

LUMINOR FINANCIAL HOLDINGS LIMITED

(Formerly Known As: Starland Holdings Limited)

Company No. 201131382E

Interim Condensed Consolidated Financial Statements for the Nine-Month Financial Period Ended 30/09/2021

The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.

*This announcement has been prepared by Luminor Financial Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	3 Months ended			9 Months ended		
		3Q	3Q	Change	30 Sep	30 Sep	Change
		FY2021	FY2020	+/(-) %	2021	2020	+/(-) %
		RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	4	8,194	24,175	(66.1)	15,730	33,762	(53.4)
Cost of sales		(1,664)	(23,369)	(92.9)	(2,367)	(27,452)	(91.4)
Gross profit		6,530	806	NM	13,363	6,310	NM
Other income		86	225	(61.8)	190	417	(54.4)
Interest income		137	953	(85.6)	442	2,018	(78.1)
Other expenses		(786)	(2,099)	(62.6)	(786)	(2,099)	(62.6)
Finance costs		(23)	(258)	(91.1)	(78)	(480)	(83.8)
Selling expenses		-	(8)	NM	(20)	(13)	53.8
Administrative expenses		(3,492)	(2,772)	26.0	(11,812)	(8,358)	41.3
Profit/(loss) before shares of associate and income tax		2,452	(3,153)	NM	1,299	(2,205)	NM
Shares of associate		(10)	(24)	(58.3)	30	(46)	NM
Profit/(loss) before income tax		2,442	(3,177)	NM	1,329	(2,251)	NM
Income tax expenses	7	(104)	844	NM	(647)	(375)	72.5
Profit/(loss) after tax for the financial period		2,338	(2,333)	NM	682	(2,626)	NM
Other comprehensive loss <i>-Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences (at nil tax)		(112)	(1,931)	(94.2)	(2,139)	(4,005)	(46.6)
Total comprehensive income/(loss) for the financial period		2,226	(4,264)	NM	(1,457)	(6,631)	(78.0)
Profit/(loss) attributable to							
Owners of the Company		851	(2,176)	NM	(515)	(1,699)	(69.7)
Non-controlling interests		1,487	(157)	NM	1,197	(927)	NM
		2,338	(2,333)	NM	682	(2,626)	NM
Total comprehensive income/(loss) contributable to							
Owner of the Company		739	(4,107)	NM	(2,654)	(5,704)	(53.5)
Non-controlling interests		1,487	(157)	NM	1,197	(927)	NM
		2,226	(4,264)	NM	(1,457)	(6,631)	(78.0)
Profit/(loss) per share (RMB cents)							
Basic and diluted	8	0.59	(1.50)	NM	(0.36)	(1.17)	(69.2)

NM = Not Meaningful

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

	Note	Group		Company	
		As at		As at	
		30/09/2021	31/12/2020	30/09/2021	31/12/2020
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>					
Trade receivables	14	1,345	1,972	-	-
Property, plant and equipment	10	1,293	1,848	16	19
Investment in Associate		50	697	-	-
Investment in subsidiaries		-	-	-*	-*
Deferred tax assets		931	937	-	-
Goodwill	11	926	976	-	-
Intangible assets		20	1	-	-
Right-of-use assets		809	1,728	-	-
Total non-current assets		5,374	8,159	16	19
<i>Current assets</i>					
Cash and bank balances		65,648	105,198	5,697	44,644
Trade and other receivables	14	71,045	17,853	67,626	51,105
Properties held for sale	12	25,143	26,344	-	-
Development properties	13	8,413	8,413	-	-
Total current assets		170,249	157,808	73,323	95,749
<i>Current liabilities</i>					
Trade payables		1	1	-	-
Due to subsidiaries		-	-	39,887	56,928
Due to ultimate holding company		895	279	895	279
Other payables and accruals		6,164	5,690	765	707
Contract liabilities		598	656	-	-
Due to minority shareholders	15	11,913	1,206	-	-
Due to director	6	3,984	1,828	-	-
Lease liabilities	16	609	618	-	-
Income tax payable		32,823	32,948	-	-
Total current liabilities		56,987	43,226	41,547	57,914
Net current assets		113,262	114,582	31,776	37,835
<i>Non-current liabilities</i>					
Due to director	6	-	2,114	-	-
Provision for restoration		468	475	-	-
Lease liabilities	16	157	649	-	-
Deferred tax liabilities		3,341	3,376	-	-
Total non-current liabilities		3,966	6,614	-	-
Net assets		114,670	116,127	31,792	37,854

		Group		Company	
		As at		As at	
		30/09/2021	31/12/2020	30/09/2021	31/12/2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<i>Capital and reserves</i>					
Share capital	17	24,471	24,471	24,471	24,471
Capital reserve		48,522	48,522	-	-
Merger reserve		628	628	628	628
Statutory reserve		8,568	8,568	-	-
Translation reserve		(6,667)	(4,528)	(2,233)	159
Retained earnings		38,250	38,765	8,926	12,596
Equity attributable to owners of the Company		113,772	116,426	31,792	37,854
Non-controlling interest		898	(299)	-	-
Total equity		114,670	116,127	31,792	37,854

