

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

Condensed Interim Financial Statements  
For the third quarter ended 30 September 2023

*Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"), the Company is required to announce its quarterly financial statements in view of the qualified opinion and disclaimer of opinion issued by the Company's auditors in the audited financial statements for the financial year ended 31 December 2021 and the latest audited financial statements for the financial year ended 31 December 2022 respectively.*

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**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

For the third quarter ended 30 September 2023

	Group			%	Group		
	Third quarter ended 30 September		+ / (-)		Nine months ended 30 September		+ / (-)
	2023	2022			2023	2022	
	HK\$'000	HK\$'000			HK\$'000	HK\$'000	
<b>Revenue</b>	<b>833</b>	<b>832</b>	-	<b>2,480</b>	<b>2,480</b>	-	
Other income	79	98	(19)	255	402	(37)	
Administrative expenses	(1,878)	(1,185)	58	(4,806)	(3,530)	36	
Other expenses	(1,008)	(2,046)	(51)	(1,696)	(3,709)	(54)	
<b>Loss before taxation</b>	<b>(1,974)</b>	<b>(2,301)</b>	(14)	<b>(3,767)</b>	<b>(4,357)</b>	(14)	
Income tax credit / (expenses)	182	66	176	(25)	(175)	(86)	
<b>Loss for the period and attributable to the equity holders of the company</b>	<b>(1,792)</b>	<b>(2,235)</b>	(20)	<b>(3,792)</b>	<b>(4,532)</b>	(16)	
<b>Loss representing comprehensive income for the period and attributable to the equity holders of the company</b>	<b>(1,792)</b>	<b>(2,235)</b>	(20)	<b>(3,792)</b>	<b>(4,532)</b>	(16)	

**Loss per share**

	Group	
	Nine months ended 30 September	
	2023	2022
Loss per ordinary share		
- Basic (Hong Kong cents) [A]	(0.72)	(0.86)
- Diluted (Hong Kong cents) [B]	(0.72)	(0.86)

[A] The calculation of basic loss per ordinary share was based on 525,630,328 shares (September 2022 : 525,630,328 shares) being the weighted average number of ordinary shares in issue during the period.

[B] The calculation of diluted loss per ordinary share was based on 525,630,328 shares (September 2022 : 525,630,328) being the weighted average number of ordinary shares in issue during the period. There were no outstanding share options as at 30 September 2023 and 30 September 2022 as no options were issued prior to expiry of the option scheme in May 2021.

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**B. Condensed interim consolidated statement of financial position**  
As at 30 September 2023

	Note	Group		The Company	
		As at 30/09/23 HK\$'000	As at 31/12/22 HK\$'000	As at 30/09/23 HK\$'000	As at 31/12/22 HK\$'000
<b>Non-current assets</b>					
Plant and equipment	9	4	9	4	9
Other receivables	10	3,671	3,671	-	-
Investment in subsidiaries		-	-	1,069	1,069
		<b>3,675</b>	<b>3,680</b>	<b>1,073</b>	<b>1,078</b>
<b>Current assets</b>					
Loans and advances	11	27,600	27,600	-	-
Other receivables	10	20,390	33,051	72,978	79,646
Cash and cash equivalents		46,979	38,827	1,703	805
		<b>94,969</b>	<b>99,478</b>	<b>74,681</b>	<b>80,451</b>
<b>Total assets</b>		<b>98,644</b>	<b>103,158</b>	<b>75,754</b>	<b>81,529</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	145,105	145,105	145,105	145,105
Accumulated losses		(51,303)	(47,511)	(70,497)	(65,087)
<b>Total Equity</b>		<b>93,802</b>	<b>97,594</b>	<b>74,608</b>	<b>80,018</b>
<b>Current liabilities</b>					
Other payables	13	4,704	5,376	1,146	1,511
Current tax payable		138	188	-	-
		<b>4,842</b>	<b>5,564</b>	<b>1,146</b>	<b>1,511</b>
<b>Total liabilities</b>		<b>4,842</b>	<b>5,564</b>	<b>1,146</b>	<b>1,511</b>
<b>Total equity and liabilities</b>		<b>98,644</b>	<b>103,158</b>	<b>75,754</b>	<b>81,529</b>

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**C. Condensed interim consolidated statement of cash flows**  
For the third quarter ended 30 September 2023

