient practices.

The figures below highlight our group-wide energy consumption, intensity and GHG emissions figures. For FY2022, our energy consumption stood at 31,641.55 kWh and our combined Scope 1 and Scope 2 GHG emissions stood at 18.65 tonnes of CO_2e.

Energy and Emissions

To track our emissions and measure our baseline emissions, we started reporting our Scope 1 and Scope 2 GHG emissions in FY2022. We monitored and measured our environmental footprint from our energy consumption in FY2022 as our business activities resumed gradually with most of the precautionary measures against Covid-19 still in place.

Scope 1 emissions are greenhouse gas ("**GHG**") emissions that arise from sources owned or directly controlled by an organisation. As the Group's property business segment has no ongoing projects, there is no significant fuel activity within the Group to contribute to Scope 1 emissions.

SUSTAINABILITY **REPORT**

Scope 2 emissions are GHG emissions that a company causes indirectly through the consumption of acquired energy. In the scope of reporting, this relates to purchased electricity and is expressed in terms of tCO_2e. A location-based method is adopted, which reflects the GHG emissions of the grids on which energy consumption occurs. For entities in Singapore, the emission factor for electricity generation was obtained from the Energy Market Authority (EMA) for 2021. For entities in Malaysia and China, the emission factors were obtained from the Ministry of Science, Technology and Innovation Malaysia for 2017 and Stastista for 2021 respectively. GHG emissions is expressed in tonnes of carbon dioxide equivalent (tCO_2e).

Energy consumed from non-renewable sources

Energy Source/Consumption (in kWh)	**FY2022**
Electricity	31,641.55

Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions

Energy Source/Consumption (in tCO_2e)	**FY2022**
Direct (Scope 1)	0.00
Indirect (Scope 2)	18.65
Total	18.65
GHG emission intensity (tCO_2e per employee)	0.352
GHG emission intensity (tCO_2e per MYR million of revenue)	0.854

Performance in FY2022

- Recorded an energy consumption of 31,641.55 kWh of electricity
- Overall GHG emissions were 18.65 tCO_2e in FY2022

Target for FY2023

- To lower or at least maintain GHG emission intensity for FY2023

SUSTAINABILITY **REPORT**

SGX CORE ESG METRICS

The Group has reported the information cited in some of the recommended SGX Core ESG Metrics for the period 1 January 2022 to 31 December 2022.

Topic	Framework Alignment	Metric	Value as at 31 Dec 2022
ENVIRONMENTAL			
Greenhouse Gas Emissions ("**GHG**")	GRI 305-2, TCFD	Absolute emissions by Scope 2 GHG emissions	18.65 tCO_2e
	GRI 305-4, TCFD	Emission intensity by Scope 2 GHG emissions	Scope 1 & 2 GHG emission per staff in tCO_2e: 0.352 Scope 1 & 2 GHG emission per MYR million of revenue: 0.854
Energy Consumption	GRI 302-1, TCFD	Total energy consumption	31,641.55 kWh
	GRI 302-3, TCFD	Energy consumption intensity	Energy consumption per employee: 597.01 kWh
SOCIAL			
Gender Diversity	GRI 405-1	Current employees by gender	Male: 47% Female: 53%
	GRI 401-1	New hires and turnover by gender	New hires Male: 48% Female: 52% Turnover Male: 13% Female: 25%
Age-Based Diversity	GRI 405-1	Current employees by age group	Under 30 years old: 49% 30-50 years old: 42% Above 50 years old: 9%
	GRI 401-1	Total turnover	2%
Employment	Commonly reported metric	Total number of employees	53
	Commonly reported metric	Total number of employees	53
GOVERNANCE			
Board Composition	GRI 102-22	Board independence	60%
	GRI 102-22	Women on the board	20%

SUSTAINABILITY **REPORT**

Topic	Framework Alignment	Metric	Value as at 31 Dec 2022
Management Diversity	GRI 102-22, GRI 405-1	Women in the management team	60%
Ethical Behaviour	GRI 205-3	Anti-corruption disclosures	Zero incident of corruption
Alignment with Frameworks	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6	Alignment frameworks and practices	With reference to GRI standards and in accordance with TCFD
Assurance	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6	Internal/External/None	Internal

GRI CONTENT INDEX

General Standard Disclosures

Statement of use	The Group has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Page/Note
GRI 2: General Disclosures 2021	2-1	Organisational details	Corporate Profile – Pages 1 to 6 Corporate Information – Back Cover
	2-2	Entities included in the organisation's sustainability reporting	All entities in the organisation's financial reporting (Report boundary – Page 61) are also included in its sustainability reporting.
	2-3	Reporting period, frequency and contact points	Sustainability Report – Page 61 Contact Point: investor@luminorfinancialholdings.com
	2-4	Restatements of information	Prior year financial statement have been restated. Please refer to the audited financial statements for further information.
	2-5	External assurance	The Group has not sought external assurance for this report

SUSTAINABILITY **REPORT**

GRI Standard	Disclosure		Page/Note
	2-6	Activities, value chain and other business relationships	Corporate Profile – Pages 1 to 6
	2-7	Employees	Employment, Diversity and Equal Opportunity – Pages 71 to 74
	2-8	Workers who are not employees	All employees of the Group are permanent employees
	2-9	Governance structure and composition	Corporate Governance Report – Pages 18 to 60
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report – Page 62
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of Interest	Corporate Governance Report – Page 46
	2-17	Collective knowledge of the highest governance body	All directors underwent training on sustainability matters as prescribed by SGX-ST.
	2-19	Remuneration policies	Corporate Governance Report – Pages 37 to 43
	2-20	Process to determine remuneration	
	2-22	Statement on sustainable development strategy	Sustainability Report – Page 61
	2-23	Policy commitments	Sustainability Report – Page 65
	2-24	Mechanisms for seeking advice and raising concerns	Sustainability Report – Pages 63 to 64
	2-27	Compliance with laws and regulations	No cases of significant non-compliance with laws and regulations during the year 2022.
	2-28	Membership associations	– Singapore Business Federation – Malaysian Factors' Association
	2-29	Approach to stakeholder engagement	Sustainability Report – Pages 63 to 64

SUSTAINABILITY **REPORT**

GRI Standard	**Disclosure**		**Page/Note**
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report – Page 65
	3-2	List of material topics	Sustainability Report – Page 66
	3-3	Management of material topics	Sustainability Report – Pages 66 to 77
GRI 205: Anti-Corruption 206	205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption and actions taken.
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report – Page 77
	305-2	Energy indirect (Scope 2) GHG emissions	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report – Pages 72 to 74
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Page 74
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report – Pages 72 to 74
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Page 70
NON-MATERIAL ISSUES			
Community Non-GRI	Key activities undertaken for the community, including employee volunteerism		Community Initiatives – Page 17

SUSTAINABILITY **REPORT**

TFCD CONTENT INDEX

	Recommended Disclosures	Page, Reference and reasons for omission, if applicable
Governance	a. Describe the board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 62 The Group has a dedicated governance Framework in place to drive, govern and manage the sustainability function. The Board has the ultimate responsibility and is supported by the Sustainability Committee, chaired by our Executive Director. The Sustainability Committee is supported by representatives from our various operating entities in Singapore, Malaysia and China as well as the rest of the staff to ensure our sustainability efforts are practiced throughout the organisation.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 75 FY2022 being the first year of adoption of the TFCD recommendations, the Group identified key sectors our customers operate in that in our opinion are most susceptible to climate-related risks. We then identified climate-related risks and outlined our response to manage the risks in the short-term.
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group endeavours to conduct a qualitative scenario analysis in subsequent reports.

SUSTAINABILITY **REPORT**

	Recommended Disclosures	Page, Reference and reasons for omission, if applicable
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	In the near future, the Group plans to integrate climate-related risks into its Enterprise Risk Management Framework, explore climate scenario analysis options and develop a climate risk policy.
	b. Describe the organization's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 76 to 77 The Group embarked on developing GHG emissions (Scope 1 and Scope 2) in FY2022 to establish baseline emissions. The Group intends to develop Scope 3 emissions in the coming years. Our target is to reduce or maintain GHG emissions intensity for FY2023. The Group intends to set longer-term targets in the future as part of our ESG strategy.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Luminor Financial Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Foong Daw Ching
Kwan Chee Seng
Tan Chade Phang
Lim See Yong
Kwan Yu Wen

In accordance with Article 89 of the Company's Constitution, Tan Chade Phang retires and, being eligible, offers himself for re-election.

In accordance with Article 89 of the Company's Constitution, Lim See Yong retires and, being eligible, offers himself for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as described in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company				
(Ordinary shares)				
Kwan Chee Seng(1)	49,631,339	46,401,339	245,797	245,797
Lim See Yong(2)	2,820,036	2,820,036	65	65

(1) Mr Kwan Chee Seng is deemed under Section 4 of the Securities and Futures Act 2001 ("SFA") to have an interest in the 245,797 Shares held by GRP Chongqing Pte Ltd. Mr Kwan has a shareholding interest of 35.65% in GRP Limited. By virtue of Section 7 of the Companies Act 1967, Mr Kwan is deemed to be interested in the ordinary shares of the Company held by GRP Chongqing Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.

(2) Mr Lim See Yong is deemed to be interested in the ordinary shares of the Company held by his spouse, Ms Sheng Qing.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year end and 21 January 2023.

Share options

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of financial year, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

Audit committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

- Foong Daw Ching (AC Chairman)
- Tan Chade Phang (Member)
- Lim See Yong (Member)

The AC carried out its functions in accordance with section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and independent auditors.

- Reviewed the interim and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor.

- Met with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.

- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor.

- Reviewed the nature and extent of non-audit services provided by the independent auditor.

- Recommended to the board of directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit.

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate.

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC has also met with internal and independent auditors, without the presence of the Company's management, at least once a year.

DIRECTORS' STATEMENT

Audit committee (Continued)

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the board of directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the board of directors:

Foong Daw Ching
Director

Kwan Yu Wen
Director

Singapore
6 April 2023

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Luminor Financial Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Luminor Financial Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 92 to 176 which comprise the balance sheets of the Group and of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ["SFRS(I)"] so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of trade receivables and factoring receivables from the Group's financial solutions business

As disclosed in Note 7 to the financial statements, the carrying amounts of the Group's trade and factoring receivables from the Group's financial solutions business amounted to MYR4,868,000 and MYR42,963,000 respectively as at 31 December 2022, after recognising expected credit loss ("ECL") of MYR365,000 and MYR8,494,000 respectively.

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Luminor Financial Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Impairment assessment of trade receivables and factoring receivables from the Group's financial solutions business (cont'd)

The measurement of allowance for ECL of trade and factoring receivables is considered a key audit matter because the carrying amounts of trade and factoring receivables is material to the consolidated financial statements. The determination of ECL is highly dependent on the Group's estimation of the likelihood of default by the debtor and the estimated future cash flows that the Group would expect to receive. As disclosed in Note 3.2 and Note 4(b)(iii), in determining the ECL, management considers both quantitative and qualitive information that is reasonable and supportable, including the creditworthiness of each individual debtor and their recent financial conditions and ability to repay.

Our procedures to address the key audit matter:

Our audit procedures include understanding of the management's processes and key controls relating to the credit evaluation of each debtor, ongoing monitoring of the credit risk of the debtor and action plans taken by management when the credit risk of the debtor has increased significantly.

We evaluated reasonableness of management's judgement in identifying debtors with increased credit risk by considering both quantitative and qualitative information that is reasonable and supportable, including key data sources and assumptions used by management in determination of ECL. We tested management's process for estimating ECL, including evaluating the appropriateness of the methodologies used to determine the allowance for credit losses, testing the completeness and accuracy of data used in the estimate and evaluating the reasonableness of management's determination of ECL.

