

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

Condensed Interim Financial Statements  
For the third quarter ended 30 September 2021

*Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Company is required to announce its quarterly financial statements in view of the qualified opinion issued by the Company's auditors in the latest audited financial statements for the financial year ended 31 December 2020.*

## Table of contents

|  |    |
|--|----|
| A. Condensed interim consolidated statement of profit or loss and other comprehensive income | 2  |
| B. Condensed interim consolidated statement of financial position                            | 3  |
| C. Condensed interim consolidated statement of cash flows                                    | 4  |
| D. Condensed interim consolidated statement of changes in equity                             | 5  |
| E. Notes to the condensed interim consolidated financial statements                          | 6  |
| F. Other information pursuant to Appendix 7C of the Catalist Rules                           | 12 |

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

For the third quarter ended 30 September 2021

|   | Group                            |              | %   | Group                          |                | %    |
|---|----------------------------------|--------------|-----|--------------------------------|----------------|------|
|   | Third quarter ended 30 September |              |     | Nine months ended 30 September |                |      |
|   | 2021                             | 2020         |     | 2021                           | 2020           |      |
|   | HK\$'000                         | HK\$'000     |     | HK\$'000                       | HK\$'000       |      |
| <b>Revenue</b>  | <b>838</b>                       | <b>859</b>   | (2) | <b>2,485</b>                   | <b>2,613</b>   | (5)  |
| Other income  | 4,494                            | 2,161        | NM  | 4,665                          | 764            | NM   |
| Administrative expenses   | (1,301)                          | (1,211)      | 7   | (3,960)                        | (4,366)        | (9)  |
| Other expenses  | (1,390)                          | (3)          | NM  | (2,440)                        | (9)            | NM   |
| <b>Profit / (loss) before taxation</b>  | <b>2,641</b>                     | <b>1,806</b> | 46  | <b>750</b>                     | <b>(998)</b>   | NM   |
| Income tax expense  | 21                               | (129)        | NM  | (236)                          | (356)          | (34) |
| <b>Profit / (loss) for the period and attributable to the equity holders of the company</b>                                   | <b>2,662</b>                     | <b>1,677</b> | 59  | <b>514</b>                     | <b>(1,354)</b> | NM   |
| <b>Profit / (loss) representing comprehensive income for the period and attributable to the equity holders of the company</b> | <b>2,662</b>                     | <b>1,677</b> | 59  | <b>514</b>                     | <b>(1,354)</b> | NM   |

NM: Not meaningful

**Earnings / (Loss) per share**

|                                      | Group                          |        |
|--------------------------------------|--------------------------------|--------|
|                                      | Nine months ended 30 September |        |
|                                      | 2021                           | 2020   |
| Earnings / (Loss) per ordinary share |                                |        |
| - Basic (Hong Kong cents) [A]        | 0.10                           | (0.26) |
| - Diluted (Hong Kong cents) [B]      | 0.10                           | (0.26) |

[A] The calculation of basic earnings / (loss) per ordinary share was based on 525,630,328 shares (September 2020 : 525,630,328 shares) being the weighted average number of ordinary shares in issue during the period.

[B] The calculation of diluted earnings / (loss) per ordinary share was based on 525,630,328 shares (September 2020 : 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 2021 as the options were not exercised prior to expiry in May 2021. The outstanding share options as at 30 September 2020 have no dilutive effect on the loss per ordinary share for the period ended 30 September 2020 as the options were out of money.