	<b>Group</b>	
	<b>Nine months ended 30 September</b>	
	<b>2023</b> HK\$'000	<b>2022</b> HK\$'000
<b><u>Cash flows from operating activities:</u></b>		
Loss before taxation	(3,767)	(4,357)
<i>Adjustments for:</i>		
Depreciation of plant and equipment	5	5
Depreciation of right-of-use assets	-	33
Interest income	(2,503)	(2,647)
<b>Operating loss before changes in working capital changes</b>	<b>(6,265)</b>	<b>(6,966)</b>
Changes in other receivables	11,976	6,491
Changes in other payables	(672)	(3,621)
<b>Cash generated from / (used in) operating activities</b>	<b>5,039</b>	<b>(4,096)</b>
Interest income received	3,048	1,031
Dividend income received	140	200
Income tax (paid) / refunded	(75)	36
<b>Net cash generated from / (used in) operating activities</b>	<b>8,152</b>	<b>(2,829)</b>
<b><u>Cash flows from financing activities:</u></b>		
Payment of principal portion of lease liabilities	-	(33)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(33)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,152</b>	<b>(2,862)</b>
Cash and cash equivalents at beginning of the financial period	38,827	40,891
<b>Cash and cash equivalents at end of the financial period</b>	<b>46,979</b>	<b>38,029</b>

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### D. Condensed interim statements of changes in equity

For the third quarter ended 30 September 2023

	Attributable to equity holders of the Company		
	Share Capital	Accumulated Losses	Total Equity
<b>The Group</b>	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2022	145,105	(43,989)	101,116
Total loss and comprehensive loss for the period *	-	(4,532)	(4,532)
<b>As at 30 September 2022</b>	<b>145,105</b>	<b>(48,521)</b>	<b>96,584</b>
As at 1 January 2023	145,105	(47,511)	97,594
Total loss and comprehensive loss for the period *	-	(3,792)	(3,792)
<b>As at 30 September 2023</b>	<b>145,105</b>	<b>(51,303)</b>	<b>93,802</b>

	Share Capital	Accumulated Losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000
<b>The Company</b>			
As at 1 January 2022	145,105	(59,500)	85,605
Total loss and comprehensive loss for the period *	-	(6,415)	(6,415)
<b>As at 30 September 2022</b>	<b>145,105</b>	<b>(65,915)</b>	<b>79,190</b>
As at 1 January 2023	145,105	(65,087)	80,018
Total loss and comprehensive loss for the period *	-	(5,410)	(5,410)
<b>As at 30 September 2023</b>	<b>145,105</b>	<b>(70,497)</b>	<b>74,608</b>

\* There were no other comprehensive income items.

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### E. Notes to the condensed interim financial statements

#### 1 Corporate information

Net Pacific Financial Holdings Limited ("**the Company**") is listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The registered office of the Company is located at 35 Selegie Road, #10-25, Singapore 188307.

The principal activities of the Company are investment holding and has business operations through its foreign subsidiaries in the area of the provision of financing services.

The condensed interim consolidated financial statements as at and for the nine months ended 30 September 2023 comprise the financial statements of the Company and its subsidiaries (collectively "**the Group**").

#### 2 Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* ("**SFRS (I) 1-34**"). The condensed interim financial statements do not include all the information required for the Group's financial statement. Accordingly, this report should be read in conjunction with the Group's annual report for the financial year ended 31 December 2022 and any public announcements made by the Company during the interim reporting periods.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual report for the financial year ended 31 December 2022, except for the adoption of new and amended standards effective for the current reporting period as set out in Note 2.1.

The condensed interim financial statements are presented in Hong Kong dollar which is the Company's functional currency.

##### 2.1 New and amended standards adopted by the Group

A number of amendments to Singapore Financial Reporting Standards (International) ("**Standards**") have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those Standards.

##### 2.2 Use of judgement and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022 and the interim reports for first quarter ended 31 March 2023 and half year ended 30 June 2023.

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

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

Note 2	- Determination of functional currency
Note 11 and 10	- Allowance for expected credit loss ("ECL") of loans and advances and other receivables

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

Note 10	- Impairment of amounts due from subsidiaries
Note 10	- Impairment of receivables due from Intermediary

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### 3 Seasonal operations

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

### 4 Segment and revenue information

For management purposes, the Group is organised into the following reportable operating segments:

#### (1) Financing Business

The financing segment is the business of the provision of financing services in the PRC, the Hong Kong Special Administrative Region and Australia, which include the provision of working capital financing, asset-backed loans, mezzanine loans and investments in companies with good fundamentals and growth potential.

