

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

## Condensed Interim Financial Statements For the fifth quarter and fifteen months ended 31 March 2025

*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 disclaimer of opinion issued by the Company's auditors in the latest audited financial statements for the financial year ended 31 December 2023.*

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### Change of Financial Year End

On 29 November 2024, the Company announced a change of financial year end from 31 December to 30 June. The first full financial period after the change will cover an 18-month period from 1 January 2024 to 30 June 2025.

The unaudited financial statements presented in this announcement covers the fifth quarter period from 1 January 2025 to 31 March 2025 ("5Q2025") and a 15-month period from 1 January 2024 to 31 March 2025 ("15M2025"). Shareholders should be cautioned that the comparative period applied herein is the preceding audited 12 months financial year from 1 January 2023 to 31 December 2023 ("FY2023"). The comparative amounts are therefore not entirely comparable.

The next set of financial statements for the financial period ending 30 June 2025 will cover the 6-month financial period from 1 January 2025 to 30 June 2025, and an 18-month financial period from 1 January 2024 to 30 June 2025, with a comparative period covering the preceding audited FY2023.

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

For the fifth quarter and fifteen months ended 31 March 2025

	The Group			The Group		
	3 months ended		% + / ( - )	15 months ended	12 months ended	% + / ( - )
	31/3/25	31/3/24		31/3/25	31/12/23	
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Revenue	16,247	961	NM	62,446	3,327	NM
Cost of sales	(14,933)	(166)	NM	(55,991)	-	NM
Gross profit	1,314	795	65	6,455	3,327	94
Other income	1,292	459	181	1,958	657	198
Marketing and distribution costs	(2,070)	(90)	NM	(6,065)	-	NM
Administrative expenses	(3,339)	(2,710)	23	(18,005)	(7,428)	142
Other expenses	-	(1,978)	NM	(4,697)	(1,987)	136
Finance costs	(256)	(28)	NM	(972)	(10)	NM
Share of results of an associated company	(4)	-	NM	(493)	-	NM
Loss before taxation	(3,063)	(3,552)	(14)	(21,819)	(5,441)	NM
Income tax expense	(84)	(129)	(35)	(234)	(76)	NM
Loss for the period	(3,147)	(3,681)	NM	(22,053)	(5,517)	NM
Other comprehensive loss						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	94	-	NM	(357)	-	NM
Total comprehensive loss for the period	(3,054)	(3,681)	(17)	(22,410)	(5,517)	NM
Loss net of tax for the period attributable to:						
Equity holders of the company	(1,723)	(3,681)	(53)	(16,453)	(5,517)	198
Non-controlling interests	(1,424)	-	NM	(5,600)	-	NM
	(3,147)	(3,681)	(15)	(22,053)	(5,517)	NM
Total comprehensive loss for the period attributable to:						
Equity holders of the company	(1,607)	(3,681)	(56)	(16,788)	(5,517)	204
Non-controlling interests	(1,446)	-	NM	(5,622)	-	NM
	(3,053)	(3,681)	(17)	(22,410)	(5,517)	NM

NM: Not meaningful

### Loss per share

	The Group	
	15	12
	months	months
	ended	ended
	31/3/25	31/12/23
Loss per ordinary share		
- Basic (Hong Kong cents) [A]	(3.13)	(1.05)
- Diluted (Hong Kong cents) [B]	(3.13)	(1.05)

[A] The calculation of basic loss per ordinary share was based on 525,630,328 shares (2023 : 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 (2023 : 525,630,328 shares) being the weighted average number of ordinary shares in issue during the period.

Diluted loss per share is the same as basic loss per share due to the absence of any dilutive financial instruments for 15M2025 and FY2023.