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**B. Condensed interim consolidated statement of financial position**  
As at 30 September 2021

|   | Note | Group             |                   | The Company       |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | As at<br>30/09/21 | As at<br>31/12/20 | As at<br>30/09/21 | As at<br>31/12/20 |
|   |      | HK\$'000          | HK\$'000          | HK\$'000          | HK\$'000          |
| <b>Non-current assets</b>                           |      |                   |                   |                   |                   |
| Plant and equipment                                 | 9    | 16                | 5                 | 16                | 5                 |
| Other receivables                                   | 10   | 1,076             | 5,067             | -                 | -                 |
| Right-of-use assets                                 |      | 124               | 180               | 124               | 180               |
| Investment in subsidiaries                          |      | -                 | -                 | 1,069             | 1,069             |
|   |      | <b>1,216</b>      | <b>5,252</b>      | <b>1,209</b>      | <b>1,254</b>      |
| <b>Current assets</b>                               |      |                   |                   |                   |                   |
| Loans and advances                                  | 11   | 27,600            | 46,185            | -                 | -                 |
| Other receivables                                   | 10   | 41,147            | 10,368            | 84,082            | 88,420            |
| Cash and cash equivalents                           |      | 39,629            | 41,707            | 3,029             | 537               |
|   |      | <b>108,376</b>    | <b>98,260</b>     | <b>87,111</b>     | <b>88,957</b>     |
| <b>Total assets</b>                                 |      | <b>109,592</b>    | <b>103,512</b>    | <b>88,320</b>     | <b>90,211</b>     |
| <b>Equity attributable to owners of the Company</b> |      |                   |                   |                   |                   |
| Share capital                                       | 12   | 145,105           | 145,105           | 145,105           | 145,105           |
| Share option reserve                                | 13   | -                 | 340               | -                 | 340               |
| Accumulated losses                                  |      | (44,010)          | (44,864)          | (58,606)          | (57,486)          |
| <b>Total Equity</b>                                 |      | <b>101,095</b>    | <b>100,581</b>    | <b>86,499</b>     | <b>87,959</b>     |
| <b>Non-current liabilities</b>                      |      |                   |                   |                   |                   |
| Lease liabilities                                   |      | 54                | 113               | 54                | 113               |
|   |      | <b>54</b>         | <b>113</b>        | <b>54</b>         | <b>113</b>        |
| <b>Current liabilities</b>                          |      |                   |                   |                   |                   |
| Other payables                                      | 14   | 8,010             | 2,477             | 1,648             | 1,988             |
| Lease liabilities                                   |      | 79                | 75                | 79                | 75                |
| Current tax payable                                 |      | 354               | 266               | 40                | 76                |
|   |      | <b>8,443</b>      | <b>2,818</b>      | <b>1,767</b>      | <b>2,139</b>      |
| <b>Total liabilities</b>                            |      | <b>8,497</b>      | <b>2,931</b>      | <b>1,821</b>      | <b>2,252</b>      |
| <b>Total equity and liabilities</b>                 |      | <b>109,592</b>    | <b>103,512</b>    | <b>88,320</b>     | <b>90,211</b>     |

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**C. Condensed interim consolidated statement of cash flows**  
For the third quarter ended 30 September 2021

|   | <b>Group</b>                              |                          |
|---|---|--------------------------|
|   | <b>Nine months ended<br/>30 September</b> |                          |
|   | <b>2021<br/>HK\$'000</b>                  | <b>2020<br/>HK\$'000</b> |
| <b><u>Cash flows from operating activities:</u></b>             |   |                          |
| Profit / (loss) before taxation                                 | 750                                       | (998)                    |
| <i>Adjustments for:</i>   |   |                          |
| Depreciation of plant and equipment                             | 7   | 8                        |
| Depreciation of right-of-use assets                             | 56  | 56                       |
| Interest income   | (2,485)                                   | (2,613)                  |
| Interest expense on lease liabilities                           | 6   | 9                        |
| <b>Operating loss before changes in working capital changes</b> | <b>(1,666)</b>                            | <b>(3,538)</b>           |
| Changes in loans and advances                                   | 18,585                                    | 1,366                    |
| Changes in other receivables                                    | (26,249)                                  | 2,308                    |
| Changes in other payables                                       | 5,531                                     | (507)                    |
| <b>Cash generated used in operating activities</b>              | <b>(3,799)</b>                            | <b>(371)</b>             |
| Interest income received  | 1,797                                     | 1,019                    |
| Dividend income received  | 150                                       | -                        |
| Income tax paid   | (148)                                     | (379)                    |
| <b>Net cash (used in) / generated from operating activities</b> | <b>(2,000)</b>                            | <b>269</b>               |
| <b><u>Cash flows from investing activities:</u></b>             |   |                          |
| Acquisition of plant and equipment                              | (17)                                      | -                        |
| Proceeds from redemption of financial assets, at FVOCI          | -   | 1,700                    |
| <b>Net cash (used in) / generated from investing activities</b> | <b>(17)</b>                               | <b>1,700</b>             |
| <b><u>Cash flows from financing activities:</u></b>             |   |                          |
| Payment of principal portion of lease liabilities               | (55)                                      | (53)                     |
| Interest paid   | (6)                                       | (9)                      |
| <b>Net cash used in financing activities</b>                    | <b>(61)</b>                               | <b>(62)</b>              |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | <b>(2,078)</b>                            | <b>1,907</b>             |
| Cash and cash equivalents at beginning of the financial period  | 41,707                                    | 34,470                   |
| <b>Cash and cash equivalents at end of the financial period</b> | <b>39,629</b>                             | <b>36,377</b>            |

