LUMINOR FINANCIAL

THE FUTURE GLOWS

ANNUAL REPORT 2024

LEADING THE PACK

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This Annual Report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the 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.

Luminor Financial Holdings Limited (together with its subsidiaries, the "**Group**") is headquartered in Singapore. 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.

Our Presence

The Group has two core businesses:

Financial Solutions | Property Development

OUR **BUSINESSES**

1. FINANCIAL SOLUTIONS

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 (3) 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 DEVELOPMENT

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 (3) 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

UNIVERSITY TOWN

JALAN NIPAH

	SINGAPORE GARDEN	UNIVERSITY TOWN	JALAN NIPAH
PERCENTAGE INTEREST	100%	100%	100%
LOCATION	8 Wubao Road, Fuling District, Chongqing	89 Julong Avenue, Lidu, Fuling District, Chongqing	Jalan Nipah, Singapore
EXISTING USE	Residential and Commercial	Residential and Commercial	Residential
TARGET MARKET	Mid to High End	Mass	High-end
LAND TENURE	Leasehold	Leasehold	Freehold
SITE AREA (SQ M)	32,616	19,330	700
TOTAL GFA (SQ M)	105,350	43,284	803
STAGE OF COMPLETION	Completed	Completed	Completed
DATE OF COMPLETION	August 2015	April 2011	June 2018

OUR **BRANDS**

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

MALAYSIA

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

Member of the Malaysian Factors Association

One of the 14 financial institutions approved for Perintis Telekom Malaysia's vendor financing programme

One of the featured financing companies on Malaysia Petroleum Resources Corporation (an agency under the Ministry of Economy) on its i-OGSE platform

LUMINOR CAPITAL MARKET

Capital Markets Service Licence issued by Securities Commission Malaysia

LUMINOR CREDIT

Moneylending Licence issued by Ministry of Local Government Development Malaysia

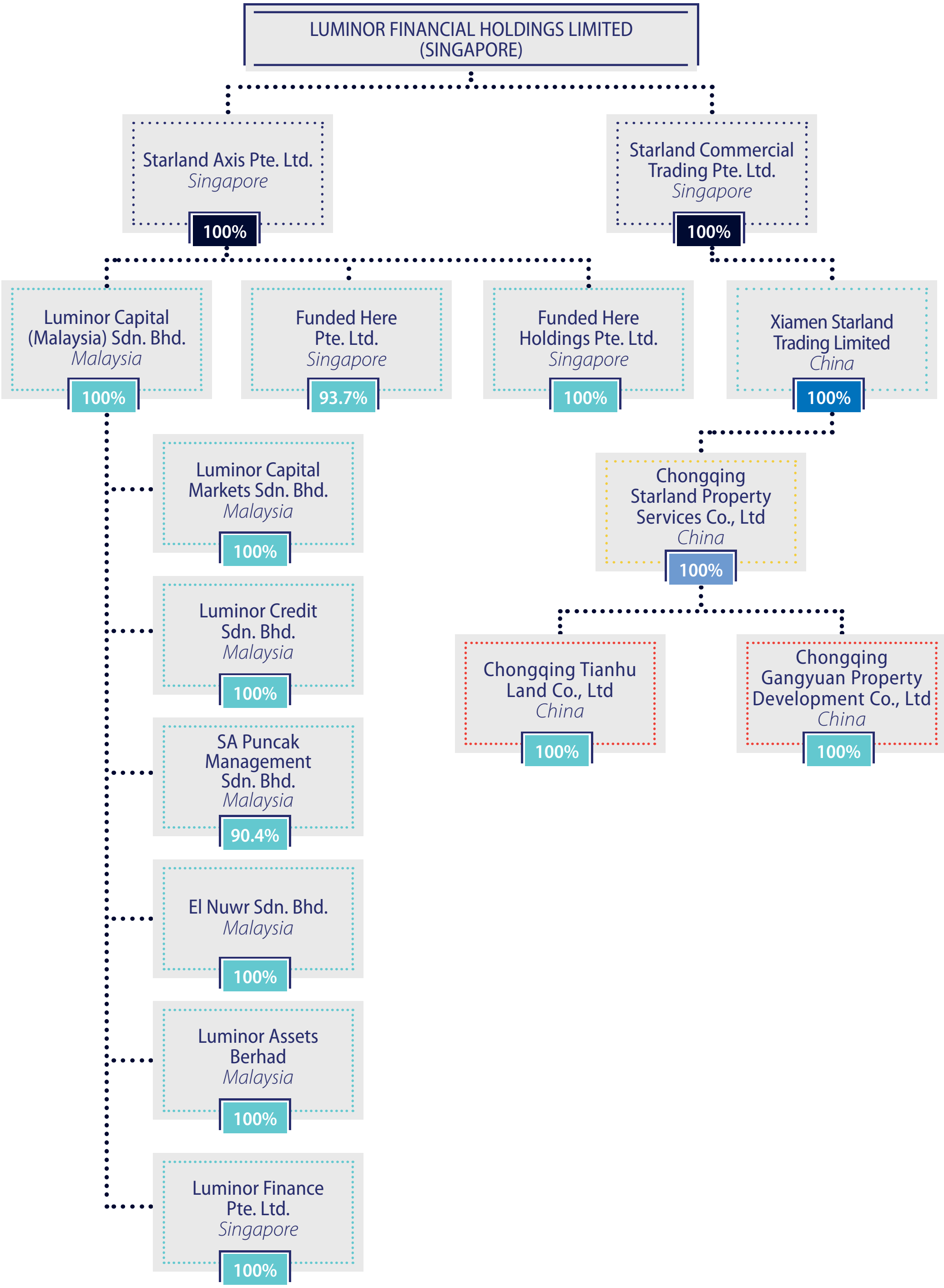
SINGAPORE

FundedHere

Capital Markets Service Licence issued by the Monetary Authority of Singapore

CORPORATE **STRUCTURE**

As at 4 April 2025



OUR MILESTONES

2011 : Completed University Town project (GDV[1]: ~RMB257.7m, GFA: 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[2]: 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. Led US$1.75m funding round for the Adiwisista Group.

2023 : Acquired 58.41% of Funded Here Pte. Ltd. ("FHPL")

: 2024 Launch of FHPL's Quanta Transaction Platform

1 GDV: Gross Development Value
2 GFA: Gross Floor Area

CHAIRMAN'S **STATEMENT**

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 2024 ("**FY2024**").

Continued growth of our core business: Luminor Malaysia

The key operating business of the Group, Luminor Capital (Malaysia) Sdn. Bhd. and its subsidiaries ("**Luminor Malaysia**"), based in Malaysia, saw continued success in FY2024. In FY2023, we announced that Luminor Malaysia had, in a short span of three (3) years, turned profitable for the first time since we first acquired a stake in 2020. I am pleased to announce that Luminor Malaysia has achieved its second year of profitability.

Revenue for the financial solutions business (currently almost entirely from Luminor Malaysia) grew 45.7% from MYR29.2 million for the financial year ended 31 December 2023 ("**FY2023**") to MYR42.6 million in FY2024. After taking into account the significant investment in the re-development of Funded Here Pte Ltd ("**Funded Here**"), the net contribution from the financial solutions business segment is MYR0.5 million in FY2024. (Please refer to Note 27 of the Financial Statements for more information).

As Luminor Malaysia is a non-bank financial institution, the capital for the financial solutions business comes from a mix of the Group's balance sheet, bank facilities as well as Luminor Malaysia's Redeemable Preference Shares ("**RPS**") Programme. In FY2024, Luminor Malaysia secured additional banking facilities. As at the date of this Annual Report, the Group has successfully raised more than MYR100 million through the RPS Programme. The increase in bank financing and success of the RPS Programme were instrumental in the expansion of the business in FY2024 and signals continued confidence in Luminor Malaysia.

Launch of Funded Here's Quanta Transaction Platform

Since the acquisition of Funded Here in 2023, management has worked tirelessly to build a new team and develop the new Funded Here platform. I am pleased to announce that Funded Here successfully launched its Quanta Transaction Platform ("**QTP**") in the fourth quarter of FY2024. We believe that the QTP is the first to offer real-time inventory financing and the first platform with a product specifically designed for e-commerce and social commerce businesses.

The Group saw a 42.5% growth in revenue from MYR30.9 million in FY2023 to MYR44.0 million in FY2024. Overall, there was, however, a net loss of MYR11.4 million in FY2024 against a net profit of MYR0.6 million in FY2023. While Luminor Malaysia was overall profitable, the Group invested significant resources into rebuilding Funded Here and developing the QTP as mentioned above, which we believe is a long-term investment now necessary for the future. With the launch of the QTP, the focus for Funded Here will be shifted to growing the platform.

2025 looks to be a year of uncertainties and challenges globally due to various geopolitical tensions as well as policy changes that will readjust global trade and investments. However, we remain confident in the Group's continued growth as our investments can finally come to fruition.

Finally, my fellow independent director, Mr Tan Chade Phang, will be retiring as the Independent Director of the Board upon the conclusion of the upcoming Annual General Meeting ("**AGM**") since he was appointed to the Board nine (9) years ago. On behalf of the Group, I would like to take the chance to express my deepest gratitude to Mr Tan for his contributions. We wish Mr Tan all the best in his future endeavours.

For and on behalf of the Board of Directors

MR. AW ENG HAI
Non-Executive Independent Chairman

DIRECTOR'S **STATEMENT**

DEAR SHAREHOLDERS,

Our company was born out of two observable and seemingly immutable facts. First, in good times or in bad times, regardless of how vast or short its supply, the one constant is a company's need and desire for financing. Second, despite many company's appetite for financing, it is not readily available on an on-demand basis. Its access can be limited, particularly for Small and Medium-Sized Enterprises (SMEs). We have long identified this gaping need in the market for SME financing – and our present success has been based on how we have plugged this gap.

It was on this basis that we diversified into the financial solutions business. The success of that today is evident – Our financial solutions business had a 45.7% growth in revenue from MYR29.2 million in FY2023 to MYR42.6 million in FY2024. FY2024 is Luminor Malaysia's second year of profitability and we expect Luminor Malaysia to continue growing.

Alas, our continued success will indeed turn on how we intend to meet the needs of a market filled with SMEs hungry for but starved of financing. Buoyed by our success in Malaysia, we now have our sights transfixed on our home country of Singapore. Armed with the blueprint, we will replicate what we had done in Malaysia in Singapore.

But the expansion of our business will not stop here. As a financial solutions business, our mission is to bring the opportunity to obtain financing to the doorstep of every company. We strive to achieve this lofty end by providing innovative solutions to meet the financing needs and wants of our clients. One such solution is manifested in Funded Here through our new Quanta Transaction Platform ("**QTP**").

In setting up Funded Here, we carefully analysed where the gap was. According to research and advisory firm Forrester, the digital economy will reach US$16.5 trillion (S$21.6 trillion) and capture 17% of global economic output by 2028. The Future of Commerce expects that social commerce will reach US$2.9 trillion by 2026. This means the time for retailers to get social is now. Armed with that knowledge, we built our QTP and launched our first product targeted at e-commerce and social commerce businesses. We aim to help them increase revenue by mapping capital precisely to where it is needed, allowing these businesses to get financing on demand. We truly believe in this as the future and are excited to chart the growth of Funded Here.

Our legacy property business saw a slight decrease in revenue this year mainly due to lower rental income in FY2024. As at 31 December 2024, the Group has only six (6) residential units, twenty-three (23) commercial units and twelve (12) carpark spaces left for the Singapore Garden project, two (2) commercial units and twenty-seven (27) carpark spaces left for the University Town project. The property market in China continues to be weak and the Group will continue to focus on selling down its remaining inventory and turning it into cash to fund the financial solutions business.

Our financial solutions business forms the bedrock of our Group and will be what brings us growth and success. What we have achieved in such a short span of time for our financial solutions business is remarkable. This would not have been possible without the unshakeable dedication and valued contributions of my esteemed colleagues across the Group. I would like to express my sincere gratitude to them. Additionally, I would like to acknowledge my fellow Board members for their consistent leadership and guidance. Finally, I would like to extend my appreciation to our shareholders and customers for their continued support and trust in Luminor Financial as we continue to grow.

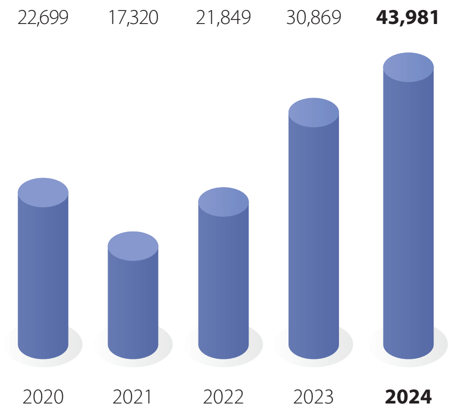
Last year, the promise was a chain progression of growth. We have delivered on that promise with the continued expansion of the Luminor Malaysia business, and the launch of Funded Here's lending platform. This year, the promise is to cement our position as a mainstay in our industry. The uncertain economic outlook may warrant caution. But we have in our hands the infrastructure and the playbook, as well as the experience and expertise. As such, we are optimistic that our efforts in 2025 will culminate in a step in the right direction – a step towards our goal of emerging from and taking the lead of the pack.

For and on behalf of the Board

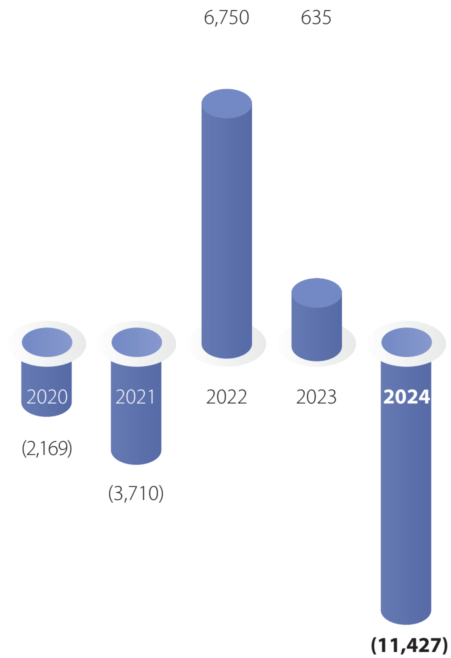
KWAN YU WEN
Executive Director

FINANCIAL **HIGHLIGHTS**

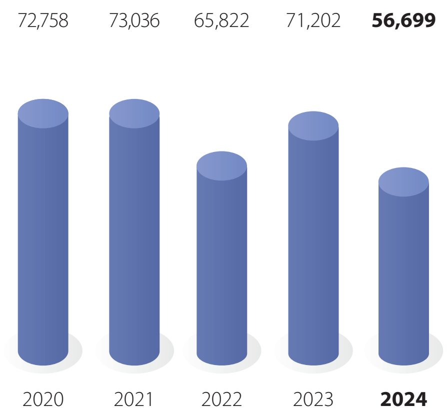
REVENUE (MYR'000)



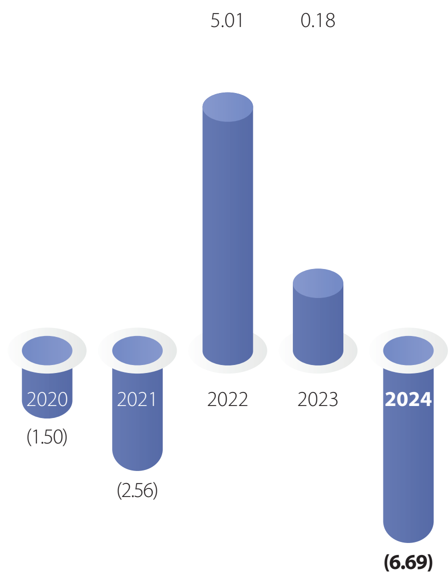
NET PROFIT/(LOSS) AFTER TAX (MYR'000)



SHAREHOLDERS' EQUITY (MYR'000)



EARNINGS/(LOSS) PER SHARE
(MYR CENTS)



OPERATING AND **FINANCIAL REVIEW**

REVENUE AND SEGMENT INFORMATION

Our revenue is largely derived from the fees from loans and invoice factoring services provided in Malaysia as well as from the sale of properties and rental income from leasing of our properties in the PRC. Overall revenue for FY2024 was MYR44.0 million compared to MYR30.9 million for FY2023. Revenue from the financial solutions business increased by 45.7% from MYR29.2 million in FY2023 to MYR42.6 million in FY2024, reflecting the continued strong growth of the financial solutions business. Revenue from the property business decreased by 14.3% from MYR1.6 million in FY2023 to MYR1.4 million in FY2024. The decrease in revenue for the property business is due to a decline in rental income. The Company has reached the tail end of its projects with only six (6) residential units, twenty-three (23) commercial units and twelve (12) carpark spaces left for the Singapore Garden project, two (2) commercial units and twenty-seven (27) carpark spaces left for the University Town project as at 31 December 2024. A breakdown of the revenue can be seen from the table below:

	FY2024		FY2023	
	MYR'000	% of Total Revenue	MYR'000	% of Total Revenue
Interest income and fees from loans and invoice factoring	42,580	96.8%	29,234	94.7%
Sales of properties	1,080	2.5%	999	3.2%
Rental income	321	0.7%	636	2.1%
Total Revenue	**43,981**	**100%**	**30,869**	**100%**

The segment gross contribution is disclosed in the table below:

	Property		Financial Solutions	
	FY2024	FY2023	FY2024	FY2023
Revenue (MYR'000)	1,401	1,635	42,580	29,234
Segment gross contribution (MYR'000)	554	1,096	38,205	24,389
Gross contribution margin	**39.5%**	**67.0%**	**89.7%**	**83.4%**

OPERATING AND **FINANCIAL REVIEW**

EXPENSES

Expenses include cost of sales, amortisation, commission expense, interest expense, impairment losses, operating expenses, professional fees and staff costs.

The key expenses that have significant movements are as follows:

1. Interest expense
   The increase in interest expense of approximately MYR7.8 million is mainly due to the increase in borrowings to fund the increase in factoring business. This is in line with the increase in revenue in FY2024.

2. Impairment losses on trade and other receivables – net
   The increase in impairment losses on trade and other receivables is due to additional estimated credit losses provided on some of the factoring receivables extended to the customers which are past ninety (90) days overdue and have been assessed by management to have low recoverability. This is also in line with the large increase in revenue from the factoring business.

3. Amortisation
   The Group has commenced amortisation of intangible asset relating to the Funded Here Pte Ltd's software development costs as the platform has reached a minimum viable product stage in June 2024 which led to the increase in amortisation expense in FY2024.

4. Operating expenses
   The Group's operating expenses mainly comprise sales and marketing costs, advertisement and promotional expenses, documentation charges for property transfers, director fees and other general office operating expenses. The increase in operating expenses is mainly due to increases in other expenses such as licence fees (arising from the new licensing contracts entered into by FHPL for the platform), and other miscellaneous office expenses offset by the reduction in the management fees paid to the Company's former ultimate holding company.