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## B. Condensed interim consolidated statement of financial position

As at 31 March 2025

	Note	The Group		The Company	
		As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
<b>Non-current assets</b>					
Plant and equipment	9	13,279	608	14	3
Investment in an associated company	10	-	-	-	-
Goodwill on acquisition	6.2	2,531	-	-	-
Trade & other receivables	11	-	1,996	-	-
Right-of-use assets	12	13,176	2,028	-	-
Investment in subsidiaries		-	-	1,170	1,169
		<b>28,986</b>	<b>4,632</b>	<b>1,184</b>	<b>1,172</b>
<b>Current assets</b>					
Loans and advances	13	27,600	27,600	-	-
Inventories		19,778	-	-	-
Trade & other receivables	11	37,581	21,955	63,579	73,074
Cash and cash equivalents		31,029	47,246	1,916	1,108
		<b>115,988</b>	<b>96,801</b>	<b>65,495</b>	<b>74,182</b>
<b>Total assets</b>		<b>144,974</b>	<b>101,433</b>	<b>66,679</b>	<b>75,354</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	14	145,105	145,105	145,105	145,105
Translation reserve		(335)	-	-	-
Accumulated losses		(69,481)	(53,028)	(80,469)	(71,873)
<b>Equity attributable to equity holders of the Company</b>		<b>75,289</b>	<b>92,077</b>	<b>64,636</b>	<b>73,232</b>
Non-controlling interests		3,653	-	-	-
<b>Total Equity</b>		<b>78,942</b>	<b>92,077</b>	<b>64,636</b>	<b>73,232</b>
<b>Non-current liabilities</b>					
Lease liabilities	15	12,170	1,499	-	-
		<b>12,170</b>	<b>1,499</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade & other payables	16	44,018	7,222	2,043	2,122
Lease liabilities	15	2,039	536	-	-
Current tax payable		249	99	-	-
Bank loan	17	7,556	-	-	-
		<b>53,862</b>	<b>7,857</b>	<b>2,043</b>	<b>2,122</b>
<b>Total liabilities</b>		<b>66,032</b>	<b>9,356</b>	<b>2,043</b>	<b>2,122</b>
<b>Total equity and liabilities</b>		<b>144,974</b>	<b>101,433</b>	<b>66,679</b>	<b>75,354</b>

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## C. Condensed interim consolidated statement of cash flows

For the fifth quarter and fifteen months ended 31 March 2025

	The Group	
	15 months ended	12 months ended
	31/3/25 HK\$'000	31/12/23 HK\$'000
<b>Cash flows from operating activities:</b>		
Loss before taxation	(21,819)	(5,441)
<i>Adjustments for:</i>		
Share of results of an associated company	493	-
Depreciation of plant and equipment	2,515	17
Depreciation of right-of-use assets	2,608	49
Loss on disposal of plant and equipment	20	-
Impairment loss on other receivables	2,434	1,964
Interest income	(5,886)	(3,376)
Gain on disposal of right-of-use assets	(24)	-
Interest expense on lease liabilities	829	10
Interest expense on borrowings	143	-
Unrealised exchange differences	(1,512)	(289)
<b>Operating loss before changes in working capital changes</b>	<b>(20,199)</b>	<b>(7,066)</b>
Changes in inventories	(12,010)	-
Changes in trade and other receivables	(3,390)	10,647
Changes in trade and other payables	16,183	1,230
<b>Cash (used in) generated from operating activities</b>	<b>(19,416)</b>	<b>4,811</b>
Interest income received	6,442	3,376
Dividend income received	80	160
Income tax paid	(84)	(165)
<b>Net cash (used in) generated from operating activities</b>	<b>(12,978)</b>	<b>8,182</b>
<b>Cash flows from investing activities:</b>		
Acquisition of plant and equipment	(5,602)	-
Disposal of plant and equipment	107	-
Acquisition of a subsidiary, net of cash received (Note 6.2)	(1,882)	-
<b>Net cash used in investing activities</b>	<b>(7,377)</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Capital contribution by non-controlling interests	9,541	-
Proceeds from borrowings	7,556	-
Repayment of lease liabilities	(2,035)	(42)
Repayment of short-term loan from related company	(19,578)	-
Shareholders' loan from non-controlling interests	8,401	-
Payment of interest on borrowings	(143)	-
Payment of interest of lease liabilities	(829)	(10)
<b>Net cash generated from (used in) financing activities</b>	<b>2,913</b>	<b>(52)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(17,442)</b>	<b>8,130</b>
Cash and cash equivalents at beginning of period	47,246	38,827
Effect of exchange rate changes on cash and cash equivalents	1,225	289
<b>Cash and cash equivalents at end of period</b>	<b>31,029</b>	<b>47,246</b>

