

**RESPONSE TO QUESTIONS FROM THE SECURITIES INVESTORS
ASSOCIATION (SINGAPORE) AHEAD OF THE EXTRAORDINARY GENERAL
MEETING TO BE HELD ON 27 MARCH 2026**

The Board of Directors (the “**Board**” or “**Directors**”) of Luminor Financial Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to the questions raised by the Securities Investors Association (Singapore) in relation to the Rights Issue, details of which are set out in the Company’s circular dated 12 March 2026 (the “**Circular**”).

There were no questions received in advance from shareholders by the deadline as stated in the Notice of EGM.

Unless otherwise defined, all capitalised terms used herein shall have the meanings as the Circular.

Question 1:

- i) **Given that the rights issue is non-renounceable, how did the independent directors assess the impact on minority shareholders who may be unable or unwilling to subscribe to the dilutive rights issue? Was the structure designed to encourage the set-off of shareholder loans and if so, how did the independent directors assess and balance the attractiveness of the rights issue for minority shareholders?**

Response:

The Independent Directors (“**IDs**”) prioritised equitable participation in their assessment. While the Rights Issue is non-renounceable and non-underwritten to save on significant costs such as underwriting fees and commissions, it was structured to allow all Entitled Shareholders the same pro rata opportunity to maintain their equity interest and participate in the Group’s future growth.

The IDs noted that the Company did consider various capital-raising options, including a direct conversion of the shareholder loan. The Rights Issue structure – paired with the loan set-off – was preferred because:

- it allows all shareholders an equitable opportunity to participate, rather than a direct conversion for the controlling shareholder;
- all Entitled Shareholders receive the same pro-rata entitlement, and may also apply for Excess Rights Shares, with controlling shareholders ranked last in excess allocation – this mitigates dilution for those who wish to maintain or increase their stake; and
- the KCS Loan Set-Off itself reflects strong shareholder confidence, as the largest shareholder elected not to receive S\$8 million in cash from the Company and instead reinvests it through the rights issue – this reduces the Company’s leverage without requiring cash outflow and benefits all shareholders.

Finally, the pricing does not confer advantage to the controlling shareholder. The issue price of S\$0.05 is set at a premium to Last Traded Price and TERP but at a discount to NAV. If the rights had been priced lower, the KCS Loan Set-Off would have resulted in him receiving more shares for the same S\$8 million, increasing dilution to minority shareholders. By setting a higher price, the Company actually limits dilution and reduces the number of shares issued to him.

Taken together, the IDs concluded that the structure is fair, not preferential, and appropriately balances capital-raising needs with minority shareholder protection.

- ii) **What analytical framework and valuation considerations did the board apply when determining the issue price at S\$0.05 per share, particularly when NAV per share was S\$0.0929 as at 30 June 2025 and the 24-month VWAP was S\$0.054? How did the board evaluate whether the pricing appropriately balances capital-raising needs with minimising value transfer from minority shareholders?**

Response:

The Board considered multiple quantitative and qualitative factors:

1. **Historical Trading Performance**
The Board evaluated historical trading performance, including:
 - the 24-month VWAP of S\$0.054,
 - the Last Traded Price of S\$0.033 prior to the Announcement date, and
 - the shares' low liquidity, which means market prices may not fully reflect its intrinsic value.Setting the issue price slightly below the 24-month VWAP but above recent trading levels helps ensure fairness while still encouraging participation.
2. **The Group's NAV**
The Board also considered the Group's NAV of S\$0.0929 per Share as at 30 June 2025, noting that the Issue Price represents a discount of approximately 46% to NAV per Share. This discount allows shareholders to subscribe at a level that recognises intrinsic value without overstating the premium above prevailing market levels.
3. **Assessment of fairness to minority shareholders**
The Board determined that the Issue Price is best balanced after considering:
 - the Company's need to strengthen its capital base and reduce gearing,
 - the importance of minimising dilution,
 - the desire to avoid pricing that disproportionately favours any shareholder, and
 - the intention to reflect intrinsic value rather than short-term trading volatility.

Based on the above, the Board concluded that S\$0.05 appropriately aligns capital-raising objectives with equitable treatment of all shareholders.