OPERATING AND **FINANCIAL REVIEW**

5. Professional fees
   Professional fees include audit fees, secretarial fees, tax fees, legal fees, valuation fees, sponsor fees and consultancy fees. The increase in professional fees of approximately MYR0.8 million is mainly due to the additional consultancy and legal fee incurred for engaging consultants to assist in setting up corporate structures for FHPL, reviewing legal contracts for the member agreements, master factoring agreements, as well as all other corresponding agreements prior to the commencement of FHPL's business. There has also been an increase in legal fees in LCM, mainly due to the multiple RPS issuances during FY2024.

6. Staff Costs
   Staff costs comprise mainly staff salary and wages and other staff relating costs such as bonuses, CPF, unutilised staff costs, levies, insurances, recruitment costs and training. Staff costs have increased by MYR2.2 million in FY2024 as compared to FY2023. This was due to the increase of headcount to sixty-eight (68) in FY2024.

OTHER INCOME/LOSS

Other income/loss comprise fair value gain/loss on financial assets at fair value through profit or loss, interest income and other income.

1. Fair Value Gain/Loss on Financial Assets at Fair Value through Profit or Loss
   The Group recorded a fair value loss on investment of MYR2.9 million in FY2024 as compared to a fair value gain on investment of MYR3.2 million in FY2023. This was recognised following the decrease in the valuation of the investment in Adiwisista as provided by the professional valuer in FY2024.

2. Interest Income
   Interest income comprises interest income from fixed deposits, current accounts with banks, sub-leasing as well as from the investment in convertible and exchangeable note. The amount remains relatively consistent with FY2023.

3. Other Income
   There was an decrease of MYR0.2 million in other income in FY2024 compared to FY2023. Other income includes bargain purchase on step acquisition of a subsidiary and other miscellaneous income such as rebates from government.

LOSS FOR THE FINANCIAL YEAR

As a result of the above, the Group recorded a net loss of MYR11.4 million for FY2024.

BOARD OF **DIRECTORS**

MR AW ENG HAI
Non-Executive Independent Chairman

MR AW ENG HAI is our Independent Director and was appointed to the Board of our Company on 21 June 2024 as the Chairman of the Board. Mr Aw is presently a partner at the helm of Recovery & Reorganisation and Forensic Investigation Services practice of Foo Kon Tan LLP. An approved liquidator, he has more than twenty (20) years of experience and has helped numerous clients successfully restructure their businesses and helped creditors trace and recover assets from companies in liquidation across various sectors such as retail, financial institutions, real estate and manufacturing. Prior to joining the commercial sector, he was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigations and investigations into the collapse of various companies, one of which was a major financial institution.

Mr Aw is a practicing member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS), a member of INSOL International and a member of Singapore Institute of Directors (SID)

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 the Non-Independent Non-Executive Director of GRP Limited. 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 Limited 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

MISS KWAN YU WEN
Executive Director

MISS KWAN YU WEN is our Executive Director and was appointed to the Board of our Company on 21 December 2020. She was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019. Miss Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015. Miss Kwan is the daughter of Mr Kwan Chee Seng, Non-Executive Director and substantial shareholder of the 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, Y Ventures Group Ltd and Tritech Group Limited. Mr Tan 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 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 ten (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 markets. 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.

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 fifteen (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 eight (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 four (4) years and was responsible for overall deal structuring and setting top level strategic direction.

KEY MANAGEMENT PERSONNEL

MR KENNETH PANG CHEE CHONG

Chief Executive Officer, Funded Here Pte. Ltd.

MR KENNETH PANG CHEE CHONG was appointed as the Chief Executive Officer of Funded Here Pte. Ltd in 2023. Mr Pang possesses extensive expertise in corporate banking and wealth management acquired over two (2) decades from financial institutions such as Citibank, Tat Lee Bank, and the Royal Bank of Canada. Mr Pang graduated with a Bachelor of Business Administration from the National University of Singapore and obtained a Master of Finance from RMIT Australia. Mr Pang's depth of experience and global perspective make him a valuable asset in driving innovation and growth within the fintech industry.

MISS TOH WEI SHIENG

Group 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 twenty (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.

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 ENGAGEMENT**

CSR AND EMPLOYEE ENGAGEMENT IN FY2024

CSR Activities

In December 2024, the Company brought nineteen (19) underprivileged kids for a fun-filled outing. We visited the latest indoor playground, Bubble Planet, where the kids had a blast exploring and playing. After that, we enjoyed an exciting bowling competition together. It was heartwarming to see them so happy and engaged throughout the day!

CUSTOMER ENGAGEMENT

Embracing the spirit of Hari Raya Aidilfitri, our annual Open House in Malaysia, *illuminate raya*, was a memorable event of vibrant colors, traditional attire, and warm hospitality.

We welcomed almost three hundred (300) guests, including clients, suppliers and various stakeholders. The event featured an impressive buffet line that offered a fusion of traditional of Raya dishes to celebrate the festive season.

CSR AND **EMPLOYEE ENGAGEMENT**


Team-building

In Singapore, the team visited City Sprouts for an exciting farm tour. We explored the farm, learned about sustainable agriculture, and participated in a hands-on workshop. It was a fun and enriching experience, strengthening our teamwork while gaining valuable insights into urban farming.

Over in Malaysia, a mixed team showdown was facilitated to transcend departmental boundaries and bring together a mix of talents.



REPORT ON **CORPORATE GOVERNANCE**

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE WITH 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 2024 ("**FY2024**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**").

Pursuant to Rule 710 of Section B: Rules of Catalist 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 FY2024. 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.

I. BOARD MATTERS		
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.		
1.1	Principal Duties of the Board	As at the date of this Annual Report, the Board has five (5) members and comprises the following individuals:

Table 1.1 – Composition of the Board	
Name of Director	**Designation**
Mr Aw Eng Hai	Non-Executive Independent Chairman of the Board
Miss Kwan Yu Wen	Executive Director
Mr Kwan Chee Seng	Non-Executive Director
Mr Tan Chade Phang	Independent Director
Mr Lim See Yong	Independent Director

The Board does not have alternate directors.

Mr Tan Chade Phang will be retiring as a director of the Board upon the conclusion of the FY2024 Annual General Meeting ("**AGM**") to be held on 28 April 2025 to facilitate the Board's renewal. The Company is in the process of selecting a new director and will endeavour to appoint the incoming director within two (2) months of the AGM, but not later than three (3) months from the AGM.

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.

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. 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.

REPORT ON **CORPORATE GOVERNANCE**

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<tr><td></td><td></td><td>
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.
In FY2024, Mr Aw Eng Hai was appointed as Non-Executive Independent Chairman of the Board. Mr Aw Eng Hai has prior experience as Independent Director of Singapore listed companies and has completed the mandatory training prescribed by the SGX-ST.
New Directors who do not have prior experience as a Director of a public listed company in Singapore will have to undergo training programmes as required by the Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") to develop the requisite individual skills, such as knowledge on the Companies Act 1967 and the Catalist Rules.
Trainings and/or seminars attended by the Directors during FY2024 are listed below:
<table>
<tr><th>Name of Directors</th><th>Title of Trainings/Seminars</th></tr>
<tr><td>Mr Aw Eng Hai</td><td>– Private Trustees in Bankruptcy Dialogue 2024
– SID Directors Conference 2024
– Singapore Insolvency Conference 2024
– ISCA Practitioner Renaissance – Leading Positive Disruptions</td></tr>
</table>
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.
</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;

</td></tr>
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REPORT ON **CORPORATE GOVERNANCE**

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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") (collectively, "Board Committees") 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.
As at the date of this Annual Report, the compositions of the Board Committees are as follows:
<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>Aw Eng Hai</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>Aw Eng Hai</td><td>Aw Eng Hai</td><td>Aw Eng Hai</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>
Mr Tan Chade Phang, the Chairman of the NC, the Chairman of the RC, a member of the AC and a member of the RMC of the Company, will retire at the forthcoming AGM of the Company for the financial year ended 31 December 2024 as he has served as Independent Director of the Company for a period exceeding nine (9) years from the date of his first appointment on 18 February 2016. Under Rule 406(3)(d)(iv) of the Catalist Rules, Mr Tan Chade Phang will no longer be deemed independent. Accordingly, Mr Tan Chade Phang's retirement from the Board will take effect upon the conclusion of the AGM, and will cease to be the Chairman of the NC, the Chairman of the RC, a member of the AC and a member of the RMC of the Company upon his retirement.
The new composition of the Board and Board Committees will be announced upon the appointment of the new director.
</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

1.5	Board Meetings and Attendance	Board and Board Committees 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 FY2024, the number of Board and Board Committees meetings held and the attendance of each Board member is shown below:

Table 1.5 – Board and Board Committees Meeting in FY2024

	Board	AC	NC	RC	RMC
Number of Meetings held	4	3	2	1	1
Name of Director	No. of Meetings Attended				
Foong Daw Ching**	2	1	2	1	1
Aw Eng Hai***	2	2	0	0	0
Kwan Yu Wen	4	3*	2*	1*	1*
Kwan Chee Seng	4	3*	2	1*	1*
Tan Chade Phang	4	3	2	1	1
Lim See Yong	4	3	2	1	1

* Attendance by invitation

** Mr Foong Daw Ching retired and ceased as Non-Executive Independent Chairman of the Board upon the conclusion of the FY2023 AGM

*** Mr Aw Eng Hai was appointed as Non-Executive Independent Chairman of the Board on 21 June 2024

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 Board Committees 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/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 and there is a maximum limit of five (5) directorships that a Director can hold in publicly listed companies.

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.
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REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td rowspan="2">1.7</td><td>Access to Management and Company Secretary</td><td>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.</td></tr>
<tr><td>Independent Professional Advice</td><td>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.</td></tr>
</table>

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 Aw Eng Hai, Mr Tan Chade Phang and Mr Lim See Yong had confirmed their independence during the Company's NC meeting held on 24 February 2025. In FY2024, the Board consisted of five (5) Directors, of whom three (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. Mr Tan Chade Phang has served for a period exceeding nine (9) years from the date of his first appointment on 18 February 2016. Under Rule 406(3)(d)(iv) of the Catalist Rules, Mr Tan Chade Phang will no longer be deemed independent after the conclusion of the forthcoming AGM of the Company for the financial year ended 31 December 2024. As such, he will retire as Independent Director of the Company upon conclusion of the forthcoming AGM to facilitate the Board's renewal. The Company is in the process of selecting a new director and will endeavour to appoint the incoming director to fill the vacancy within two (2) months, but not later than three (3) months from the AGM to comply with Rule 704(7) of the Catalist Rules. Apart from Mr Tan Chade Phang, none of the Independent Directors on the Board has served for a period exceeding nine (9) years from the date of their first appointment.
2.3	Proportion of Non-Executive Directors	As at the date of this Annual Report, 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 13 to 14 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 Miss Kwan Yu Wen, in line with the principles of the Board's Diversity Policy. The Company has established targets to achieve diversity. These targets include achieving 20% female representation, ensuring 60% independence on the Board, and consistently enhancing the Board's skillset. In FY2024, the Company is pleased to report that it has successfully met these targets set. Looking ahead to the financial year ending 31 December 2025, the Company remains committed to work towards maintaining the same diversity targets. In the long term, the Company strives to increase the female representation on the Board up to 25% and two-third independence on the Board by 2030. As at the date of this Annual Report, the Company is of the view that the current size of the Board is suitable for the scale of the Group's operations, with a majority comprising Independent Directors. 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 Independent Chairman of the Board, the non-executive Independent Directors discuss and/or meet at least twice 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 twice without the presence of Management in FY2024.</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 Chief Executive Officer ("**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, in FY2024, Mr Aw Eng Hai was the Non-Executive and Independent Chairman while Miss Kwan Yu Wen was the Executive Director of the Company. Mr Aw Eng Hai 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	The Non-Executive Independent Chairman of the Company 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; and • 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**

IV. BOARD MEMBERSHIP		
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.		
4.1 4.2	NC Composition and Role	As at the date of this Annual Report, the NC comprises four (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 (1) 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 (3) years.

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.
4.1 4.3	Board Renewal & Succession Planning	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.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<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>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>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.</td></tr>
<tr><td>4.</td><td>Appointment of Director</td><td>Following the rigorous selection process, the NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
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.
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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 (3) 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 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 (3) 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.
At the forthcoming AGM of the Company, Mr Aw Eng Hai and Mr Lim See Yong (collectively, the “Retiring Directors”) will retire and submit themselves for re-election pursuant to Article 88 and Article 89 of the Company’s Constitution respectively. The Retiring Directors have offered themselves for re-election. The Board has accepted the recommendation of the NC.
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REPORT ON **CORPORATE GOVERNANCE**

		It was further noted that Mr Tan Chade Phang who has served for a period exceeding nine (9) years from the date of his first appointment on 18 February 2016 and no longer be deemed independent pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, will be retiring upon the conclusion of the forthcoming AGM to facilitate the Board's renewal. In making the recommendations, the NC had considered the Directors' overall contribution and performance. Mr Aw Eng Hai will, upon re-election as a Director, remain as a Non-Executive Independent Chairman of the Company, Chairman of the AC, a member of the RC, RMC and NC. Mr Lim See Yong will, upon re-election as a Director, remain as Chairman of the RMC, a member of the 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 13 to 14. Information relating to the Directors who are seeking re-appointment at the forthcoming AGM to be held on 28 April 2025 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 Aw Eng Hai, 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 FY2024, the Company did not have any alternate Directors.

REPORT ON **CORPORATE GOVERNANCE**

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. 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 FY2024. The NC has fixed a maximum limit of five (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.

REPORT ON **CORPORATE GOVERNANCE**

The key information of the Directors of the Company, including their appointment dates and directorships held in the past three (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
Aw Eng Hai	Non-Executive Independent Chairman	21 June 2024	NA	(1) GDS Global Limited (2) Tritech Group Limited	(1) TOTM Technologies Limited
Kwan Yu Wen	Executive Director	21 December 2020	25 April 2024	Nil	GRP Limited
Kwan Chee Seng	Non-Executive Director	18 February 2016	25 April 2024	GRP Limited	Nil
Tan Chade Phang	Independent Director	18 February 2016	24 April 2023	(1) OUE Lippo Healthcare Limited (2) Y Ventures Group Ltd. (3) Tritech Group Limited	(1) REVEZ Corporation Ltd. (2) SMI Vantage Limited
Lim See Yong	Independent Director	1 July 2019	24 April 2023	Nil	Nil

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 FY2024, 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 assess 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.

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	Board Evaluation Criteria	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 5: Board Performance Criteria		
Performance Criteria	**Board and Board Committees**	**Individual Directors**
Qualitative	a. Size and composition b. Information to the Board c. Board procedures d. Strategic planning and accountability e. Attendance record at meetings	1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence 5. Overall effectiveness
Quantitative	a. Financial reporting b. Performance measurements	1. Attendance at Board and Board Committee meetings

VI. REMUNERATION MATTERS

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/her own remuneration.

6.1 6.2 6.3 6.4	RC Composition and Role	As at the date of this Annual Report, the RC comprises three (3) 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;

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		(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 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. 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.

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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/her individual performance and contribution towards the overall performance of the Group for FY2024. 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.

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 FY2024.

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	Remuneration of Directors	The breakdown for the remuneration of the Directors for FY2024 is as follows:

Table 8.3 (a) – Directors' Remuneration

Name	Salary[1] %	Bonus %	Benefits-in-kind %	Directors' Fees %	Total (SGD)
Kwan Yu Wen	81	19	–	–	311,316
Foong Daw Ching[2]	–	–	–	100	13,302
Aw Eng Hai[3]	–	–	–	100	22,017
Tan Chade Phang	–	–	–	100	41,740
Lim See Yong	–	–	–	100	36,520
Kwan Chee Seng	–	100	–	–	30,000

Notes:

(1) The salary amounts shown are inclusive of Central Provident Fund and other statutory contributions.

(2) Mr Foong Daw Ching stepped down as Non-Executive Independent Chairman of the Company on 25 April 2024.

(3) Mr Aw Eng Hai was appointed as Non-Executive Independent Chairman of the Company on 21 June 2024.

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	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 FY2024 is as follows:

Table 8.3 (b) – Remuneration of Key Management Personnel				
Name	**Salary[1] %**	**Bonus %**	**Benefits-in-kind %**	**Total %**
Between S$150,000 to S$200,000				
Loh Yook Mun, Ivanna	74	26	–	100
Lim Aik Teong, Richard	74	26	–	100
Toh Wei Shieng	82	18	–	100
Pang Chee Chong	93	7	–	100
Below S$100,000				
Luo Deng Xiao	100	–	–	100

Note:

(1) The salary amounts are inclusive of Central Provident Fund and other statutory contributions.

The Company has five (5) key management personnel as at 31 December 2024. There were no termination, retirement and post-employment benefits granted to the five (5) key management personnel in FY2024.

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 key management personnel. The total remuneration paid to the five (5) key management personnel for FY2024 was S$742,175.

	Remuneration of immediate family members of CEO, Directors or substantial shareholder (remuneration amount exceeded $100,000 in FY2024)	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 FY2024.
	Please provide details of the employee share scheme(s).	The Company does not have any employee share schemes in FY2024.

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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. As at the date of this Annual Report, the RMC comprises three (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 the 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.
9.2	Assurance from the CEO, Chief Financial Officer ("**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 FY2024 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 FY2024.

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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	As at the date of this Annual Report, the AC comprises three (3) Non-Executive Directors, all of whom including the Chairman of the AC are independent. Please refer to Provision 1.4 table above on the names of the members and the composition of the AC. The Chairman of the AC, Mr Aw Eng Hai, is a partner at Foo Kon Tan LLP. The other two (2) 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 (2) years and/or (ii) holds any financial interest in the auditing firm or auditing corporation. 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;

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		(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 coordination 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; (g) to review and discuss with any professional, including the Company's sponsor, the EA and IA on 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;

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		(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; (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 (1) 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 Company's 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;

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		(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; (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 whistleblowing 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 statute or the Catalist Rules, and by such amendments made thereto from time to time;

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		(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; (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.

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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. 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. <u>AC comments on the auditor's report</u> 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. These also required the making of assumptions regarding uncertain future events including those relating to the estimation of the net realisable value of development properties and properties held for sale. 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 and factoring receivables as well as impairment assessment of intangible assets of Funded Here. 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.

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<table>
<tr><td rowspan="2"></td><td>Internal Controls & Regulatory Compliance</td><td>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.

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 FY2024.</td></tr>
<tr><td>External Audit</td><td>The AC has reviewed the non-audit fees provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.

<table><tr><th colspan="3">Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2024</th></tr><tr><th></th><th>S$</th><th>% of total</th></tr><tr><td>Audit Fees</td><td>121,300</td><td>97</td></tr><tr><td>Non-audit fees</td><td>4,100</td><td>3</td></tr><tr><td>Total</td><td>125,400</td><td>100</td></tr></table>
The AC reviews the independence of the EA annually and is of the opinion that the EA is independent for the purpose of the Group's statutory audit. The EA has also provided confirmation on their independency.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its EA.</td></tr>
</table>

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	Internal Audit	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 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. 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 FY2024. The AC is satisfied that the internal audit functions have been adequately carried out.