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**D. Condensed interim statements of changes in equity**  
For the third quarter ended 30 September 2021

|  | Attributable to equity holders of the Company |                      |                    |                    |                |
|--|---|----------------------|--------------------|--------------------|----------------|
|  | Share Capital                                 | Share Option Reserve | Fair Value Reserve | Accumulated Losses | Total Equity   |
| <b>The Group</b>                                   | HK\$'000                                      | HK\$'000             | HK\$'000           | HK\$'000           | HK\$'000       |
| As at 1 January 2020                               | 145,105                                       | 340                  | (54)               | (38,585)           | 106,806        |
| <b>Total comprehensive loss for the period</b>     |   |                      |                    |                    |                |
| Loss for the period                                | -   | -                    | -                  | (1,354)            | (1,354)        |
| Other comprehensive loss                           |   |                      |                    |                    |                |
| Change in fair value of financial assets, at FVOCI | -   | -                    | 54                 | -                  | 54             |
|  | -   | -                    | 54                 | (1,354)            | (1,300)        |
| <b>As at 30 September 2020</b>                     | <b>145,105</b>                                | <b>340</b>           | <b>-</b>           | <b>(39,939)</b>    | <b>105,506</b> |
| As at 1 January 2021                               | 145,105                                       | 340                  | -                  | (44,864)           | 100,581        |
| Profit for the period                              | -   | -                    | -                  | 514                | 514            |
| Employee share option scheme                       | -   | (340)                | -                  | 340                | -              |
|  | -   | (340)                | -                  | 854                | 514            |
| <b>As at 30 September 2021</b>                     | <b>145,105</b>                                | <b>-</b>             | <b>-</b>           | <b>(44,010)</b>    | <b>101,095</b> |

|                                | Share Capital  | Share Option Reserve | Accumulated Losses | Total Equity  |
|--------------------------------|----------------|----------------------|--------------------|---------------|
| <b>The Company</b>             | HK\$'000       | HK\$'000             | HK\$'000           | HK\$'000      |
| As at 1 January 2020           | 145,105        | 340                  | (49,161)           | 96,284        |
| Loss for the period            | -              | -                    | (4,920)            | (4,920)       |
| <b>As at 30 September 2020</b> | <b>145,105</b> | <b>340</b>           | <b>(54,081)</b>    | <b>91,364</b> |
| As at 1 January 2021           | 145,105        | 340                  | (57,486)           | 87,959        |
| Loss for the period            | -              | -                    | (1,460)            | (1,460)       |
| Employee share option scheme   | -              | (340)                | 340                | -             |
| <b>As at 30 September 2021</b> | <b>145,105</b> | <b>-</b>             | <b>(58,606)</b>    | <b>86,499</b> |

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

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

#### 1 Corporate information

Net Pacific Financial Holdings Limited ("**the Company**") is listed on the Catalist 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 2021 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 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) 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 2020 and any public announcements made by the Company during the interim reporting period.