Our audit procedures also include reviewing and testing the accuracy of the debtor ageing analysis, corroborating representation and explanations from management to assess the recoverability of outstanding debts, where applicable.

In addition, we also considered the adequacy of the disclosures made in the financial statements.

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Luminor Financial Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2022 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Luminor Financial Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Luminor Financial Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chee Sum Gilbert.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

6 April 2023

BALANCE **SHEETS**

As at 31 December 2022

	Note	Group 2022 MYR'000	Group (Restated) 2021 MYR'000	Group (Restated) 2020 MYR'000	Company 2022 MYR'000	Company 2021 MYR'000	Company 2020 MYR'000
ASSETS							
Current assets							
Cash and cash equivalents	6	67,382	40,940	64,685	5,812	3,449	27,451
Trade and other receivables	7	51,422	42,992	10,978	91,168	53,184	31,424
Financial assets at fair value through profit or loss	8	–	–	–	–	–	–
Properties held for sale	9	15,614	16,430	16,198	–	–	–
Development properties	10	–	6,982	6,513	–	–	–
Net investment in sub-leases	12	469	–	–	469	–	–
Income tax receivable		48	44	–	–	–	–
Total current assets		134,935	107,388	98,374	97,449	56,633	58,875
Non-current assets							
Trade and other receivables	7	659	1,171	1,212	–	–	–
Financial assets at fair value through profit or loss	8	4,602	–	–	–	–	–
Property, plant and equipment	11	4,411	1,292	2,199	1,893	9	12
Net investment in sub-leases	12	2,273	–	–	2,273	–	–
Goodwill	13(a)	600	600	600	–	–	–
Intangible assets	13(b)	24	42	19	–	–	–
Investment in subsidiaries	14	–	–	–	–*	–*	–*
Investment in associate	15	190	23	429	–	–	–
Deferred tax assets	16	196	609	572	–	–	–
Total non-current assets		12,955	3,737	5,031	4,166	9	12
Total assets		147,890	111,125	103,405	101,615	56,642	58,887
LIABILITIES AND EQUITY							
Current liabilities							
Lease liabilities	12	1,053	399	380	705	–	–
Trade and other payables	17	49,974	12,827	5,402	74,675	36,552	35,989
Contract liabilities	17	624	381	403	–	–	–
Income tax payables		22,708	22,260	20,259	–	–	–
Total current liabilities		74,359	35,867	26,444	75,380	36,552	35,989
Non-current liabilities							
Trade and other payables		–	–	1,435	–	–	–
Lease liabilities	12	4,331	–	399	3,564	–	–
Deferred tax liabilities	16	2,672	1,916	2,075	–	–	–
Provision for restoration		323	306	294	–	–	–
Total non-current liabilities		7,326	2,222	4,203	3,564	–	–
Total liabilities		81,685	38,089	30,647	78,944	36,552	35,989

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2022

	Note	Group 2022 MYR'000	Group (Restated) 2021 MYR'000	Group (Restated) 2020 MYR'000	Company 2022 MYR'000	Company 2021 MYR'000	Company 2020 MYR'000
Equity							
Share capital	18	18,348	12,072	12,072	18,348	12,072	12,072
Other reserves	19	17,986	38,361	36,017	5,006	3,651	3,276
Retained earnings/(accumulated losses)		29,143	21,137	24,847	(683)	4,367	7,550
Equity attributable to owners of the Company, total		65,477	71,570	72,936	22,671	20,090	22,898
Non-controlling interests		728	1,466	(178)	–	–	–
Total equity		66,205	73,036	72,758	22,671	20,090	22,898
Total liabilities and equity		147,890	111,125	103,405	101,615	56,642	58,887

* Denotes amounts less than MYR1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2022

	Note	Group 2022 MYR'000	Group (Restated) 2021 MYR'000
Revenue	20	21,849	17,320
Cost of sales		(1,411)	(1,438)
Gross profit		20,438	15,882
Other income/(expenses)	22	23,394	(4,538)
Interest income	21	1,169	456
Finance costs	23	(1,942)	(457)
Selling expenses		(1)	(13)
Administrative expenses		(17,662)	(10,918)
Impairment losses on trade and other receivables – net	24	(8,160)	(745)
Share of results of associate, net of tax		167	10
Profit/(loss) before tax	24	17,403	(323)
Income tax expense	25	(10,270)	(1,647)
Profit/(loss) for the financial year		7,133	(1,970)
Other comprehensive income, net of tax:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		181	2,248
Total comprehensive income for the financial year		7,314	278
Profit/(loss) attributable to:			
Owners of the Company		8,006	(3,710)
Non-controlling interests		(873)	1,740
		7,133	(1,970)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		8,392	(1,366)
Non-controlling interests		(1,078)	1,644
		7,314	278
Profit/(loss) per share (MYR cents)	26		
– Basic		5.26	(2.56)
– Diluted		5.26	(2.56)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2022

Group	Share capital MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Translation reserve MYR'000	Retained earnings MYR'000	Attributable to owners of the Company MYR'000	Non-controlling interests MYR'000	Total MYR'000
At 1 January 2021, as previously stated*	12,072	25,890	313	5,313	4,501	23,424	71,513	(178)	71,335
Prior year adjustment (Note 28)	–	–	–	–	–	1,423	1,423	–	1,423
At 1 January 2021, as restated	12,072	25,890	313	5,313	4,501	24,847	72,936	(178)	72,758
Loss/(profit) for the financial year	–	–	–	–	–	(3,710)	(3,710)	1,740	(1,970)
Other comprehensive income/(loss)									
Foreign currency translation	–	–	–	–	2,344	–	2,344	(96)	2,248
Total comprehensive income/(loss) for the financial year, as restated	–	–	–	–	2,344	(3,710)	(1,366)	1,644	278
At 31 December 2021, as restated	12,072	25,890	313	5,313	6,845	21,137	71,570	1,466	73,036

* During the financial year, the Group changed its presentation currency from RMB to MYR, the amount previously stated has been re-presented in accordance with Note 2.1.

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2022

Group	Share capital MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Other reserve MYR'000	Translation reserve MYR'000	Retained earnings MYR'000	Attributable to owners of the Company MYR'000	Non-controlling interests MYR'000	Total MYR'000
At 31 December 2021, as restated	12,072	25,890	313	5,313	–	6,845	21,137	71,570	1,466	73,036
Profit/(loss) for the financial year	–	–	–	–	–	–	8,006	8,006	(873)	7,133
Other comprehensive income/(loss)										
Foreign currency translation	–	–	–	–	–	386	–	386	(205)	181
Total comprehensive income/(loss) for the financial year	–	–	–	–	–	386	8,006	8,392	(1,078)	7,314
Transactions with owners										
Issuance of ordinary shares (Note 18)	6,276	–	–	–	–	–	–	6,276	–	6,276
Acquisition of non-controlling interests without change in control (Note 14)	–	–	–	–	(20,761)	–	–	(20,761)	340	(20,421)
At 31 December 2022	18,348	25,890	313	5,313	(20,761)	7,231	29,143	65,477	728	66,205

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2022

Company	**Share capital MYR'000**	**Merger reserve MYR'000**	**Translation reserve MYR'000**	**Retained earnings/ (accumulated losses) MYR'000**	**Total MYR'000**
At 1 January 2021	12,072	313	2,963	7,550	22,898
Loss for the financial year	–	–	–	(3,183)	(3,183)
Other comprehensive income					
Foreign currency translation	–	–	375	–	375
Total comprehensive income/(loss) for the financial year	–	–	375	(3,183)	(2,808)
At 31 December 2021	12,072	313	3,338	4,367	20,090
Loss for the financial year	–	–	–	(5,050)	(5,050)
Other comprehensive income					
Foreign currency translation	–	–	1,355	–	1,355
Total comprehensive income/(loss) for the financial year	–	–	1,355	(5,050)	(3,695)
Transactions with owners					
Issuance of ordinary shares (Note 18)	6,276	–	–	–	6,276
At 31 December 2022	18,348	313	4,693	(683)	22,671

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED **CASH FLOW STATEMENT**

For the financial year ended 31 December 2022

	Note	Group 2022 MYR'000	(Restated) 2021 MYR'000
Operating activities			
Profit/(loss) before tax		17,403	(323)
Adjustments for:			
Depreciation of property, plant and equipment	11	1,378	980
Amortisation of intangible asset	13(b)	18	10
Interest income	21	(1,169)	(456)
Interest expense on other liabilities		1,824	428
Interest expense on lease liabilities	23	118	29
Impairment loss on investment in associate	22	–	500
Impairment losses on trade and other receivables – net	24	8,160	745
Bad factoring receivables written off		383	–
Share of results of associate		(167)	(10)
Gain on disposal of development properties	22	(21,941)	–
Unrealised foreign exchange differences		1,730	(2,055)
Operating cash flows before changes in working capital		7,737	(152)
Net proceeds from disposal of development properties		28,923	–
Decrease in properties held for sale		311	794
Decrease/(increase) in development properties		–	(49)
Increase in trade and other receivables		(16,461)	(34,572)
Increase in trade and other payables		443	342
Increase/(decrease) in contract liabilities		253	(47)
Currency translation adjustment		826	1,987
Cash flows generated from/(used in) from operations		22,032	(31,697)
Interest received		1,169	456
Interest paid on other liabilities		(1,408)	(713)
Interest paid on lease liabilities		(118)	(29)
Income tax paid		(7,809)	(1,132)
Net cash flows generated from/(used in) from operating activities		13,866	(33,115)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED **CASH FLOW STATEMENT**

For the financial year ended 31 December 2022

	Note	Group 2022 MYR'000	(Restated) 2021 MYR'000
Investing activities			
Purchase of intangible asset	13(b)	–	(33)
Purchase of property, plant and equipment	11	(1,632)	(71)
Subscription of exchangeable and convertible notes		(4,546)	–
Lease payment received		183	–
Net cash flows used in from investing activities		(5,995)	(104)
Financing activities			
Acquisition of non-controlling interests	14(a)	(14,145)	–
Advances from/(repayment to) former ultimate holding company		128	(21)
Loan from a shareholder		25,260	–
Loan from a related party		9,637	–
(Repayment to)/advances from former non-controlling interests		(572)	7,760
Repayment of lease liabilities		(677)	(380)
Net cash flows generated from financing activities		19,631	7,359
Net increase/(decrease) in cash and cash equivalents		27,502	(25,860)
Effect of foreign exchange rate changes		(1,060)	2,115
Cash and cash equivalents at beginning of financial year		40,940	64,685
Cash and cash equivalents at end of financial year	6	67,382	40,940

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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. 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 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 are disclosed in Note 14.

On 3 December 2021, the Company ceased to be a subsidiary of GRP Limited, after the completion of the distribution in specie of shares in the Company to shareholders of GRP Limited by way of capital reduction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ["SFRS(I)"]. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Presentation currency

Prior to 1 January 2022, the financial statements are presented in Renminbi ("RMB") as the Group's operations are mainly in the People's Republic of China ("PRC"). The Group and the Company changed its presentation currency from RMB to Malaysian Ringgit ("MYR") as the Group's operation are mainly from financial solutions business in Malaysia.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Presentation currency (Continued)

The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative figures of the Group and the Company in these financial statements have been represented in MYR in order to provide meaningful comparable information.

The comparative statement of financial position (including opening balances from the beginning of earliest prior period presented) were translated at the closing rate (31 December 2021: RMB1: MYR0.6545; 1 January 2021: RMB1: MYR0.6149) of respective year end. The comparative statement of profit or loss and other comprehensive income were translated at average rate of RMB1: MYR0.6395 for the year ended 31 December 2021.