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	Whistleblowing Policy	The Company has in place a whistleblowing 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 whistleblowing reports are to be sent to the AC Chairman via email at whistleblow@luminorfinancialholdings.com. Details of the whistleblowing 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 FY2024, there was no incident of concern reported to the AC.
10.5	Meeting Auditors without the Management	The AC has met with the IA and the EA in the absence of key management personnel twice during FY2024.
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 Meetings	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 fourteen (14) days ahead of the AGM to provide ample time for shareholders to receive and review the notice. Shareholders are also informed of the AGM through notice published in newspaper as well as through the notice of the AGM despatched to them.

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		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 2024. 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. The Company addresses the substantial and relevant questions from the Securities Investors Association (Singapore) and shareholders (if any) 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.

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11.4	Shareholders' Participation	The Company supports active shareholder participation at general meetings. Annual Reports are issued to all shareholders at least fourteen (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 (2) proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two (2) 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 seventy-two (72) hours before the time set for the general meetings.
11.5	Minutes of General Meetings	All minutes of general meetings will be published on the Company's website and SGXNET within one (1) month from the general meetings. In FY2024, all minutes of general meetings were made available by electronic means via publication on the Company's website and SGXNET.
11.6	Dividend Policy	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 FY2024. The Company will preserve its cash balances for continued expansion in the financial solutions business.

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XII. ENGAGEMENT WITH SHAREHOLDERS		
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.		
12.1 12.2 12.3	Disclosure of information on timely basis	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.
	Investor Relations Practices	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. 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.

REPORT ON **CORPORATE GOVERNANCE**

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. Five stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, 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. 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.
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.

REPORT ON **CORPORATE GOVERNANCE**

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 page 61 to page 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 with Mr Kwan Chee Seng, the Controlling Shareholder and Non-Executive Director of the Company. The loan is interest-bearing at 6.5% per annum, with interest payable on a quarterly basis within fifteen (15) working days at the end of each quarter. The loan facility shall have an initial term of twelve (12) months from the date of the drawdown or longer period as may be requested by the Company. The loan agreement was further extended for another year from 5 January 2025 to 5 January 2026. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcements made on 2 March 2022 and 1 March 2025. The Company had on 30 August 2022 entered into a S$3,000,000 loan agreement with Van Der Horst Holdings Pte Ltd, an associate of Mr Kwan Chee Seng. The loan is interest-bearing at 6.5% per annum with interest payable on a quarterly basis within fifteen (15) working days at the end of each quarter. The loan facility shall have an initial term of six (6) months, from the date of the drawdown or longer period as may be requested by the Company. The loan facility has been extended for a further twelve (12) months until 28 February 2026. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcements made on 30 August 2022 and 1 March 2025. The Company had on 28 February 2025 entered into a S$1,500,000 loan agreement with Van Der Horst Holdings Pte Ltd, an associate of Mr Kwan Chee Seng. The loan is interest-bearing at 7.5% per annum with interest payable on a quarterly basis within fifteen (15) working days at the end of each quarter. The loan facility shall have an initial term of two (2) years, from the date of the drawdown or longer period as may be requested by the Company. The loan is unsecured with full recourse against the Company and its successors. For more information, please refer to the announcement made on 1 March 2025.

REPORT ON **CORPORATE GOVERNANCE**

		Save for the above, there are no other material contracts entered into by the Company or any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.
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 FY2024.
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 engagement team comprises two (2) Directors, a Manager and supported by two (2) Associates. Each of the two (2) Directors has more than thirty (30) years of relevant experience whilst the Manager has more than fifteen (15) years of relevant experience. The Engagement Director and Manager are both certified as Certified Internal Auditor by the Institute of Internal Auditors. 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 the 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.

REPORT ON **CORPORATE GOVERNANCE**

<table>
<tr><td></td><td></td><td>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 (1) review during the financial year ended 31 December 2024 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.</td></tr>
<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.

The disclosable IPTs entered into during FY2024 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><u>Kwan Chee Seng ("Mr Kwan")</u>[(1)]
a) Interest expense on shareholder loan granted by Mr Kwan to the Company as extended to 5 November 2024.</td><td>S$260,000</td><td></td></tr>
<tr><td>b) Interest expense on shareholder loan granted by Mr Kwan to the Company as extended to 5 January 2025.</td><td>S$86,667</td><td>–</td></tr>
<tr><td><u>Van Der Horst Holdings Pte Ltd ("VDH")</u>[(2)]
a) Interest expense on shareholder loan granted by VDH to the Company as extended to 28 February 2025</td><td>S$195,000</td><td>–</td></tr>
<tr><td><u>Total</u></td><td>S$541,667</td><td>–</td></tr>
</table>
</td></tr>
</table>

REPORT ON **CORPORATE GOVERNANCE**

		Notes: (1) Mr Kwan Chee Seng is the Non-Executive Director of the Company. (2) 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 (1) 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 FY2024.
1204(22)	Use of Proceeds	There were no outstanding proceeds arising from 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 Sustainability Report for the financial year ended 31 December 2024 ("**FY2024**"). 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.

Our defined material matters have been grouped under three (3) 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 operations.

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 2024 to 31 December 2024
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 our subsidiaries in FY2024.
Internal review	We have established internal controls and verification mechanisms to ensure the accuracy and reliability of the narratives and data disclosed within this report. Pursuant to Rule 711B (3) of the SGX Listing Rules, the Group has subjected the sustainability reporting process to internal review.
External assurance	We have not sought external assurance for FY2024, 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 the Group's sustainability projects and initiatives. The Sustainability Committee comprises the Group's Executive Director, the Group's Financial Controller, the Chief Executive Officer and the Chief Operating Officer of the Luminor Capital (Malaysia) Sdn. Bhd. as well as the Chief Executive Officer of Funded Here Pte. Ltd. The Sustainability Committee is supported by all staff and representatives from each operating entity in Singapore, Malaysia and China 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 to assess materiality and potential risks and opportunities.

SUSTAINABILITY **REPORT**

SUSTAINABILITY FRAMEWORK

The three (3) pillars for our sustainability framework are

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.

01

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.

02

Protecting our Environment

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

03

STAKEHOLDER ENGAGEMENT

GRI 2-29

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

SUSTAINABILITY **REPORT**

STAKEHOLDERS	HOW DID WE ENGAGE?	WHAT ARE THE KEY TOPICS RAISED/ FEEDBACK RECEIVED?	HOW DID WE RESPOND?
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 cashflow gaps • 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
	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 • Conducted Group-wide survey on sustainability matters • Focus on work-life balance • Regular festive celebrations and team-building activities	• 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 • Whistleblowing 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

matters that have an impact on the execution of our business strategy.

PRIORITISE

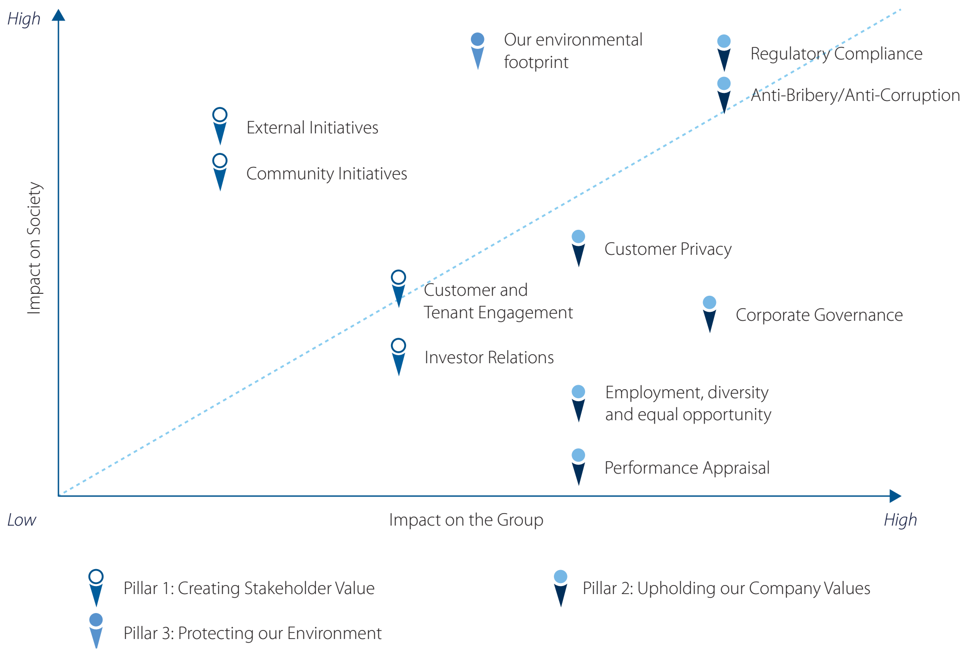
critical areas that affect our business and stakeholders most significantly.

EMBED

the validated critical factors within our business operational factors.

In FY2024, we reviewed the findings of our last formal materiality assessment in FY2023. 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 FY2023 are still relevant to our business and stakeholders.

The key findings of our materiality assessment in FY2024 are set out in the diagram below:



SUSTAINABILITY **REPORT**

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 FY2024, 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.

The Fuling management team and the Residents' Committee of the Singapore Garden project are 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	Annual General Meeting	Investor Relations Website and Contact
• Results announcements • All results and material announcements publicly accessible on SGXNET	• Posting of detailed minutes of the AGM on the Group's website and SGXNET within one (1) month of the meeting • Several channels: website or email – are open to shareholders who are unable to attend the AGM 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 AGM • Dedicated investor relations email address to ensure timely responses to queries, suggestions/clarifications

SUSTAINABILITY **REPORT**

ECONOMIC PERFORMANCE

GRI 201-1

In FY2024, we distributed approximately 98.5% of our total revenue to key stakeholders – 28.7% of total revenue to employees, 11.3% to the government in countries where we operate, and 29.3% to capital providers. Our operating cost was 29.2% of our revenue. The Group reported a 42.5% year-on-year increase in revenue from MYR30.9 million in FY2023 to MYR44.0 million in FY2024. More details of our economic performance can be found on pages 84 to 173.

	MYR'000
Revenue	43,981
Operating Costs (excluding depreciation, amortisation, impairment losses and foreign exchange gains)	12,827
Employee Wages and benefits	12,618
Payments to providers of capital (eg. banks, redeemable preference shares holders)	12,887
Payments to government (taxes)	4,978
Loss after Tax	11,427
Economic value retained in the business	17,848

EXTERNAL INITIATIVES

GRI 2-28

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

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 CSR and Employee Engagement on pages 17 to 18 for more information.

PILLAR 2: UPHOLDING OUR COMPANY VALUES

CORPORATE GOVERNANCE

The Group recognises 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.

SUSTAINABILITY **REPORT**

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

GRI 205-3

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. All reports will be addressed in accordance with our Whistleblowing Policy and be kept in strict confidence.

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 for more information.

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 FY2024

- One instance of an employee dismissed due to abuse of power
- 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 FY2024
- No instances of whistleblowing received

One of the targets set for FY2024 was not met as there was one instance of an employee dismissed due to abuse of power. Other than that, all other targets set were met.

SUSTAINABILITY **REPORT**

Target for FY2025

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

CUSTOMER PRIVACY

GRI 418-1

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 FY2024

- No substantiated complaints received concerning breaches of customer privacy

All the targets set for FY2024 have been met.

Target for FY2025

- Maintain zero substantiated complaints received concerning breaches of customer privacy

REGULATORY COMPLIANCE

GRI 2-27

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 the 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 as well as the Companies Act and Securities and Futures Act in Singapore.

SUSTAINABILITY **REPORT**

Performance in FY2024

- No instances of non-compliance with laws and regulations in FY2024
- Complied with the principles as set out in the Code of Corporate Governance 2018

All the targets set for FY2024 have been met.

Target for FY2025

- Maintain zero instances of non-compliance with laws and regulations
- Comply with the principles as set out in the Code of Corporate Governance 2018

EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY

GRI 401-1, GRI 405-1

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 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 more than half of our workforce and 44% of our management who drive our businesses across the Group.

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. The Company has established targets to achieve diversity, including achieving 20% female representation on the Board. The Board is pleased to report that it has achieved this target for the last ten (10) years, including FY2024. In the long term, the Company strives to increase the female representation on the Board up to 25% by 2030. In addition, to promote equal opportunity in line with our Board Diversity Policy, we ensure that we will have at least one (1) female candidate for consideration when identifying potential candidates for the Board.

Discrimination

There were no incidents of discrimination during the reporting period.

SUSTAINABILITY **REPORT**

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 FY2024, we organised various health and wellness initiatives, as well as team-bonding activities – some of which were employee-initiated – which were 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 18 for more information.

Performance in FY2024

- Recorded no incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Recorded no incident of discrimination
- Monitored and reviewed the recruitment procedure and system to ensure fair and non-discrimination in recruitment

All the targets set for FY2024 have been met.

Target for FY2025

- Maintain zero incident of non-compliance with the relevant labour laws and regulations related to fair employment practices
- Maintain zero 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 FY2024

Gender/Position	Management	Executive	Non-Executive	Total
Male	5	20	2	27
Female	4	29	8	41
Total	**9**	**49**	**10**	**68**

SUSTAINABILITY **REPORT**

Employees by gender

Gender/No. of Employees	FY2023	FY2024
Male	24	27
Female	37	41
Total	**61**	**68**

Employees by age group for FY2024

Age Group/ No. of Employees	Management	Executive	Non-Executive	Total
Under 30 years old	0	17	5	22
Between 30-50 years old	6	28	3	37
Over 50 years old	3	4	2	9
Total	**9**	**49**	**10**	**68**

Employees by age group

Age Group/No. of Employees	FY2023	FY2024
Under 30 years old	18	22
Between 30-50 years old	34	37
Over 50 years old	9	9
Total	**61**	**68**

New employees and employee turnover for FY2024

Gender	New Hires	Resigned	Employee Turnover*
Male	32%	35%	11%
Female	68%	65%	20%
Average Turnover			**1.55%**

* Employee turnover was computed based on the number of employees who left during FY2024 over the average number of employees as at 31 December 2023 and 31 December 2024.

SUSTAINABILITY **REPORT**

Employee turnover

Gender	FY2023	FY2024
Male	12%	11%
Female	10%	20%
Average Turnover	**1.75%**	**1.55%**

Board Diversity

Gender	FY2023	FY2024
Male	80%	80%
Female	20%	20%

PERFORMANCE APPRAISAL

GRI 404-3

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 FY2024

- Conducted annual appraisals for all employees in FY2024

All the targets set for FY2024 have been met.

Target for FY2025

- Maintain 100% appraisal rate for all employees

SUSTAINABILITY **REPORT**

PILLAR 3: PROTECTING OUR ENVIRONMENT

Our Environmental Footprint

GRI 302-1, GRI 302-3, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4

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. The Group assesses the environmental risks and opportunities through the short, medium and long-term time scales defined below:

S	M	
SHORT-TERM 0-1 years	**MEDIUM-TERM** 1-5 years	**LONG-TERM** 5-30 years

The key climate-related risks (physical and transition) relevant to our business our presented in the table below:

Risk Type	Climate-Related Risks		Rating	Potential Financial Impact
Physical	Acute	Increased severity of extreme weather events such as floods.	M L	• Reduced revenue due to physical disruptions • Impairment of loans as changes negatively impact customers' business
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	M L	• Increased insurance premiums
Transition	Policy and Legal	Increased pricing of GHG emissions	S M L	• Impairment of loans as changes negatively impact customers' business
		Enhanced emissions-reporting obligations	S M L	• Increase in compliance costs to meet mandatory climate-related disclosure requirements
	Technology	Higher research & development costs/Costs incurred in implementing new technologies	S M L	• Higher costs would adversely impact customers' cash flows and in turn their repayment ability
	Market	Increased cost of raw materials	S M L	• Higher costs would adversely impact customers' cash flows and in turn their repayment ability
	Reputational	Changes in customer sentiment & demand	S M L	• Challenges in retaining & attracting talents • Reduced access to capital needed to expand lending business

SUSTAINABILITY **REPORT**

Opportunities	Examples	Ratings	Potential Financial Impact
Products	New products & services eg. sustainable financing	S M L	Increase in revenue
Business	Increase in business volume eg. transition financing	S M L	Increase in revenue

Scenario Analysis

With reference to the Network for Greening the Financial System and the Monetary Authority of Singapore's Industry Wide Stress-Test 2022, we conducted our scenario analysis on climate risk, based on the TCFD framework.

We considered two (2) sets of climate scenarios: Orderly (Net Zero 2050), Disorderly (Delayed Transition) and Hot House World (Current Policies).

Quadrant	Scenario	Description	Mean Global Warming in 2050	Physical Risk	Transition Risk
Orderly	Net Zero 2050	Climate policies are introduced early and become gradually more stringent	1.6°C	Limited	Moderate
Disorderly	Delayed Transition	Policies delayed or divergent across countries and sectors	1.8°C	Limited	Moderate
Hot House World	Current Policies	Only currently implemented policies are preserved, leading to high physical risks	2.9°C	High	High

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.

SUSTAINABILITY **REPORT**

Minimising paper usage – going digital

We have also ceased the mailing of printed hard copy annual reports to all shareholders. Shareholders may request for the hard copies or obtain soft copies 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.

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 FY2024, our energy consumption stood at 33,037.83 kWh and our combined Scope 1 and Scope 2 GHG emissions stood at 21.21 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 do so by monitoring and measuring our environmental footprint from our energy consumption.

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 save for two (2) company cars.

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 kWh. 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 2023. For entities in Malaysia and China, the emission factors were obtained from the Ministry of Natural Resources, Environment and Climate Change Malaysia (NRECC) for 2022 and Ministry of Ecology and Environment of the People's Republic of China (MEE) for 2022 respectively. GHG emissions is expressed in tonnes of carbon dioxide equivalent (tCO_2e).

SUSTAINABILITY **REPORT**

Energy consumed from non-renewable sources

Energy Source/Consumption (in kWh)	**FY2023**	**FY2024**
Group-wide electrical consumption	28,105.03	33,037.83
Electrical consumption/employee	460.74	485.85

Water Consumption

All our offices group-wide do not have plumbing facilities.

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

Energy Source/Consumption (in tCO_2e)	**FY2023**	**FY2024**
Direct (Scope 1)	0.00	3.42
Indirect (Scope 2)	16.85	21.21
Total	16.85	24.63
GHG emission intensity (tCO_2e per employee)	0.276	0.362
GHG emission intensity (tCO_2e per MYR million of revenue)	0.546	0.560

Performance in FY2024

- Recorded an increase in energy consumption from 28,105.03 kWh in FY2023 to 33,037.83 kWh of electricity in FY2024 and an increase in energy consumption per employee from 460.74 kWh/employee to 485.85 kWh/employee
- Recorded higher GHG emissions at 24.63 tCO_2e in FY2024 as compared to 16.85 tCO_2e in FY2023
- Recorded higher GHG emission intensity of 0.560 tCO_2e per MYR million of revenue in FY2024 as compared to 0.546 tCO_2e per MYR million of revenue in FY2023

The targets for overall energy consumption, GHG emission, GHG emission intensity per MYR million of revenue and GHG emission intensity per employee were not met due to expansion of the office space in Singapore in line with the expansion of the financial solutions business in Singapore. While more granular scenario analysis was targeted for FY2024, this has been proven to be challenging due to a limitation of resources, particularly for Scope 3 emissions.