* Denotes amounts less than RMB1,000

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

		3 months ended	3 months ended	9 months ended	9 months ended
	Note	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Operating activities					
Profit/(loss) before income tax		2,442	(3,177)	1,329	(2,251)
Adjustments for:					
Impairment of goodwill		-	2,098	-	2,098
Depreciation of property, plant and equipment	5	174	194	535	252
Depreciation of right-of-use assets	5	61	127	482	453
Interest income		(137)	(953)	(442)	(2,018)
Interest expense		23	258	79	480
Shares of result of associates		10	24	(30)	46
Unrealised foreign exchange differences		(41)	(1,953)	(476)	(3,769)
Operating cash flows before movements in working capital		2,532	(3,382)	1,477	(4,709)
Decrease in properties held for sale		520	13,613	1,201	17,697
Increase in trade and other receivables, deposits and loan advances		(29,864)	(1,955)	(53,343)	(7,216)
Decrease in other payables and accruals		(931)	(3,264)	(508)	(4,380)
Cash flows(used in)/generated from operations		(27,743)	5,012	(51,173)	1,392
Interest received		122	1,511	444	2,288
Interest paid		-	(293)	(59)	(480)
Income tax paid		(196)	(268)	(514)	(629)
Net cash (used in)/generated from operating activities		(27,817)	5,962	(51,302)	2,571
Investment activities					
Purchase of equipment	10	(10)	(474)	(52)	(1,418)
Net cash inflow from acquisition of subsidiaries (Note A)		-	-	-	4,801
Net cash inflow from acquisition of subsidiaries (Note B)		-	(732)	-	(732)
Net cash flows (used in)/generated from investing activities		(10)	(1,206)	(52)	2,651
Financing activities					
(Increase)/decrease in bank deposits pledged		-	(71)	-	3,899
Increase in restricted bank balance (Note C)		-	(25)	-	(26,734)
Dividend paid		-	-	-	(21,941)
Due to ultimate holding company		810	-	645	1,473

		3 months ended	3 months ended	9 months ended	9 months ended
	Note	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Due to minority shareholders		11,941	237	11,941	424
Repayment of lease liabilities		(210)	(68)	(501)	(322)
Net cash generated from/(used in) financing activities		12,541	73	12,085	(43,201)
Effects of foreign exchange rate changes		1,315	(873)	(281)	(794)
Net decrease in cash and cash equivalents		(13,971)	3,956	(39,550)	(38,773)
Cash and cash equivalents at beginning of financial period		79,619	78,422	105,198	121,151
Cash and cash equivalents at end of financial period		65,648	82,378	65,648	82,378

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

			9 months ended	9 months ended
			30 Sep 2021	30 Sep 2020
			RMB'000	RMB'000
Cash and bank balances			65,648	109,112
Less restricted bank balances (Note C)			-	(26,734)
Cash and cash equivalents per cashflow statement			65,648	82,378

Note A - Effect on cash flows of the Group arising from acquisition of Luminor Capital Malaysia Sdn. Bhd. ("Luminor Malaysia") as at 30 September 2020:

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

Note B - Effect on cash flows of the Group arising from acquisition of SA Puncak Management Sdn. Bhd. (formerly known as El Nuwr Capital Sdn. Bhd.) ("SA Puncak")

	RMB'000
Consideration transferred	(976)
Less: Outstanding consideration payable on 4 September 2021	244
Net cash outflow from acquisition of subsidiaries	(732)

Note C – Restricted bank balance

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

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

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

Group	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
9 months ended 30 September 2020	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2020	24,471	48,522	628	8,568	(31)	64,277	146,435	-	146,435
Dividend	-	-	-	-	-	(21,941)	(21,941)	-	(21,941)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(2,074)	477	(1,597)	(770)	(2,367)
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	2,055	2,055
Balance as at 30 June 2020	24,471	48,522	628	8,568	(2,105)	42,813	122,897	1,285	124,182
Total comprehensive loss for the financial period	-	-	-	-	(1,931)	(2,176)	(4,107)	(157)	(4,264)
Adjustment to non-controlling arising from acquisition of subsidiary due to finalisation of purchase price allocation exercise	-	-	-	-	-	-	-	(892)	(892)
Balance as at 30 September 2020	24,471	48,522	628	8,568	(4,036)	40,637	118,790	236	119,026
9 months ended 30 September 2021									
Balance at 1 January 2021	24,471	48,522	628	8,568	(4,528)	38,765	116,426	(299)	116,127
Total comprehensive loss for the financial period	-	-	-	-	(2,027)	(1,366)	(3,393)	(290)	(3,683)
Balance as at 30 June 2021	24,471	48,522	628	8,568	(6,555)	37,399	113,033	(589)	112,444

Total comprehensive (loss)/income for the financial period	-	-	-	-	(112)	851	739	1,487	2,226
Balance as at 30 September 2021	24,471	48,522	628	8,568	(6,667)	38,250	113,772	898	114,670