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## D. Condensed interim statements of changes in equity

For the fifth quarter and fifteen months ended 31 March 2025

	Attributable to equity holders of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Translation Reserve	Total		
The Group	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2023	145,105	(47,511)	-	97,594	-	97,594
Total loss and comprehensive loss for the period *	-	(5,517)	-	(5,517)	-	(5,517)
<b>As at 31 December 2023</b>	<b>145,105</b>	<b>(53,028)</b>	<b>-</b>	<b>92,077</b>	<b>-</b>	<b>92,077</b>
As at 1 January 2024	145,105	(53,028)	-	92,077	-	92,077
<b>Total loss and comprehensive loss for the period</b>						
Loss for the period	-	(16,453)	-	(16,453)	(5,600)	(22,053)
Other comprehensive loss						
- Foreign currency translation differences	-	-	(335)	(335)	(22)	(357)
	-	(16,453)	(335)	(16,788)	(5,622)	(22,410)
<b>Transaction with owners of the Company, recognised directly in equity</b>						
- Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	(266)	(266)
- Capital contribution from non-controlling interests	-	-	-	-	9,541	9,541
	-	-	-	-	9,275	9,275
<b>As at 31 March 2025</b>	<b>145,105</b>	<b>(69,481)</b>	<b>(335)</b>	<b>75,289</b>	<b>3,653</b>	<b>78,942</b>

The Company	Share Capital	Accumulated Losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2023	145,105	(65,087)	80,018
Total loss and comprehensive loss for the period *	-	(6,786)	(6,786)
<b>As at 31 December 2023</b>	<b>145,105</b>	<b>(71,873)</b>	<b>73,232</b>
As at 1 January 2024	145,105	(71,873)	73,232
Total loss and comprehensive loss for the period *	-	(8,596)	(8,596)
<b>As at 31 March 2025</b>	<b>145,105</b>	<b>(80,469)</b>	<b>64,636</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 Catalist which is a market on 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 activity of the Company is investment holding and has business operations through its foreign subsidiaries in the areas of (a) the provision of financing services in the People's Republic of China ("**PRC**"), Hong Kong Special Administrative Region ("**Hong Kong**"), and Australia, (b) the sale of golf simulators and the operation of indoor golf simulator venues in the PRC, and (c) the manufacture and sale of hard case luggage in the PRC.

The condensed interim consolidated financial statements as at and for the three months ended 31 March 2025 ("**5Q2025**") and fifteen months period from 1 January 2024 to 31 March 2025 ("**15M2025**") comprise the financial statements of the Company and its subsidiaries (collectively the "**Group**").

### 2 Basis of preparation

The condensed interim financial statements for the financial period ended 31 March 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1 - 34 Interim Financial Reporting. 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 2023.

The accounting policies adopted are consistent with those applied in the preparation of the Group's annual report for the financial year ended 31 December 2023, except for the adoption of new and amended standards effective 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 were applied to the consolidated financial statements as at and for the year ended 31 December 2023 and the interim report for the first quarter ended 31 March 2024, half year ended 30 June 2024, third quarter ended 30 September 2024 and fourth quarter ended 31 December 2024.

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 13	- Allowance for expected credit loss (" <b>ECL</b> ") of loans and receivables 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 financial period are included in the following notes:

Note 11	- Impairment of amounts due from subsidiaries
Note 11	- Impairment of receivables due from Intermediary

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## E. Notes to the condensed interim financial statements (contd)

### 3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the reporting 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, Hong Kong 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 in Australia, and thus its lending 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) Golf Business

The golf business is the business of sale of golf simulators and the operation of indoor golf simulator venues in the PRC.

#### (3) Luggage Business

The Group had on 10 May 2024 completed the acquisition of 51% of the total issued and paid-up share capital of Saint Pearl Travel Products (Guangdong) Co., Ltd ("**Saint Pearl**") to diversify and engage in the business of research, design, production and sale of travel hard cases in the PRC. Please refer to Note 6.2 for more details.