Target for FY2025

- To lower or at least maintain GHG emission intensity
- Identify material Scope 3 categories that may apply across the Group's operations

SUSTAINABILITY **REPORT**

SGX Core ESG Metrics

The Group has reported the information cited in some of the recommended SGX Core ESG Metrics for FY2024.

Topic	Framework Alignment	Metric	Value as at 31 Dec 2024
ENVIRONMENTAL			
Greenhouse Gas Emissions ("**GHG**")	GRI 305-1, TCFD	Absolute emissions by Scope 1 GHG emissions	3.42 tCO_2e
	GRI 305-2, TCFD	Absolute emissions by Scope 2 GHG emissions	21.21 tCO_2e
	GRI 305-4, TCFD	Emission intensity by Scope 2 GHG emissions	Scope 1 & 2 GHG emission per employee in tCO_2e: 0.362 Scope 1 & 2 GHG emission per MYR million of revenue: 0.560
Energy Consumption	GRI 302-1, TCFD	Total energy consumption	33,037.83 kWh
	GRI 302-3, TCFD	Energy consumption intensity	Energy consumption per employee: 485.85 kWh
SOCIAL			
Gender Diversity	GRI 405-1	Current employees by gender	Male: 39.71% Female: 60.29%
	GRI 401-1	New hires and turnover by gender	New hires Male: 32% Female: 68% Turnover Male: 11% Female: 20%
Age-Based Diversity	GRI 405-1	Current employees by age group	Under 30 years old: 32% 30-50 years old: 55% Above 50 years old: 13%
	GRI 401-1	Total turnover	1.55%
Employment	Commonly reported metric	Total number of employees	68

SUSTAINABILITY **REPORT**

Topic	Framework Alignment	Metric	Value as at 31 Dec 2024
GOVERNANCE			
Board Composition	GRI 102-22	Board independence	60%
	GRI 102-22	Women on the board	20%
Management Diversity	GRI 102-22, GRI 405-1	Women in the management team	44%
Ethical Behaviour	GRI 205-3	Anti-corruption disclosures	One incident of employee dismissal due to abuse of power
Alignment with Frameworks	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7F	Alignment frameworks and practices	With reference to GRI standards and in accordance with TCFD
Assurance	SGX Listing Rules (Mainboard) 711A and 711B, Practice Note 7F	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 2024 to 31 December 2024 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 5) 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.

SUSTAINABILITY **REPORT**

GRI Standard	Disclosure		Page/Note
	2-5	External assurance	The Group has not sought external assurance for this report
	2-6	Activities, value chain and other business relationships	Corporate Profile – Pages 1 to 6
	2-7	Employees	Employment, Diversity and Equal Opportunity – Employment, Diversity and Equal Opportunity
	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 19 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 – Pages 61 to 83 Corporate Governance Report – Pages 19 to 60
	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 20
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report – Pages 27 to 28
	2-19	Remuneration policies	Corporate Governance Report – Pages 37 to 42
	2-20	Process to determine remuneration	
	2-22	Statement on sustainable development strategy	Sustainability Report – Page 61
	2-23	Policy commitments	Sustainability Report – Page 61
	2-24	Mechanisms for seeking advice and raising concerns	Sustainability Report – Page 68
	2-27	Compliance with laws and regulations	No cases of significant non-compliance with laws and regulations during FY2024.
	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 65
	3-3	Management of material topics	Sustainability Report – Page 65
GRI 205: Anti-Corruption 206	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report – Page 68
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report – Page 76
GRI 305: Emissions 2016	305-1	Energy direct (Scope 1) GHG emissions	
	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 73
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Page 73
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report – Pages 70 to 71
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Page 69
NON-MATERIAL ISSUES			
Community Non-GRI	Key activities undertaken for the community, including employee volunteerism		Community Initiatives – Pages 17 to 18

SUSTAINABILITY **REPORT**

TCFD 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.	Page 61
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	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 comprises the Group's Executive Director, the Group's Financial Controller as well as the Chief Executive Officer and Chief Operating Officer of Luminor Capital (Malaysia) Sdn Bhd and the Chief Executive Officer of Funded Here Pte Ltd. 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 organisation has identified over the short, medium, and long term.	Page 74
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 75

SUSTAINABILITY **REPORT**

	Recommended Disclosures		Page, Reference and reasons for omission, if applicable
Risk Management	a.	Describe the organisation's processes for identifying and assessing climate-related risks.	Page 74 The Group identifies and assess climate-related risks using the frameworks mentioned on page 75. Presently, identified climate-related risks are outlined to the Board on an ad-hoc basis. Going forward, the Group plans to integrate climate-related risks into its Enterprise Risk Management Framework.
	b.	Describe the organisation's processes for managing climate-related risks.	
	c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets	a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 74 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 FY2025. 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 organisation to manage climate-related risks and opportunities and performance against targets.	

DIRECTORS' STATEMENT

The directors are pleased to 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 2024.

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 (financial statements) as set out on pages 93 to 172 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 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended 31 December 2024 in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS (I)**"); 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:

Aw Eng Hai (Appointed on 21 June 2024)
Kwan Chee Seng
Tan Chade Phang
Lim See Yong
Kwan Yu Wen

Arrangements to enable directors to acquire shares and debentures

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 in or debentures of the Company or any other body corporate, (other than the share options as disclosed in this statement).

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Name of director	Direct interest At the beginning of financial year	Direct interest At the end of financial year	Deemed interest At the beginning of financial year	Deemed interest At the end of financial year
The Company				
(Ordinary shares)				
Kwan Chee Seng[(1)]	46,401,339	46,401,339	3,629,097	3,629,097
Lim See Yong[(2)]	2,820,036	2,820,036	65	65

(1) Mr Kwan Chee Seng ("**Mr Kwan**") is deemed under Section 4 of the Securities and Futures Act 2001 ("**SFA**") to have an interest in the 3,383,300 shares held by his spouse, Madam Fong Peg Hong and in the 245,797 shares held by GRP Chongqing Pte Ltd. Mr Kwan has a shareholding interest of 35.55% 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.

The director, Kwan Chee Seng, by virtue of Section 7 of the Companies Act is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

Kwan Chee Seng, by virtue of his interest of not less than 20% of the issued share capital of the Company is deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group.

Name of director	Direct interest At the beginning of financial year	Direct interest At the end of financial year	Deemed interest At the beginning of financial year	Deemed interest At the end of financial year
Subsidiary corporations				
Funded Here Pte. Ltd.				
Kwan Chee Seng				
– Ordinary shares	–	–	18,422,822	48,554,927
– Irredeemable convertible preference shares	–	–	58,410	–
SA Puncak Management Sdn. Bhd.				
Kwan Chee Seng				
– Ordinary shares	–	–	4,430,000	4,520,000

The directors' interests in the ordinary shares and share options of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

DIRECTORS' **STATEMENT**

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.

Audit committee

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

- Aw Eng Hai (AC Chairman, appointed on 21 June 2024)
- 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's 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.

DIRECTORS' STATEMENT

Audit committee (Continued)

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

- 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 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:

Aw Eng Hai
Director

Kwan Yu Wen
Director

Singapore
8 April 2025

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 93 to 172 which comprise the balance sheets of the Group and of the Company as at 31 December 2024, 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 material accounting policies information.

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 2024 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 6 to the financial statements, the carrying amounts of the Group's trade and factoring receivables from the Group's financial solutions business amounted to MYR7,527,000 and MYR143,819,000 respectively as at 31 December 2024, after recognising cumulative expected credit loss ("**ECL**") allowance of MYR54,000 and MYR21,403,000 respectively as at 31 December 2024. During the financial year, an ECL allowance of MYR10,109,000 was recognised in the consolidated statement of comprehensive income.

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 (Continued)

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 are material to the consolidated financial statements. The determination of ECL allowance 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 qualitative 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 trade and factoring receivables are past due more than credit terms granted or default in payments.

We evaluated the reasonableness of management's judgement in identifying debtors with risk of default by considering both quantitative and qualitative information that is reasonable and supportable, including key data sources and assumptions used by management. We tested management's process for estimating ECL allowance, including the review of customer-specific data used in the estimation and evaluating the reasonableness of management's determination of ECL allowance.

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.

Impairment assessment of intangible assets of Funded Here Pte. Ltd.

As disclosed in Note 12 to the financial statements, the carrying amount of the Group's intangible assets comprise mainly goodwill and crowdfunding platform attributable to a cash-generating unit ("**CGU**"), Funded Here Pte. Ltd ("**FHPL**"), amounting to MYR1,387,000 and MYR7,377,000 respectively. Goodwill and crowdfunding platform are tested for impairment at least annually, and whenever there is an indication of impairment.

Management determines the recoverable amount using fair value less costs of disposal ("**FVLCD**") calculation. The impairment assessment of CGU is considered a key audit matter because it involved significant judgements and estimates applied by the management in selection of appropriate valuation method and assumptions used in determining the recoverable amount. These estimates include forecasted revenue growth rates, average earnings multiplier and discount rate used in determining the FVLCD. These estimates are inherently subject to estimation uncertainties.

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 intangible assets of Funded Here Pte. Ltd. (Continued)

Our procedures to address the key audit matter:

Our audit procedures include obtained an understanding of the management's impairment assessment process with respect to the goodwill and crowdfunding platform.

We obtained the Group's FVLCD calculation for the CGU, evaluated the key assumptions and estimations applied in the FVLCD calculation including the forecasted revenue growth rate, average earnings multiplier and discount rate. We also engaged our internal valuation expert to evaluate the appropriateness of valuation methodology and reasonableness of the average earnings multiplier and discount rate used.

We performed sensitivity analysis to assess the impact on the recoverable amount of CGU to reasonably possible changes made to the key assumptions. We also assessed the adequacy and appropriateness of disclosures in respect of the impairment assessment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024 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.

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

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.

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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of Group audit. We remain solely responsible for our audit opinion.

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 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.

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

8 April 2025

BALANCE **SHEETS**

As at 31 December 2024

	Note	Group 2024 MYR'000	Group 2023 MYR'000 (Restated)	Company 2024 MYR'000	Company 2023 MYR'000
ASSETS					
Current assets					
Trade and other receivables	6	153,426	96,797	117,324	124,322
Cash and cash equivalents	7	98,738	80,865	3,196	7,376
Financial assets at fair value through profit or loss	8	4,687	–	–	–
Properties held for sale	9	13,737	15,329	–	–
Net investment in sub-leases	11	256	262	256	262
Income tax receivables		299	149	–	–
Total current assets		271,143	193,402	120,776	131,960
Non-current assets					
Financial assets at fair value through profit or loss	8	–	7,847	–	–
Property, plant and equipment	10	3,103	4,789	2,043	2,836
Net investment in sub-leases	11	653	968	653	968
Goodwill	12(a)	1,987	2,077	–	–
Intangible assets	12(b)	7,380	5,148	–	–
Investment in subsidiaries	13	–	–	12,660	7,563
Investment in associate	14	–	667	–	–
Deferred tax assets	15	397	364	–	–
Total non-current assets		13,520	21,860	15,356	11,367
Total assets		284,663	215,262	136,132	143,327
LIABILITIES AND EQUITY					
Current liabilities					
Lease liabilities	11	1,165	1,177	769	785
Trade and other payables	16(a)	71,333	73,127	75,029	79,724
Redeemable preference shares	16(b)	92,947	8,800	–	–
Financial guarantee	16(b)	–	–	1,843	–
Contract liabilities	16(c)	1,591	1,002	–	–
Bank borrowings	17	34,027	30,411	29,141	29,906
Income tax payables		21,994	23,036	–	–
Total current liabilities		223,057	137,553	106,782	110,415
Non-current liabilities					
Lease liabilities	11	1,957	3,390	1,957	2,902
Financial guarantee	16(b)	–	–	2,322	564
Deferred tax liabilities	15	2,627	2,794	–	–
Provision for restoration		323	323	–	–
Total non-current liabilities		4,907	6,507	4,279	3,466
Total liabilities		227,964	144,060	111,061	113,881

BALANCE SHEETS

As at 31 December 2024

	Note	Group 2024 MYR'000	Group 2023 MYR'000 (Restated)	Company 2024 MYR'000	Company 2023 MYR'000 (Restated)
Equity					
Share capital	18	20,629	20,629	20,629	20,629
Other reserves	19	16,446	19,533	4,680	6,567
Retained earnings/(accumulated losses)		17,848	29,055	(238)	2,250
Equity attributable to owners of the Company, total		54,923	69,217	25,071	29,446
Non-controlling interests		1,776	1,985	–	–
Total equity		56,699	71,202	25,071	29,446
Total liabilities and equity		284,663	215,262	136,132	143,327

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2024

	Note	Group 2024 MYR'000	Group 2023 MYR'000 (Restated)
Revenue	20	43,981	30,869
Other income/(losses)			
Fair value (loss)/gain on financial assets at fair value through profit or loss		(2,891)	3,239
Interest income	21	1,003	1,107
Other income	22	655	866
Total Income		42,748	36,081
Expenses			
Cost of sales		(848)	(539)
Depreciation of property, plant and equipment	10	(1,728)	(1,437)
Amortisation of intangible assets	12(b)	(1,588)	(16)
Commission expense		(2,820)	(1,547)
Foreign exchange gain/(losses)		3,480	(3,385)
Interest expense	23	(12,887)	(5,075)
Impairment losses on trade and other receivables – net		(11,051)	(2,696)
Operating expenses		(4,903)	(3,374)
Professional fees		(4,256)	(3,496)
Staff costs		(12,618)	(10,418)
(Loss)/profit before share of results of associate and income tax		(6,471)	4,098
Share of results of associate, net of tax		22	477
(Loss)/profit before tax	24	(6,449)	4,575
Income tax expense	25	(4,978)	(3,940)
(Loss)/profit for the financial year		(11,427)	635
Other comprehensive (loss)/income, net of tax:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(2,965)	1,929
Item that will not be reclassified subsequently to profit or loss			
Foreign currency translation		(53)	42
Total comprehensive (loss)/income for the financial year		(14,445)	2,606
(Loss)/profit attributable to:			
Owners of the Company		(11,207)	295
Non-controlling interests		(220)	340
		(11,427)	635
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(14,172)	2,224
Non-controlling interests		(273)	382
		(14,445)	2,606
(Loss)/earnings per share (MYR cents)			
– Basic	26	(6.69)	0.18
– Diluted	26	(6.69)	0.18

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 2024

Group	Share capital MYR'000	Capital reserve MYR'000	Merger reserve MYR'000	Statutory reserve MYR'000	Other reserve MYR'000 (Restated)	Translation reserve MYR'000 (Restated)	Retained earnings MYR'000	Attributable to owners of the Company MYR'000	Non-controlling interests MYR'000	Total MYR'000
At 1 January 2023	18,348	25,890	313	5,313	(20,761)	7,231	28,760	65,094	728	65,822
Profit for the financial year	–	–	–	–	–	–	295	295	340	635
Other comprehensive income										
Foreign currency translation	–	–	–	–	–	1,929	–	1,929	42	1,971
Total comprehensive income for the financial year	–	–	–	–	–	1,929	295	2,224	382	2,606
Transactions with owners										
Acquisition of a subsidiary by way of issue of shares [Note 13(a)]	2,281	–	–	–	–	–	–	2,281	613	2,894
Acquisition of non-controlling interests without change in control [Note 13(b)]	–	–	–	–	122	–	–	122	(242)	(120)
Changes in equity interest in a subsidiary without loss of control [Note 13(b)]	–	–	–	–	(504)	–	–	(504)	504	–
	2,281	–	–	–	(382)	–	–	1,899	875	2,774
At 31 December 2023	20,629	25,890	313	5,313	(21,143)	9,160	29,055	69,217	1,985	71,202

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 2024

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 1 January 2024, as previously reported	20,629	25,890	313	5,313	(25,971)	13,988	29,055	69,217	1,985	71,202
Less: Prior year adjustments (Note 29)	–	–	–	–	4,828	(4,828)	–	–	–	–
At 1 January 2024, as restated	20,629	25,890	313	5,313	(21,143)	9,160	29,055	69,217	1,985	71,202
(Loss)/profit for the financial year	–	–	–	–	–	–	(11,207)	(11,207)	(220)	(11,427)
Other comprehensive loss										
Foreign currency translation	–	–	–	–	–	(2,965)	–	(2,965)	(53)	(3,018)
Total comprehensive (loss)/income for the financial year	–	–	–	–	–	(2,965)	(11,207)	(14,172)	(273)	(14,445)
Transactions with owners										
Subscription of ordinary shares issued by a subsidiary [Note 13(b)]	–	–	–	–	–	–	–	–	62	62
Acquisition of non-controlling interests without change in control [Note 13(b)]	–	–	–	–	242	–	–	242	(362)	(120)
Changes in equity interest in a subsidiary without loss of control [Note 13(b)]	–	–	–	–	(364)	–	–	(364)	364	–
	–	–	–	–	(122)	–	–	(122)	64	(58)
At 31 December 2024	20,629	25,890	313	5,313	(21,265)	6,195	17,848	54,923	1,776	56,699

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 2024

Company	**Share capital MYR'000**	**Merger reserve MYR'000**	**Translation reserve MYR'000**	**Retained earnings/ (accumulated losses) MYR'000**	**Total MYR'000**
2023					
At 1 January 2023	18,348	313	4,693	(1,066)	22,288
Profit for the financial year	–	–	–	3,316	3,316
Other comprehensive income					
Foreign currency translation	–	–	1,561	–	1,561
Total comprehensive income for the financial year	–	–	1,561	3,316	4,877
Transactions with owners					
Acquisition of a subsidiary by way of issue of shares [Note 13(a)]	2,281	–	–	–	2,281
At 31 December 2023	20,629	313	6,254	2,250	29,446
2024					
At 1 January 2024	20,629	313	6,254	2,250	29,446
Loss for the financial year	–	–	–	(2,488)	(2,488)
Other comprehensive loss					
Foreign currency translation	–	–	(1,887)	–	(1,887)
Total comprehensive loss for the financial year	–	–	(1,887)	(2,488)	(4,375)
At 31 December 2024	20,629	313	4,367	(238)	25,071

CONSOLIDATED **CASH FLOW STATEMENT**

For the financial year ended 31 December 2024

	Note	Group 2024 MYR'000	Group 2023 MYR'000 (Restated)
Operating activities			
(Loss)/profit before tax		(6,449)	4,575
Adjustments for:			
Bargain purchase on step acquisition of a subsidiary	13(c)	(557)	–
Fair value loss on remeasurement of investment in associate	14	57	–
Depreciation of property, plant and equipment	10	1,728	1,437
Amortisation of intangible assets	12(b)	1,588	16
Interest income	21	(1,003)	(1,107)
Interest expense on others	23	12,709	4,845
Interest expense on lease liabilities	11	178	230
Impairment losses on trade and other receivables – net	24	11,051	2,696
Write off of property, plant and equipment	24	1	4
Write off of investment in fair value through other comprehensive income	24	–	96
Share of results of associate		(22)	(477)
Fair value loss/(gain) on financial assets at fair value through profit or loss	24	2,891	(3,239)
Gain on disposal of property, plant and equipment		–	(20)
Unrealised foreign exchange (gain)/loss		(1,035)	965
Operating cash flows before changes in working capital		21,137	10,021
Decrease in properties held for sale		811	596
Increase in trade and other receivables		(68,527)	(46,432)
Increase in trade and other payables		51	9,251
Increase in contract liabilities		579	378
Currency translation adjustment		(3,079)	2,019
Cash used in operations		(49,028)	(24,167)
Interest received		1,003	1,107
Interest paid on other liabilities		(7,402)	(3,681)
Interest paid on lease liabilities		(178)	(230)
Interest paid on bank borrowings		(1,930)	(1,195)
Income tax paid		(4,903)	(3,372)
Net cash used in operating activities		(62,438)	(31,538)
Investing activities			
Purchase of intangible assets	12(b)	(4,265)	(5,026)
Purchase of property, plant and equipment	10	(195)	(606)
Proceeds from disposal of property, plant and equipment		–	41
Lease payment received		256	467
Acquisition of a subsidiary, net of cash acquired	13(a)	–	1,672
Step acquisition of a subsidiary, net of cash acquired	13(c)	1,309	–
Net cash used in investing activities		(2,895)	(3,452)

CONSOLIDATED **CASH FLOW STATEMENT**

For the financial year ended 31 December 2024

	Note	Group 2024 MYR'000	Group 2023 MYR'000 (Restated)
Financing activities			
Acquisition of non-controlling interests	13(b)	(120)	(120)
Advances from former non-controlling interests	16	944	9,987
Increased in cash deposit restricted in use (pledged)	7	–	(32,343)
Increased in fixed deposit restricted in use (pledged)	7	(8,595)	(1,007)
Net repayment to former ultimate holding company	16	–	(152)
Proceeds from redeemable preference shares	16	86,000	7,950
Proceeds from non-controlling interests for subscription of ordinary shares issued by a subsidiary	13(b)	62	–
Referral fees paid for issuance of redeemable preference shares	16	(2,540)	–
Repayment of lease liabilities	11	(1,253)	(1,080)
Repayment to former non-controlling interests	16	(1,191)	(342)
Drawdown of bank borrowings	16	4,381	30,559
Net cash generated from financing activities		77,688	13,452
Net increase/(decrease) in cash and cash equivalents		12,355	(21,538)
Effect of foreign exchange rate changes		(1,370)	1,671
Cash and cash equivalents at beginning of financial year		47,515	67,382
Cash and cash equivalents at end of financial year	7	58,500	47,515

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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 9 Raffles Place #29-01 Republic Plaza Singapore 048619. On 27 April 2012, the Company was listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

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

The principal activities of the subsidiaries are disclosed in Note 13.