Company	Share capital	Merger reserve	Translation reserve	Retained earnings	Total
9 months ended 30 September 2020	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2020	24,471	628	3,640	39,190	67,929
Dividend	-	-	-	(21,941)	(21,941)
Total comprehensive loss for the financial period	-	-	(1,989)	(2,021)	(4,010)
Balance as at 30 June 2020	24,471	628	1,651	15,228	41,978
Total comprehensive loss for the financial period	-	-	(1,492)	(2,632)	(4,124)
Balance as at 30 September 2020	24,471	628	159	12,596	37,854
9 months ended 30 September 2021					
Balance at 1 January 2021	24,471	628	159	12,596	37,854
Total comprehensive loss for the financial period	-	-	(1,787)	(2,362)	(4,149)
Balance as at 30 June 2021	24,471	628	(1,628)	10,234	33,705
Total comprehensive loss for the financial period	-	-	(605)	(1,308)	(1,913)
Balance as at 30 September 2021	24,471	628	(2,233)	8,926	31,792

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Corporate information:

Luminor Financial Holdings Limited (the “**Company**”) is a limited liability company incorporated and domiciled in the Republic of Singapore with its registered office at 20 Collyer Quay, #01–02, Singapore 049319 and principal place of business at 8 Marina Boulevard, Marina Bay Financial Centre Tower 1, #13–02 Singapore 018981. The Company is listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

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

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

- Financial solutions business; and
- Property development business.

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

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

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

On 29 September 2021, the shareholders of GRP approved the distribution in specie of shares in the Company to shareholders of GRP by way of capital reduction. Subject to the completion of the 6-week publication period for creditor objection, GRP anticipates that the completion of the proposed distribution would take place only after mid-November 2021. Upon successful distribution of the Company shares to shareholders of GRP, GRP Chongqing and GRP will cease to be the immediate holding company and ultimate holding company of the Company.

2. Basis of preparation

The interim condensed financial statements for the nine-month financial period ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

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

The interim condensed financial statements are presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

2.1. New and amended standards adopted by the Group

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

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

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

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

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

- Note 2.3 - Determination of functional currency

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

- Note 2.4 - Bank accounts and fund transfers relating to certain subsidiaries in the PRC
- Note 12 and 13 - Estimation of net realisable value of development properties and properties held for sale
- Note 11 - Impairment of goodwill
- Note 14 - Calculation of loss allowance
- Note 7 - Income taxes

2.3. Determination of functional currency

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

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

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

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

The Company had obtained a legal opinion from a firm of PRC legal counsel to confirm that the fund transfers from these bank accounts made by the abovementioned PRC subsidiaries aggregating RMB68,025,000 to unrelated third-party PRC entities did not contravene any PRC laws or regulations. Furthermore, the Company had obtained a legal opinion from a firm of Singapore legal counsel to confirm that the Agent held a remittance license issued by the Monetary Authority of Singapore in accordance with the Money-Changing and Remittance Business Act (Chapter 187 of Singapore). The Agent's license was valid for the period commencing 1 January 2017 to 31 December 2019 (both dates inclusive) when the fund transfers took place.

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

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

As announced by the Company on 22 October 2021, the Company was informed that the case has been taken over by the State Administration of Foreign Exchange ("SAFE") Hanzhong City Central Branch. The SAFE Officer in-Charge (the "SAFE OIC") has requested the Company to submit supporting documents relating to certain payments made in the PRC for their investigation.

As at 30 September 2021, the amounts included in the affected PRC bank accounts which have been unfrozen amounted to RMB13,150,000 (31 December 2020: RMB22,830,000).

As at the date of issuance of these interim consolidated financial statements, management has collated the requested documents and submitted them to the SAFE OIC on 8 November 2021. The Company will continue to co-operate fully with the SAFE OIC and expeditiously respond to the matters.

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

3. Seasonal operations

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

4. Segment and revenue information

4.1. Revenue

	Group	
	9MFY2021 RMB'000	9MFY2020 RMB'000
Income from sale of properties	3,323	31,777
Rental income	814	1,020
Interest income and fee income from financial solutions business	11,593	965
	<u>15,730</u>	<u>33,762</u>

4.2. Reportable segments

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

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

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

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

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

4.2. Reportable segments (Continued)

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

	Property		Financial Solutions		Group	
	9MFY2021 RMB'000	9MFY2020 RMB'000	9MFY2021 RMB'000	9MFY2020 RMB'000	9MFY2021 RMB'000	9MFY2020 RMB'000
Revenue						
External sales	4,137	32,797	11,593	965	15,730	33,762
Result						
Segment gross contribution	2,936	5,345	10,427	965	13,363	6,310
Other income	190	417	–	–	190	417
Interest income	442	1,288	–	730	442	2,018
Direct expenses	(1,132)	(1,608)	(7,631)	(5,650)	(8,763)	(7,258)
Share of associate loss	–	–	30	(46)	30	(46)
Segment net contribution	2,436	5,442	2,826	(4,001)	5,262	1,441
Corporate expenses					(3,933)	(3,692)
Profit/(loss) before income tax					1,329	(2,251)
Income tax expenses					(647)	(375)
Profit/(loss) for the financial period					682	(2,626)
Depreciation and amortisation	(9)	(163)	(1,008)	(543)	(1,017)	(706)
Share of result of associate	–	–	30	(46)	30	(46)

4.3. Segment information

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

	Property		Financial solutions		Group	
	30/09/2021 RMB'000	31/12/2020 RMB'000	30/09/2021 RMB'000	31/12/2020 RMB'000	30/09/2021 RMB'000	31/12/2020 RMB'000
Segment assets	89,638	89,204	80,206	32,511	169,844	121,715
Unallocated assets					5,779	44,252
Total assets					175,623	165,967
Segment liabilities	40,549	41,180	18,743	8,132	59,292	49,312
Unallocated liabilities					1,661	528
Total liabilities					60,953	49,840

4.3. Segment information (continued)

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

Segment revenue is based on the location of customers.