#### 4.1 Reportable segments

	Financing		Golf Business		Luggage Business		Consolidated	
	15 months ended	12 months ended	15 months ended	12 months ended	15 months ended	12 months ended	15 months ended	12 months ended
	31/3/25	31/12/23	31/3/25	31/12/23	31/3/25	31/12/23	31/3/25	31/12/23
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total revenue by segments	4,133	3,312	5,342	15	52,971	-	62,446	3,327
<b>External revenue</b>	<b>4,133</b>	<b>3,312</b>	<b>5,342</b>	<b>15</b>	<b>52,971</b>	<b>-</b>	<b>62,446</b>	<b>3,327</b>
<b>Segment profit (loss)</b>	<b>(761)</b>	<b>235</b>	<b>(4,494)</b>	<b>(312)</b>	<b>(9,874)</b>	<b>-</b>	<b>(15,129)</b>	<b>(77)</b>
Unallocated expenses							(6,690)	(5,364)
<b>Loss before tax</b>							<b>(21,819)</b>	<b>(5,441)</b>
Income tax expense							(234)	(76)
<b>Loss for the period</b>							<b>(22,053)</b>	<b>(5,517)</b>
<b>Segment assets</b>	<b>63,507</b>	<b>89,691</b>	<b>7,476</b>	<b>10,567</b>	<b>71,900</b>	<b>-</b>	<b>142,883</b>	<b>100,258</b>
Unallocated assets							2,091	1,175
<b>Total assets per statement of financial position</b>							<b>144,974</b>	<b>101,433</b>
<b>Segment liabilities</b>	<b>6,527</b>	<b>3,889</b>	<b>2,193</b>	<b>3,345</b>	<b>55,269</b>	<b>-</b>	<b>63,989</b>	<b>7,234</b>
Unallocated liabilities							2,043	2,122
<b>Total liabilities per statement of financial position</b>							<b>66,032</b>	<b>9,356</b>

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## E. Notes to the condensed interim financial statements (contd)

### 4.2 Geographical information

The Group derives income from financing business, golf business and luggage business in the following geographical regions. Revenue is attributed to countries by location of customers.

	The Group			
	3 months ended		15 months ended	12 months ended
	31/3/25	31/3/24	31/3/25	31/12/23
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Asia Pacific	9,312	811	44,110	2,727
North America	2,285	-	9,802	-
Middle East	104	-	3,367	-
Europe	4,396	-	4,417	-
Others	150	150	750	600
<b>Total revenue</b>	<b>16,247</b>	<b>961</b>	<b>62,446</b>	<b>3,327</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31/3/25</b>	<b>31/12/23</b>	<b>31/3/25</b>	<b>31/12/23</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Asia Pacific	28,986	2,636	28,986	2,636
Others	-	1,996	-	1,996
	<b>28,986</b>	<b>4,632</b>	<b>28,986</b>	<b>4,632</b>

### 5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2025 and 31 December 2023:

	The Group		The Company	
	As at 31/3/25	As at 31/12/23	As at 31/3/25	As at 31/12/23
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Financial assets at amortised cost</b>				
Loans and advances	27,600	27,600	-	-
Inventories	19,778	-	-	-
Trade and other receivables <sup>(1)</sup>	35,330	23,920	63,482	73,043
Cash and cash equivalents	31,029	47,246	1,916	1,108
	<b>113,737</b>	<b>98,766</b>	<b>65,398</b>	<b>74,151</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables <sup>(2)</sup>	39,774	6,814	2,043	2,122
Bank loan	7,556	-	-	-
Lease liabilities	14,209	2,035	-	-
	<b>61,539</b>	<b>8,849</b>	<b>2,043</b>	<b>2,122</b>

(1) Excludes prepayment

(2) Excludes contract liabilities



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E. Notes to the condensed interim financial statements (contd)