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 2020, 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) ("**SFRS(I)**") 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 2020.

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

Information about critical 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 12 | - 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 11 | - Impairment of amounts due from subsidiaries     |
| Note 11 | - Impairment of receivables due from Intermediary |

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### 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 as follows:

#### (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.

#### (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<br>30 September      |  | Nine months ended<br>30 September      |  | Nine months ended<br>30 September      |  |
|  | 2021                                   | 2020                                   | 2021                                   | 2020                                   | 2021                                   | 2020                                   |
|  | HK\$'000                               | HK\$'000                               | HK\$'000                               | HK\$'000                               | HK\$'000                               | HK\$'000                               |
| Total revenue by segments                                    | 2,485                                  | 2,613                                  | -                                      | -                                      | 2,485                                  | 2,613                                  |
| <b>External revenue</b>                                      | <b>2,485</b>                           | <b>2,613</b>                           | -                                      | -                                      | <b>2,485</b>                           | <b>2,613</b>                           |
| <b>Segment profit</b>  | <b>3,609</b>                           | <b>1,729</b>                           | -                                      | -                                      | <b>3,609</b>                           | <b>1,729</b>                           |
| Unallocated expenses   |  |  |  |  | (2,796)                                | (2,663)                                |
| Depreciation of plant and equipment                          |  |  |  |  | (7)                                    | (8)                                    |
| Depreciation of right-of-use assets                          |  |  |  |  | (56)                                   | (56)                                   |
| <b>Profit / (loss) before tax</b>                            |  |  |  |  | <b>750</b>                             | <b>(998)</b>                           |
| Income tax expense   |  |  |  |  | (236)                                  | (356)                                  |
| <b>Profit / (loss) for the period</b>                        |  |  |  |  | <b>514</b>                             | <b>(1,354)</b>                         |
|  | <b>As at<br/>30/09/21<br/>HK\$'000</b> | <b>As at<br/>30/09/20<br/>HK\$'000</b> | <b>As at<br/>30/09/21<br/>HK\$'000</b> | <b>As at<br/>30/09/20<br/>HK\$'000</b> | <b>As at<br/>30/09/21<br/>HK\$'000</b> | <b>As at<br/>30/09/20<br/>HK\$'000</b> |
| <b>Segment assets</b>  | <b>106,297</b>                         | <b>106,983</b>                         | -                                      | -                                      | <b>106,297</b>                         | <b>106,983</b>                         |
| Unallocated assets   |  |  |  |  | 3,295                                  | 1,333                                  |
| <b>Total assets per statement of financial position</b>      |  |  |  |  | <b>109,592</b>                         | <b>108,316</b>                         |
| <b>Segment liabilities</b>                                   | <b>6,675</b>                           | <b>514</b>                             | -                                      | -                                      | <b>6,675</b>                           | <b>514</b>                             |
| Current income tax liabilities                               |  |  |  |  | 40                                     | 33                                     |
| Unallocated liabilities                                      |  |  |  |  | 1,782                                  | 2,263                                  |
| <b>Total liabilities per statement of financial position</b> |  |  |  |  | <b>8,497</b>                           | <b>2,810</b>                           |

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### 4.2 Geographical information

|                           | The Group                           |            | The Group                         |              |
|---------------------------|-------------------------------------|------------|-----------------------------------|--------------|
|                           | Third quarter ended<br>30 September |            | Nine months ended<br>30 September |              |
|                           | 2021                                | 2020       | 2021                              | 2020         |
|                           | HK\$'000                            | HK\$'000   | HK\$'000                          | HK\$'000     |
| <b>Revenue</b>            |                                     |            |                                   |              |
| PRC & Hong Kong           | 688                                 | 709        | 2,035                             | 2,163        |
| British Virgin Islands    | 150                                 | 150        | 450                               | 450          |
|                           | <b>838</b>                          | <b>859</b> | <b>2,485</b>                      | <b>2,613</b> |
| <b>Non-current assets</b> |                                     |            |                                   |              |
| Singapore                 |                                     |            | 140                               | 207          |
| PRC & Hong Kong           |                                     |            | -                                 | -            |
| British Virgin Islands    |                                     |            | 1,076                             | 2,284        |
|                           |                                     |            | <b>1,216</b>                      | <b>2,491</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 2021 and 31 December 2020:

|  | The Group         |                   | The Company       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | As at<br>30/09/21 | As at<br>31/12/20 | As at<br>30/09/21 | As at<br>31/12/20 |
|  | HK\$'000          | HK\$'000          | HK\$'000          | HK\$'000          |
| <b>Financial assets at amortised cost</b>      |                   |                   |                   |                   |
| Loans and advances                             | 27,600            | 46,185            | -                 | -                 |
| Other receivables <sup>(1)</sup>               | 42,133            | 15,399            | 83,992            | 88,384            |
| Cash and cash equivalents                      | 39,629            | 41,707            | 3,029             | 537               |
|  | <b>109,362</b>    | <b>103,291</b>    | <b>87,021</b>     | <b>88,921</b>     |
| <b>Financial liabilities at amortised cost</b> |                   |                   |                   |                   |
| Other payables                                 | 8,010             | 2,477             | 1,648             | 1,988             |
| Lease liabilities                              | 133               | 188               | 133               | 188               |
|  | <b>8,143</b>      | <b>2,665</b>      | <b>1,781</b>      | <b>2,176</b>      |

(1) Excludes prepayment



# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### 6 Profit / (loss) after tax

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

|  | Group                               |          | Group                             |          |
|--|-------------------------------------|----------|-----------------------------------|----------|
|  | Third quarter ended<br>30 September |          | Nine months ended<br>30 September |          |
|  | 2021                                | 2020     | 2021                              | 2020     |
|  | HK\$'000                            | HK\$'000 | HK\$'000                          | HK\$'000 |
| Foreign exchange (loss) / gain           | (1,387)                             | 2,065    | (2,434)                           | 624      |
| Interest expense on lease liabilities    | (2)                                 | (3)      | (6)                               | (9)      |
| Interest income from fixed deposit       | -                                   | 3        | -                                 | 26       |
| Other income                             | 82                                  | 93       | 253                               | 114      |
| Reversal of over provision of impairment | 4,192                               | -        | 4,192                             | -        |
| Gain on settlement of loans              | 220                                 | -        | 220                               | -        |
| Depreciation of plant and equipment      | (1)                                 | (3)      | (7)                               | (8)      |
| Depreciation of right-of-use assets      | (19)                                | (19)     | (56)                              | (56)     |

The Company had on 6 August 2021 announced that Jetwin Investment Pty Limited ("Jetwin"), the intermediary which facilitated the Group in granting loans to borrowers located in Australia, had, on 6 August 2021, entered into a deed of settlement and release (the "2021 Deed") with, inter alia, the remaining three (3) borrowers located in Australia (the "Borrowers") pursuant to which it was agreed, among other things, that the parties to the 2021 Deed shall resolve all their disputes on the terms and conditions set out in the 2021 Deed and absolutely, unconditionally and irrevocably release and forever discharge and hold each other free from and against any and all claims including their obligations under the loan agreements entered into between Jetwin and the Borrowers without any admission of any liability of any kind whatever (the "Settlement"). Please refer to the announcement dated 6 August 2021 for more details.

As the Group had made partial impairment of the principal component of the outstanding loans of approximately HKD18.2 million based on the progress of the negotiation with the Borrowers up to the financial year ended 31 December 2020, the Settlement resulted in a reversal of over provision of impairment of approximately HKD4.2 million in the nine months period ended 30 September 2021.

#### 6.2 Related party transactions

There are no related party transactions during the current reporting period.