The financial statements are presented in Malaysian Ringgit ("MYR") and all values are rounded to the nearest thousand ("MYR'000") except when otherwise indicated.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2.2 New and revised standards that are adopted

In the current financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 December 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability, will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(b) Business combinations and goodwill (Continued)

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Associated companies (Continued)

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associated companies. The Group determines at the end of each reporting period whether there is objective evidence that the investments in associated companies is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

In the Company's financial statements, investments in associated companies are carried at cost less accumulated impairment loss. On disposal of investment in associated companies, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.6 Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is Singapore Dollars ("SGD"). The financial statements are presented in Malaysian Ringgit as the Group's operations are mainly in the Malaysia during the financial year (Note 2.1).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currencies (Continued)

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under translation reserve in equity. The translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into Malaysian Ringgit as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities) are taken to the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign Group entity, the cumulative amount of the translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Office premises	–	3 years
Motor vehicles	–	3 to 4 years
Renovation, furniture, fixtures and equipment	–	3 to 10 years

The residual value, useful life and depreciation method are reviewed at each balance sheet date, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the period the asset is de-recognised.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessor

Where the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

When a Group is the intermediate lessor

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss on the same basis as the lease income.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct cost incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 16 *Leases* to allocate the consideration under the contract to each component.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

When a Group entity is the lessee (Continued)

Lease liabilities (Continued)

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the balance sheets.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

When a Group entity is the lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within property, plant and equipment, and development properties in the balance sheets.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.11.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

2.9 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in the profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Properties held for sale

Completed properties held for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value of properties held for sales is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs necessary to make the sale.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments

(a) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through profit or loss ("FVTPL")

The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when, and only when, its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments). The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Fair value through profit or loss ("FVTPL")

Debts instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises.

Investments in equity instruments

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities at amortised cost are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. When measuring ECL, the Group uses reasonable and supportable information, which is based on management's estimation of the likelihood of default by a debtor and the estimated future cash flows that the Group would expect to receive.

General approach

The Group applies the general approach to provide for ECL on all financial instruments at amortised cost, except for purchased or originated financial assets that are credit-impaired on initial recognition. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of financial assets (Continued)

General approach (Continued)

Measurement of ECL

They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive); or

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

A financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2.15 Cash and cash equivalents in the consolidated cash flow statement

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and excludes pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies and Malaysia companies in the Group make contributions to the Central Provident Fund scheme in Singapore and Employee Provident Fund in Malaysia, both being defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Pursuant to the relevant regulations of the PRC government, the PRC entities of the Group ("PRC subsidiaries") have participated in central pension schemes (the "Schemes") operated by local municipal governments whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (Continued)

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Income from financial solutions

The Group earns fee income from a diverse range of products and services provided to its customers. The Group generally satisfies its performance obligation and recognises the fee income on the following basis:

- Transaction-based fee is recognised on the completion of the transaction;

- For a service that is provided over a period of time, fee income is generally recognised over the period during which the related service is provided is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time; and

- Interest income from financial solution and extension fee are recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue (Continued)

(b) Sale of properties held for sale and development properties

Revenue is recognised when control over the property has been transferred to the customer at a point in time based on the contractual terms and the practices in the legal jurisdictions.

(c) Rental income

Rental income arising from properties held for sale is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Interest income

Interest income is recognised using the effective interest method.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associated companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associated companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.24 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

2.25 Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group’s financial statements in the period in which they are approved by the Company’s shareholders.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.27 Derivative financial instruments

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value derivative financial instruments are recognised in profit or loss as they arise.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimation of net realisable value of properties held for sale

Properties held for sale are stated at the lower of cost and estimated net realisable value ("NRV") in accordance with the accounting policies in Note 2.10. A slowdown in economic activity in the PRC might exert downward pressure on transaction volumes as well as property prices. This could lead to future trends in the market departing from known trends based on past experience.

The carrying amounts of properties held for sale stated at the lower of cost and estimated net realisable value as at 31 December 2022 is MYR15,614,000 (2021: MYR16,430,000).

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable information, which is based on management's estimation of the likelihood of default by a debtor and the estimated future cash flows that the Group would expect to receive. In determining the expected credit loss allowance, management considers both quantitative and qualitive information that is reasonable and supportable, including the creditworthiness of each individual debtor and their recent financial conditions and ability to repay.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables. Details of ECL measurement and carrying values of trade and other receivables at reporting date are disclosed in Note 4(b)(iii) and Note 7.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets, income tax payables and deferred tax liabilities at the reporting date are MYR196,000 (2021: MYR609,000), MYR22,708,000 (2021: MYR22,260,000) and MYR2,672,000 (MYR1,916,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	MYR'000	**MYR'000**	**MYR'000**	**MYR'000**
Financial assets				
Financial assets at amortised cost	121,943	85,037	99,576	56,633
Financial assets at fair value through profit or loss	4,602	–	–	–
	126,545	85,037	99,576	56,633
Financial liabilities carried at amortised cost	54,870	12,202	78,944	36,552

(b) *Financial risk management*

Management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Foreign currency risk

The Group's transactions are largely denominated in MYR, Renminbi ("RMB"), United States Dollars ("USD") and Singapore Dollars ("SGD"). The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(i) Foreign currency risk (Continued)

At the balance sheet date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of the Group entities and Company are as follows:

	Assets		Liabilities	
	2022	**2021**	**2022**	**2021**
	MYR'000	**MYR'000**	**MYR'000**	**MYR'000**
Group				
RMB	5,701	5,891	13,855	14,039
USD	427	290	–	–
SGD	1,866	1,867	56,140	46,277
Company				
RMB	–	–	13,855	14,039

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group and Company's profit/(loss) before tax to a reasonably possible change in the RMB, SGD, USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

		2022 MYR'000 Profit before tax	2021 MYR'000 Loss before tax
Group			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	(408)	(407)
	– weakened 5%	408	407
RMB/USD	– strengthened 5%	21	15
	– weakened 5%	(21)	(15)
SGD/RMB	– strengthened 5%	(2,714)	(2,221)
	– weakened 5%	2,714	2,221
Company			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	(693)	(702)
	– weakened 5%	693	702

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(i) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk (Continued)

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Interest rate risk is managed principally through having pre-approved limits for issuance of facilities to its customers.

At the reporting date, the interest rate profile of the interest-bearing financial assets and financial liabilities, as reported to the management, was as follows:

	Group		Company	
	2022 MYR'000	2021 MYR'000	2022 MYR'000	2021 MYR'000
Fixed rate instruments				
Financial assets	118,554	81,167	5,812	3,449
Financial liabilities	(44,847)	(8,345)	(36,662)	–
Net financial assets	73,707	72,822	(30,850)	3,449

These financial instruments are at fixed rates which expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates).

The Group does not have financial assets and financial liabilities at variable interest rates as at 31 December 2021 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables and net investment in sub-leases. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

For sales of properties, sales proceeds are generally fully settled concurrent with delivery of properties.

For its financial solutions business which provides factoring and loan services, credit evaluations are carried out for all customers through analysis of financial information and credit checks using independent sources of information prior to onboarding as customer.

The Risk and Credit Department independently assesses the risk profile of all the customers and conduct the relevant due diligence verification, to assess amongst others, the credit standing of the customers, viability of the financing structure and the source of repayment. Thereafter, the Risk and Credit Department provides recommendation and/or risk mitigation measures, upon which the senior management staff will assess, review and make decisions on credit risks of the Group, in accordance with the credit policies and procedures of the Group.

All credit evaluations and credit limits must be approved by a committee consisting of several senior management members in Luminor Capital (Malaysia) Sdn. Bhd. ("Luminor Malaysia") and its subsidiaries ("Luminor Malaysia subgroup") prior to issuance of the facility to the customer.

The Risk and Credit Department conducts review on existing customers, on a periodic basis. Established limits and levels of exposure are regularly reviewed and reported to the committee on a periodic basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 120 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade and factoring receivables

Trade and factoring receivables relate to the Group's customers from its financial solutions business. The Group applies simplified approach to measure lifetime expected credit losses for all trade and factoring receivables taking into consideration the past business relationship and, where applicable, incorporating forward-looking information specific to the individual debtor and the economic environment in which the debtor operates. During the assessment, the Group reviewed the recent payments received, ongoing business relationship, any other relevant information concerning the creditworthiness of each individual debtor and their ability to repay.

Trade and factoring receivables are written off when there is no reasonable expectation of recovery and legal means of recovery has been considered. The Group writes off the receivables when a debtor has known credit issues or defaults on agreed repayment terms. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. As at 31 December 2022, the contractual amount outstanding which is subject to enforcement activity is MYR5,242,000 (FY2021: MYR611,000).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade and factoring receivables (Continued)

The table below details the credit quality:

2022	**12-month or lifetime ECL**	**Gross carrying amount MYR'000**	**Loss allowance MYR'000**	**Net carrying amount MYR'000**
Trade receivables	Lifetime ECL	5,233	(365)	4,868
Factoring receivables	Lifetime ECL	51,457	(8,494)	42,963
2021				
Trade receivables	Lifetime ECL	2,427	(16)	2,411
Factoring receivables	Lifetime ECL	36,996	(683)	36,313

Movements in credit loss allowance are as follows:

	Group	
	2022 MYR'000	**2021 MYR'000**
Balance at 1 January	699	15
Loss allowance measured:		
Lifetime ECL – Simplified approach**	8,160	692
Loss allowance reversed	–	(8)
Balance at 31 December	8,859	699

** The additional loss allowances during the financial year relate to trade and factoring receivables which originated or acquired during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Loan advances and advance to a third party

The table below details the credit quality:

2022	12-month or lifetime ECL	Gross carrying amount MYR'000	Loss allowance MYR'000	Net carrying amount MYR'000
Loan advances	Lifetime ECL – not credit-impaired	2,091	–	2,091
Loan advances	Lifetime ECL – credit-impaired	1,907	(1,907)	–
Advance to a third party	Lifetime ECL – not credit-impaired	1,522	–	1,522
2021				
Loan advances	Lifetime ECL – not credit -impaired	1,856	–	1,856
Loan advances	Lifetime ECL – credit-impaired	1,907	(1,907)	–
Advance to a third party	Lifetime ECL – not credit-impaired	2,079	–	2,079

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Loan advances and advance to a third party (Continued)

Movements in credit loss allowance are as follows:

	Loan advances MYR'000
Group	
Balance at 1 January 2021	–
Loss allowance measured:	
Lifetime ECL	
– credit-impaired	(1,907)
Balance at 31 December 2021 and 31 December 2022	(1,907)

Other receivables and deposits

Other receivables and deposits mainly comprise of cash and cash equivalents with financial institutions, non-trade receivables from third parties and subsidiaries, deposits with third parties and net investment in sub-leases. The credit risk exposure for the Group's financial assets at amortised cost have been assessed to be insignificant and accordingly, these are at 12-month ECL and no credit loss allowances are required at 31 December 2022 and 2021.

Exposure to credit risk

The Group's maximum exposure to credit risk without taking into account any collateral held, comprises the sum of the carrying amounts of financial assets recorded in the financial statements.

In 2021, the Group held collateral against loans advances to third parties in the form of mortgage interests over property. Estimates of the fair value were based on the value of collateral at the time of lending and generally were not updated except when the loan was individually assessed as impaired. An estimate fair value of collateral held against financial assets was MYR2,773,000 as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Credit risk concentration profile

Trade receivables from seven (2021: six) major debtors accounted for 76% (2021: 80%) of the Group's total trade receivables of MYR4,850,000 (2021: MYR2,411,000).