2. MATERIAL 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

The financial statements are presented in Malaysian Ringgit ("**MYR**") and all values are rounded to 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 and interest-bearing bank borrowings (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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 2024 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 except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for "operating profit", "profit or loss before financing and income taxes", and "profit or loss" in the statement of profit or loss;

- Enhanced guidance on aggregating and disaggregating information in financial statements; and

- Management-defined performance measures ("**MPMs**") are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I).

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 balance sheet 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.

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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire 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.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

Crowdfunding platform

Cost directly attributable to the development of platform are capitalised as intangible assets to the extent that it is expected that such assets will generate future economic benefits and the costs can be measured reliably. Crowdfunding platform is stated at cost less accumulated amortisation and accumulated impairment loss. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

Acquired computer software licences

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.

2.6 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.

When a Group is the intermediate lessor

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Leases (Continued)

When a Group is the intermediate lessor (Continued)

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) 15 *Revenue from Contracts with Customers* 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.

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.

Lease payments included in the measurement of the lease liability comprise fixed lease payments and the exercise price of a purchase option reasonably certain to be exercised by the Group.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Leases (Continued)

When a Group entity is the lessee (Continued)

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).

Right-of-use assets are 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 estimated useful lives of the assets, as follows:

Office premises	–	3 to 6 years
Motor vehicles	–	5 years
Furniture, fixtures and equipment	–	5 years

The right-of-use assets are presented within property, plant and equipment 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 2.8.

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.

2.7 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.

2.8 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.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

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. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.9 Financial instruments

(a) Financial assets

Recognition and derecognition

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**")
- Fair value in other comprehensive income ("**FVOCI**")

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 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents, net investment in sub-leases and trade and other receivables [excluding prepayments, goods and services tax ("**GST**") receivable]. Financial asset that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate, less impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

*Fair value through profit or loss ("**FVTPL**")*

Debt 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.

(b) Financial liabilities

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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 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 balance sheet date.

General approach

The Group applies the general approach to provide for ECL on all financial instruments at amortised cost. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each balance sheet 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets (Continued)

General approach (Continued)

Credit-impaired financial assets

At each balance sheet 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.

2.11 Revenue

(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 at the point in time upon 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.

(b) Sale of properties held for sale

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Taxes

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.

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 to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

2.13 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).

2.14 Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date and dividends payment are not discretionary, are classified as financial liabilities. The dividends on these preference shares are recognised as "Interest expense".

2.15 Property, plant and equipment

Property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office premises	–	3 to 6 years
Motor vehicles	–	3 to 5 years
Renovation, furniture, fixtures and equipment	–	5 years

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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.

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.

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 qualitative 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 6.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

3.2 Key sources of estimation uncertainty (Continued)

Impairment of intangible assets (including goodwill)

Goodwill is measured at cost less any accumulated impairment losses. The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or CGU and a suitable discount rate, in order to determine the present value of those cash flows.

When estimating recoverable amount using the fair value less costs of disposal ("**FVLCD**"), significant judgements and estimates are applied in selecting the appropriate valuation method and assumptions. For the recoverable amount determined using venture capital method, management is required to estimate the expected future cash flows from the asset or CGU, average earnings multiplier and a suitable discount rate, in order to determine the present value of the recoverable amount.

Any changes in the assumptions used and estimates made will impact the impairment assessment of the CGU. Further details of the key assumptions applied in the impairment assessment of intangible assets and the carrying amount of the intangible assets are disclosed in Note 12.

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 2.7. 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 estimated net realisable value was determined based on desktop valuation performed by an independent firm of professional valuer using comparison method. The most significant input into this valuation approach is price per square foot and adjusted for location, size and shape of the properties, market conditions and other factors to arrive at a common basis for comparison.

The carrying amounts of properties held for sale stated at the lower of cost and estimated net realisable value as at 31 December 2024 is MYR13,737,000 (2023: MYR15,329,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

3.2 Key sources of estimation uncertainty (Continued)

*Fair value estimation of investment in the exchangeable notes ("**EN**") and convertible notes ("**CN**") issued by AdiWisista group as financial assets at fair value through profit or loss*

The fair value of the investment in EN and CN that are not quoted in an active market are determined by using valuation techniques, such as Cox-Ross-Rubinstein ("**CRR**") Binomial Tree Model with key inputs from the discounted cash flows of the investee company. For valuation of investment in EN and CN, management considered the nature and terms of the EN and CN as set out in the agreements and the valuation report and financial information of the investee company.

Management may use significant unobservable inputs such as discount for lack of marketability, credit adjusted discount rate, volatility and post-tax discount rate. Although management believes that the assumptions used are appropriate, changes in assumptions could result in changes in the fair value of the investment in EN and CN. The information about the valuation techniques and inputs used in determining the fair value of EN and CN is disclosed in Note 4(b)(vi). The carrying amount of the Group's investment in EN and CN is disclosed in Note 8(b).

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 receivables, income tax payables and deferred tax liabilities at the balance sheet date are MYR397,000 (2023: MYR364,000), MYR299,000 (2023: MYR149,000), MYR21,994,000 (2023: MYR23,036,000) and MYR2,627,000 (MYR2,794,000) respectively.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Financial assets				
Financial assets at amortised cost	252,674	178,400	121,314	132,831
Financial assets at fair value through profit or loss	4,687	7,847	–	–
	257,361	186,247	121,314	132,831
Financial liabilities				
Financial liabilities at amortised cost	201,004	116,295	106,896	113,158

(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 2024

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	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Group				
RMB	5,514	5,822	13,386	14,131
USD	2,526	5,217	29,141	29,906
SGD	14,466	3,108	76,067	87,202
Company				
RMB	–	–	13,386	14,131
USD	2,317	4,109	29,141	29,906

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's (loss)/profit 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.

		2024 MYR'000 Loss after tax	2023 MYR'000 Profit after tax
Group			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	394	(344)
	– weakened 5%	(394)	344
USD/SGD	– strengthened 5%	1,331	(1,027)
	– weakened 5%	(1,331)	1,027
SGD/MYR	– strengthened 5%	3,080	(3,196)
	– weakened 5%	(3,080)	3,196
Company			
Increase/(decrease):			
RMB/SGD	– strengthened 5%	669	(587)
	– weakened 5%	(669)	587
USD/SGD	– strengthened 5%	1,341	(1,071)
	– weakened 5%	(1,341)	1,071

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Fixed rate instruments				
Financial assets	247,992	173,862	3,196	7,376
Financial liabilities	(61,241)	(58,366)	(36,572)	(38,929)
Net financial assets/(liabilities)	186,751	115,496	(33,376)	(31,553)
Floating rate instruments				
Financial liabilities, representing net financial liabilities	(122,088)	(38,706)	(29,141)	(29,906)

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(ii) Interest rate risk (Continued)

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's and the Company's borrowings and RPS payables at variable rates on which effective hedges have not been entered into. If the interest rates increase/decrease by 50 (2023: 50) basis points with all other variables including tax rate being held constant, the (loss)/profit after tax of the Group and the Company will be lower/higher by MYR474,000 (2023: MYR157,000) and MYR121,000 (2023: MYR124,000) respectively as a result of higher/lower interest expense on these borrowings and RPS payables.

(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.

As at 31 December 2024, majority of the Group's trade and factoring receivables are secured by personal guarantees, and one debtor with trade and factoring receivables are collateralised in the form of a mortgage interest over a leasehold property with a fair value approximately MYR24,000,000. The Group assesses the concentration of risk with respect to trade and factoring receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

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. ("**LCM**") and its subsidiaries ("**LCM Group**") 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.

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 180 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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

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 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade and factoring receivables (Continued)

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 2024, the contractual amount outstanding which is subject to enforcement activity is MYR6,153,000 (2023: MYR7,686,000).

The table below details the credit quality:

2024	12-month or lifetime ECL	Gross carrying amount MYR'000	Loss allowance MYR'000	Net carrying amount MYR'000
Trade receivables	Lifetime ECL	7,581	(54)	7,527
Factoring receivables	Lifetime ECL	165,222	(21,403)	143,819
2023				
Trade receivables	Lifetime ECL	9,691	(834)	8,857
Factoring receivables	Lifetime ECL	93,851	(10,598)	83,253

Movements in credit loss allowance are as follows:

	Group 2024 MYR'000	Group 2023 MYR'000
Balance at 1 January	11,432	8,859
Loss allowance measured:		
Lifetime ECL – Simplified approach**	11,656	2,573
Loss allowance reversed	(1,547)	–
Write off	(84)	–
Balance at 31 December	21,457	11,432

** 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 2024

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:

2024	12-month or lifetime ECL	Gross carrying amount MYR'000	Loss allowance MYR'000	Net carrying amount MYR'000
Loan advances	Lifetime ECL – credit-impaired	1,261	(494)	767
2023				
Loan advances	Lifetime ECL – credit-impaired	3,385	(2,030)	1,355
Advance to a third party	Lifetime ECL – not credit-impaired	547	–	547

Movements in credit loss allowance are as follows:

	Loan advances 2024 MYR'000	Loan advances 2023 MYR'000
Group		
Balance at 1 January	2,030	1,907
Loss allowance measured:		
Lifetime ECL		
– credit-impaired	370	123
Write off	(1,906)	–
Balance at 31 December	494	2,030

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Other financial assets

Included in the Group's other receivables was one receivable amounting to MYR572,000, for which the impairment loss allowance is measured using lifetime ECL. The Group recognised an impairment loss allowance of MYR572,000, as the amount was determined to be credit-impaired.

Other financial assets mainly comprise other receivables, deposits, 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 2024 and 2023.

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.

Credit risk concentration profile

Trade receivables from one (2023: seven) major debtors accounted for 80% (2023: 71%) of the Group's total trade receivables of MYR6,000,000 (2023: MYR8,857,000).

Loan advances to one (2023: two) major debtors accounted for 100% of the Group's total loan advances.

Factoring receivables from fourteen (2023: seven) debtors accounted for 77% (2023: 65%) 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 2024

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's and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations.

Group	2024 Within one year MYR'000	2024 Within two to five years MYR'000	2024 Total MYR'000	2023 Within one year MYR'000	2023 Within two to five years MYR'000	2023 Total MYR'000
Financial assets:						
Trade and other receivables	161,702	–	161,702	102,488	–	102,488
Cash and cash equivalents	98,738	–	98,738	80,865	–	80,865
Financial assets at fair value through profit or loss	5,155	–	5,155	293	5,081	5,374
Net investment in sub-leases	301	716	1,017	308	1,040	1,348
Total undiscounted financial assets	265,896	716	266,612	183,954	6,121	190,075
Financial liabilities:						
Trade and other payables	74,610	–	74,610	76,612	–	76,612
Lease liabilities	1,313	2,144	3,457	1,358	3,624	4,982
Bank borrowings	36,239	–	36,239	31,345	–	31,345
Redeemable preference shares	104,019	–	104,019	10,208	–	10,208
Total undiscounted financial liabilities	216,181	2,144	218,325	119,523	3,624	123,147
Total net undiscounted financial assets/ (liabilities)	49,715	(1,428)	48,287	64,431	2,497	66,928

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

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's and Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted repayment obligations (Continued).

Company	2024 Within one year MYR'000	2024 Within two to five years MYR'000	2024 Total MYR'000	2023 Within one year MYR'000	2023 Within two to five years MYR'000	2023 Total MYR'000
Financial assets:						
Trade and other receivables	117,209	–	117,209	124,225	–	124,225
Cash and cash equivalents	3,196	–	3,196	7,376	–	7,376
Net investment in sub-leases	301	716	1,017	308	1,040	1,348
Total undiscounted financial assets	120,706	716	121,422	131,909	1,040	132,949
Financial liabilities:						
Trade and other payables	77,407	–	77,407	82,619	–	82,619
Lease liabilities	904	2,144	3,048	924	3,115	4,039
Bank borrowings	31,035	–	31,035	30,840	–	30,840
Total undiscounted financial liabilities	109,346	2,144	111,490	114,383	3,115	117,498
Total net undiscounted financial assets/ (liabilities)	11,360	(1,428)	9,932	17,526	(2,075)	15,451

At the balance sheet date, the maximum exposure of the Company in respect of the financial guarantee provided for RPS issued by LAB [Note 16(b)] is MYR92,947,000 (2023: MYR8,800,000). The Company does not consider it probable that a claim will be made against the Company under the financial guarantee.

(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. The Group exposure to the market price risk at the end of reporting period is immaterial as at 31 December 2023 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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	
	2024 MYR'000	2023 MYR'000
Group		
Financial assets measured at fair value:		
Investment in AdiWisista group [Note 8(b)]	4,687	7,847
Held for trading equity securities [Note 8(a)]	–	–
Company		
Financial assets measured at fair value:		
Held for trading equity securities [Note 8(a)]	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

(b) Financial risk management (Continued)

(vi) Fair value of financial instruments (Continued)

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Investment in AdiWisista group	
	2024 MYR'000	**2023 MYR'000**
Group		
Balance at 1 January	7,847	4,602
Fair value (loss)/gain recognised in profit or loss (Note 24)	(2,891)	3,239
Translation difference	(269)	6
Balance at 31 December	4,687	7,847
Total gains for the period included in:		
Profit or loss:		
Fair value (loss)/gain (Note 24)	(2,891)	3,239

Investment in AdiWisista group [Note 8(b)]

During the financial year, the Group engaged an independent professional valuer for the fair value assessment. The fair value of the CN and EN is determined based on CRR Binomial Tree Model with key inputs from the five-year period discounted cash flows of the investee company.

The valuer has also considered that the computed EV/Sales multiple and P/S multiple of the equity investment are within the range of EV/Sales multiple and P/S multiple of the comparable companies.

The significant unobservable inputs are discount for lack of marketability of 20.4% (2023: 20.5%), credit adjusted discount rate of 11.96% (2023: 13.63%), volatility of 48.94% (2023: 59.52%) and post-tax discount rate of 31.5% (2023: 36%).

The estimated fair value of CN and EN would increase/decrease if discount for non-marketability, credit adjusted discount rate and post-tax discount rate was lower/higher. The estimated fair value of CN and EN would increase/decrease if the volatility was higher/lower.

Cash and cash equivalents (Note 7), trade and other receivables (Note 6), trade and other payables (Note 16) and bank borrowings (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 2024

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, bank borrowings, redeemable preferences shares, 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	
	2024 MYR'000	2023 MYR'000
Trade and other payables (Note 16)	(71,333)	(73,127)
Bank borrowings (Note 17)	(34,027)	(30,411)
Redeemable preference shares (Note 16)	(92,947)	(8,800)
Lease liabilities (Note 11)	(3,122)	(4,567)
Add: Cash and cash equivalents (Note 7)	98,738	80,865
Net debt	(102,691)	(36,040)
Equity attributable to owners of the Company	54,923	69,217
Less: Statutory reserve	(5,313)	(5,313)
Total capital	49,610	63,904
Capital and net debt	152,301	99,944
Gearing ratio	67%	36%

The Group is currently in a net debt position (2023: net debt position). This was due to the increase in debt financing from financial institutions and the launch of the Redeemable Preference Shares Programme and is in line with the Group's expansion of the financial solutions business. Nonetheless, the Group will continue to actively monitor gearing while balancing its expansion strategy and goal of generating returns for shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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 2024 MYR'000	Group 2023 MYR'000
Rental income received from a fellow subsidiary	–	70
Management fee expenses paid to former ultimate holding company	–	580
Interest expense on loan from a shareholder (Note 23)	1,779	1,768
Interest expense on loan from a related party (Note 23)	667	666
Lease payment received/receivable from sub-leasing to related parties	(256)	(467)

	Group 2024 MYR'000	Group 2023 MYR'000
Compensation of key management personnel		
Salaries and other short-term benefits	3,799	3,375
Defined contribution plans	285	259
	4,084	3,634
Comprise amounts paid to:		
Directors of the Company	1,544	1,481
Directors of the subsidiaries	1,809	1,307
Other key management personnel	731	846
	4,084	3,634

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

6. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Current				
Trade receivables	7,581	9,691	–	–
Factoring receivables	165,222	93,851	–	–
Loan advances	1,261	3,385	–	–
Other receivables from third parties	627	1,453	32	35
Other receivables from subsidiaries	–	–	116,990	124,015
Deposits	805	832	187	175
Interest receivable from fixed deposit	54	8	–	–
Prepayments	386	492	102	97
Advance to a third party	–	547	–	–
Goods and services tax ("GST") receivable	13	–	13	–
	175,949	110,259	117,324	124,322
Less: Expected credit losses				
– Trade receivables	(54)	(834)	–	–
– Factoring receivables	(21,403)	(10,598)	–	–
– Loan advances	(494)	(2,030)	–	–
– Other receivables	(572)	–	–	–
	(22,523)	(13,462)	–	–
Total trade and other receivables	153,426	96,797	117,324	124,322

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 15% per transaction (2023: 1% to 12% per transaction) and are generally due within 3 months from disbursement date.