### 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<br>30 September |            | Nine months ended<br>30 September |            |
|   | 2021                                | 2020       | 2021                              | 2020       |
|   | HK\$'000                            | HK\$'000   | HK\$'000                          | HK\$'000   |
| <b>Current income tax expense</b>                 |                                     |            |                                   |            |
| Current year                                      | (21)                                | 129        | 236                               | 356        |
| Under / (over) provision in respect of prior year | -                                   | -          | -                                 | -          |
|   | <b>(21)</b>                         | <b>129</b> | <b>236</b>                        | <b>356</b> |

### 8 Net asset value

|  | Group  |                   | The Company       |                   |
|--|--|-------------------|-------------------|-------------------|
|  | As at<br>30/09/21                                    | As at<br>31/12/20 | As at<br>30/09/21 | As at<br>31/12/20 |
|  | Net asset value per ordinary share (Hong Kong cents) | 19.23             | 19.14             | 16.46             |

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 2021 (31 December 2020: 525,630,328).

### 9 Plant and equipment

During the third quarter ended 30 September 2021, the Group acquired assets amounting to HK\$17,000 (31 December 2020 - nil). There are no disposal of assets during the three months period ended 30 September 2021 and last financial year ended 31 December 2020.

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**10 Other receivables**

|   | The Group                     |                               | The Company                   |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | As at<br>30/09/21<br>HK\$'000 | As at<br>31/12/20<br>HK\$'000 | As at<br>30/09/21<br>HK\$'000 | As at<br>31/12/20<br>HK\$'000 |
| Interest receivable                           | 24,135                        | 24,954                        | -                             | -                             |
| Dividend receivable                           | 980                           | 1,230                         | -                             | -                             |
|   | 25,115                        | 26,184                        | -                             | -                             |
| Expected credit losses:                       |                               |                               |                               |                               |
| At beginning                                  | (24,858)                      | (37,906)                      | -                             | -                             |
| Write-off                                     | -                             | 16,628                        | -                             | -                             |
| Foreign exchange difference                   | 1,508                         | (3,580)                       | -                             | -                             |
| At end  | (23,350)                      | (24,858)                      | -                             | -                             |
| Net interest and dividend receivables         | 1,765                         | 1,326                         | -                             | -                             |
| Deposits                                      | 23                            | 23                            | 15                            | 15                            |
| Other receivables (a)                         | 40,345                        | 14,050                        | 21                            | 9                             |
| Amounts due from subsidiaries (non-trade) (b) | -                             | -                             | 134,456                       | 139,697                       |
|   | 42,133                        | 15,399                        | 134,492                       | 139,721                       |
| Expected credit losses:                       |                               |                               |                               |                               |
| At beginning                                  | -                             | -                             | (51,337)                      | (44,863)                      |
| Allowance for expected credit loss            | -                             | -                             | 837                           | (6,474)                       |
| At end  | -                             | -                             | (50,500)                      | (51,337)                      |
| Net other receivables                         | 42,133                        | 15,399                        | 83,992                        | 88,384                        |
| Prepayments                                   | 90                            | 36                            | 90                            | 36                            |
| <b>Total other receivables</b>                | <b>42,223</b>                 | <b>15,435</b>                 | <b>84,082</b>                 | <b>88,420</b>                 |
| Presented as:                                 |                               |                               |                               |                               |
| - Non-current                                 | 1,076                         | 5,067                         | -                             | -                             |
| - Current                                     | 41,147                        | 10,368                        | 84,082                        | 88,420                        |
|   | <b>42,223</b>                 | <b>15,435</b>                 | <b>84,082</b>                 | <b>88,420</b>                 |

Note (a) - Other receivables comprise mainly:

• HK\$32,283,000 (31 December 2020 - HK\$7,612,000) due from Intermediary. Included in this balance is mainly receivable arising from the settlement of the loans to Ultimate 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 Ultimate 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 Ultimate 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\$5,367,000 (31 December 2020 - HK\$6,267,000) 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 FY2020. During the financial year ended 31 December 2020, with the concurrence of the Company, the external buyer has requested to revise the payment schedule until 31 December 2022.