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

	Revenue	
	9MFY2021	9MFY2020
	RMB'000	RMB'000
Singapore	–	23,244
People's Republic of China	4,137	9,553
Malaysia	11,593	965
Total	15,730	33,762

	Non-current assets*	
	30/09/2021	31/12/2020
	RMB'000	RMB'000
Singapore	15	19
People's Republic of China	47	53
Malaysia	3,036	5,178
Total	3,098	5,250

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

5. Significant expenses

Significant expenses include:

	Group	
	9MFY2021	9MFY2020
	RMB'000	RMB'000
Depreciation of property, plant and equipment	535	252
Depreciation of right-of-use assets	482	453
Net foreign exchange loss	839	326
Cost of properties held for sale recognised as expenses	1,200	27,452
Management fee charged by ultimate holding company	1,537	1,388
Employee benefits expense (including directors' remuneration)	4,645	3,169

6. Related party transactions

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

	Group	
	9MFY2021	9MFY2020
	RMB'000	RMB'000
Rental income received from a fellow subsidiary	81	81
Management fee expenses paid to the ultimate holding company	1,537	1,388
Interest expense on amount due to director *	248	-
Amount due to NCI**	40	

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

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

7. Income tax expenses

	Group	
	9MFY2021	9MFY2020
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax	234	41
PRC land appreciation tax	163	-
Singapore corporate income tax	104	34
Malaysia corporate income tax	146	132
	<hr/>	<hr/>
	647	207
Deferred tax:		
Origination of temporary differences	-	168
	<hr/>	<hr/>
Total income tax expense	647	375

8. Loss per share

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

	Group	
	9MFY2021	9MFY2020
Net loss attributable to owners of the Company (RMB'000)	(515)	(1,699)
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	144,733	144,733
Basic and diluted loss per share (RMB) (cents per share)	(0.36)	(1.17)

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

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

9. Net asset value

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

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

	Group	
	30/09/2021	31/12/2020
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.79	0.80
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733

	Company	
	30/09/2021	31/12/2020
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.22	0.26
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

10. Property, plant and equipment

During the nine months ended 30 September 2021, the Group acquired assets amounting to RMB0.05 million (30 September 2020: RMB1.4 million) and there were no disposals (30 September 2020: Nil).

11. Goodwill

	Group	
	30/09/2021	31/12/2020
	RMB'000	RMB'000
Cost		
At beginning of financial period/year	3,075	-
Additions	-	3,075
Foreign currency translation	(50)	-
At end of financial period/year	3,025	3,075
Accumulated impairment		
At beginning of financial period/year	(2,099)	-
Impairment charge (Note 23)	-	(2,099)
At end of financial period/year	(2,099)	(2,099)
Net carrying value at end of financial period/year	926	976

11. Goodwill (cont'd)

Impairment test for goodwill

Goodwill acquired in a business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	30/09/2021	31/12/2020
	RMB'000	RMB'000
Luminor Malaysia and its subsidiaries (excluding SA Puncak)	2,099	2,099
SA Puncak	926	976

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

Key assumptions used in value in use calculation of SA Puncak

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

SA Puncak

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

Sensitivity to changes in assumptions

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

12. Properties Held for Sale

	Group	
	30/09/2021	31/12/2020
	RMB'000	RMB'000
At cost or net realisable value	25,143	26,344

12. Properties Held for Sale (cont'd)

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

Location	Description	30/09/2021		31/12/2020	
		Gross floor area (sq. meters)	Group's effective interest	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District, Chongqing, PRC	Commercial units and carpark units	4,650	100%	4,650	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,948	100%	5,663	100%

13. Development Properties

	Group	
	30/09/2021 RMB'000	31/12/2020 RMB'000
Land use rights	9,143	9,143
Amortisation of land use right	(2,179)	(2,179)
Net land use rights	6,964	6,964
Development cost	1,449	1,449
	8,413	8,413

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

During the financial year ended 31 December 2019, the Group received an offer from the local authority to repossess the land. The repossession value of the land offered by the local authority is above the carrying value of RMB8,413,000 (2020: RMB8,413,000). During the current financial period ended 30 September 2021, the Group was notified by the local authority to return the land related documents and to re-commence negotiation.

As at the date of issuance of these interim consolidated financial statements, the negotiation process is still ongoing and management is of the view that the repossession does not have a material impact on the consolidated financial statements of the Group.