The Group had ceased to grant loans, and thus its exposure in Australia after reaching a settlement with the remaining borrowers on the recovery of the outstanding Australian loans as announced on 6 August 2021.

#### (2) Investment

The investment segment is the business of investing in short term financial instruments using cash on hand pending further loan disbursement or investment opportunities under the Financing Business. There is no operating segment that has been aggregated to form this reportable operating segment

#### 4.1 Reportable segments

	Financing Business		Investment		Consolidated	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total revenue by segments	2,480	2,480	-	-	2,480	2,480
<b>External revenue</b>	<b>2,480</b>	<b>2,480</b>	-	-	<b>2,480</b>	<b>2,480</b>
<b>Segment loss</b>	<b>(149)</b>	<b>(1,603)</b>	-	-	<b>(149)</b>	<b>(1,603)</b>
Unallocated expenses					(3,613)	(2,716)
Depreciation of plant and equipment					(5)	(5)
Depreciation of right-of-use assets					-	(33)
<b>Loss before tax</b>					<b>(3,767)</b>	<b>(4,357)</b>
Income tax expense					(25)	(175)
<b>Loss for the period</b>					<b>(3,792)</b>	<b>(4,532)</b>
	<b>As at 30/09/23 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>	<b>As at 30/09/23 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>	<b>As at 30/09/23 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>
<b>Segment assets</b>	<b>96,797</b>	<b>100,319</b>	-	-	<b>96,797</b>	<b>100,319</b>
Unallocated assets					1,847	1,356
<b>Total assets per statement of financial position</b>					<b>98,644</b>	<b>101,675</b>
<b>Segment liabilities</b>	<b>3,696</b>	<b>3,947</b>	-	-	<b>3,696</b>	<b>3,947</b>
Unallocated liabilities					1,146	1,144
<b>Total liabilities per statement of financial position</b>					<b>4,842</b>	<b>5,091</b>

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### 4.2 Geographical information

	The Group		The Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>				
PRC & Hong Kong	683	682	2,030	2,030
British Virgin Islands	150	150	450	450
	<b>833</b>	<b>832</b>	<b>2,480</b>	<b>2,480</b>
<b>Non-current assets</b>				
Singapore			4	10
British Virgin Islands			3,671	-
			<b>3,675</b>	<b>10</b>

### 5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 December 2022:

	The Group		The Company	
	As at 30/09/23	As at 31/12/22	As at 30/09/23	As at 31/12/22
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Financial assets at amortised cost</b>				
Loans and advances	27,600	27,600	-	-
Other receivables <sup>(1)</sup>	23,973	36,678	72,890	79,602
Cash and cash equivalents	46,979	38,827	1,703	805
	<b>98,552</b>	<b>103,105</b>	<b>74,593</b>	<b>80,407</b>
<b>Financial liabilities at amortised cost</b>				
Other payables	4,704	5,376	1,146	1,511
	<b>4,704</b>	<b>5,376</b>	<b>1,146</b>	<b>1,511</b>

(1) Excludes prepayment

### 6 Loss after tax

#### 6.1 Loss after tax is arrived at after crediting / (charging) the following items:

	Group		Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Foreign exchange loss	(1,008)	(2,046)	(1,696)	(3,709)
Interest income from fixed deposit	8	13	23	167
Other income	71	85	232	235
Depreciation of plant and equipment	(1)	(1)	(5)	(5)
Depreciation of right-of-use assets	-	-	-	(33)

#### 6.2 Related party transactions

The Group had on 25 September 2023 entered into a sale and purchase agreement with Mr Ben Lee, a Non-Independent Non-Executive Director of the Company, to acquire 100% of the total issued and paid-up share capital of Ben Sports and Management Limited and its subsidiary at HK\$0.1 million ("**Consideration**") to diversify and engage in the sale of golf simulators and the operation of golf simulator venues in the PRC ("**Acquisition**") ("**Golf Business**"). The Group will also acquire certain fixed assets from the previous group which the Company deems necessary and/or suitable for the proper operation of the Business at HK\$0.6 million ("**Asset Purchase Price**"). The aggregate of the Consideration and the Asset Purchase Price amounted to HK\$0.7m.

As the aggregate of the Consideration and the Asset Purchase Price against the Group's latest audited NTA as at 31 December 2022 is approximately 0.72% and there are no other interested person transactions between Mr Ben Lee and his associates (as defined under the Catalyst Rules) and the Company in the current financial year, shareholders' approval is not required for the Acquisition.