Note (b)

The amounts due from subsidiaries are non-trade in nature, unsecured, bear interest at rate of 0.87% (2020 - 0.87%) 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 written back expected credit loss of HK\$837,000 (2020 - HK\$6,474,000) on the non-trade amounts due from a subsidiary.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### 11 Loans and advances

|  | The Group                     |                               |
|--|-------------------------------|-------------------------------|
|  | As at<br>30/09/21<br>HK\$'000 | As at<br>31/12/20<br>HK\$'000 |
| Loans and advances repayable within one year | 27,600                        | 64,420                        |
| Expected credit losses:                      |                               |                               |
| At beginning                                 | (18,235)                      | (16,193)                      |
| Allowance for expected credit losses         | -                             | (8,946)                       |
| Reversal of over provision of impairment     | 4,192                         | -                             |
| Impairment utilised upon settlement of loans | 13,221                        | -                             |
| Write-off                                    | -                             | 8,434                         |
| Foreign exchange difference                  | 822                           | (1,530)                       |
| At end                                       | -                             | (18,235)                      |
| <b>Net loans and advances</b>                | <b>27,600</b>                 | <b>46,185</b>                 |

Please also refer to Note 6 and 10 on update on the recent settlement with the Australian borrowers.

### 12 Share capital

|  | Number<br>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 2020.

There were no outstanding convertibles as at 30 September 2021 and 31 December 2020.

The Company did not hold any treasury shares as at 30 September 2021 and 31 December 2020. There were no sales, transfers, disposals, cancellations and/or use of treasury shares during the nine months ended 30 September 2021.

There were no subsidiary holdings as at 30 September 2021, 31 December 2020 and 30 September 2020. There were no sales, transfers, cancellation and/or use of subsidiary holdings during the nine months ended 30 September 2021.

### 13 Share option reserve

The share option reserve has been reclassified to retained earnings, as the share options under the Net Pacific Employee Share Option Scheme have expired on 8 May 2021.

### 14 Other payables

|                            | The Group                     |                               | The Company                   |                               |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                            | As at<br>30/09/21<br>HK\$'000 | As at<br>31/12/20<br>HK\$'000 | As at<br>30/09/21<br>HK\$'000 | As at<br>31/12/20<br>HK\$'000 |
| Accrued operating expenses | 8,010                         | 2,477                         | 1,648                         | 1,988                         |

### 15 Borrowings

The Group has no outstanding borrowings and debt securities as at 30 September 2021 and 31 December 2020.

### 16 Subsequent events

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

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

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

#### 17 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 2021 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.

#### 18 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 basis for the qualified opinion in the annual report for the financial year ended 31 December 2020 was as follows. For details, please refer to Independent Auditors Report for the year ended 31 December 2020 (announced on 7 April 2021).

##### (1) Accuracy and recoverability of the principal of the loans

Deed of settlement and release has been entered on 6 August 2021 with the aim of achieving settlement. Please refer to Note 6 and Note 10 for more details.

##### (2) Recoverability of amounts due from a subsidiary - Company level

The Company has recomputed the recoverable amount and noted the impairment has no impact on the Group's results for the nine months period ended 30 September 2021.

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

#### 19 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 lower revenue of HK\$2.5 million in the nine months ended 30 September 2021 ("Q3/2021"), as compared to the nine months ended 30 September 2020 ("Q3/2020") due mainly to lower interest income from a smaller loan portfolio following partial repayment of the Group's loans by certain borrowers and absence of new loans granted.

Other income in Q3/2021 was higher at HK\$4.7 million as it included the reversal of over provision of impairment of HK\$4.2 million arising from the Settlement as explained under Note 6, while other income in Q3/2020 included the foreign exchange gain of HK\$0.6 million arising from the revaluation of the Group's loan portfolio denominated in Australian Dollars ("AUD") as a result of appreciation of AUD against HK\$ in Q3/2020.