Loan advances to two (2021: two) major debtors accounted for 100% of the Group's total loan advances.

Factoring receivables from thirteen (2021: twelve) debtors accounted for 72% (2021: 93%) of the Group's total factoring receivables.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iv) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations.

Group	2022 Within one year MYR'000	2022 Within two to five years MYR'000	2022 Total MYR'000	2021 Within one year MYR'000	2021 Within two to five years MYR'000	2021 Total MYR'000
Financial assets:						
Cash and cash equivalents	67,382	–	67,382	40,940	–	40,940
Trade and other receivables	53,890	706	54,596	45,357	1,270	46,627
Financial assets at fair value through profit or loss	276	5,062	5,338	–	–	–
Net investment in sub-leases	574	2,488	3,062	–	–	–
Total undiscounted financial assets	122,122	8,256	130,378	86,297	1,270	87,567
Financial liabilities:						
Trade and other payables	52,318	–	52,318	12,561	–	12,561
Lease liabilities	1,278	4,732	6,010	408	–	408
Total undiscounted financial liabilities	53,596	4,732	58,328	12,969	–	12,969
Total net undiscounted financial assets	68,526	3,524	72,050	73,328	1,270	74,598

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(iv) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Group and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations. (Continued)

	2022			2021		
Company	**Within one year MYR'000**	**Within two to five years MYR'000**	**Total MYR'000**	**Within one year MYR'000**	**Within two to five years MYR'000**	**Total MYR'000**
Financial assets:						
Cash and cash equivalents	5,812	–	5,812	3,449	–	3,449
Trade and other receivables	91,022	–	91,022	53,184	–	53,184
Net investment in sub-leases	574	2,488	3,062	–	–	–
Total undiscounted financial assets	97,408	2,488	99,896	56,633	–	56,633
Financial liabilities:						
Trade and other payables	74,675	–	74,675	36,552	–	36,552
Lease liabilities	870	3,915	4,785	–	–	–
Total undiscounted financial liabilities	75,545	3,915	79,460	36,552	–	36,552
Total net undiscounted financial assets/(liabilities)	21,863	(1,427)	20,436	20,081	–	20,081

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in unquoted equity instruments and exchangeable and convertible notes. The Group exposure to the market price risk at the end of reporting period is immaterial as at 31 December 2021 and 31 December 2022.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management (Continued)

(vi) Fair value of financial instruments

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of financial assets measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using significant unobservable input (Level 3) MYR'000
Financial assets measured at fair value:	
Group	
2022	
Amount due from AdiWisista group [Note 8(b)]	4,602
Held for trading equity securities [Note 8(a)]	–
2021	
Held for trading equity securities [Note 8(a)]	–
Company	
2022 and 2021	
Held for trading equity securities [Note 8(a)]	–

Cash and cash equivalents (Note 6), trade and other receivables (Note 7), and trade and other payables (Note 17)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Capital management*

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity structure.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to owners of the Company less the restricted statutory reserve fund as disclosed in Note 19.

The Group reviews the capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from the prior period.

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
Trade and other payables (Note 17)	(49,974)	(12,827)
Lease liabilities (Note 12)	(5,384)	(399)
Add: Cash and cash equivalents (Note 6)	67,382	40,940
Net cash	12,024	27,714
Equity attributable to owners of the Company	65,477	71,570
Less: Statutory reserve	(5,313)	(5,313)
Total capital	60,164	66,257

The Group is currently in a net cash position. The Group will continue to be guided by prudent financial policies and monitor gearing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2022 MYR'000	2021 MYR'000
Management fee expenses paid to former ultimate holding company[1]	1,338	1,296
Waiver of payable to a director who is also a non-controlling interest of Luminor Capital (Malaysia) Sdn. Bhd. ("LCM") (offset against impairment loss on loan advances) (Notes 7 and 17)	–	1,854
Interest expense on loan from a shareholder (Note 23)	1,114	–
Interest expense on loan from a related party (Note 23)	206	–
Loan drawdown from a shareholder[2]	25,260	–
Loan drawdown from a related party	9,637	–
Interest income from sub-leasing to related parties (Note 21)	(49)	–
Lease payment received/receivable from sub-leasing to related parties	(416)	–
Compensation of key management personnel		
Salaries and other short-term benefits	2,470	1,887
Defined contribution plans	191	130
	2,661	2,017
Comprise amounts paid to:		
Directors of the Company	1,139	370
Directors of the subsidiaries	835	607
Other key management personnel	687	1,040
	2,661	2,017

1 One of the directors of the Company, who is also the controlling shareholder of the Company, is the key management personnel of the former ultimate holding company.

2 Related to the controlling shareholder mentioned in 1 above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Cash on hand	6	21	–*	–*
Cash at banks	62,374	31,657	5,812	3,449
Fixed deposits	5,002	9,262	–	–
Cash and cash equivalents	67,382	40,940	5,812	3,449

* Denotes amounts less than MYR1,000

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Current				
Trade receivables	5,233	2,427	–	–
Factoring receivables	51,457	36,996	–	–
Loan advances	3,998	3,763	–	–
Other receivables from third parties	75	1,077	61	–
Other receivables from subsidiaries	–	–	90,870	53,163
Deposits	300	240	91	21
Interest receivable from fixed deposit	–	121	–	–
Prepayments	223	65	107	–
Advance to a third party	863	908	–	–
Advances to suppliers	–	1	–	–
GST receivable	39	–	39	–
	62,188	45,598	91,168	53,184
Less: allowance for impairment losses				
– Trade receivables	(365)	(16)	–	–
– Factoring receivables	(8,494)	(683)	–	–
– Loan advances	(1,907)	(1,907)	–	–
	(10,766)	(2,606)	–	–
	51,422	42,992	91,168	53,184
Non-current				
Advance to a third party	659	1,171	–	–
	659	1,171	–	–
Total trade and other receivables	52,081	44,163	91,168	53,184

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 (2021: 1% to 12% per transaction) and are generally due within 3 months from disbursement date.

Loan advances

Loan advances are interest bearing at 12% (2021: 10.35% to 12.00%) per annum and are generally on 1-month (2021: 1 to 20 months) term.

2021

Included in loan advances is an amount of MYR1,854,000 guaranteed by a director who is also a non-controlling interest of LCM (Note 17). The Group recognised full impairment loss on the gross loan advance of MYR1,907,000 because the debtor had defaulted in payments. The allowance for impairment losses recognised in profit or loss was presented net of waiver of payable to the director of MYR1,854,000 (Note 17).

Other receivables from third parties and subsidiaries

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

Advance to a third party

The advance was acquired by the Group during the acquisition of LCM as part of the assets of LCM. The advance was made by LCM to finance a third party's factoring business.

The amount is interest bearing at 14% (2021: 14%) per annum. Management expects to recover the amount in full by 31 October 2024. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2022 MYR'000	2021 MYR'000	2022 MYR'000	2021 MYR'000
Current				
Held for trading equity securities	–	–	–	–
Non-current				
Amount due from AdiWisista group	4,602	–	–	–

(a) Held for trading equity securities

Held for trading equity securities relate to 6,547,324 shares (2021: 6,547,324 shares) in ayondo Ltd ("ayondo") which the Group and Company acquired in the previous financial years pursuant to its involvement in the Initial Public Offering exercise of ayondo on the Singapore Exchange ("SGX").

As the trading of ayondo has been delisted on 24 December 2021, the fair value of the held for trading equity securities was determined to be Nil.

(b) Amount due from AdiWisista group

During the financial year, the Group entered into an Exchangeable and Convertible Notes Agreement (the "Notes Agreement") with PT Adiwisista Daya Investama ("PT ADI") and PT Adiwisista Daya Pratama ("PT ADP") (collective term as "AdiWisista Group") and a Collaboration Agreement with PT Adiwisista Daya Pratama via its subsidiary, Starland Axis Pte Ltd ("SAPL").

As at 31 December 2022, SAPL subscribed to the following:

- Exchangeable Notes ("EN") of an aggregate principal amount of US$950,000 which is exchangeable into such number of ordinary shares in PT Adiwisista Finansial Teknologi ("PT AFT") representing 10% of the total number of shares in PT AFT issued by PT ADI; and
- Convertible Notes ("CN") of an aggregate principal amount of US$50,000 which is convertible into such number of ordinary shares in PT ADI representing 10% of the total number of shares in PT ADI issued by PT ADI.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Amount due from AdiWisista group (Continued)

The other key terms of the Notes Agreement include:

- SAPL and PT ADP agree to work together and collaborate with each other to explore potential business opportunities and collaborations within the financial services industry in Indonesia, Malaysia and Singapore;

- Both the EN and CN bear simple interest at the rate of six per cent per annum accruing on a daily basis based on the principal amount of EN and CN;

- SAPL is entitled at any time prior to the maturity date to require all the Noteholders to collectively apply and exchange the EN and CN into shares of PT AFT;

- In the event that the EN and CN are not redeemed and exchanged prior to the maturity date (i.e. 36 months from 16 August 2022 or any other date as may be mutually agreed by the investors, PT ADI and PT ADP), the EN and CN shall be automatically redeemed and the borrower shall repay the principal amount and interest accrued thereon to SAPL.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The fair value of the unquoted equity shares is determined based on the amount subscribed to the Notes as stated in Note 8(b). The subscription was made on 16 August 2022 and management has assessed that there have been no significant factors identified which will result in a material change to the fair value of the investments as at 31 December 2022. The directors had assessed and concluded that there is no significant change to the investment's fair value since its initial recognition. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

9. PROPERTIES HELD FOR SALE

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
At cost or net realisable value	15,614	16,430

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. PROPERTIES HELD FOR SALE (CONTINUED)

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

Location	Description	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District, Chongqing, PRC	Commercial units and carpark units	4,446	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,638	100%

Properties held for sale as at 31 December 2021 were as follows:

Location	Description	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%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,914	100%

10. DEVELOPMENT PROPERTIES

		Group	
		(Restated)	(Restated)
	2022	2021	2020
	MYR'000	MYR'000	MYR'000
Land use rights (Note 12)	–	5,984	5,622
Development costs	–	998	891
	–	6,982	6,513

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.