14. Trade And Other Receivables

	Group		Company	
	30/09/2021 RMB'000	31/12/2020 RMB'000	30/09/2021 RMB'000	31/12/2020 RMB'000
<u>Current</u>				
Trade receivables	2,902	71	–	–
Loan advances	4,285	8,981	–	–
Factoring receivables	55,613	2,263	–	–
Other receivables from third parties	3,769	1,200	–	–
Other receivables from subsidiaries	-	–	67,559	51,056
Other receivables from associate	-	173	–	–
Other receivables from non-controlling interests	-	176	–	–
Deposits	737	424	67	49
Interest receivable from fixed deposit	122	69	–	–
Prepayments	39	103	–	–
Advance to a third party	3,576	4,391	–	–
Advances to suppliers	2	2	–	–
	71,045	17,853	67,626	51,105
<u>Non-current</u>				
Loan advances	1,345	1,972	–	–
Total trade and other receivables	72,390	19,825	67,626	51,105

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

15. Due to minority shareholders

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

In addition, additional advances of RMB11,873,000 was received from a minority shareholder. These advances are unsecured, interest bearing at 6.5% per annum, and repayable within the next 6 months.

16. Lease liabilities

Lease liabilities of the Group amounting to RMB0.8 million (approximately RM0.5 million) as at 30 September 2021 (31 Dec 2020: RMB1.3 million, approximately RM0.8 million) are secured by the right to the leased office in Malaysia.

16. Lease liabilities (cont'd)

	Group	
	30/09/2021	31/12/2020
	RMB'000	RMB'000
Amount repayable within one year		
Secured	609	618
Unsecured	–	–
	<u>609</u>	<u>618</u>
Amount repayable after one year		
Secured	157	649
Unsecured	–	–
	<u>157</u>	<u>649</u>
	<u>766</u>	<u>1,267</u>

17. Share capital

	Group and Company			
	30/09/2021		31/12/2020	
	No. of shares	RMB'000	No. of shares	RMB'000
	000		000	
Issued and fully paid ordinary shares				
At the beginning and the end of financial year	144,733	24,471	144,733	24,471

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

18. Financial instruments

	Group		Company	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets carried at amortised cost	136,652	124,918	73,323	95,749
Financial assets carried at fair value through profit or loss (Note 1)	–	–	–	–
	<u>136,652</u>	<u>124,918</u>	<u>73,323</u>	<u>95,749</u>
Financial liabilities carried at amortised cost	<u>21,437</u>	<u>10,783</u>	<u>57,252</u>	<u>57,914</u>

18. Financial instruments (cont'd)

Note 1:

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

As the trading of ayondo has been suspended on the SGX since the previous financial year, the fair value of the held for trading equity securities was determined to be Nil. In addition, ayondo's latest available unaudited financial information show a net liability position of SGD 4,508,000 as at 30 June 2021.

In addition, the Group also holds a call option over the remaining 15% interest in SA Puncak Management Sdn.Bhd. that can be exercised for RM1,000,000. The call option expires on 6 July 2022. As at 30 September 2021, the fair value of the call option was determined to be zero.

19. Subsequent events

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

On 1 October 2021, the Group completed the acquisition of the balance 20% equity interest (which is equivalent to 108,000 ordinary shares) in Luminor Credit Sdn. Bhd. for a consideration of RM100,000. The impact of the acquisition is not expected to be material to the Group for the financial year ending 31 December 2021.

Other information required per Appendix 7C of the Catalist Rules

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

The Company's share capital remained unchanged at RMB24,471,000 comprising 144,733,000 shares as at 30 September 2021 and 30 June 2021.

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

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

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

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

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

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

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

On 19 June 2020, the Company became aware that certain PRC banks had frozen certain PRC bank accounts of Tianhu and Gangyuan. These PRC bank accounts had been unfrozen on 24 November 2020. The Management had obtained verbal confirmation from the officer-in-charge of the case that these PRC bank accounts may be used for normal business operations.

On 22 October 2021, the Company was informed that the case has been taken over by SAFE. The SAFE OIC has requested the Company to submit supporting documents relating to certain payments made in the PRC for their investigation. Management has collated the requested documents and submitted them to the SAFE OIC on 8 November 2021.

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

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

remittance license issued by the Monetary Authority of Singapore in accordance with the Money-Changing and Remittance Act (Chapter 187 of Singapore). The Agent's license was valid for the period commencing 1 January 2017 to 31 December 2019 (both dates inclusive) when the fund transfers took place.

- (iii) The Management had submitted all requested documents to the OIC by 25 January 2021 and since then the OIC has not requested for additional documents or information. In October 2021, the Company was informed that the case has been taken over by SAFE. The SAFE OIC has requested the Company to submit supporting documents relating to certain payments made in the PRC for their investigation. Management has collated the requested documents and submitted them to the SAFE OIC on 8 November 2021. The Company will continue to co-operate fully with the SAFE OIC on the matters. The Company is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

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

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

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- **Three months ended 30 September 2021 ("3QFY2021") vs. Three months ended 30 September 2020 ("3QFY2020"); and**
- **Nine months ended 30 September 2021 ("9MFY2021") vs. Nine months ended 30 September 2020 ("9MFY2020")**

Revenue

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

The following table shows the breakdown of the revenue:

	3QFY2021		3QFY2020	
	RMB'000	% of Total Revenue	RMB'000	% of Total Revenue
Sales of properties	947	11.6%	23,625	97.7%
Rental income	307	3.7%	346	1.5%
Interest income and fees from loans and invoice factoring	6,940	84.7%	204	0.8%
	8,194		24,175	

	9MFY2021		9MFY2020	
	RMB'000	% of Total Revenue	RMB'000	% of Total Revenue
Sales of properties	3,323	21.1%	31,777	94.1%
Rental income	814	5.2%	1,020	3%

Interest income and fees from loans and invoice factoring	11,593	73.7%	965	2.9%
	15,730		33,762	

Composition of Revenue

While the property business contributed 94.1% and the financial solutions business contributed 2.9% of total revenue for 9MFY2020, the property business contributed 21.1% and the financial solutions business contributed 73.7% of total revenue for 9MFY2021. In the 3QFY2021, the property business contributed 11.6% and the financial solutions business contributed 84.7% of total revenue. This is in contrast to 97.7% for the property business and 0.8% for the financial solutions for the same period in the previous financial year. This is due to the property business reaching the tail end of sales of its projects and the growth of the financial solutions business. The shift in composition is in line with the Group's long-term goal of switching from the property business to the financial solutions business.

Sales of properties

3QFY2021 revenue for the property business at RMB0.9 million was lower than 3QFY2020 by RMB22.7 million. 9MFY2021 revenue for the property business at RMB3.3 million was lower than 9MFY2020 by RMB28.5 million.

This was due to lower sales as can be seen from the table below:

Sales	3QFY2021	3QFY2020
Singapore Garden in PRC	1 residential unit 0 car park spaces	0 residential units 3 car park spaces
University Town in PRC	-	-
Jalan Nipah in Singapore	-	1 semi-detached house

Sales	9MFY2021	9MFY2020
Singapore Garden in PRC	2 residential units 13 car park spaces	5 residential units 40 car park spaces
University Town in PRC	-	-
Jalan Nipah in Singapore	-	1 semi-detached house

While the Group still has inventory for its Singapore Garden and University Town projects, the last semi-detached house for the Jalan Nipah project was sold in 3QFY2020 and will no longer contribute to the Group's revenue figures going forward.

The lower sales of properties can also be attributed to the COVID-19 pandemic, due to which the Group has stopped all promotional sales activities, as well as the overall weak property market in the PRC. In addition, the Company has reached the tail end of its projects with only 9 residential units, 23 commercial units and 28 carpark spaces left for the Singapore Garden project, 2 commercial units and 32 carpark spaces left for the University Town project as at 30 September 2021.

Rental income

The Group's rental income is derived from the leasing of the Group's commercial units at both University Town project and Singapore Garden project in PRC. The Group leased out 5 commercial units of the Singapore Garden project and 1 commercial units of the University Town project for 9MFY2021.

Rental income remained fairly steady at RMB307,000 for 3QFY2021 against RMB346,000 for 3QFY2020. However, for 9MFY2021, rental income was RMB814,000, RMB206,000 lower than 9MFY2021. This was due to a reduction in rental rates in response to the weak property market conditions during the period under review.

Interest income and fee from loans and invoice factoring

Revenue from the financial solutions business was RMB11.6 million for 9MFY2021 as compared to RMB1.0 million for 9MFY2020, an increase by RMB10.6 million. A large part of the increase was due to revenue of RMB 6.94 million generated in 3QFY2021 alone, compared to RMB0.2 million during the same period in the previous year. This demonstrates significant growth in the financial solutions business and is part of the Group's strategy to shift to the financial solutions business.

Cost of sales

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.

Cost of sales for Luminor Malaysia mainly comprises commission paid to sales staff and interest costs.

Cost of sales decreased by 92.9% (RMB21.7 million) in 3QFY2021 as compared to 3QFY2020. Cost of sales decreased by 91.4% (RMB25.1 million) in 9MFY2021 as compared to 9MFY2020. The bulk of cost of sales for the periods under review in FY2020 was incurred by the property business. As such, the significant decrease in cost of sales is in line with significantly lower revenue from properties sales.

Gross profit and Profit margin

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

	Property			
	3QFY2021	3QFY2020	9MFY2021	9MFY2020
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,254	23,971	4,137	32,797
Gross profit	733	602	2,936	5,345
Profit Margin	58.5%	2.5%	71.0%	16.3%

	Financial Solutions			
	3QFY2021	3QFY2020	9MFY2021	9MFY2020
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	6,940	204	11,593	965
Gross profit	5,797	204	10,427	965
Profit Margin	83.5%	100%	89.9%	100%

	Group			
	3QFY2021	3QFY2020	3QFY2021	3QFY2020
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	8,194	24,175	15,730	33,762
Gross profit	6,530	806	13,363	6,310
Profit Margin	79.7%	3.3%	85.0%	18.7%

Overall gross profit increased from RMB0.8 million in 3QFY2020 to RMB6.5 million in 3QFY2021, contributing to an increase in gross profit from RMB6.3 million in 9MFY2020 to RMB13.4 million in 9MFY2021. Gross profit margins also increased from 79.7% in 3QFY2021 as compared to 3.3% in 3QFY2020 and 85.0% in 9MFY2021 as compared to 18.7% in 9MFY2020.