Loan advances

Loan advances are interest bearing at 12% (2023: 12%) per annum and are generally on 1-3 months (2023: 1-month) term.

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 made by the Group to finance a third party's factoring business. The amount was interest bearing at 14% to 18% per annum. The advance was fully repaid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Cash on hand	19	5	–*	–*
Cash at banks	89,117	79,853	3,196	7,376
Fixed deposits	9,602	1,007	–	–
Cash and cash equivalents	98,738	80,865	3,196	7,376

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

	Group	
	2024 MYR'000	2023 MYR'000
Cash and cash equivalents	98,738	80,865
Less: Cash deposit restricted in use (pledged) (Note 17)	(30,636)	(32,343)
Less: Fixed deposit restricted in use (pledged)	(9,602)	(1,007)
Cash and cash equivalents as per consolidated cash flow statement	58,500	47,515

* Denotes amounts less than MYR1,000

The fixed deposits are pledged to bank for bank guarantees facility from a licenced bank.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Current				
Held for trading equity securities	–	–	–	–
Investment in AdiWisista group	4,687	–	–	–
Non-current				
Investment in AdiWisista group	–	7,847	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

(a) Held for trading equity securities

Held for trading equity securities relate to 6,547,324 shares (2023: 6,547,324 shares) in Ayondo Ltd ("**Ayondo**") which the Group and the Company acquired in the previous financial years pursuant to its involvement in the Initial Public Offering exercise of Ayondo on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

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

(b) Investment in AdiWisista group

In 2022, 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 2024, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

(b) Investment in AdiWisista group (Continued)

The Group has classified the investment as financial assets at fair value through profit or loss. During the current financial year, the Group has engaged an independent professional valuer who has adopted CRR Binomial Model in estimating the fair value of the EN and CN. Significant judgement is required in determining the appropriateness of the assumptions used in the fair valuation of the EN and CN. Information about the valuation techniques and inputs used in determining the fair value of the EN and CN is disclosed in Note 4(b)(vi).

During the current financial year, fair value loss of MYR2,891,000 (2023: fair value gain of MYR3,239,000) was recognised to consolidated statement of comprehensive income.

The fair value measurement is categorised in Level 3 of the fair value hierarchy.

9. PROPERTIES HELD FOR SALE

	Group 2024 MYR'000	Group 2023 MYR'000
At cost or net realisable value	13,737	15,329

Properties held for sale as at 31 December 2024 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	4,396	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	3,923	100%

Properties held for sale as at 31 December 2023 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	4,446	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	4,263	100%

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

10. 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 2023	3,382	1,585	520	1,749	7,236
Additions	–	156	155	477	788
Transfers	1,209	–	–	–	1,209
Disposals	–	–	(412)	–	(412)
Written off	–	–	–	(5)	(5)
Translation difference	131	23	9	7	170
At 31 December 2023	4,722	1,764	272	2,228	8,986
Additions	–	77	–	118	195
Written off	–	–	–	(20)	(20)
Translation difference	(180)	(32)	(6)	(67)	(285)
At 31 December 2024	4,542	1,809	266	2,259	8,876
Accumulated depreciation					
At 1 January 2023	977	1,147	494	487	3,105
Depreciation for the financial year	708	194	3	532	1,437
Disposals	–	–	(391)	–	(391)
Written off	–	–	–	(1)	(1)
Translation difference	28	6	7	6	47
At 31 December 2023	1,713	1,347	113	1,024	4,197
Depreciation for the financial year	972	130	31	595	1,728
Written off	–	–	–	(19)	(19)
Translation difference	(56)	(13)	(7)	(57)	(133)
At 31 December 2024	2,629	1,464	137	1,543	5,773
Carrying amount					
At 31 December 2023	3,009	417	159	1,204	4,789
At 31 December 2024	1,913	345	129	716	3,103

(a) Included in property, plant and equipment of the Group are right-of-use assets of MYR2,053,000 (2023: MYR3,186,000) (Note 11).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group 2024 MYR'000	Group 2023 MYR'000
Aggregate cost of property, plant and equipment	195	788
Less: Addition to right-of-use assets	–	(182)
Net cash outflows for purchase of property, plant and equipment	195	606

Company	**Office premises MYR'000**	**Renovation MYR'000**	**Furniture, fixtures and equipment MYR'000**	**Total MYR'000**
Cost				
At 1 January 2023	1,632	358	26	2,016
Additions	–	155	89	244
Transfers	1,209	–	–	1,209
Translation difference	132	23	2	157
At 31 December 2023	2,973	536	117	3,626
Translation difference	(182)	(32)	(3)	(217)
At 31 December 2024	2,791	504	114	3,409
Accumulated depreciation				
At 1 January 2023	342	41	20	403
Depreciation for the financial year	259	87	8	354
Translation difference	28	4	1	33
At 31 December 2023	629	132	29	790
Depreciation for the financial year	522	103	21	646
Translation difference	(57)	(12)	(1)	(70)
At 31 December 2024	1,094	223	49	1,366
Carrying amount				
At 31 December 2023	2,344	404	88	2,836
At 31 December 2024	1,697	281	65	2,043

Included in property, plant and equipment of the Company are right-of-use assets of MYR1,715,000 (2023: MYR2,368,000) (Note 11).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

11. LEASES

Nature of the Group's leasing activities

The Group lease office premises, motor vehicles and furniture, fixtures and equipment from non-related parties.

The Company is a sub-lessor (intermediate lessor) of the right-of-use assets. The Company subleased approximately 33% (2023: 33%) 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).

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

Amounts recognised in the balance sheets

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Carrying amount of right-of-use assets				
Office premises	1,913	3,009	1,697	2,344
Motor vehicles	122	153	–	–
Furniture, fixtures and equipment	18	24	18	24
	2,053	3,186	1,715	2,368
Carrying amount of net investment in sub-leases				
Non-current	653	968	653	968
Current	256	262	256	262
	909	1,230	909	1,230
Carrying amount of lease liabilities				
Non-current	1,957	3,390	1,957	2,902
Current	1,165	1,177	769	785
	3,122	4,567	2,726	3,687
Additions to right-of-use assets	–	182	–	27
Transfer from net investment in sub-leases	–	1,209	–	1,209
	–	1,391	–	1,236

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

11. LEASES (CONTINUED)

Amounts recognised in profit or loss

	Group 2024 MYR'000	Group 2023 MYR'000	Company 2024 MYR'000	Company 2023 MYR'000
Depreciation charged for the financial year				
– Office premises	972	708	522	259
– Motor vehicles	31	3	–	–
– Furniture, fixtures and equipment	6	2	6	2
	1,009	713	528	261
Interest income from sub-leasing (Note 21)	45	107	45	107
Interest expense on lease liabilities (Note 23)	178	230	136	169

Group

Total cash flows for leases amounted to MYR1,431,000 (2023: MYR1,310,000).

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

	Group 2024 MYR'000	Group 2023 MYR'000	Company 2024 MYR'000	Company 2023 MYR'000
Less than one year	301	308	301	308
One to five years	716	1,040	716	1,040
	1,017	1,348	1,017	1,348

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

	Group 2024 MYR'000	Group 2023 MYR'000	Company 2024 MYR'000	Company 2023 MYR'000
Total undiscounted lease payments	1,017	1,348	1,017	1,348
Unearned interest income from sub-leasing	(108)	(118)	(108)	(118)
	909	1,230	909	1,230

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

11. LEASES (CONTINUED)

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

	Group MYR'000
Balance as at 1 January 2023	5,252
Changes from financing cash flows:	
– Additions	154
– Repayments	(1,080)
– Interest expense on lease liabilities	230
– Interest paid	(230)
Translation difference	241
Balance as at 31 December 2023	4,567
Changes from financing cash flows:	
– Repayments	(1,253)
– Interest expense on lease liabilities	178
– Interest paid	(178)
Translation difference	(192)
Balance as at 31 December 2024	3,122

12. GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

	Group	
	2024 MYR'000	2023 MYR'000
Cost		
At 1 January	3,348	1,871
Additions [Note 13(a)]	–	1,385
Translation difference	(90)	92
At 31 December	3,258	3,348
Accumulated impairment		
At 1 January/31 December	(1,271)	(1,271)
Net carrying amount at 31 December	1,987	2,077

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (Continued)

Impairment test for goodwill

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

	2024 MYR’000	2023 MYR’000
Luminor Capital (Malaysia) Sdn. Bhd. and its subsidiaries (excluding SA Puncak Management Sdn. Bhd.)	1,271	1,271
SA Puncak Management Sdn. Bhd. (“**SAPM**”)	600	600
Funded Here Pte. Ltd. (“**FHPL**”)	1,387	1,477

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

Goodwill is assessed at each balance sheet date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGUs.

Key assumptions used in value in use calculation of SAPM

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 (2023: five-year period). Forecast revenue for the five years is 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 five years.

	Average growth rate in revenue %	Terminal value growth rate %	Discount rate (pre-tax) %
31 December 2024	26	4.0	8.3
31 December 2023	35	4.0	6.9

Based on the annual impairment testing undertaken by the Group, no impairment loss was required for the carrying amount of the goodwill of SAPM as the recoverable amount was in excess of the carrying amount.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (Continued)

Impairment test for goodwill (Continued)

Key assumptions used in value in use calculation of SAPM (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 SAPM.

Key assumptions used in valuation of FHPL for the financial year ended 31 December 2024

The recoverable amount as at 31 December 2024 is measured based on fair value less costs of disposal ("**FVLCD**") using venture capital ("**VC**") method. This method is used for start-up and early growth companies, which usually have negative but growing cash flows, limited or no historical financial data and forecasts. Using the VC method, the value of FHPL is estimated at a value after 5 years (the "**expected exit-value**"). The expected exit-value is estimated at the time of exit from the investment and expected earning is multiplied by an estimated earnings multiplier. The expected exit-value is then discounted to the present value using a discount rate. Forecast revenue for the five years is 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 five years. The fair value measurement of recoverable amount of FHPL is categorised as Level 3 in the fair value hierarchy.

	Forecasted average growth rate in revenue %	Average earnings multiplier	Discount rate (pre-tax) %
31 December 2024	95%	12.3	40.78

Based on the annual impairment testing undertaken by the Group, no impairment loss was required for the carrying amount of the goodwill of FHPL as the recoverable amount was in excess of the carrying amount.

Sensitivity to changes in assumptions

If the pre-tax discount rate used in FVLCD calculation had been increased by 8% or if the average earnings multiplier used had been lower than management's estimates by 3.2, the Group would have to recognise impairment charge on goodwill of MYR162,000 and MYR101,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (Continued)

Impairment test for goodwill (Continued)

Key assumptions used in value in use calculation of FHPL for the financial year ended 31 December 2023

The recoverable amount as at 31 December 2023 was determined from value in use calculations derived from the most recent financial budgets approved by management covering a five-year period. Forecast revenue for the 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 for the five years.

	Average growth rate in revenue %	Terminal value growth rate %	Discount rate (pre-tax) %
31 December 2023	25	3.6	13.3

Based on the annual impairment testing undertaken by the Group, no impairment loss was required for the carrying amount of the goodwill of FHPL as at 31 December 2023 as the recoverable amount was in excess of the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(b) Intangible assets

	Crowdfunding Platform MYR'000	Software MYR'000	Total MYR'000
Group			
Cost			
At 1 January 2023	–	55	55
Additions	5,021	5	5,026
Translation difference	114	–	114
At 31 December 2023	5,135	60	5,195
Additions	4,265	–	4,265
Translation difference	(481)	–	(481)
At 31 December 2024	8,919	60	8,979
Accumulated amortisation			
At 1 January 2023	–	31	31
Amortisation charged	–	16	16
At 31 December 2023	–	47	47
Amortisation charged	1,578	10	1,588
Translation difference	(36)	–	(36)
At 31 December 2024	1,542	57	1,599
Carrying amount			
At 31 December 2023	5,135	13	5,148
At 31 December 2024	7,377	3	7,380

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.

The crowdfunding platform is still under development stage as at 31 December 2023, and the platform reached minimum viable product stage in June 2024. Therefore, amortisation of the platform commenced in June 2024 over three years period.

As at 31 December 2024, management performed an impairment test for the crowdfunding platform which is under FHPL CGU. The key assumptions and sensitivity for the determination of the recoverable amount of FHPL CGU are disclosed in Note 12(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES

	Company 2024 MYR'000	Company 2023 MYR'000
Unquoted equity shares, at cost		
Balance at 1 January	7,563	6,558
Additions [Note 16(b)]	5,817	599
Translation difference	(720)	406
Balance at 31 December	12,660	7,563
Accumulated impairment loss		
Balance at 1 January	–	(6,559)
Reversal of impairment loss	–	6,799
Translation difference	–	(240)
Balance at 31 December	–	–
Net carrying amount at 31 December	12,660	7,563

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group 2024 %	Attributable equity interest of the Group 2023 %	Proportion of voting power held 2024 %	Proportion of voting power held 2023 %
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

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. 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 2024 %	2023 %	Proportion of voting power held 2024 %	2023 %
Subsidiaries of Chongqing Starland Property Services Co., Ltd.						
Chongqing Gangyuan Property Development Co., Ltd.[3]	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.[3]	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
Subsidiary of Starland Axis Pte. Ltd.						
Luminor Capital (Malaysia) Sdn. Bhd.[2]	Malaysia	Investment holding and provision of financial solution	100	100	100	100
Funded Here Pte. Ltd.[1]	Singapore	Crowdfunding business	93.53	85.33	93.53	85.33
Subsidiaries of Luminor Capital (Malaysia) Sdn. Bhd.						
EL Nuwr Sdn. Bhd.[2]	Malaysia	Financial solution – Asset management	100	100	100	100
Luminor Credit Sdn.Bhd.[2]	Malaysia	Financial solution – Loan advances business	100	100	100	100
SA Puncak Management Sdn.Bhd.[2]	Malaysia	Financial solution – Factoring business	90.4	88.6	90.4	88.6
Luminor Asset Berhad[2]	Malaysia	Other financial service activities	100	100	100	100
Luminor Capital Markets Sdn. Bhd.[2]	Malaysia	Financial solution – Provision of consultancy services	100	–	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

(1) Audited by Baker Tilly TFW LLP.

(2) Audited by Baker Tilly Malaysia.

(3) Not required to be audited in country of incorporation, but audited by member firm of Baker Tilly International in the PRC for Group consolidation purposes.

(a) Acquisition of Funded Here Pte. Ltd. ("FHPL")

In 2022, Starland Axis Pte. Ltd. ("**SAPL**") entered into a Sales and Purchase Agreement ("**SPA**") to subscribe 4,446,888 ordinary shares of FHPL, representing 58.41% equity interest for a purchase consideration of S$687,000 (approximately MYR2,281,000) (the "**Acquisition**"). The completion of the Acquisition took place on 1 February 2023 and the purchase consideration was satisfied by way of allotment and issuance of 7,899,068 ordinary shares of the Company based on the listed share price of the Company at 1 February 2023 of MYR0.29.

FHPL is Singapore's first MAS-licensed equity and debt crowdfunding platform that aspires to connect the most promising start-ups and companies to strategic investors through its regulated platform. As a result of the Acquisition, the Group and the Company can leverage its experience to expand its financial solution business to include peer-to-peer equity and lending-based crowdfunding marketplace services regionally.

Fair values of identifiable assets and liabilities of FHPL at acquisition date

	2023 MYR'000
Investment in financial assets at fair value through other comprehensive income	96
Deferred tax assets	65
Other receivables	405
Cash and cash equivalents	1,672
Trade and other payables	(729)
Total identifiable net assets acquired by SAPL	1,509
Less: Non-controlling interest ("NCI") measured at the non-controlling's proportionate share of subsidiary's net assets	(613)
Net identifiable assets acquired	896
Goodwill [Note 12(a)]	1,385
Total consideration transferred	2,281

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of Funded Here Pte. Ltd. (“FHPL”) (Continued)

Effect on cash flows of the Group

	2023 MYR’000
Total consideration transferred	2,281
Less: Equity instrument issued as consideration	(2,281)
Less: Cash and cash equivalents in subsidiary acquired	1,672
Net cash inflow from acquisition of a subsidiary	1,672

Goodwill

The acquired subsidiary is involved in the crowdfunding services. The goodwill of MYR1,385,000 is attributable to business synergies expected to arise to the Group after the acquisition as disclosed above.

Revenue and profit contribution

The acquired subsidiary contributed revenue of Nil and net loss of MYR1,769,000 to the Group for the financial period from 1 February 2023 to 31 December 2023. If the acquisition had occurred on 1 January 2023, the Group income from 1 January 2023 to 31 December 2023 would have been MYR30,869,000 and total profit and comprehensive income for the financial year ended 31 December 2023 would have been MYR615,000 and MYR2,545,000 respectively.

(b) Increase ownership in FHPL and SAPM

Increase ownership in FHPL

During the current financial year, SAPL and NCI subscribed for additional 30,132,105 and 192,647 ordinary shares respectively issued by FHPL for a consideration of S$2,825,000 (approximately MYR9,682,000) and S$17,724 (approximately MYR62,000) respectively.

During the previous financial year, SAPL subscribed for additional 13,975,932 ordinary shares issued by FHPL for a consideration of S$1,344,000 (approximately MYR4,828,000).

Following the increase in equity interest, SAPL holds 93.53% (2023: 85.33%) in FHPL as at balance sheet date. The Group recognised a loss from increase in ownership of subsidiary with share subscription of MYR364,000 (2023: MYR504,000), which was recognised within equity under other reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Increase ownership in FHPL and SAPM (Continued)

Increase ownership in FHPL (Continued)

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

	2024 8.20% MYR'000	2023 26.92% MYR'000
Carrying amount of additional non-controlling interests acquired	(364)	(504)
Consideration paid	–	–
Net differences in other reserve attributable to equity holders of the Company	(364)	(504)

Increase ownership in SAPM

During the current financial year, LCM acquired additional 45,000 (2023: 45,000) ordinary shares of SAPM from NCI for a consideration of MYR120,000 (2023: MYR120,000). The Group paid the consideration in cash for the acquisition.

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

	2024 1.80% MYR'000	2023 1.80% MYR'000
Carrying amount of additional non-controlling interests acquired	362	242
Consideration paid	(120)	(120)
Net differences in other reserve attributable to equity holders of the Company	242	122

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Step acquisition of Luminor Capital Markets Sdn. Bhd. ("LCM2")

On 13 March 2024, LCM acquired the remaining 51% equity interest of LCM2 for a cash consideration of MYR100,000. As a result, LCM's equity interest in LCM2 increased to 100% and accordingly, LCM2 became a wholly-owned subsidiary of LCM.