In 2021, the Group accepted an offer from the local authority to repossess the land. The repossession was completed during the financial year and gain on disposal of MYR21,941,000 was recognised (Note 22).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT

Group	Office premises MYR'000	Renovation MYR'000	Motor vehicles MYR'000	Furniture, fixtures and equipment MYR'000	Total MYR'000
Cost					
At 1 January 2021	1,600	1,183	505	426	3,714
Additions	–	29	–	42	71
Written off	(133)	–	–	–	(133)
Translation difference	–	–	33	12	45
At 31 December 2021	1,467	1,212	538	480	3,697
Additions	2,806	359	–	1,273	4,438
Written off	(830)	–	–	–	(830)
Translation difference	45	13	(18)	(4)	36
At 31 December 2022	3,488	1,584	520	1,749	7,341
Accumulated depreciation					
At 1 January 2021	537	301	480	197	1,515
Depreciation for the financial year	531	397	–	52	980
Written off	(133)	–	–	–	(133)
Translation difference	–	–	31	12	43
At 31 December 2021	935	698	511	261	2,405
Depreciation for the financial year	697	449	–	232	1,378
Written off	(830)	–	–	–	(830)
Translation difference	–*	–*	(17)	(6)	(23)
At 31 December 2022	802	1,147	494	487	2,930
Carrying amount					
At 31 December 2021	532	514	27	219	1,292
At 31 December 2022	2,686	437	26	1,262	4,411

(a) Included in property, plant and equipment of the Group are right-of-use assets of MYR2,686,000 (2021: MYR532,000) (Note 12).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Net cash outflow for purchase of property, plant and equipment is as follows:

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
Aggregate cost of property, plant and equipment	4,438	71
Less: Addition to right-of-use assets	(2,806)	–
	1,632	71

Company	**Office premises MYR'000**	**Renovation MYR'000**	**Furniture, fixtures and equipment MYR'000**	**Total MYR'000**
Cost				
At 1 January 2021	–	–	25	25
Additions	–	–	1	1
Translation difference	–	–	–*	–*
At 31 December 2021	–	–	26	26
Additions	1,692	345	–	2,037
Translation difference	44	13	–*	57
At 31 December 2022	1,736	358	26	2,120
Accumulated depreciation				
At 1 January 2021	–	–	13	13
Depreciation for the financial year	–	–	4	4
Translation difference	–	–	–*	–*
At 31 December 2021	–	–	17	17
Depreciation for the financial year	166	41	3	210
Translation difference	–*	–*	–*	–*
At 31 December 2022	166	41	20	227
Carrying amount				
At 31 December 2021	–	–	9	9
At 31 December 2022	1,570	317	6	1,893

* Denotes amounts less than MYR1,000

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant and equipment of the Company are right-of-use assets of MYR1,570,000 (2021: MYR Nil) (Note 12).

12. LEASES

Nature of the Group's leasing activities

The Group lease office units from non-related parties. The lease has a tenure of 3 years and includes option to extend the lease for another 3 years.

The Company is a sub-lessor (intermediate lessor) of the right-of-use assets. The Company subleased approximately 67% of office space to its related parties without any mark-up. The sub-lease of office space is for the same period as head lease (i.e. 6 years including option to extend the lease) and is classified as a finance lease because the risks and rewards incidental to ownership of the right-of-use assets are substantially transferred. The sublease payments are fixed and match the payments under the head lease. Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised.

The maturity analysis of the lease liabilities is disclosed in Note 4(b)(iv).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. LEASES (CONTINUED)

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the balance sheets

	Group		Company	
		(Restated)		
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Carrying amount of right- of-use assets				
Development property – net land use rights (Note 10)	–	5,984	–	–
Property, plant and equipment – office premises (Note 11)	2,686	532	1,570	–
Carrying amount of net investment in sub-leases				
Non-current	2,273	–	2,273	–
Current	469	–	469	–
	2,742	–	2,742	–
Carrying amount of lease liabilities				
Non-current	4,331	–	3,564	–
Current	1,053	399	705	–
	5,384	399	4,269	–
Additions to right-of-use assets	2,806	–	1,692	–

Amounts recognised in profit or loss

	Group		Company	
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Depreciation charged for the financial year				
– Office premises	697	531	166	–
Interest income from sub-leasing (Note 21)	49	–	49	–
Interest expense on lease liabilities (Note 23)	118	29	109	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. LEASES (CONTINUED)

Amounts recognised in profit or loss (Continued)

Group

Total cash flows for leases amounted to MYR795,000 (2021: MYR409,000).

Company

Total cash flows for leases amounted to MYR387,000 (2021: MYR Nil).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	MYR'000	**MYR'000**	**MYR'000**	**MYR'000**
Less than one year	574	–	574	–
One to five years	2,488	–	2,488	–
	3,062	–	3,062	–

Reconciliation of undiscounted lease payments to net investment in sub-leases at the end of the reporting period:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	MYR'000	**MYR'000**	**MYR'000**	**MYR'000**
Total undiscounted lease payments	3,062	–	3,062	–
Unearned interest income from sub-leasing	(320)	–	(320)	–
	2,742	–	2,742	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. LEASES (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group MYR'000	Company MYR'000
Balance as at 1 January 2021	779	–
Changes from financing cash flows:		
– Repayments	(380)	–
– Interest expense on lease liabilities	29	–
– Interest paid	(29)	–
Balance as at 31 December 2021	399	–
Changes from financing cash flows:		
– Addition	5,662	4,547
– Repayments	(677)	(278)
– Interest expense on lease liabilities	118	109
– Interest paid	(118)	(109)
Translation difference	–*	–*
Balance as at 31 December 2022	5,384	4,269

* Denotes amounts less than MYR1,000

Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases of office units contain extension options, for which the related lease payments of MYR Nil (2021: MYR1,225,000) had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option held are exercisable only by the Group (additional 3 years).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
Cost		
At 1 January/31 December	1,871	1,871
Accumulated impairment		
At 1 January/31 December	(1,271)	(1,271)
Net carrying value at end of financial year	600	600

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:

	2022	**2021**
	MYR'000	**MYR'000**
Luminor Malaysia and its subsidiaries [excluding SA Puncak Management Sdn. Bhd.]	1,271	1,271
SA Puncak Management Sdn. Bhd.	600	600

At the end of the reporting period ended 31 December 2020, management fully impaired the goodwill arising from the acquisition of Luminor Malaysia and its subsidiaries (excluding SA Puncak Management Sdn. Bhd.).

Key assumptions used in value in use calculation of SA Puncak Management Sdn. Bhd.

The recoverable amount is determined from value in use calculations derived from the most recent financial budgets approved by management covering a three-year period (2021: five-year period). Revenue growth for the next three 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 for the next three years.

The key assumptions used in the value in use calculations were:
Revenue growth rates: 21% (2021: 1.92%)
Pre-tax discount rate: 7.2% (2021: 8.5%)
Terminal growth rate: 2.4%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (Continued)

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 Management Sdn. Bhd..

(b) Intangible assets

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
Software licence		
Cost		
At 1 January	55	22
Additions	–	33
At 31 December	55	55
Amortisation		
At 1 January	13	3
Amortisation charged	18	10
At 31 December	31	13
Carrying amount		
At 31 December	24	42

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for computer software licence is three years.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	**2021**
	MYR'000	**MYR'000**
Unquoted equity shares, at cost	5,106	5,106
Impairment loss	(5,106)	(5,106)
Total	–*	–*

* Denotes amounts less than MYR1,000

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group 2022 %	Attributable equity interest of the Group 2021 %	Proportion of voting power held 2022 %	Proportion of voting power held 2021 %
Starland Axis Pte. Ltd.(1)	Singapore	Investment holding	100	100	100	100
Starland Commercial Trading Pte. Ltd.(1)	Singapore	Investment holding	100	100	100	100
Subsidiary of Starland Commercial Trading Pte. Ltd.						
Xiamen Starland Trading Limited(3)	People's Republic of China	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information	100	100	100	100
Subsidiary of Xiamen Starland Trading Limited						
Chongqing Starland Property Services Co., Ltd.(3)	People's Republic of China	Property management service	100	100	100	100
Subsidiaries of Chongqing Starland Property Services Co., Ltd.						
Chongqing Gangyuan Property Development Co., Ltd.(4)	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100
Chongqing Tianhu Land Co., Ltd.(4)	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group 2022 %	2021 %	Proportion of voting power held 2022 %	2021 %
Subsidiary of Starland Axis Pte. Ltd.						
Luminor Capital (Malaysia) Sdn. Bhd.(2)	Malaysia	Investment holding and provision of financial solution	100	51	100	51
Subsidiaries of Luminor Capital (Malaysia) Sdn. Bhd.						
EL Nuwr Sdn. Bhd.(2)	Malaysia	Financial solution – Asset management	100	51	100	100
Luminor Credit Sdn. Bhd.(2)	Malaysia	Financial solution – Loan advances business	100	40	100	80
SA Puncak Management Sdn. Bhd.(2)	Malaysia	Financial solution – Factoring business	86.8	43	86.8	85

(1) Audited by Baker Tilly TFW LLP for group consolidation purposes.
(2) Audited by Baker Tilly Malaysia.
(3) Not required to be audited in country of incorporation.
(4) Audited by member firm of Baker Tilly International in the PRC for group consolidation purposes.

(a) Increase ownership in Luminor Capital (Malaysia) Sdn. Bhd. ("LCM")

On 14 June 2022, Starland Axis Pte. Ltd. ("SAPL") acquired an additional 49% equity interest in LCM from its non-controlling interests. The Group paid the below consideration for the acquisition:

	Paid in cash MYR'000	Paid in shares of the Company
On 14 June 2022	12,809	13,449,630 shares
On 27 December 2022	1,336	1,355,657 shares
	14,145	14,805,287 shares

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Increase ownership in Luminor Capital (Malaysia) Sdn. Bhd. (Continued)

As a result of this acquisition, LCM is now 100% held by the Group. The carrying value of the net assets of LCM at 14 June 2022 was MYR767,000 and the carrying value of the additional interest acquired was MYR340,000. The difference of MYR20,761,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity under other reserve as premium paid for acquisition of non-controlling interests.

The following summarises the effect of the change in the Group ownership interest in LCM on the equity attributable to equity holders of the Company.

	MYR'000
Consideration paid for acquisition of non-controlling interests	20,421
Carrying amount of non-controlling interests acquired	340
Decrease in equity attributable to equity holders of the Company	20,761

(b) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	**Principal place of business/Country of incorporation**	**Ownership interests held by NCI**
2022		
SA Puncak Management Sdn. Bhd.	Malaysia	13.2%
2021		
Luminor Malaysia Subgroup**	Malaysia	49%

** Luminor Malaysia Subgroup included all the subsidiaries of Luminor Capital (Malaysia) Sdn. Bhd.. During the financial year, SAPL acquired the remaining 49% equity interest in Luminor Capital (Malaysia) Sdn. Bhd. [Note 14(a)].

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (Continued)

The following is the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Balance Sheet

	SA Puncak Management Sdn. Bhd. 2022 MYR'000	Luminor Malaysia Subgroup 2021 MYR'000
Non-current assets	2,128	1,918
Current assets	55,197	50,454
Non-current liabilities	(48,573)	(38,564)
Current liabilities	(3,236)	(11,107)
Net assets	5,516	2,701
Net assets attributable to NCI	728	1,466

Summarised Statement of Comprehensive Income

	SA Puncak Management Sdn. Bhd. 2022 MYR'000	Luminor Malaysia subgroup 2021 MYR'000
Revenue	19,375	14,409
Profit before tax	3,244	4,285
Income tax expenses	(282)	(1,256)
Profit after tax and total comprehensive income	2,962	3,029
(Loss)/profit allocated to NCI	(873)	1,740

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (Continued)

Summarised Cash Flows

	SA Puncak Management Sdn. Bhd. 2022 MYR'000	Luminor Malaysia subgroup 2021 MYR'000
Cash flows from/(used in) operating activities	1,022	(20,246)
Cash flows (used in)/from investing activities	(1,377)	2
Cash flows from financing activities	6,507	22,447
Net increase in cash and cash equivalents	6,152	2,203

(c) Call option

In accordance with the Call Option Agreement ("Call Option Agreement"), the non-controlling shareholder of SA Puncak Management Sdn. Bhd. ("SA Puncak") granted LCM a call option over the remaining 15% interest in SA Puncak Management Sdn. Bhd. for RM1,000,000. Under the Call Option Agreement, SA Puncak had the right to exercise the call option up to 22 August 2022.