Total operating expenses of the Group was lower at HK\$3.96 million in Q3/2021 mainly due to higher professional fees incurred in Q3/2020 as the Group had been seeking advice from the legal advisors and consultants on ways to settle the loans from Australian borrowers.

Other expenses which relate mainly to the foreign exchange loss arising from the revaluation of the Group's loan portfolio and receivables denominated in AUD were higher in Q3/2021 as AUD depreciated against HK\$ in Q3/2021.

As a result of the foregoing, the Group reported a profit of HK\$0.5 million in Q3/2021 as compared to a net loss of HK\$1.4 million in Q3/2020.

##### Consolidated statements of financial position

The Group's loan portfolio at HK\$27.6 million as at 30 September 2021, all of which are current, was lower due to the Settlement with the three remaining borrowers in Australia as announced on 6 August 2021.

The Group's other receivables, both current and non-current, were higher mainly due to an amount of HK\$32.3 million due from the Intermediary following the Settlement through properties and cash payments.

Other payables and accrued liabilities of the Group were higher mainly due to accrual of expenses related to the Settlement.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### Consolidated statements of cash flow

Net cash used in operating activities was HK\$2.0 million in Q3/2021 mainly due to the Group's operating loss before working capital in Q3/2021.

Income tax paid was lower in Q3/2021 due to advance payment of tax in 2020 which was absent in 2021.

Net cash generated from investing activities of HK\$1.7 million in Q3/2020 relates to the partial redemption of capital in the Group's investment in financial assets, at fair value through other comprehensive income which was fully redeemed in the last financial year ended 31 December 2020.

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

In the Company's announcement dated 6 August 2021 in relation to the Settlement mentioned under Note 6, the Settlement is expected to result in a reversal of over provision of impairment of approximately HKD4.7 million which will have a positive impact on the consolidated net tangible assets per share and the consolidated earnings per share of the Group for the current financial year ending 31 December 2021. The financial impact of the reversal of over provision of impairment for two of the loans and gain on settlement of the third loan is computed to be HKD4.4 million upon finalisation of the Settlement. Other than the above, there has been no variance noted between the above-mentioned prospect statement and actual results.

### **21 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 economic uncertainty brought about by the COVID-19 pandemic may affect the level of profitability and liquidity of potential and existing customers. The Company will continue to monitor closely the development. There have been no exceptional issues noted at the moment.

The Group had ceased to increase its exposure in Australia and reached a settlement with the remaining three borrowers on recovery for the Australian loans on 6 August 2021 as stated under Note 6 and 10.

As the world continues its fight against the COVID-19 outbreak, the Directors are mindful of the challenging market sentiment and have been making effort to ensure that the Group's investment and credit risks are well managed. The Directors will continue to be prudent in deploying capital as well as executing stringent due diligence for new borrowers in 2021.

The Group will continue to monitor the current COVID-19 situation while ensuring adequate liquidity and financial strength to sustain its operations and business growth. The Company will also 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.

### **22 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 2021 and during the corresponding period ended 30 September 2020. As the Company would have been in an operating loss position for the financial period ended 30 September 2021 if the one-time write back of over provision of impairment were excluded, the Board has decided not to declare dividends at this juncture to conserve cash for the Group.

#### **(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 2020.

#### **(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**

### **23 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.

There was no IPT with value of S\$100,000 and more entered into during the financial period ended 30 September 2021.

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**24 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.

**25 Additional information required pursuant to Rule 706A, if any**

Not applicable. The Company did not acquire and/or dispose shares in any companies during the financial period ended 30 September 2021.

**BY ORDER OF THE BOARD**

Ong Chor Wei @ Alan Ong  
Chief Executive Officer  
11 November 2021

*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 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*

**NET PACIFIC FINANCIAL HOLDINGS LIMITED**  
**AND ITS SUBSIDIARIES**  
(Registration Number: 200300326D)

**CONFIRMATION BY THE BOARD**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group for the nine months ended 30 September 2021 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

11 November 2021