Gross profit margin for the property business was 58.5% for 3QFY2021 and 2.5% for 3QFY2020. Gross profit margin for the property business was 71.0% for 9MFY2021 and 16.3% for 9MFY2020. The lower gross profit margin for 3QFY2020 and 9MFY2020 was due to the sale of 1 semi-detached house for the Jalan Nipah project in Singapore for which only land cost of that unit was recovered and no gross profit was recognised.

Gross profit margin for the financial solution business was 83.5% for 3QFY2021 and 100% for 3QFY2020. Gross profit margin for the financial solutions business was 89.9% for 9MFY2021 and 100% for 9MFY2020. The high gross profit margin can be attributed to the fact that the source of financing for the financial solutions business is presently from the Company and its minority shareholders.

Other income

Other income decreased by RMB0.1 million in 3QFY2021 as compared to 3QFY2020 and decreased by RMB0.2 million in 9MFY2021 as compared to 9MFY2020. The decrease was mainly due to reduced government grants received from the Singapore government in 9MFY2021 as compared to 9MFY2020 as part of the Singapore government's COVID-19 relief for all companies.

Interest income

Interest income decreased by RMB0.8 million in 3QFY2021 as compared to 3QFY2020 and decreased by RMB1.6 million in 9MFY2021 as compared to 9MFY2020. This is mainly due to the non-recurring interest income received under the joint development arrangement of the Jalan Nipah project in Singapore during 9MFY2020 and the bank balances previously maintained in fixed deposits to generate interest income were utilised to finance the expansion of the factoring business.

Other expenses

Other expenses of RMB0.8 million in 3QFY2021 and in 9MFY2021 was due to an impairment charge on investment in associates. The other expenses of RMB2.1 million in 3QFY2020 and 9MFY2020 was due to impairment charge for goodwill arising from the acquisition of Luminor Malaysia.

Finance costs

Finance costs relate mainly to the interest expense on lease liabilities. The decrease in finance costs from RMB0.3 million in 3QFY2020 to RMB0.02 million in 3QFY2021 and decreased from RMB0.4 million in 9MFY2020 to RMB0.07 million in 9MFY2021 was due to lease(s) which expired in FY2020.

Selling expenses

The Group's selling expenses mainly comprise sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. The slight increase in selling expenses for 9MFY2021 was due to increased advertisement costs incurred.

Administrative expenses

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, professional expenses and value added taxes (“VAT”) payable to the PRC tax authority.

Administrative expenses increased by RMB0.7 million in 3QFY2021 and increased by RMB3.5 million in 9MFY2021. This was mainly due to additional staff costs incurred by the financial solutions business (headcount increased from 13 in 9MFY2020 to 29 in 9MFY2021) and depreciation incurred by Luminor Malaysia during 9MFY2021.

Income tax expenses

Income tax expenses related to enterprise income tax, land appreciation tax in the PRC and provision of withholding tax on undistributed profits of the PRC subsidiaries.

The increase in income tax expense of RMB0.9 million in 3QFY2021 is due to an increase in corporate tax of RMB0.82 million in PRC and an increase in corporate tax of RMB0.08 million in Luminor Malaysia.

The increase in income tax expense of RMB0.3 million in 9MFY2021 is due to an increase in corporate tax of RMB0.09 million, an increase in LAT of RMB0.2 million in PRC and an increase in corporate tax of RMB0.01 million in Luminor Malaysia.

INTERIM CONDENSED BALANCE SHEET

Non-current assets

As at 30 September 2021, non-current assets of RMB5.4 million consist of trade receivables, property, plant and equipment, investment in associate, deferred tax assets, goodwill, intangible assets and right-of-use assets.

(i) Trade receivables

The RMB0.6 million decrease in trade receivables is due to collection from trade receivables during 9MFY2021.

(ii) Property, plant and equipment

The RMB0.5 million decrease in property, plant and equipment is due to depreciation charge of RMB0.6 million partially offset by the addition of property, plant and equipment of RMB0.1 million during 9MFY2021.

(iii) Investment in associate

The balance of RMB0.05 million related to investment cost of RMB0.66 million and 49% equity accounting of the investment amounting to RMB0.18 million in Fiscalab Capital Market Sdn. Bhd. (“**Fiscalab**”). Fiscalab is in the business of providing corporate advisory services. An impairment loss of RMB 0.79 million was recognised during 9MFY2021.

(iv) Goodwill

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

(v) Right-of-use assets

The RMB 0.9 million decrease in right-of-use assets is due to depreciation of RMB0.6 million and translation adjustment to right of use asset which amounted to RMB0.3 million.

Current assets

As at 30 September 2021, current assets which amounted to RMB170.2 million mainly consist of cash and bank balances, trade receivables, other receivables and deposits, loan advances, factoring advances, properties held for sale and development properties.

Trade and other receivables mainly consist of trade receivables, other receivables and deposit, loan advance and factoring receivables. The amount increased by RMB53.2 million to RMB71.0 million as at 30 September 2021. This is mainly due to higher loan advance, factoring receivables and office rental deposit resulting from expansion in the financial solutions business in Luminor Malaysia.