On 3 August 2022, SA Puncak and LCM extended the option period for a further three years which shall expire thereafter on 21 August 2025. The call option is exercisable by LCM at any time during the extended option period, in respect of the call shares in accordance to the terms and conditions as below:

Timeline	Amount of call shares (ordinary shares)	Option price and payment manner
Before 22 August 2022	45,000**	RM120,000 payable in tranches by 22 May 2023
Before 22 August 2023	45,000	RM120,000 payable in tranches by 22 May 2024
Before 22 August 2024	45,000	RM120,000 payable in tranches by 22 November 2024
Before 22 August 2025	240,000	RM793,600 payable on or before 22 August 2025

** This tranche has been exercised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

15. INVESTMENT IN ASSOCIATE

	Group	
	2022	2021
	MYR'000	MYR'000
Unquoted equity shares, at cost	400	400
Loan due from associate	156	156
Share of post-acquisition reserves	134	(33)
Allowance for impairment loss	(500)	(500)
	190	23

Movements in allowance for impairment loss during the financial year are as follows:

	Group	
	2022	2021
	MYR'000	MYR'000
At 1 January	(500)	–
Allowance for impairment loss	–	(500)
At 31 December	(500)	(500)

Details of the Group's associate is as below:

Name of associate	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group	
			2022	2021
			%	%
Associate of LCM				
Luminor Capital Markets Sdn. Bhd. (formerly known as Fiscalab Capital Markets Sdn. Bhd.)(1)	Malaysia	Financial solutions	49	49

(1) Audited by Baker Tilly Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. INVESTMENT IN ASSOCIATE (CONTINUED)

Summarised financial information for Luminor Capital Markets Sdn. Bhd. ("Luminor Capital Markets") based on its SFRS(I) financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investment in the consolidated financial statements is as follows:

	Luminor Capital Markets Sdn. Bhd.	
	2022	**2021**
	MYR'000	**MYR'000**
Revenue	435	77
Profit before tax	342	20
Income tax expenses	–	–
Profit after tax	342	20
Other comprehensive income	–	–
Total comprehensive income	342	20
Current assets	436	98
Current liabilities	(10)	(13)
Net asset	426	85
Group's share of net assets based on proportion of ownership interest	209	42
Reconciliation of net assets to carrying amount as at financial year end:		
Share of net assets	209	42
Adjustment	(19)	(19)
Carrying amount of investment	190	23

In 2021, management performed an impairment review for the Company's investment in Luminor Capital Markets as the share of net asset of Luminor Capital Markets is lower than the cost of investment. An impairment loss of MYR500,000 was recognised in the prior financial year to write down the Group's investment in Luminor Capital Markets to its recoverable amount of MYR23,000. The recoverable amount has been determined based on the net assets of Luminor Capital Markets which management had estimated that the book value are fairly comparable at market value which approximates the fair value less cost to sell of the entity. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16. DEFERRED TAX

	Group 2022 MYR'000	Group 2021 MYR'000
Deferred tax assets	196	609
Deferred tax liabilities	(2,672)	(1,916)

The deferred tax assets and liabilities recognised by the Group and movements thereon during the financial years ended 31 December 2022 and 31 December 2021 are as follows:

	Deferred tax liabilities			Deferred tax assets		
	Undistributed retained profits MYR'000	Pre-levied Land Appreciation Tax ("LAT") MYR'000	Subtotal MYR'000	Tax credits MYR'000	Subtotal MYR'000	Total MYR'000
At 1 January 2021	(2,029)	(46)	(2,075)	572	572	(1,503)
Credited to profit or loss for the financial year (Note 25)	286	–	286	1	1	287
Translation difference	(124)	(3)	(127)	36	36	(91)
At 31 December 2021	(1,867)	(49)	(1,916)	609	609	(1,307)
Credited to profit or loss for the financial year (Note 25)	(840)	–	(840)	(406)	(406)	(1,246)
Translation difference	82	2	84	(7)	(7)	77
At 31 December 2022	(2,625)	(47)	(2,672)	196	196	(2,476)

Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular [Guoshuihan [2008] 112] effective from January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on their profits generated from 1 January 2008 onwards to its "non-resident" investors who do not have an establishment or place of business in the PRC. A preferential withholding income tax rate of 5% is applicable to the PRC subsidiaries which fulfil the requirements under the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No. 30.

In accordance with the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No. 30, the Group completed the declaration in the PRC during the financial year ended 31 December 2018, on its eligibility to enjoy the preferential withholding tax rate of 5%.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

16. DEFERRED TAX (CONTINUED)

Temporary differences relating to pre-levied LAT

In PRC, LAT is pre-levied based on certain percentage of pre-sale proceeds, which is stipulated by the local taxation bureau. According to "Notice on Adjustment of Pre-levying Rate of LAT" issued by Chongqing local tax bureau in 2011, LAT pre-levying rate for ordinary residential properties is 2% while the rate for non-ordinary residential properties is 3.5%.

17. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Trade payables	1	–*	–	–
Deposits from contractors	51	480	–	–
Deposits from tenants	204	211	–	–
Accrued expenses	1,907	1,437	585	380
Other payables due to subsidiaries	–	–	37,134	35,966
Other payables due to former ultimate holding company	295	153	294	153
Payables to former non-controlling interests	8,185	8,345	–	–
Consideration payable for acquisition of SA Puncak Management Sdn. Bhd.	67	7	–	–
	8,252	8,352	–	–
Other payables due to third parties	2,114	1,170	–	53
Other tax payables	488	1,024	–	–
Loan from a shareholder	26,663	–	26,663	–
Loan from a related party	9,999	–	9,999	–
	49,974	12,827	74,675	36,552

* Denotes amounts less than MYR1,000

	Group		Company	
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Contract liabilities	624	381	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. TRADE AND OTHER PAYABLES (CONTINUED)

CONTRACT LIABILITIES

Other payables due to subsidiaries and former ultimate holding company are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

Payables to former non-controlling interests (was a controlling interest of LCM in 2021) are unsecured, interest bearing at 6.5% (2021: 6.5%) per annum and repayment is within the next 12 months.

Loan from a shareholder (who is also the controlling shareholder and the director of the Company) is unsecured, interest bearing at 6.5% per annum and repayment is within the next 12 months.

Loan from a related party (related to the controlling shareholder) is unsecured, interest bearing at 6.5% per annum and repayment is within the next 12 months.

In 2021, included in the balances of payables to non-controlling interests are amounts of MYR632,000 (net of MYR1,854,000 waiver as stated in Note 7) due to a director of the Company who is a non-controlling interest of LCM. The amount are unsecured, interest bearing at 10% per annum and repayment is within the next 12 months.

Contract liabilities pertains to:

– advances from customers for the sale of its properties which are recognised as revenue when control of the property has been transferred to the customer.

– final instalment received in advance from customer.

A reconciliation of contract liabilities is as follows:

	Group	
	2022	2021
	MYR'000	MYR'000
At 1 January	381	403
Revenue recognised included in opening balance	(38)	(2,325)
New contracts	291	2,279
Translation difference	(10)	24
At 31 December	624	381

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. TRADE AND OTHER PAYABLES (CONTINUED)

CONTRACT LIABILITIES

A reconciliation of liabilities arising from financing activities is as follows:

	Other payables due to former ultimate holding company MYR'000	Payables to former non-controlling interests MYR'000	Loan from a shareholder MYR'000	Loan from a related party MYR'000	Total MYR'000
Group					
Balance at 1 January 2021	171	3,318	–	–	3,489
Changes from financing cash flows:					
– Advances from	–	7,662	–	–	7,662
– Repayments	(21)	(193)	–	–	(214)
– Interest paid	–	(713)	–	–	(713)
Non-cash changes:					
– Interest expense	–	413	–	–	413
– Transfer to other payables	–	(632)	–	–	(632)
– Unrealised foreign exchange loss	–	351	–	–	351
– Waiver of amount due to non-controlling interests	–	(1,854)	–	–	(1,854)
Translation differences	3	–	–	–	3
Balance at 31 December 2021	153	8,352	–	–	8,505
Changes from financing cash flows:					
– Advances from	3,652	60	–	–	3,712
– Loan drawdown	–	–	25,260	9,637	34,897
– Repayments	(3,524)	(632)	–	–	(4,156)
– Interest paid	–	(686)	(676)	(45)	(1,407)
Non-cash changes:					
– Interest expense	–	488	1,114	206	1,808
– Unrealised foreign exchange loss	–	670	–	–	670
Translation differences	14	–	965	201	1,180
Balance at 31 December 2022	295	8,252	26,663	9,999	45,209

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. SHARE CAPITAL

	No. of shares	MYR'000
Group and Company		
Issued and fully paid ordinary shares		
At 1 January 2021 and 31 December 2021	144,733	12,072
Issued during the financial year	14,805	6,276
At 31 December 2022	159,538	18,348

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.

On 14 June 2022 and 27 December 2022, the Company allotted and issued 13,449,630 and 1,355,657 shares to pay the non-controlling interest shareholder for the acquisition of LCM [Note 14(a)]. The newly issued shares rank pari passu in all aspects with the previously issued shares.

19. OTHER RESERVES

Capital reserve

Arising from the restructuring exercise in financial year 2012, being balancing of advances from ex–shareholders (net of tax) that were waived by the ex–shareholders are included as capital reserve.

Merger reserve

Arising from the restructuring exercise in financial year 2012, the merger reserve is the difference between the nominal amount of the share capital of the subsidiaries at the date on which the subsidiaries were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition.

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

19. OTHER RESERVES (CONTINUED)

Other reserve

Arising from acquisition of LCM during the financial year, other reserve is the difference between the consideration paid and the carrying amount of the non–controlling interests. The Group has elected to recognise the difference as other reserve under equity [Note 14(a)].

Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency.

20. REVENUE

		Group	
	Timing of transfer	**2022**	**2021**
		MYR'000	**MYR'000**
Interest income from financial solutions	Over time	20,414	13,786
Income from sale of properties	At a point in time	702	2,201
Rental income	Over time	730	710
Fee income from financial solutions	Overtime	–	560
Fee income from financial solutions	At a point in time	3	63
		21,849	17,320

21. INTEREST INCOME

	Group	
	2022	**2021**
	MYR'000	**MYR'000**
Interest income from fixed deposits	994	387
Interest income from current accounts with banks	3	69
Interest income from sub-leasing (Note 5)	49	–
Interest income from investment in financial assets at fair value through profit or loss	123	–
	1,169	456

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22. OTHER INCOME/(EXPENSES)

	Group	
	2022	2021
	MYR'000	MYR'000
Gain on disposal of development properties (Note 10)	21,941	–
Gain on foreign exchange	1,081	–
Gain on lease concession	–	177
Government grants	–	31
Management fee from associate	30	–
Rental income from sub-leasing	122	–
Rental income from leasing of motor vehicles	71	69
Others	149	36
Impairment loss on investment in associate (Note 15)	–	(500)
Penalty	–	(4,351)
	23,394	(4,538)

2021

Government grant income of MYR31,000 was recognised under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government ("government") will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to the current financial year by the government.

Penalty is related to final settlement paid to State Administration of Foreign Exchange, Hanzhong City Central Branch for the fund transfers relating to certain subsidiaries in the People's Republic of China. Consequent to the settlement in 2021, the case relating to the bank accounts and fund transfers of certain subsidiaries in the PRC has been resolved.