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### 7 Taxation

The Group calculates the current reporting period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current income tax expense</b>				
Current year	7	102	214	343
Over provision in respect of prior year	(189)	(168)	(189)	(168)
	<b>(182)</b>	<b>(66)</b>	<b>25</b>	<b>175</b>

### 8 Net asset value

	Group		The Company	
	As at 30/09/23	As at 31/12/22	As at 30/09/23	As at 31/12/22
Net asset value per ordinary share (Hong Kong cents)	17.85	18.57	14.19	15.22

Net asset value per ordinary share was computed based on the number of ordinary shares outstanding of 525,630,328 shares as at 30 September 2023 (31 December 2022: 525,630,328).

### 9 Plant and equipment

There were no acquisitions and disposal of plant and equipment during the three months ended 30 September 2023 and 30 September 2022.

### 10 Other receivables

	The Group		The Company	
	As at 30/09/23	As at 31/12/22	As at 30/09/23	As at 31/12/22
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest receivable	640	1,185	-	-
Dividend receivable	500	640	-	-
	<b>1,140</b>	<b>1,825</b>	<b>-</b>	<b>-</b>
Deposits	15	55	15	14
Other receivables (a)	22,818	34,798	37	9
Amounts due from subsidiaries (non-trade) (b)	-	-	130,218	134,079
	<b>23,973</b>	<b>36,678</b>	<b>130,270</b>	<b>134,102</b>
Expected credit losses:				
At beginning	-	-	(54,500)	(50,321)
Allowance for expected credit loss	-	-	(2,880)	(4,179)
At end	-	-	<b>(57,380)</b>	<b>(54,500)</b>
Net other receivables	<b>23,973</b>	<b>36,678</b>	<b>72,890</b>	<b>79,602</b>
Prepayments	88	44	88	44
<b>Total other receivables</b>	<b>24,061</b>	<b>36,722</b>	<b>72,978</b>	<b>79,646</b>
Presented as:				
- Non-current	3,671	3,671	-	-
- Current	20,390	33,051	72,978	79,646
	<b>24,061</b>	<b>36,722</b>	<b>72,978</b>	<b>79,646</b>

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Note (a) - Other receivables comprise mainly:

• HK\$18,450,000 (31 December 2022 - HK\$30,337,000) due from Intermediary which facilitated the Group in granting loans to borrowers located in Australia ("**Intermediary**"). Included in this balance is mainly receivable arising from the settlement of the loans to borrowers in Australia with the Intermediary in the form of properties and cash under two different deeds of settlement:

(i) On 25 June 2019, the Intermediary had entered into Deed of Settlement and Release ("**Deed**") with two Ultimate Borrowers pursuant to which it was agreed that the parties to the Deed would release each other from the performance of any and all of their obligations under the loan agreements entered into between the Intermediary and the Ultimate Borrowers, and any and all claims which exist in respect of the conditional agreements entered on 12 November 2017. Under the Deed, cash of AUD487,000 and the ownership in five properties in Australia were transferred to the Intermediary as settlement of the loans previously granted by the Group to the two Ultimate Borrowers via the Intermediary. On 7 November 2019, the Intermediary confirmed and agreed that all the proceeds received under the provision of the Deed and the subsequent sale of the five properties shall be paid to the Group in accordance to the terms and conditions as set out in the original loan agreements between the relevant parties. The Group and the Intermediary have an arrangement to settle the balances due to or due from each other on a net basis.

(ii) On 6 August 2021, the Intermediary entered into a similar Deed of Settlement and Release with three remaining borrowers ("**Borrowers**") ("**2021 Deed**") pursuant to which it was agreed that the parties to the Deed would release each other from the performance of any and all of their obligations under the loan agreements entered into between the Intermediary and the Borrowers. Under the 2021 Deed, cash of AUD4,196,750 and the ownership in three properties in Australia will be transferred to the Intermediary as settlement of the loans previously granted by the Group to the remaining three Ultimate Borrowers via the Intermediary. The Intermediary confirmed and agreed that all the proceeds received under the provision of the 2021 Deed and the subsequent sale of the three properties shall be paid to the Group in accordance to the terms and conditions as set out in the original loan agreements between the relevant parties.

• HK\$4,187,000 (31 December 2022 - HK\$4,307,000) due from an external buyer on the disposal of financial asset at fair value through profit or loss. The balance is unsecured, interest-free and repayable over a two-year period commencing in FY2021. During the financial year ended 31 December 2022, the external buyer has requested with the concurrence of the Company to revise the payment schedule until 31 December 2024.