Fair value of the identifiable assets and liabilities of LCM2 at acquisition date

	MYR'000
Trade and other receivables	54
Cash and cash equivalents	1,409
Trade and other payables	(174)
Total identified net assets acquired	1,289
Less: Fair value of pre-existing interest in the associate	(632)
Net identifiable assets acquired	657
Bargain purchase (Note 22)	(557)
Total consideration transferred	100

Effect on cash flows of the Group

	MYR'000
Cash paid	100
Less: Cash and cash equivalents in LCM2 acquired	(1,409)
Net cash inflow from step acquisition	1,309

LCM2 contributed net loss of MYR155,000 to the Group for the period from 13 March 2024 to 31 December 2024. If the acquisition had occurred on 1 January 2024, the Group's net loss would have been MYR11,381,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interests held by NCI
2024		
FHPL	Singapore	6.47%
SAPM	Malaysia	9.6%
2023		
FHPL	Singapore	14.67%
SAPM	Malaysia	11.4%

The following are the summarised financial information of the Group's subsidiaries 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 Sheets

	FHPL		SAPM	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Non-current assets	7,483	4,606	893	1,791
Current assets	1,088	641	174,450	104,137
Non-current liabilities	–	–	(48,936)	(73,983)
Current liabilities	(680)	(646)	(113,331)	(20,453)
Net assets	7,891	4,601	13,076	11,492
Net assets attributable to NCI	511	675	1,255	1,310

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

Summarised Statements of Comprehensive Income

	FHPL		SAPM	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Revenue	13	–	38,453	27,129
(Loss)/profit before tax	(5,977)	(1,789)	2,898	8,981
Income tax expense	–	–	(1,314)	(3,004)
(Loss)/profit after tax	(5,977)	(1,789)	1,584	5,977
Other comprehensive (loss)/income	(603)	287	–	–
Total comprehensive (loss)/income	(6,580)	(1,502)	1,584	5,977
(Loss)/profit allocated to NCI	(580)	(489)	307	829

Summarised Statements of Cash Flows

	FHPL		SAPM	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Cash flows (used in)/ generated from operating activities	(6,299)	726	14,093	13,778
Cash flows (used in)/ generated from investing activities	(4,374)	(4,822)	429	(334)
Cash flows generated from/(used in) financing activities	9,848	4,139	(1,491)	(5,038)
Net (decrease)/increase in cash and cash equivalents	(825)	43	13,031	8,406

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Call option

In accordance with the Call Option Agreement ("**Call Option Agreement**"), the non-controlling shareholder of SAPM granted LCM a call option over the remaining 15% interest in SAPM for MYR1,000,000. Under the Call Option Agreement, LCM had the right to exercise the call option up to 22 August 2022.

On 3 August 2022, SAPM 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 2023	45,000**	MYR120,000 payable in tranches by 22 May 2024
Before 22 August 2024	45,000**	MYR120,000 payable in tranches by 22 November 2024
Before 22 August 2025	240,000	MYR793,600 payable on or before 22 August 2025

** 45,000 (2023: 45,000) units of call shares have been exercised during the current financial year.

(f) Company level – impairment review of investment in subsidiaries

Impairment review for the financial year ended 31 December 2024

During the current financial year, management performed impairment test for the investment in SAPL and its subsidiaries ("**SAPL Group**") as the carrying amount of the net assets of SAPL Group was less than the cost of investment as at 31 December 2024. The recoverable amount of the investment in SAPL Group has been determined based on the value in use calculation of LCM Group using five-year period cash flow projections approved by management and fair value less costs of disposal ("**FVLCD**") of FHPL using venture capital ("**VC**") method.

The key assumptions used in estimation of value in use of LCM Group are as follows:

	Average growth rate in revenue %	Terminal value growth rate %	Discount rate (pre-tax) %
31 December 2024	26	4.0	8.3

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Company level – impairment review of investment in subsidiaries (Continued)

Impairment review for the financial year ended 31 December 2024 (Continued)

The key assumptions used in estimation of FVLCD of FHPL are disclosed in Note 12(a).

Based on the assessment, there is no impairment loss recognised for the financial year ended 31 December 2024.

Sensitivity to changes in assumptions

With regards to the assessment of value in use and FVLCD, 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 investment in SAPL Group.

Impairment review for the financial year ended 31 December 2023

During the previous financial year, management performed impairment test for the investment in SAPL Group as there was indicator of reversal of impairment resulted from the improvements of financial position of LCM Group. The recoverable amount of the investment in SAPL Group had been determined based on the value in use calculation of both LCM Group and FHPL using five-year period cash flow projections approved by management.

The key assumptions used in estimation of value in use were as follows:

	Average growth rate in revenue %	Terminal value growth rate %	Discount rate (pre-tax) %
31 December 2023			
– LCM Group	35	4.0	7.2
– FHPL	25	3.6	13.3

Based on the assessment, a reversal of impairment loss of MYR6,799,000 was recognised during the financial year ended 31 December 2023.

(g) Significant restrictions

Cash and cash equivalents of MYR16,740,000 (2023: MYR17,878,000) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

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14. INVESTMENT IN ASSOCIATE

	Group 2024 MYR'000	Group 2023 MYR'000
Luminor Capital Markets Sdn. Bhd. ("**LCM2**")	–	667

Investment in associate was accounted for in the consolidated financial statements of the Group using equity method.

Details of the Group's associate was as below:

Name of associate	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group 2024 %	Attributable equity interest of the Group 2023 %
Associate of LCM				
Luminor Capital Markets Sdn.Bhd.[1]	Malaysia	Financial solutions	–*	49

(1) Audited by Baker Tilly Malaysia.

Summarised financial information for LCM2 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 was as follows:

	2023 MYR'000
Revenue	1,225
Profit before tax	97
Income tax expenses	–
Profit after tax and total comprehensive income	97
Current assets	1,412
Current liabilities	(12)
Net assets	1,400
Group's share of net assets based on proportion of ownership interest	686
Reconciliation of net assets to carrying amount as at financial year end:	
Share of net assets	686
Adjustment	(19)
Carrying amount of investment in associate	667

* On 13 March 2024, LCM acquired the remaining 51% equity interest of LCM2 for a cash consideration of MYR100,000. As a result, LCM's equity interest in LCM2 increased to 100% and accordingly, LCM2 became a wholly-owned subsidiary of LCM.

As a result of the step acquisition, the Group recognised a fair value loss on remeasurement of the Group's existing 49% equity interest in LCM2, totalling MYR57,000 in the profit or loss, and has accounted for the investment in LCM2 as a subsidiary.

The fair value is determined based on the net identifiable assets and liabilities of LCM2 at acquisition date [Note 13(c)] and the fair value measurement is categorised as Level 3 in the fair value hierarchy.

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15. DEFERRED TAX

	Group 2024 MYR'000	Group 2023 MYR'000
Deferred tax assets	397	364
Deferred tax liabilities	(2,627)	(2,794)

The deferred tax assets and liabilities recognised by the Group and movements thereon during the financial years ended 31 December 2024 and 31 December 2023 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 2023	(2,625)	(47)	(2,672)	196	196	(2,476)
(Charged)/credited to profit or loss for the financial year (Note 25)	(117)	47	(70)	99	99	29
Acquisition of subsidiary [Note 13(a)]	–	–	–	65	65	65
Translation difference	(52)	–	(52)	4	4	(48)
At 31 December 2023	(2,794)	–	(2,794)	364	364	(2,430)
Credited to profit or loss for the financial year (Note 25)	21	–	21	49	49	70
Translation difference	146	–	146	(16)	(16)	130
At 31 December 2024	(2,627)	–	(2,627)	397	397	(2,230)

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%.

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15. 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%.

16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES

(a) Trade and other payables

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Current				
Trade payables	28	29	–	–
Payables to co-funders	2,133	–	–	–
Deposits from contractors	46	49	–	–
Deposits from tenants	198	209	–	–
Accrued expenses	5,085	3,907	1,546	1,436
Other payables due to subsidiaries	–	–	36,608	38,849
Other payables due to former ultimate holding company	149	158	149	158
Payables to former non-controlling interests	17,650	18,932	–	–
Other payables due to third parties	9,047	10,304	154	193
Other tax payables	425	451	–	–
Loan from a shareholder	26,598	28,312	26,598	28,312
Loan from a related party	9,974	10,617	9,974	10,617
GST payable	–	159	–	159
Total trade and other payables	71,333	73,127	75,029	79,724

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16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES (CONTINUED)

(a) Trade and other payables (Continued)

During the current financial year, the Group cooperated with third-party investors ("**Payables to co-funders**") to co-fund factoring receivables. As at 31 December 2024, the factoring receivables co-funded amounted to MYR2,133,000 and are included in factoring receivables as disclosed in Note 6. The payables to co-funders are trade in nature, interest bearing at 0.3% to 12% per transaction and are generally due within 7 days to 3 months from disbursement date.

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 are unsecured, interest bearing at 6.5% and 8% (2023: 6.5% and 8%) per annum and repayable on demand.

Loan from a shareholder (who is also the controlling shareholder and the director of the Company) is unsecured, interest bearing at 6.5% (2023: 6.5%) per annum and repayable on demand.

Loan from a related party (related to the controlling shareholder) is unsecured, interest bearing at 6.5% (2023: 6.5%) per annum and repayable on demand.

(b) Redeemable preference shares and financial guarantee

	Group		Company	
	2024 MYR'000	2023 MYR'000 (Restated)	2024 MYR'000	2023 MYR'000
Current				
– Redeemable preference shares	92,947	8,800	–	–
– Financial guarantee to a subsidiary	–	–	1,843	–
Non-current				
– Redeemable preference shares	–	–	–	–
– Financial guarantee to a subsidiary	–	–	2,322	564
	92,947	8,800	4,165	564

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For the financial year ended 31 December 2024

16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES (CONTINUED)

(b) Redeemable preference shares and financial guarantee (Continued)

The Group has established a redeemable preference shares ("**RPS**") programme of up to MYR500,000,000 in nominal value. As at 31 December 2024, RPS issued totalling 85,150,000 (2023: 8,800,000) were issued at MYR1.00 per RPS. The RPS are interest bearing at 5% plus overnight policy rate published by Bank Negara Malaysia on the respective RPS issued date, and the interest rate is at 8% for the financial year. The RPS is mandatorily redeemable at MYR1.00 per RPS with tenure of two years from the following issuance dates ("**Redemption Dates**"). Included in the RPS was the remaining balance of referral fee paid ("transaction cost directly attributable to the issuance of RPS") as at 31 December 2024, which amounted to MYR1,003,000 and will be amortised over the tenure of the RPS.

RPS allotment dates	Amount of RPS (ordinary shares)	Amount MYR'000
7 November 2023	5,850,000	5,850,000
24 November 2023	2,100,000	2,100,000
29 December 2023	850,000	850,000
As at 31 December 2023	8,800,000	8,800,000
31 January 2024	6,300,000	6,300,000
26 February 2024	10,200,000	10,200,000
15 March 2024	12,700,000	12,700,000
9 April 2024	18,650,000	18,650,000
29 May 2024	8,200,000	8,200,000
27 June 2024	5,600,000	5,600,000
21 August 2024	10,200,000	10,200,000
26 September 2024	7,850,000	7,850,000
4 November 2024	5,450,000	5,450,000
	85,150,000	85,150,000
As at 31 December 2024	93,950,000	93,950,000

The RPS Holders have the right to request that LAB redeem their RPS at any time prior to two months before the Redemption Dates ("**Early Redemption**"), subject to LAB meeting the requirements of Section 72(4), 72(5) and 72(6) under the Companies Act 2016 in Malaysia. As at 31 December 2024 and 2023, LAB assessed and concluded that it meets the solvency requirements. Consequently, the RPS are classified as current liabilities as at 31 December 2024 and 31 December 2023.

The RPS are secured by a put option agreement between RPS Holders with the Company where the RPS Holders have rights to require the Company to redeem the RPS in one tranche at the price of MYR1.00 per RPS in the event that LAB is unable to redeem the RPS from the RPS Holders on the Redemption Dates.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES (CONTINUED)

(b) Redeemable preference shares and financial guarantee (Continued)

Financial guarantee contracts are initially recognised at their fair values. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 Financial Instruments. Financial guarantee liability pertains to the fair value of the put option amounting to MYR5,817,000 (2023: MYR599,000) on initial recognition provided by the Company on behalf of the subsidiary to obtain financing through the RPS programme, less amortisation. Correspondingly, the Company recorded the financial guarantee liability as additions to the investment in subsidiaries amounting to MYR5,817,000 (2023: MYR599,000) as disclosed in Note 13. Given that LAB is able to meet the requirements of Section 72(4), 72(5) and 72(6) under the Companies Act 2016 in Malaysia in respect of redemption of RPS at 31 December 2024 and 2023, the financial guarantee liabilities under the Company are classified as current and non-current based on the remaining tenure of the RPS.

(c) Contract liabilities

	Group	
	2024 MYR'000	2023 MYR'000
Contract liabilities	1,591	1,002

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.

– Interest income received in advance from financial solution customers.

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For the financial year ended 31 December 2024

16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES (CONTINUED)

(c) Contract liabilities (Continued)

A reconciliation of contract liabilities is as follows:

	Group 2024 MYR'000	Group 2023 MYR'000
At 1 January	1,002	624
New contracts	1,550	966
Revenue recognised that was included in the contract liabilities balance at beginning of financial year	(951)	(595)
Translation difference	(10)	7
At 31 December	1,591	1,002

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	Bank borrowings (Note 17) MYR'000	RPS payable MYR'000	Total MYR'000
Group							
Balance at 1 January 2023	295	8,252	26,663	9,999	–	–	45,209
Changes from financing cash flows:							
– Advances from	1,474	120	–	–	–	–	1,594
– Loan drawdown	–	9,867	–	–	30,559	–	40,426
– Proceeds from	–	–	–	–	–	7,950	7,950
– Repayments	(1,626)	(342)	–	–	–	–	(1,968)
– Interest paid	–	(1,230)	(1,768)	(666)	(1,195)	–	(4,859)
Non-cash changes:							
– Interest expense	–	1,199	1,768	666	1,195	–	4,828
– Unrealised foreign exchange loss	–	1,066	–	–	–	–	1,066
– Other receivables	–	–	–	–	–	850	850
Translation differences	15	–	1,649	618	(148)	–	2,134
Balance at 31 December 2023	158	18,932	28,312	10,617	30,411	8,800	97,230

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

16. TRADE AND OTHER PAYABLES REDEEMABLE PREFERENCE SHARES AND FINANCIAL GUARANTEE CONTRACT LIABILITIES (CONTINUED)

(c) Contract liabilities (Continued)

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

	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	Bank borrowings (Note 17) MYR'000	RPS payable MYR'000	Total MYR'000
Group							
Balance at 1 January 2024	158	18,932	28,312	10,617	30,411	8,800	97,230
Changes from financing cash flows:							
– Advances from	–	944	–	–	–	–	944
– Loan drawdown	–	–	–	–	4,381	–	4,381
– Proceeds from	–	–	–	–	–	86,000	86,000
– Repayments	–	(1,191)	–	–	–	–	(1,191)
– Interest paid	–	(1,368)	(1,779)	(667)	(1,930)	(3,169)	(8,913)
– Referral fees paid	–	–	–	–	–	(2,540)	(2,540)
Non-cash changes:							
– Interest expense	–	1,368	1,779	667	1,930	6,546	12,290
– Unrealised foreign exchange gain	–	(1,035)	–	–	–	–	(1,035)
– Other receivables	–	–	–	–	–	(850)	(850)
– Other payables	–	–	–	–	–	(1,840)	(1,840)
Translation differences	(9)	–	(1,714)	(643)	(765)	–	(3,131)
Balance at 31 December 2024	149	17,650	26,598	9,974	34,027	92,947	181,345

17. BANK BORROWINGS

	Group		Company	
	2024 MYR'000	2023 MYR'000	2024 MYR'000	2023 MYR'000
Current liabilities				
– Revolving loan	29,141	29,906	29,141	29,906
– Multi currency trade financing	4,886	505	–	–
	34,027	30,411	29,141	29,906

Revolving loan

As at 31 December 2024, the Group and the Company has a revolving loan from a licensed bank of US$6.5 million (equivalent to MYR29.8 million), which is fully backed by a Standby Letter of Credit ("**SBLC**"), to which the Company has pledged a cash deposit of RMB50 million (equivalent to MYR30.6 million) as disclosed in Note 7. Interest rate for the short-term loan is at a floating rate ranging from 5.36% to 6.36% (2023: 6.07% to 6.36%) per annum. The maturity date of the short-term loan is one year from the first drawdown date or one month prior to the maturity date stated in facility letter, whichever is earlier.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. BANK BORROWINGS (CONTINUED)

Multi currency trade financing

Multi currency trade financing bear interest at rates ranging from 6.26% to 6.76% per annum.

Reconciliation of movements of liabilities to cash flows arising from financing activities is disclosed in Note 16.

18. SHARE CAPITAL

	No. of shares '000	MYR'000
Group and Company		
Issued and fully paid ordinary shares		
Balance at 31 December 2023 and 31 December 2024	167,437	20,629

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.

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 2024

19. OTHER RESERVES (CONTINUED)

Other reserve

Acquisition of non-controlling interests in subsidiaries that do not result in a change in control of the subsidiaries are accounted for as equity transactions. Other reserve is the difference between the consideration paid and the carrying amount of the additional non-controlling interests acquired. The Group has elected to recognise the difference as other reserve under equity [Note 13(b)].

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

	Timing of transfer	Group 2024 MYR'000	Group 2023 MYR'000
Interest income from financial solutions	Over time	42,447	29,223
Income from sale of properties	At a point in time	1,080	999
Rental income	Over time	321	636
Service fee income from financial solutions	Over time	122	7
Fee income from financial solutions	At a point in time	11	4
		43,981	30,869

21. INTEREST INCOME

	Group 2024 MYR'000	Group 2023 MYR'000
Interest income from fixed deposits	483	638
Interest income from current accounts with banks	178	76
Interest income from sub-leasing (Note 11)	45	107
Interest income from investment in financial assets at fair value through profit or loss	297	286
	1,003	1,107

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. OTHER INCOME

	Group	
	2024 MYR'000	2023 MYR'000
Management fee from associate	–	60
Rental income from leasing of motor vehicles	–	88
Bargain purchase on step acquisition of a subsidiary	557	–
Others*	98	718
	655	866

* In the previous financial year, included in others is the rebate of MYR708,000 received from the local authority of People's Republic of China ("**PRC**") for the repossession of the land parcel located at Zone 5, Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing, PRC in 2023.