Properties held for sale comprise the completed but unsold units of Singapore Garden project and University Town project in PRC, which amounted to RMB16.7 million and RMB8.4 million respectively as at 30 September 2021. The decrease of RMB1.2 million is due to the continual sale of properties in the Singapore Garden project during 9MFY2021.

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

Current liabilities

As at 30 September 2021, current liabilities of RMB57.0 million consist of trade payables, amounts due to ultimate holding company, other payables and accruals, contract liabilities, minority shareholders, amounts due to director, lease liabilities and income tax payable.

Amount due to ultimate holding company increased by RMB0.6 million as at 30 September 2021 as compared to 31 December 2020. This is due to management fee charged and administrative expenses paid on behalf of the Company by the ultimate holding company during the period under review.

Other payables and accruals, which mainly comprised deposits from tenants, advance rental, accrued expenses, amount due to associate and amount due to third parties, increased by RMB0.5 million in 9MFY2021. The increase is mainly due to the reclassification of amount due to former minority shareholders of RMB1.2 million to amount due to third parties. This increase is offset by a decrease of RMB0.8 million in other payables and accrued expenses as the Group has been making prompt payment to its suppliers.

Contract liabilities pertain to advance receipt from sale of properties which has decreased by RMB0.06 million as at 30 September 2021 mainly due to a decrease in the sales of properties in the PRC in 9MFY2021.

Amount due to minority shareholders of RMB11.9 million is related to Luminor Malaysia. The increase of RMB11.9 million was due to the additional short-term loan amount of RMB11.9 million from minority shareholders which was partially offset by a RMB1.2 million decrease due to the reclassification of RMB1.2 million for amount due to former minority shareholders to other payables as this minority shareholder has disposed of its interest in Luminor Malaysia.

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

Income tax payable decreased by RMB0.1 million in 9MFY2021. This is mainly due to the repayment of withholding tax amount in Malaysia during 9MFY2021.

Non-Current Liabilities

As at 30 September 2021, non-current liabilities of RMB4.0 million consist of provision for restoration, lease liabilities and deferred tax liabilities.

Amount due to director is Nil in 9MFY2021 as compared to RMB2.1 million as at 31 December 2020. This is due to reclassification of amount due to the director of RMB2.1 million to current liabilities.

Provision for restoration of RMB0.5 million has been recorded by Luminor Malaysia for reinstatement of the office premises when the lease of its office ends. Lease liabilities of RMB0.2 million is related to the rental of premises at Luminor Malaysia.

Shareholders' equity

Shareholders' equity consists of issued share capital, other reserves, retained earnings and non-controlling interest. As at 30 September 2021, shareholders' equity amounted to RMB114.7 million.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For 9MFY2021, net cash used in operating activities of RMB51.3 million was mainly due to the increase in trade and other receivables, deposits and loan advance of RMB53.3 million resulting from expansion of the financial solutions business in Malaysia.

Net cash flow used in investing activities amounted to RMB0.05 million in 9MFY2021, which was mainly due to the purchase of property, plant and equipment.

Net cash flow generated from financing activities amounted to RMB12.1 million in 9MFY2021, which was mainly due to the following:

- (a) Amount due to ultimate holding company of RMB0.6 million; and
- (b) Amount due to minority shareholders of RMB11.9 million; offset by
- (c) Repayment of lease liabilities of RMB0.5 million.

As at 30 September 2021, cash and cash equivalents amounted to RMB65.6 million.

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

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

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

The Group will continue to sell the remaining residential units (9 units), commercial units (25 units) and carpark spaces (60 lots) for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC. The Group is in negotiations with the Fuling government regarding the repossession of Royal Waterhouse Land in PRC. At the same time, the Group will continue to pursue the expansion of the financial solutions business in Malaysia.

The global pandemic continues to impact all the business segments of the Group. Amid the profound uncertainties, the residential property market in Fuling district of Chongqing, PRC where the Singapore Garden project and University Town project are located and the financial solutions business in Malaysia are expected to be challenging for the next 12 months.

Despite the headwinds created by the Delta COVID-19 variant, the economy is recovering, however we will continue to be cautiously optimistic and vigilant.

7. Dividend

If a decision regarding dividend has been made:-

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

No dividend has been declared for 9MFY2021.

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

No dividend has been declared for 9MFY2020.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared for 9MFY2021.

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

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

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920	Aggregated value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000
GRP Limited - Management fee expense	S\$315,000 (RMB1,526,175)	-
Kwan Chee Seng -Interest expense on amount due to director	RM157,650(RMB247,889)	-

GRP is the Group’s ultimate holding company.

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

The Group does not have a general mandate for IPT.

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

On 1 October 2021, the Group had completed the acquisition of the balance 20% equity interest (which is equivalent to 108,000 ordinary shares) in Luminor Credit Sdn. Bhd. (“**LCSB**”) for a consideration of RM100,000. LCSB is a wholly-owned subsidiary of Luminor Capital (Malaysia) Sdn.Bhd.(“**LCMSB**”) and the Company’s effective interest in LCSB is 51%. Please refer to the announcement dated 8 September 2021 for more information.

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

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

BY ORDER OF THE BOARD

Kwan Yu Wen
Executive Director
11 November 2021