23. FINANCE COSTS

	Group	
	2022	2021
	MYR'000	MYR'000
Interest expense on lease liabilities	118	29
Interest expense on unwinding of provision for restoration	16	15
Interest expense on advances from former non-controlling interests	488	413
Interest expense on loan from a shareholder	1,114	–
Interest expense on loan from a related party	206	–
	1,942	457

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging/(crediting):

	Group	
		(Restated)
	2022	2021
	MYR'000	MYR'000
Amortisation of intangible assets	18	10
Bad factoring receivables written off	383	–
Depreciation of property, plant and equipment	1,378	980
Impairment losses on trade and other receivables (net of waiver of payable to director Notes 7 and 17)	8,160	745
Management fee expenses paid to former ultimate holding company	1,338	1,296
Net foreign exchange loss	2,329	492
Employee benefits expense (including directors' remuneration):		
Salaries and other short-term benefits	5,831	4,192
Defined contribution plans	723	495
Total employee benefits expense	6,554	4,687
Audit fees:		
– Auditors of the Company	245	233
– Other auditors, network firms	200	273
Non-audit fees:		
– Auditors of the Company	–	–
– Other auditors	–	–
Cost of properties held for sale recognised as expenses	396	842

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

25. INCOME TAX EXPENSE

	Group	
	2022	2021
	MYR'000	MYR'000
Current tax:		
PRC enterprise income tax	5,506	382
PRC land appreciation tax	–	104
Singapore corporate income tax	431	171
Singapore withholding tax	285	–
Malaysia corporate income tax	1,546	1,319
	7,768	1,976
Under/(over) provision in respect of previous financial years		
Current income tax	1,256	(42)
Deferred tax:		
Origination of temporary differences (Note 16)	1,246	(287)
Total income tax expense	10,270	1,647

The Group is subject to income tax on an entity basis on profits from the jurisdictions in which members of the Group are domiciled and operate.

The statutory income tax rate applicable is 17% (2021: 17%) and 24% (2021: 24%) for companies incorporated in Singapore and Malaysia respectively.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No. 63 of the President of the PRC, with an effective date of 1 January 2008. On 28 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing 1 January 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2021: 25%) for subsidiaries in the PRC.

The Group is subject to Land Appreciation Tax ("LAT") in the PRC which has been included in the income tax expense of the Group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

25. INCOME TAX EXPENSE (CONTINUED)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December are as follows:

	Group	
		(Restated)
	2022	2021
	MYR'000	MYR'000
Profit/(loss) before tax	17,403	(323)
Tax at statutory rate of 17% (2021: 17%)	2,959	(55)
Different tax rate in other countries	1,613	154
Non-deductible items	3,998	2,550
Income not subjected to tax	(599)	(178)
Effect of land appreciation tax	–	78
Withholding tax on undistributed profits	839	(266)
Withholding tax on foreign interest income	285	–
Utilisation or previously unrecognised tax losses and capital allowances	(82)	(488)
Under/(over) provision income tax expense in prior years	1,256	(42)
Others	1	(106)
Income tax expense recognised in profit or loss	10,270	1,647

26. EARNINGS/(LOSS) PER SHARE

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

	Group	
		(Restated)
	2022	2021
Net profit/(loss) attributable to owners of the Company (MYR'000)	8,006	(3,710)
Number of ordinary shares ('000)	159,538	144,733
Weighted average number of ordinary shares ('000)	152,158	144,733
Earnings/(loss) per share (MYR cents) (cents per share)		
– Basic	5.26	(2.56)
– Diluted	5.26	(2.56)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27. SEGMENT INFORMATION

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

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

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

The Group's reportable operating segments comprise property and financial solutions. Property covers development of residential, commercial and other properties and rental income from leasing of properties held for sale to generate rental income. Financial solutions business cover interest income and fees from financial solutions business in Malaysia.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

27. SEGMENT INFORMATION

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

	Financial solutions		Property		Group	
				(Restated)		
	2022 MYR'000	2021 MYR'000	2022 MYR'000	2021 MYR'000	2022 MYR'000	2021 MYR'000
Revenue						
External sales	20,417	14,409	1,432	2,911	21,849	17,320
Result						
Segment gross contribution	19,407	13,813	1,031	2,069	20,438	15,882
Other income/(expenses)	182	175	23,212	(4,213)	23,394	(4,038)
Interest income	114	46	1,055	410	1,169	456
Direct expenses	(19,746)	(7,348)	(3,036)	(1,292)	(22,782)	(8,640)
Impairment loss on investment in associate	–	(500)	–	–	–	(500)
Share of result of associate	167	10	–	–	167	10
Segment net contribution/ (loss)	124	6,196	22,262	(3,026)	22,386	3,170
Corporate expenses					(4,983)	(3,493)
Profit/(loss) before income tax					17,403	(323)
Income tax expense					(10,270)	(1,647)
Profit/(loss) for the financial year					7,133	(1,970)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

27. SEGMENT INFORMATION (CONTINUED)

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

	Financial solutions		Property		Group	
				(Restated)		
	2022	2021	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Bad factoring receivables written off	(383)	–	–	–	(383)	–
Depreciation and amortisation	(1,186)	(983)	(210)	(7)	(1,396)	(990)
Impairment loss on trade and other receivables	(8,160)	(745)	–	–	(8,160)	(745)
Impairment loss on investment in associate	–	(500)	–	–	–	(500)
Share of result of associate	167	10	–	–	167	10
Segment assets	66,959	52,372	70,186	55,274	137,145	107,646
Unallocated assets					10,745	3,479
Total assets					147,890	111,125
Segment assets includes:						
Additions to non-current assets*	2,402	103	2,036	1	4,438	104
Segment liabilities	13,278	11,107	26,597	26,396	39,875	37,503
Unallocated liabilities					41,810	586
Total liabilities					81,685	38,089

* Non-current assets additions other than financial instruments and deferred tax assets.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

27. SEGMENT INFORMATION (CONTINUED)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated financial statements. Expenses of the Company is not allocated to segments as the holding company provide administrative support on a Group basis.

Segment assets and liabilities

The amounts provided to the management with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Management monitors the assets and liabilities attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets and liabilities are allocated to reportable segments other than of the Company which are classified as unallocated assets and liabilities.

Below are the geographical segments by location of customers.

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	
	2022	**2021**
	MYR'000	**MYR'000**
Singapore	121	–
People's Republic of China	1,554	2,911
Malaysia	20,174	14,409
Total	21,849	17,320

	Non-current assets*	
	2022	**2021**
	MYR'000	**MYR'000**
Singapore	1,893	8
People's Republic of China	30	31
Malaysia	3,302	1,918
Total	5,225	1,957

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

Information about major customer

Revenue is derived from 2 (2021: 1) external customer who individually contributed 10% or more of the Group's revenue and are attributable to financial solutions business in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. COMPARATIVE FIGURES

As at 31 December 2021, the Group recorded an accumulated amortisation on its development properties amounted to RMB2,484,000 (MYR1,623,000). The charge to the Group's profit or loss was as follows:

	MYR'000
Charged to profit or loss	
– In financial year ended 31 December 2021	200
– Prior to 1 January 2021	1,423
	1,623

During the financial year, a prior year adjustment was made to reverse the accumulated amortisation of the development properties in accordance with the Group accounting policy as disclosed in Note 2.9. As a result, the financial statements for the financial year ended 31 December 2021 have been restated and the consolidated balance sheet at the beginning of the comparative period, 1 January 2021, has been restated to ensure compliance with the Group's accounting policy. The following line items have been restated:

	As previously stated* 2021 MYR'000	Amount adjusted 2021 MYR'000	As restated 2021 MYR'000
Group			
As at 31 December 2021			
Balance sheet			
Current assets			
Development properties	5,359	1,623	6,982
Equity			
Retained earnings	19,514	1,623	21,137
Statement of changes in equity			
Retained earnings	19,514	1,623	21,137
For the financial year ended 31 December 2021			
Statement of Comprehensive Income			
Administrative expenses	11,118	(200)	10,918
Loss before tax	(523)	200	(323)
Loss for the financial year	(2,170)	200	(1,970)
Loss attributable to owners of the Company	(3,510)	200	(3,710)
Total comprehensive loss attributable to owners of the Company	(1,166)	200	(1,366)

This prior year adjustment did not have any effect on the consolidated cash flow statement for the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. COMPARATIVE FIGURES (CONTINUED)

As a result, the financial statements for the financial year ended 31 December 2021 have been restated and the consolidated balance sheet at the beginning of the comparative period, 1 January 2021, has been restated to ensure compliance with the Group's accounting policy. The following line items have been restated (Continued):

	As previously stated* 2021 MYR'000	Amount adjusted 2021 MYR'000	As restated 2021 MYR'000
Group (Continued)			
As at 1 January 2021			
Balance sheet			
Current assets			
Development properties	5,090	1,423	6,513
Equity			
Retained earnings	23,424	1,423	24,847
Statement of changes in equity			
Retained earnings	23,424	1,423	24,847

* During the financial year, the Group changed its presentation currency from RMB to MYR, the amount previously stated has been re-presented in accordance with Note 2.1.

29. EVENTS AFTER THE BALANCE SHEET DATE

(a) On 1 February 2023, the Group completed the acquisition of 58.41% of Funded Here Pte. Ltd. ("FH"). FH is now a 58.41%-owned subsidiary of the Company, held through SAPL.

For the purchase consideration, the Company has allotted and issued 7,899,068 shares at the issue price of S$0.30 per share in satisfaction of the aggregate purchase consideration of S$2,369,720. The Company's total number of shares has increased from 159,538,287 shares to 167,437,355 shares.

The fair value of the Group's share of the identifiable net assets of FH at the date of acquisition has been provisionally determined at S$550,543. FH will be consolidated with effect from 1 February 2023. Details of the assets acquired, liabilities assumed, non-controlling interest that will be recognised, acquisition costs and effects on the Group's profit or loss and cash flows for the financial year ending 31 December 2023 are not disclosed as the accounting for this business combination is still incomplete at the time these financial statements are authorised for issue.

(b) On 10 February 2023, the Group completed its acquisition of the remaining 49% equity interest in Luminor Capital Markets Sdn. Bhd.. Following the acquisition, Luminor Capital Markets Sdn. Bhd. will become a 100% wholly-owned subsidiary of Luminor Capital (Malaysia) Sdn. Bhd. for a purchase consideration of MYR100,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 6 April 2023.

STATISTICS OF **SHAREHOLDINGS**

AS AT 24 MARCH 2023

Number of Shares	:	167,437,355
Class of shares	:	Ordinary shares
Voting rights	:	On a Poll, 1 vote for each ordinary share
Number of treasury shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 24 MARCH 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	233	8.58	7,059	0.00
100 – 1,000	838	30.85	428,867	0.26
1,001 – 10,000	1,085	39.95	4,028,702	2.41
10,001 – 1,000,000	539	19.85	31,758,677	18.97
1,000,001 and above	21	0.77	131,214,050	78.36
Total	**2,716**	**100.00**	**167,437,355**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 24 MARCH 2023

	Name of Shareholder	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	44,408,449	26.52
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	14,824,088	8.85
3	ESTATE OF LIN WEI DANIEL, DECEASED	7,899,068	4.72
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,218,395	4.31
5	PHILLIP SECURITIES PTE LTD	6,851,383	4.09
6	CHENG LIM KONG	6,436,955	3.84
7	OCBC SECURITIES PRIVATE LTD	5,275,485	3.15
8	ANG CHENG LAM	5,207,641	3.11
9	VSTL INVESTMENT LTD	5,077,200	3.03
10	HASSAN ISSA YAUNIS	4,660,200	2.78
11	RAFFLES NOMINEES (PTE) LIMITED	3,852,880	2.30
12	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	3,235,966	1.93
13	TEO TAT BENG	3,174,500	1.90
14	GOH KENG HUAY	2,230,266	1.33
15	TAN KOOI JIN	1,994,411	1.19
16	KWAN CHEE SENG	1,993,666	1.19
17	MAYBANK SECURITIES PTE. LTD.	1,855,243	1.11
18	LIM SEE YONG	1,463,102	0.87
19	DBS NOMINEES PTE LTD	1,265,152	0.76
20	CHIK CHOOI WAH	1,170,000	0.70
	TOTAL:	**130,094,050**	**77.68**

STATISTICS OF **SHAREHOLDINGS**

AS AT 24 MARCH 2023

SUBSTANTIAL SHAREHOLDERS AS AT 24 MARCH 2023

	Direct Interest		Indirect Interest	
Name	**Number of Shares**	**Percentage (%)**	**Number of Shares**	**Percentage (%)**
Kwan Chee Seng[(1)]	46,401,339	27.71	245,797	0.15
Lim Aik Teong[(2)]	3,620,095	2.16	7,565,096	4.52
Wisun Soon[(2)]	3,620,096	2.16	7,565,096	4.52

Notes:

(1) Mr Kwan Chee Seng is deemed under Section 4 of the Securities and Futures Act 2001 ("**SFA**") to have an interest in the 245,797 Shares held by GRP Chongqing Pte Ltd. Mr Kwan has a shareholding interest of 35.65% in GRP Limited. By virtue of Section 7 of the Companies Act 1967, Mr Kwan is deemed to be interested in the ordinary shares of the Company held by GRP Chongqing Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.