## 6 Loss after tax

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

	The Group			
	3 months ended		15 months ended	12 months ended
	31/3/25 HK\$'000	31/3/24 HK\$'000	31/3/25 HK\$'000	31/12/23 HK\$'000
Foreign exchange gain (losses)	463	(1,281)	(2,243)	(23)
Interest income from fixed deposit	176	317	1,194	64
Interest income from guarantor <sup>(#)</sup>	559	-	559	-
Other income <sup>(*)</sup>	14	13	52	593
Loss on disposal of plant & equipment	-	-	(20)	-
Gain on disposal of properties held by Intermediary	-	129	129	-
Impairment loss on other receivables	80	(696)	(2,434)	(1,964)
Gain on derecognition of right of use assets	-	-	24	-
Finance cost				
- Interest expense on lease liabilities	(400)	(28)	(829)	(10)
- Interest expense on borrowings	(96)	-	(143)	-
	<b>(496)</b>	<b>(28)</b>	<b>(972)</b>	<b>(10)</b>
Depreciation of plant and equipment	(1,214)	(202)	(2,515)	(17)
Depreciation of right-of-use assets	(1,230)	(152)	(2,608)	(49)

(#) Interest income from the guarantor refers to the income received from Mr. Ben Lee, a Non-Independent Non-Executive Director of the Company, pursuant to a supplemental agreement between the Company and Mr. Ben Lee regarding the shareholder's loans extended to Ben Sports and Management Limited ("**Ben Sports**"), a wholly owned subsidiary of the Company. According to the supplemental agreement, Mr. Ben Lee undertakes that if Ben Sports fails to repay the interest payable on the shareholder's loans, he will be responsible for any unpaid loan interest and will make the necessary payments to the Company. Please refer to Note 11 (b) (ii) for more information.

(\*) Included in other income during the financial year ended 31 December 2023 is an amount of HK\$292,000 of rental income derived from the leasing of some of the properties held by the Intermediary (as defined below). There was no such income in the financial period ended 31 March 2025, as these properties have been sold in last financial year ended 31 December 2023.

### 6.2 Related party transactions

On 2 February 2024, the Company announced that it had entered into a joint venture agreement ("**JVA**") with Mr. Ben Lee, a Non-Independent Non-Executive Director of the Company ("**Joint Venture**"). Further to the JVA, a joint venture company, Net Industrial International Company Limited ("**JV Company**"), has been incorporated in Hong Kong. Pursuant to the JVA, the Company is the majority shareholder, holding 80% interest of the JV Company, while Mr. Ben Lee owns the remaining 20% of the JV Company.

It was also announced by the Company on the same day that the JV Company had entered into a share transfer agreement to acquire Mr Ben Lee's 51% of the total issued and paid-up share capital of Saint Pearl ("**Acquisition**", together with the Joint Venture, the "**Proposed Joint Venture and Acquisition**"), then a wholly-owned subsidiary of Jiangmen Limingzhu Technology Co., Ltd ("**Limingzhu**"), a portion of which is held on trust for Mr. Ben Lee. Saint Pearl is in the business of independent research, design, production, and sale of travel hard cases made from polypropylene and polycarbonate and other innovative materials, offering a comprehensive set of travel product solutions to major brands and channels both domestically and internationally ("**Luggage Business**").

In accordance with the JVA, the consideration payable by the JV Company for the Acquisition is approximately RMB2.7 million. The consideration was arrived at based on 51% of the original cost of investment, being the unaudited net assets of Saint Pearl as at 31 December 2023.

The Company had on 23 February 2024 convened an extraordinary general meeting ("**EGM**") to seek approval of shareholders in relation to the Proposed Joint Venture and Acquisition and also the proposed business diversification to include the Golf and Luggage Business. Both resolutions were passed unanimously at the EGM.

Further to the EGM convened on 23 February 2024, the completion of the Acquisition took place on 10 May 2024. The JV Company acquired 51% ordinary shares of Saint Pearl for a consideration of RMB2.7 million. The Company, which is holding 80% interest of the JV Company, settled its 80% share of the consideration of approximately RMB2.3 million through internal financial resources.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 6.2 Related party transactions (contd)

The Group has engaged an external valuation consultant to perform the purchase price allocation ("PPA") exercise to determine the fair value of the net identifiable assets of Saint Pearl as at completion of the Acquisition. Pending the finalisation of the PPA report, the purchase consideration has been provisionally allocated.