Note (b)

The amounts due from subsidiaries are non-trade in nature, unsecured, bear interest at rate of 1.65% (2022 - 1.65%) per annum and are repayable on demand. At the end of the reporting period, the Company evaluated its subsidiaries' financial performance to meet the contractual cash flow obligations and had provided an additional expected credit loss of HK\$2,880,000 (2022 - HK\$4,179,000) on the non-trade amounts due from a subsidiary.

### 11 Loans and advances

	The Group	
	As at 30/09/23 HK\$'000	As at 31/12/22 HK\$'000
Loans and advances repayable within one year	27,600	27,600
<b>Net loans and advances</b>	<b>27,600</b>	<b>27,600</b>

### 12 Share capital

	Number of shares	HK\$'000
Issued and fully paid, with no par value	525,630,328	145,105

There was no movement in the issued and paid-up capital of the Company since 31 December 2022 up to 30 September 2023.

There were no outstanding convertibles as at 30 September 2023 and 30 September 2022.

The Company did not hold any treasury shares as at 30 September 2023 and 31 December 2022. There were no sales, transfers, disposals, cancellations and/or use of treasury shares during the nine months ended 30 September 2023, and as at 31 December 2022.

There were no subsidiary holdings as at 30 September 2023, 30 September 2022, and 31 December 2022. There were no sales, transfers, cancellation and/or use of subsidiary holdings during the nine months ended 30 September 2023.

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**13 Other payables**

	The Group		The Company	
	As at 30/09/23 HK\$'000	As at 31/12/22 HK\$'000	As at 30/09/23 HK\$'000	As at 31/12/22 HK\$'000
Accrued operating expenses	4,704	5,376	1,146	1,511

**14 Borrowings**

The Group has no outstanding borrowings and debt securities as at 30 September 2023 and 31 December 2022.

**15 Subsequent events**

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

**F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF THE CATALIST RULES**

**16 Whether the figures have been audited, or reviewed and in accordance with which auditing standards or practice**

The condensed interim statements of financial position of Net Pacific Financial Holdings Limited and its subsidiaries as at 30 September 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

**17 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: - (a) Updates on the efforts taken to resolve each outstanding audit issue; and (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

The Auditors issued a disclaimer of opinion in relation to the following in the annual report for the financial year ended 31 December 2022 ("FY2022"). For details, please refer to Independent Auditors Report for the year ended 31 December 2022 announced on 13 June 2023.

(1) Completeness of related party disclosures

(2) Control of specified assets and liabilities in Jetwin Investment Pty Ltd ("Jetwin")

(3) Classification and measurement of amounts owing from Jetwin

The Company addressed the above in the announcement on Disclaimer of Opinion by auditors on the consolidated financial statements for FY2022 released on 13 June 2023, and would like to provide an update on the following:

(a) Up to 30 September 2023, AUD2 million or approximately HKD10.4 million in the trust account held in trust by an Australian law firm has been remitted to a bank account in Hong Kong under the Group. This has reduced amount receivable from Jetwin from HKD30.0 million as at 31 December 2022, to HKD18.5 million as at 30 September 2023.

(b) The remaining balance will be repaid via sales proceeds from disposal of the properties that were transferred to Jetwin as partial settlement of loans to borrowers in Australia. The Company has engaged property agent who has started marketing of the completed units for sale in October 2023. Subject to the market conditions in Perth, Australia where the properties are located, the Company expects the units to be sold within next 6 months.

As for the units under construction, the completion date has been delayed by another 12 - 20 months as the construction sector in Australia is under immense pressure due to lack of building materials, lack of qualified trades people and general labour shortages. Pursuant to the relevant clauses in Deed 2021 dated 6 August 2021\*, the Company together with Jetwin have decided to issue Notice of Dispute to the Borrowers\* in relation to the delayed completion dates and will update shareholders as and when appropriate.

(\* please refer to Note 10(a) for details on Deed 2021.

(4) Accuracy of the expected credit losses, gain on settlement and foreign exchange differences of the loans to Australian borrowers in respect of the financial year ended 31 December 2021

(5) Accuracy of the expected credit loss of the amounts due from a subsidiary – Company level

The audited financial statements for last financial year ended 31 December 2021 dated 11 April 2022 included a similar qualification on point 4 and 5. As such the auditors' opinion in the financial statements for FY2022 is also modified because of the possible effects of the above matters on the comparability of the current year's figures and corresponding figures.