23. INTEREST EXPENSES RELATED TO FINANCIAL SOLUTIONS

	Group	
	2024 MYR'000	2023 MYR'000
Interest expense on advances from former non-controlling interests	1,368	1,199
Interest expense on loan from a shareholder	1,779	1,768
Interest expense on loan from a related party	667	666
Interest expense on bank borrowings	1,930	1,195
Interest expense on lease liabilities	178	230
Interest expense on RPS holders	6,546	–
Interest expense on Co-Funding	419	–
Others	–	17
	12,887	5,075

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

24. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Group	
	2024 MYR'000	2023 MYR'000
Amortisation of intangible assets	1,588	16
Depreciation of property, plant and equipment	1,728	1,437
Foreign exchange (gain)/losses	(3,480)	3,385
Fair value loss on remeasurement of investment in associate	57	–
Impairment losses on trade and other receivables – net	11,051	2,696
Management fee expenses paid to former ultimate holding company	–	580
Write off of property, plant and equipment	1	4
Write off of investment in financial assets at fair value through other comprehensive income	–	96
Staff costs (including directors' remuneration):		
Salaries and other short-term benefits	11,179	9,215
Defined contribution plans	1,439	1,203
Total staff costs	12,618	10,418
Audit fees:		
– Auditors of the Company	414	378
– Other auditors, network firms	199	221
Non-audit fees:		
– Auditors of the Company	–	–
– Other auditors, network firms	14	–
Cost of properties held for sale recognised as expenses	848	539
Fair value loss/(gain) on financial assets at fair value through profit or loss	2,891	(3,239)

25. INCOME TAX EXPENSE

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% (2023: 17%) and 24% (2023: 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% (2023: 25%) for subsidiaries in the PRC.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. INCOME TAX EXPENSE (CONTINUED)

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.

	Group	
	2024 MYR'000	2023 MYR'000
Current tax:		
PRC enterprise income tax	59	374
Singapore withholding tax	445	75
Malaysia corporate income tax	4,362	3,356
	4,866	3,805
Under provision in respect of previous financial years		
Current income tax	182	164
Deferred tax:		
Reversal of temporary differences (Note 15)	(70)	(29)
Total income tax expense	4,978	3,940

Relationship between tax expense and accounting (loss)/profit

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

	Group	
	2024 MYR'000	2023 MYR'000
(Loss)/profit before tax	(6,449)	4,575
Tax at the domestic rates applicable to profits/(losses) in the countries where the Group operates	(601)	1,252
Non-deductible items	4,252	3,037
Income not subjected to tax	(407)	(687)
Withholding tax on undistributed profits	(69)	–
Withholding tax on foreign interest income	445	75
Singapore statutory stepped exemption	(4)	(46)
Unrecognised tax losses and capital allowances	1,180	145
Under provision income tax expense in previous financial years	182	164
Income tax expense recognised in profit or loss	4,978	3,940

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. INCOME TAX EXPENSE (CONTINUED)

Deferred tax assets are recognised for unutilised tax losses and other deductible temporary differences carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unutilised tax losses of MYR46,588,000 (2023: MYR40,071,000) and other deductible temporary differences of approximately MYR85,000 (2023: MYR85,000) respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The related deferred tax assets have not been recognised in the financial statements due to the uncertainty that future taxable profits will be sufficient to allow the related tax benefits to be realised.

The unutilised tax losses can be carried forward indefinitely except for those arising from the subsidiaries in the jurisdiction of Malaysia amounting to MYR4,983,000 (2023: MYR5,478,000) which can only be utilised to offset against its future taxable profits within ten years from the date the tax losses were incurred. The unutilised tax losses in the Malaysia will expire at various dates up to and including 2034.

26. EARNINGS 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	
	2024	**2023**
Net (loss)/profit attributable to owners of the Company (MYR'000)	(11,207)	295
Number of ordinary shares ('000)	167,437	167,437
Weighted average number of ordinary shares ('000)	167,437	166,766
(Loss)/earnings per share (MYR cents) (cents per share)		
– Basic	(6.69)	0.18
– Diluted	(6.69)	0.18

27. SEGMENT INFORMATION

The Group's reportable operating segments comprise 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. SEGMENT INFORMATION (CONTINUED)

Segment		Principal activities
(a)	Financial solutions	Interest income and fees from financial solutions business in segment Malaysia and Singapore
(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 and Singapore.

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

	Financial solutions		Property		Group	
	2024	2023	2024	2023	2024	2023
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Revenue						
External sales	42,580	29,234	1,401	1,635	43,981	30,869
Result						
Segment gross contribution	38,205	24,389	554	1,096	38,759	25,485
Other income	642	70	13	796	655	866
Interest income	895	644	108	463	1,003	1,107
Fair value (loss)/gain on financial assets at fair value through profit or loss	(2,891)	3,239	–	–	(2,891)	3,239
Interest expense	(12,887)	(5,075)	–	–	(12,887)	(5,075)
Direct expenses	(23,528)	(15,550)	(1,180)	(1,069)	(24,708)	(16,619)
Share of results of associate	22	477	–	–	22	477
Segment net contribution	458	8,194	(505)	1,286	(47)	9,480
Corporate expenses					(6,402)	(4,905)
(Loss)/profit before income tax					(6,449)	4,575
Income tax expense					(4,978)	(3,940)
(Loss)/profit for the financial year					(11,427)	635

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

27. SEGMENT INFORMATION (CONTINUED)

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

	Financial solutions		Property		Group	
	2024	2023	2024	2023	2024	2023
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Amortisation of intangible assets	(1,588)	(16)	–	–	(1,588)	(16)
Depreciation of property, plant and equipment	(1,082)	(1,100)	(646)	(337)	(1,728)	(1,437)
Impairment loss on trade and other receivables, net	(11,051)	(2,696)	–	–	(11,051)	(2,696)
Fair value (loss)/gain on financial assets at fair value through profit or loss	(2,891)	3,239	–	–	(2,891)	3,239
Fair value loss on remeasurement of investment in associate	(57)	–	–	–	(57)	–
Bargain purchase on step acquisition of a subsidiary	557	–	–	–	557	–
Share of results of associate	22	477	–	–	22	477
Segment assets	215,956	137,473	61,618	65,931	277,574	203,404
Unallocated assets					7,089	11,858
Total assets					284,663	215,262
Segment assets includes:						
Additions to non-current assets*	4,460	8,408	–	–	4,460	8,408
Segment liabilities	130,185	42,700	25,099	26,899	155,284	69,599
Unallocated liabilities					72,680	74,461
Total liabilities					227,964	144,060

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

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.

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27. SEGMENT INFORMATION (CONTINUED)

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	
	2024 MYR'000	2023 MYR'000
Singapore	202	200
People's Republic of China	1,401	1,634
Malaysia	42,378	29,035
Total	43,981	30,869

	Non-current assets*	
	2024 MYR'000	2023 MYR'000
Singapore	10,309	9,459
People's Republic of China	9	10
Malaysia	2,152	3,212
Total	12,470	12,681

* Non-current assets information presented above are non-current assets as presented on the consolidated balance sheets excluding financial instruments, deferred tax assets and net investment in sub-leases.

Information about major customer

Revenue is derived from 1 (2023: 2) 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 2024

28. CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements:

	2024 MYR'000	2023 MYR'000
Capital commitment in respect of crowdfunding platform under intangible assets	–	4,727

29. COMPARATIVES FIGURES

During the previous financial year, SAPL subscribed to additional 13,975,932 ordinary shares issued by FHPL for an amount of S$1,344,000 (approximately MYR4,828,000). The subscription amount of MYR4,828,000 was wrongly recognised in translation reserve and other reverse as premium paid for acquisition of non-controlling interests. As this was not an acquisition of non-controlling interests in FHPL, and there was no cash outflow of MYR4,828,000 of the Group in relation to this transaction, therefore certain adjustments have been made to correct the accounting treatment.

Additionally, as at 31 December 2023, the RPS has been classified as non-current liabilities. However, given that the RPS Holders have the right to request that LAB redeem their RPS at any time prior to two months before the Redemption Dates ("**Early Redemption**"), and LAB assessed and concluded that it is able to meet the requirements of Section 72(4), 72(5) and 72(6) under Companies Act 2016 in Malaysia in respect of the early redemption of RPS, the RPS should have been classified as current liabilities.

As a result, certain line items have been amended on the balance sheets as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes to the financial statements for the previous financial year ended 31 December 2023 to correct the accounting treatment.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

29. COMPARATIVES FIGURES (CONTINUED)

	As previously reported MYR'000	Adjustment MYR'000	As restated MYR'000
Consolidated statement of comprehensive income for the financial year ended 31 December 2023			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation	6,757	(4,828)	1,929
Balance sheets as at 31 December 2023			
The Group			
Current liabilities			
Redeemable preference shares	–	8,800	8,800
Non-current liabilities			
Redeemable preference shares	8,800	(8,800)	–
Statement of changes in equity for the financial year ended 31 December 2023			
The Group			
Other reserve	(25,971)	4,828	(21,143)
Translation reserve	13,988	(4,828)	9,160
Consolidated cash flow statement for the financial year ended 31 December 2023			
Net cash used in operating activities	(26,710)	(4,828)	(31,538)
Net cash generated from financing activities	8,624	4,828	13,452

These adjustments did not have impact to the beginning of the preceding financial period, therefore the balance sheet as at 1 January 2023 is not presented.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

30. EVENTS AFTER THE BALANCE SHEET DATE

(a) On 13 January 2025, SAPL incorporated an indirect wholly-owned subsidiary in Singapore known as Luminor Finance Pte Ltd ("**LFPL**") with an initial registered share capital of S$1.00. The incorporation of LFPL is funded through internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2025.

(b) On 31 January 2025, SAPL subscribed for 1,422,570 ordinary shares in FHPL at an issue price of S$0.092 per share for a total cash consideration of S$130,876 (approximately MYR432,000). Following the subscription, SAPL increased its shareholding interest from 93.53% to 93.70%.

(c) On 3 February 2025, the Company announced that its indirect wholly-owned subsidiary, Luminor Assets Berhad ("**LAB**") has allotted 8,550,000 Redeemable Preference Shares ("**RPS**") under Tranche 2F of the RPS Programme at the issue price of MYR1.00 per RPS for total nominal value of MYR8,550,000.

(d) On 26 March 2025, SAPL incorporated an indirect wholly-owned subsidiary in Singapore known as Funded Here Holdings Pte Ltd ("**FHHPL**") with an initial registered share capital of S$1.00. The incorporation of FHHPL is funded through internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2025.

(e) On 2 April 2025, the Company announced that LAB, has allotted 2,750,000 RPS under Tranche 3A of the RPS Programme at the issue price of MYR1.00 per RPS for total nominal value of MYR2,750,000.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 8 April 2025.

STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

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 28 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	260	9.91	8,599	0.01
100 – 1,000	823	31.37	420,208	0.25
1,001 – 10,000	1,019	38.83	3,769,646	2.25
10,001 – 1,000,000	501	19.09	30,858,073	18.43
1,000,001 and above	21	0.80	132,380,829	79.06
Total	**2,624**	**100.00**	**167,437,355**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 28 MARCH 2025

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	44,412,465	26.52
2	PHILLIP SECURITIES PTE LTD	8,400,360	5.02
3	OCBC SECURITIES PRIVATE LTD	8,140,180	4.86
4	ESTATE OF LIN WEI DANIEL, DECEASED	7,899,068	4.72
5	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	7,583,897	4.53
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,721,716	4.01
7	CHENG LIM KONG	6,436,955	3.84
8	CJN CAPITAL PTE LTD	5,992,200	3.58
9	ANG CHENG LAM	5,207,641	3.11
10	HASSAN ISSA YAUNIS	4,660,200	2.78
11	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	4,355,966	2.60
12	RAFFLES NOMINEES (PTE) LIMITED	3,891,111	2.32
13	FONG PEG HONG	3,383,300	2.02
14	TEO TAT BENG	3,174,500	1.90
15	GOH KENG HUAY	2,230,266	1.33
16	TAN KOOI JIN	1,994,411	1.19
17	KWAN CHEE SENG	1,993,666	1.19
18	MAYBANK SECURITIES PTE. LTD.	1,734,730	1.04
19	OW PAUL PENG YONG	1,535,095	0.92
20	LIM SEE YONG	1,463,102	0.87
	TOTAL:	**131,210,829**	**78.35**

STATISTICS OF **SHAREHOLDINGS**

As at 28 March 2025

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

Name	Direct Interest Number of Shares	Direct Interest Percentage (%)	Indirect Interest Number of Shares	Indirect Interest Percentage (%)
Kwan Chee Seng[1]	46,401,339	27.71	3,629,097	2.17

Note:

(1) Mr Kwan Chee Seng is deemed under Section 4 of the Securities and Futures Act 2001 ("**SFA**") to have an interest in the 3,383,300 Shares held by his spouse, Madam Fong Peg Hong and in the 245,797 Shares held by GRP Chongqing Land 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.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 28 March 2025, the percentage of shareholdings held in the hands of the public was approximately 70.12%. 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 Singapore Recreation Club, B Connaught Drive, Singapore 179682, Lounge 1883, Level 1 on Monday, 28 April 2025, 11:00 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 2024 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Aw Eng Hai, a Director retiring pursuant to Article 88 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 2025 payable half yearly in arrears (2024: 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

11 April 2025
Singapore

Explanatory Notes:

1. Mr Aw Eng Hai will, if re-elected as Director of the Company, continue to serve as the Independent Chairman of the Company, and remain as the Chairman of the Audit Committee, and member of the Nominating, Remuneration and Risk Management Committees. 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 and remain as the Chairman of the Risk Management Committee, and member of the Audit, Nominating, and Remuneration Committees 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. All 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 Proxy Form will be despatched to shareholders. These documents together with the Company's Annual Report are made available to shareholders of the Company on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at http://www.luminorfinancialholdings.com.

2. Shareholders may request a printed copy of the Company's Annual Report by completing and returning the Request Form which has been despatched to them:

   a) by email to investor@luminorfinancialholdings.com; or

   b) by post to the registered office of the Company at 9 Raffles Place #29-01 Republic Plaza Singapore 048619,

   in either case, the Request Form must be submitted to the Company by 25 April 2025.

NOTICE OF **ANNUAL GENERAL MEETING**

3. 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 9 Raffles Place #29-01 Republic Plaza Singapore 048619,

   in either case, all questions must be submitted by 21 April 2025.

   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 21 April 2025 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 and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

4. 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.

5. A proxy need not be a shareholder of the Company.

6. 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@vistra.com; or

   b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619,

   in each case, not less than 48 hours before the time appointed to hold the AGM, i.e. by 11.00 a.m. on 26 April 2025.

7. 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.

8. 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.

9. 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.

10. 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 Depositor to be entitled to attend and vote at the AGM.

NOTICE OF **ANNUAL GENERAL MEETING**

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 Aw Eng Hai and Mr Lim See Yong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2025 ("**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 AGM is disclosed below:

	AW ENG HAI	**LIM SEE YONG**
Date of appointment	21 June 2024	1 July 2019
Date of last re-appointment	NA	24 April 2023
Age	57	56
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 Aw Eng Hai for re-appointment as Non-Executive Independent Chairman of the Company. The Board has reviewed and concluded that Mr Aw Eng Hai possesses 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 Independent Director of the Company. The Board has reviewed and concluded that Mr Lim See Yong possesses 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 Chairman – Chairman of the Board and Chairman of the Audit Committee – Member of the Risk Management Committee, Nominating Committee and Remuneration Committee	– Independent Director – Chairman of the Risk Management Committee – Member of the Audit Committee, Nominating Committee and Remuneration Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
Professional qualifications	Bachelor of Business Administration (Honours), National University of Singapore Institute of Singapore Chartered Accountants – Chartered Accountant Association of Chartered Certified Accountants – Fellow Insolvency Practitioners Association of Singapore – Fellow Singapore Institute of Directors – Member INSOL International – Member	Bachelor of Business Administration from National University of Singapore
Working experience and occupation(s) during the past 10 years	March 2003 – Present Foo Kon Tan LLP – Partner in charge of recovery and restructuring and forensic investigations	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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
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
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Directorships: – Capital World Limited – TXZ Tankers Pte. Ltd. – Century Masters Pte. Ltd. – Hunting Airtrust Tubulars Pte. Ltd. – TOTM Technologies Limited Other Principal Commitments: None	Directorships: – WPG Resources Ltd (deregistered on 11 March 2022) Other Principal Commitments: None
Present	Directorships: – Tritech Group Limited – GDS Global Limited – Foo Kon Tan Advisory Services Pte. Ltd. – Foo Kon Tan Transaction Services Pte. Ltd. – Airtrust (Singapore) Pte Limited – Insolvency Practitioners Association of Singapore Limited Other Principal Commitments: – FKT International – Foo Kon Tan LLP	Directorships: None Other Principal Commitments: None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
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
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
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
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

DISCLOSURE OF INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
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
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

DISCLOSURE OF INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	AW ENG HAI	LIM SEE YONG
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 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?	Yes. On 27 August 2015, Mr Aw Eng Hai was issued a warning letter by the Monetary Authority of Singapore ("**Authority**") for a breach of Section 133 of the Securities and Futures Act ("**SFA**") in relation to his late notification on 22 April 2014 to Tritech Group Limited ("**Tritech**") following the issuance of bonus warrants to him by Tritech on 31 March 2014. Mr Aw Eng Hai has been an Independent Director of Tritech from 4 September 2009 to date. Tritech was issued a warning letter ("**Tritech Warning Letter**") by the Authority on 13 February 2017 for a breach of Section 136 of the SFA for Tritech's late notification dated 24 June 2016 to Terratech Group Limited following the completion of the placement of shares in Terratech Group Limited on 21 April 2016, which resulted in a change in percentage of Tritech's shareholding interests in Terratech Group Limited. The Authority has informed Tritech that no further regulatory action will be taken against Tritech in respect of such breach. Neither Mr Aw Eng Hai nor any of the directors of Tritech were the subject of the Tritech Warning Letter.	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	AW ENG HAI	LIM SEE YONG
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?	Yes, please refer to the disclosure under paragraph (j).	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not applicable	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable	Not applicable

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 11 April 2025.

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 Singapore Recreation Club, Connaught Dr, B, Singapore 179682, Lounge 1883, Level 1 on Monday, 28 April 2025 at 11.00 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. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid. 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 2024 together with the Independent Auditor's Report thereon **(Resolution 1)**			
2.	To re-elect Mr Aw Eng Hai, a Director retiring pursuant to Article 88 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 2025 payable half yearly in arrears (2024: 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 ____________________ 2025

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@vistra.com; or (b) by post to the office of the Company's Share Registrar address, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 11.00 a.m. on 26 April 2025.

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 11 April 2025.

CORPORATE **INFORMATION**

FULL NAME OF COMPANY
Luminor Financial Holdings Limited
(Company registration number: 201131382E)

BOARD OF DIRECTORS
Aw Eng Hai
(Non-Executive Independent Chairman)

Kwan Yu Wen
(Executive Director)

Kwan Chee Seng
(Non-Executive Director)

Tan Chade Phang
(Independent Director)

Lim See Yong
(Independent Director)

COMPANY SECRETARY
Wee Woon Hong

REGISTERED OFFICE
9 Raffles Place #29-01
Republic Plaza
Singapore 048619
TEL: (65) 6225 5464
FAX: (65) 6223 3585

SHARE REGISTRAR & SHARE TRANSFER OFFICE
Tricor Barbinder Share Registration Services
9 Raffles Place
Republic Plaza Tower I #26-01
Singapore 048619

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
9 RAFFLES PLACE #29-01 REPUBLIC PLAZA
SINGAPORE 048619