(2) Mr Lim Aik Teong and Mr Wisun Soon are deemed under Section 4 of the SFA to have an interest in the 7,565,096 Shares held by Meridian Salute Sdn Bhd ("**MSSB**"). Both Mr Lim and Mr Soon have 50% shareholding interest in MSSB. By virtue of Section 7 of the Companies Act 1967, Mr Lim and Mr Soon are deemed to be interested in the ordinary shares of the Company held by MSSB.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 24 March 2023, the percentage of shareholdings held in the hands of the public was approximately 58.78%. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Luminor Financial Holdings Limited (the "**Company**") will be held at Lounge 1883, Level 1 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Monday, 24 April 2023, 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Tan Chade Phang, a Director retiring pursuant to Article 89 of the Company's Constitution. **(Resolution 2)**
(see explanatory note 1)

3. To re-elect Mr Lim See Yong, a Director retiring pursuant to Article 89 of the Company's Constitution. **(Resolution 3)**
(see explanatory note 2)

4. To approve the payment of Directors' fees of S$120,000 for the financial year ending 31 December 2023 payable half yearly in arrears (2022: S$120,000). **(Resolution 4)**

5. To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) which will be proposed as Ordinary Resolution:

6. **Authority to Allot and Issue Shares** **(Resolution 6)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be authorised and empowered to:

(a) (i) allot and issue shares in the share capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

NOTICE OF **ANNUAL GENERAL MEETING**

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

    (a) new Shares arising from the conversion or exercise of convertible securities;

    (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares;

    Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and

NOTICE OF **ANNUAL GENERAL MEETING**

(4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note 3)

7. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong
Company Secretary

8 April 2023
Singapore

Explanatory Notes:

1. Mr Tan Chade Phang will, if re-elected as Director of the Company, continue to serve as the Independent Director, the Chairman of the Nominating Committee and the Remuneration Committee and remain as a member of the Audit Committee and Risk Management Committee of the Company. The Board of Directors has considered him to be independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

2. Mr Lim See Yong will, if re-elected as Director of the Company, continue to serve as the Independent Director, the Chairman of the Risk Management Committee and remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company. The Board of Directors has considered him to be independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

3. Ordinary Resolution 6 proposed in item 6 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro rata basis to shareholders of the Company.

IMPORTANT INFORMATION

1. The shareholders of the Company are invited to **physically attend** the AGM. There will be no option for shareholders of the Company to participate virtually. Printed copies of this notice of AGM and the accompanying Annual Report and Proxy Form will NOT be sent to shareholders. Instead, there documents will be made available to shareholders solely by electronic means via publication on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at http://www.luminorfinancialholdings.com.

2. Shareholders may submit questions relating to the Annual Report and resolutions set out in this notice of AGM in advance:

   (a) by email to investor@luminorfinancialholdings.com; or

   (b) by post to the office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712.

NOTICE OF **ANNUAL GENERAL MEETING**

All questions must be submitted by 15 April 2023.

Shareholders, including CPF and SRS investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the office address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from shareholders soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from shareholders will be posted on the SGXNET and the Company's website. Any subsequent clarifications sought by the shareholders after 15 April 2023 will be addressed at the AGM. The minutes of the AGM will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

3. A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such shareholder appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified in Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   A shareholder who is a relevant intermediary is entitled to appoint more than 2 proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A proxy need not be a shareholder of the Company.

5. The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

   (a) by email to sg.is.proxy@sg.tricorglobal.com; or

   (b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration at 80 Robinson Road, #11-02, Singapore 068898,

   in each case, not less than 48 hours before the time appointed to hold the AGM, i.e. by 10.00 a.m. on 22 April 2023.

6. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with the proxy form, failing which the proxy form may be treated as invalid.

7. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf.

NOTICE OF **ANNUAL GENERAL MEETING**

8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

9. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depository to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Chade Phang and Mr Lim See Yong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 24 April 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the above Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

	TAN CHADE PHANG	**LIM SEE YONG**
Date of Appointment	18 February 2016	1 July 2019
Date of last re-appointment	27 April 2021	27 April 2021
Age	46	54
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tan Chade Phang for re-appointment as Non-Executive Independent Director of the Company. The Board has reviewed and concluded that Mr Tan Chade possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim See Yong for re-appointment as Non-Executive Independent Director of the Company. The Board has reviewed and concluded that Mr Lim See Yong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of the NC and RC Member of the AC and RMC	Independent Director Chairman of the RMC Member of the AC, NC and RC

DISCLOSURE OF INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	TAN CHADE PHANG	LIM SEE YONG
Professional qualifications	Bachelor of Business in Accountancy Degree and Master of Finance from RMIT University	Bachelor of Business Administration from National University of Singapore
Working experience and occupation(s) during the past 10 years	• 2009 to present: CEO and founder of Voyage Research Pte Ltd • 2015 to present: President of the Small and Middle Capitalisation Companies Association (SMCCA)	• 2007 to 2019: Independent Director and Chairman of Corporate Governance Committee of WPG Resources Ltd (formerly known as Western Plain Resource Ltd) • 2006 to 2018: Managing Director and minority shareholder of Xin Sheng International Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	None	**Direct Interest:** – 1,463,102 shares (CDP) – 1,356,934 shares (Nominee) Total = 2,820,036 ordinary shares **Deemed Interest:** 65 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	TAN CHADE PHANG	LIM SEE YONG
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Directorships: • Dapai International Holdings Co. Ltd • TBK & Sons Holdings Limited • Bodhi Tree Network Pte. Ltd • TIH Limited • REVEZ Corporation Ltd. • Camsing Healthcare Limited Other Principal Commitments: None	Directorships: • WPG Resources Ltd (deregistered on 11 March 2022) • Xin Sheng International Pte Ltd Other Principal Commitments: None
Present	Directorships: • OUE Lippo Healthcare Limited • Voyage Research Pte Ltd • Y Ventures Group Ltd Other Principal Commitments: None	Directorships: None Other Principal Commitments: None
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	TAN CHADE PHANG	LIM SEE YONG
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	Yes WPG Resources Ltd was liquidated on 25 June 2020 and deregistered on 11 March 2022.
c) Whether there is any unsatisfied judgement against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

DISCLOSURE OF INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	TAN CHADE PHANG	LIM SEE YONG
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

	TAN CHADE PHANG	LIM SEE YONG
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	Yes Mr Tan Chade Phang was appointed as Independent Director of Dapai International Holdings Co. Ltd. in March 2016 and was subsequently appointed as Audit Committee Chairman to oversee the agreed upon procedures (conducted by BDO LLP) and special audit (conducted by KordaMentha) in consultation with SGX on matters prior to his appointment. The findings of the special audit report was released on SGXNET on 7 July 2017.	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	TAN CHADE PHANG	LIM SEE YONG
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to re-appointment of Director.	Not applicable. This relates to re-appointment of Director.

LUMINOR FINANCIAL HOLDINGS LIMITED
(Company Registration Number 201131382E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

(a) CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote may approach their respective CPF agent banks and SRS operators at least 7 working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such CPF and SRS investors shall be precluded from attending the AGM.

(b) This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

(c) Please read the notes to this Proxy Form. By submitting an instrument appointing proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2023.

I/We*, ______________________________ (Name) (NRIC/Passport/Registration Number* ______________)

of ____ (Address) being a shareholder/shareholders* of Luminor Financial Holdings Limited (the "**Company**") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address			

or failing him, the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held at Lounge 1883, Level 1 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Monday, 24 April 2023 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, vote against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof. All resolutions put to the vote at the AGM shall be decided by way of poll.

NO.	**RESOLUTION**	**Number of Votes For****	**Number of Votes Against****	**Number of Votes Abstain****
ORDINARY BUSINESS				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon **(Resolution 1)**			
2.	To re-elect Mr Tan Chade Phang, a Director retiring pursuant to Article 89 of the Company's Constitution **(Resolution 2)**			
3.	To re-elect Mr Lim See Yong, a Director retiring pursuant to Article 89 of the Company's Constitution **(Resolution 3)**			
4.	To approve the payment of Directors' fees of S$120,000 for the financial year ending 31 December 2023 payable half yearly in arrears (2022: S$120,000) **(Resolution 4)**			
5.	To re-appoint Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix its remuneration **(Resolution 5)**			
SPECIAL BUSINESS				
6.	Authority to allot and issue shares **(Resolution 6)**			

* Delete accordingly.
** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2023

Total number of Shares in	**Number of Shares**
(a) Depository Register	
(b) Register of Members	

____
Signature(s) or Common Seal of Shareholder(s)

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the shareholder.

2. A shareholder who is not a relevant intermediary is entitled to appoint not more than 2 proxies to attend and vote at the AGM. Where such shareholder appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a shareholder of the Company.

4. This Proxy Form, duly executed must be submitted (a) by email to sg.is.proxy@sg.tricorglobal.com; or (b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration at 80 Robinson Road, #11-02, Singapore 068898, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 22 April 2023.

5. The appointment of a proxy or proxies shall not preclude a shareholder from attending and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

8. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.

9. Persons who hold shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such shares at least seven working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf.

10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 8 April 2023.

CORPORATE **INFORMATION**

FULL NAME OF COMPANY
Luminor Financial Holdings Limited
(Formerly Known As: Starland Holdings Limited)
(Company registration number: 201131382E)

BOARD OF DIRECTORS
Foong Daw Ching
(Non-Executive Independent Chairman)

Kwan Chee Seng
(Non-Executive Director)

Kwan Yu Wen
(Executive Director)

Tan Chade Phang
(Independent Director)

Lim See Yong
(Independent Director)

COMPANY SECRETARY
Wee Woon Hong

REGISTERED OFFICE
30 Cecil Street
#10-01 / 02
Prudential Tower
Singapore 049712
TEL: (65) 6865 9960
FAX: (65) 6536 0688

SHARE REGISTRAR &
SHARE TRANSFER OFFICE
Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

CATALIST SPONSOR
UOB Kay Hian Private Limited
8 Anthony Road #01-01
Singapore 229957

INDEPENDENT AUDITOR
Baker Tilly TFW LLP
Public Accountants and Chartered Accountants,
Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge:
Lee Chee Sum Gilbert
(Appointed since financial year ended
31 December 2021)

PRINCIPAL BANKERS
United Overseas Bank
大华银行
OCBC Bank
华侨银行

LUMINOR FINANCIAL HOLDINGS LIMITED
30 CECIL STREET #10-01/02 PRUDENTIAL TOWER
SINGAPORE 049712