The Board is of the view that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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- 18 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

### Consolidated statement of comprehensive income

The Group recorded a revenue of HK\$2.5 million in the nine months ended 30 September 2023 ("Q3/2023"), which was comparable to that in the nine months ended 30 September 2022 ("Q3/2022") as the Group's loan portfolio has remained the same.

Total administrative expenses of the Group was higher in Q3/2023 as compared to Q3/2022 mainly due to higher professional fees incurred in Q3/2023 as the Group had been exploring and reviewing investment opportunities to diversify its business.

Other expenses relate mainly to the foreign exchange loss of HK\$1.7 million (Q3/2022 - HK\$3.7 million) arising from the revaluation of the Group's other receivables and bank balances denominated in Australian Dollars ("AUD") as AUD continued to depreciate in Q3/2023, though at a slower rate as compare to that in Q3/2022.

As a result of the foregoing, the Group reported a net loss of HK\$3.8 million in Q3/2023 as compared to a net loss of HK\$4.5 million in Q3/2022.

### Consolidated statements of financial position

The Group's loan portfolio at HK\$27.6 million as at 30 September 2023, all of which are current, are the same as that as at 31 December 2022.

The Group's other receivables, all current as at 30 September 2023, were lower as at 30 September 2023 mainly due to payments from intermediary as disclosed under Note 17 above.

Following payments from intermediary as explained above, the Group's cash and cash equivalents increased by HK\$8.2 million to HK\$47.0 million as at 30 September 2023 from HK\$38.8 million as at 31 December 2022.

Other payables of the Group were lower as at 30 September 2023 mainly due to payment of expenses related to directors' fees for second half of 2022 as approved by shareholders at the AGM held in April 2022.

### Consolidated statements of cash flow

Net cash generated from operating activities was HK\$8.2 million in Q3/2023 mainly due to payment from the Intermediary (as explained under Note 17) offset partially by the Group's operating loss before working capital in Q3/2023.

The Board confirms that the Group is able to meet its short term debt obligations when they fall due with cash and cash equivalent of HK\$47 million and no outstanding borrowings as at 30 September 2023.

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

Not applicable as there was no forecast or prospect statement disclosed to the Company's shareholders.

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

The global economic outlook remains uncertain amidst the weak growth recovery and uncertainty of the evolution of the geopolitical tensions. However, with the re-opening of China, the economy expects a boost from global activities. <sup>(1)</sup> To-date, no exceptional issues arising from our customers were noted and we will continue to maintain a close watch on any developments that may affect and impact our customers' operations and business.

The Board holds the view that acquiring controlling stakes in operating businesses would offer greater growth potential, primarily due to the possibility of higher profit margin compared to the financing business. Additionally, obtaining bank loans for operating businesses is comparatively easier since the turnover and total assets of the company are recorded in the books of the Company. By securing additional funds through bank loans, the company can effectively utilize more working capital, thereby enhancing returns for both the business and its shareholders.

As disclosed under Note 6.2 above, the Group will be expanding into the Golf Business upon completion of the Acquisition. The Group will continue to explore and review opportunities to diversify its business so as to boost growth and enhance shareholder value. The Company will make the necessary announcements should there be material developments on this front.

(1) <https://www.oecd.org/newsroom/global-economic-outlook-improving-albeit-to-a-low-growth-recovery.htm>

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### 21 Dividend

If a decision regarding dividend has been made:

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

No dividend was paid or declared during the financial period ended 30 September 2023 because the Group was not profitable in Q3/2023. Also, the Company would like to preserve cash for potential acquisition opportunities, if any.

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

Not applicable. No dividend was declared or recommended for the previous corresponding period ended 30 September 2022.

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

Not applicable

**(d) The date the dividend is payable** - Not applicable

**(e) Book closure date** - Not applicable

### 22 If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain any general mandate from its shareholders for IPTs.

### 23 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured signed undertakings from all its directors and executive officers based on Appendix 7H of the SGX-ST Catalist Listing Manual.

### 24 Additional information required pursuant to Rule 706A, if any

Other than as disclosed in item 6.2 above, the Company did not acquire and/or dispose shares in any companies during the financial period ended 30 September 2023.

### BY ORDER OF THE BOARD

Ong Chor Wei @ Alan Ong  
Chief Executive Officer  
9 November 2023

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

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### CONFIRMATION BY THE BOARD

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Group for the nine months ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhou Wen Jie  
Non-Independent Non-Executive Director

Ong Chor Wei @ Alan Ong  
Executive Director & Chief Executive Officer

9 November 2023