- iii) **Given Mr Kwan Chee Seng's non-executive directorship and Ms Kwan Yu Wen's executive role, could the independent directors clarify their involvement in discussions relating to the rights issue? What governance safeguards were instituted to ensure that the interests of minority shareholders were appropriately protected during the decision making process? To clarify, would the independent directors specify who initially proposed the rights issue, the set-off arrangement and the issue price?**

Response:

The Rights Issue – including the proposed structure, use of proceeds, potential set-off arrangement and the indicative issue price – was first proposed by Ms Kwan Yu Wen in her capacity as Executive Director of the Company. This proposal was then tabled to the Board for consideration.

To ensure robust governance and to protect the interests of minority shareholders, both Mr Kwan Chee Seng and Ms Kwan Yu Wen recused themselves from all Board deliberations and approval concerning the Rights Issue.

Question 2:

- i) Can the board elaborate on the process undertaken to appoint the IFA? In particular, how many firms were considered or approached, what evaluation criteria were applied, and what factors led the board to conclude that Xandar Capital was the most suitable adviser for this mandate?**

Response:

Three firms were considered for the selection of the IFA. Xandar Capital was selected based on criteria such as:

- independence and absence of conflict;
- track record in similar transactions and expertise in advising boards ; and
- expected timelines and resources committed to the assignment.

- ii) Could the independent directors clarify the role, if any, played by the executive director, the non-independent director, or any member of senior management in the selection of the IFA?**

Response:

The decision to select Xandar Capital was made by the Independent Directors. Subsequently, the Group's Financial Controller liaised with the IFA directly to provide information required for the preparation of the IFA letter.

- iii) If the whitewash resolution is not approved by independent shareholders, can the company provide greater details on how it impacts the rights issue exercise, and whether there is a risk that the net proceeds (after deducting estimated costs and expenses) might be minimal or potentially negative? How would such an outcome affect the group's funding plans and operational strategy?**

Response:

If the Whitewash Resolution is not approved by independent shareholders, the Company may still proceed with the Rights Issue. However, the subscription by the controlling shareholder may be scaled down to avoid placing him in the position of incurring a mandatory general offer obligation under the Take-over Code. As a result, the eventual level of subscription by the controlling shareholder – and the corresponding loan set-off – may be lower, depending on the level of participation by other shareholders.

While the full S\$8 million loan set-off would not occur, the Rights Issue would still reduce the shareholder loan outstanding and strengthen the Group's balance sheet. The Group's funding plans and operational strategy therefore remain supported under this scenario.

In considering and approving the Rights Issue, the Board reviewed the Group's overall financial position, funding needs and medium-term strategic direction. While this was not a full strategic overhaul, the Board was kept apprised of key operational updates across the Group's businesses and was satisfied that the Rights Issue would strengthen the balance sheet and support the Group's growth plans.

Question 3:

- i) **In approving the proposed rights issues, did the board undertake a comprehensive review of the group's strategic plans and operating businesses? In particular, could the board elaborate on:**
- (a) **the commercial viability of the group's crowdfunding platform business, which generated revenue of MYR389,000 while incurring losses of MYR(12.09) million in FY2025; and**
 - (b) **whether the group currently possesses the necessary leadership, operational capabilities, and human capital to execute its strategic initiatives effectively?**

Response:

Funded Here remains in the development stage, with FY2025 representing its first full year of operations following completion of the platform. Revenue of MYR389,000 and losses of MYR12.09 million reflect the early-stage investment phase. However, the business is showing steady quarter-on-quarter growth as issuer and investor activity increases. The Board views the business as strategically important, with scalable potential as the platform gains traction.

The Board has been regularly updated on management plans, talent additions and operational progress within the Group. Based on these updates, the Board is of the view that the Group has the necessary leadership and operational capabilities to execute its current initiatives, and that strengthening the balance sheet through the Rights Issue will further support execution.

- ii) **Irrespective of whether the rights issue proceeds as planned, what strategic priorities and operational milestones has the board set for management to improve the group's financial performance and create sustainable shareholder value?**

Response:

The Board has set clear strategic priorities for management, even though no formal milestone framework has been adopted.

These priorities include:

- Strengthening the balance sheet and reducing gearing to support long-term growth.
- Driving the steady development of the Funded Here platform, which is in its early stages and has shown increasing activity following its first full year of operations.
- Maintaining operational discipline, prudent cost management and careful resource allocation as the Group scales.
- Building organisational capability, with the Board regularly apprised of leadership and operational updates.

The Board continues to monitor these focus areas through ongoing reporting and remains confident that the Group is positioned to execute its strategy and enhance long-term shareholder value.

BY ORDER OF THE BOARD

Kwan Yu Wen
Executive Director
24 March 2026

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 65906881.