<u>Purchase consideration</u>	HK\$'000
Cash paid	2,348
Consideration transferred for the business	2,348
<u>Effect on cash flows of the Group</u>	
Cash paid (as above)	2,348
Less: Cash and cash equivalents in subsidiary	(466)
Acquisition of a subsidiary, net of cash received	1,882
<u>Identifiable assets acquired and liabilities</u>	
Plant and equipment	9,780
Investment in an associated company	494
Right-of-use assets	14,363
Inventories	7,768
Trade and other receivables	13,310
Cash and cash equivalents	466
Total assets	46,181
Trade and other payables	31,790
Lease liabilities	14,840
Total liabilities	46,630
Total net identifiable liabilities acquired	(449)
Less: Non-controlling interests	266
	(183)
<u>Goodwill on acquisition</u>	
Purchase consideration	2,348
Net liabilities acquired	183
	2,531

During the reporting period, Saint Pearl entered into the following trading transactions with related companies with common directors of Limingzhu, the 49% shareholder of Saint Pearl:

	HK\$'000
- sale of hard case luggage	19,500
- purchase of materials and services	731
- design fees	574

As explained in Circular to Shareholders dated 6 February 2024, as a newly-incorporated company at its infant stage of operations, Saint Pearl does not have sufficient qualification and experience to be included in the supplier list of international market players in the luggage industry. As Limingzhu is a more established company as compared to Saint Pearl, orders for hard case luggage will be obtained through Limingzhu and its related companies in the initial stages of the Joint Venture and as a temporary start-up arrangement for minimal first twelve (12) months or until such time when Saint Pearl attains the necessary quality certifications including ISO1400 and ISO9100 issued by the International Organization for Standardization required by customers to accept orders directly from them.

Under the transitional arrangement for Limingzhu to receive orders from external customer and subcontract to Saint Pearl, depending on the product specification of the type of hard case luggage produced, Saint Pearl will apportion less than 10% of the invoice on sale of hard case luggage to Limingzhu or its related companies to cover the administrative and marketing costs incurred by Limingzhu to arrange for the export of the various hard case luggage and the maintenance of relationship with the customers. To the best of Saint Pearl's knowledge based on subcontract arrangement of Limingzhu with its sub-contractors, as well as from the understanding from fellow market players, the usual market rate for similar luggage products under such sub-contracting arrangements in the PRC is at least 10% of the gross sale price.

Purchases and design fees were made at market price paid by related parties to reflect the relationships between the companies.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 7 Taxation

The Group calculates the current reporting period 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:

	The Group		The Group	
	3 months ended		15 months ended	12 months ended
	31/3/25 HK\$'000	31/3/24 HK\$'000	31/3/25 HK\$'000	31/12/23 HK\$'000
<b>Current income tax expense</b>				
Current period	84	129	234	265
Over provision in respect of prior year	-	-	-	(189)
	84	129	234	76

### 8 Net asset value

	The Group		The Company	
	As at 31/3/25	As at 31/12/23	As at 31/3/25	As at 31/12/23
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net asset value per ordinary share (Hong Kong cents)	14.32	17.52	12.30	13.93

Net asset value per ordinary share was computed based on the number of ordinary shares outstanding of 525,630,328 shares as at 31 March 2025 (31 December 2023: 525,630,328 shares).

### 9 Plant and equipment

During the financial period ended 31 March 2025, the Group acquired assets amounting to HK\$15.4 million (31 December 2023 - HK\$Nil) including HK\$9.8 million under the Acquisition. There was disposal of assets of HK\$0.15 million (2023 - HK\$Nil) during the financial period ended 31 March 2025.

### 10 Investment in an associated company

	The Group	
	As at 31/3/25	As at 31/12/23
	HK\$'000	HK\$'000
At the beginning of the period / year	-	-
Acquisition of a subsidiary	494	-
Foreign exchange differences	(1)	-
Share of post-acquisition loss	(493)	-
At the end of the period / year	-	-

The investment in an associated company refers to equity interest of 46% held by Saint Pearl in a PRC-incorporated company 沸騰冒泡(广州)文化有限公司 ("Associate"), which mainly engages in branding, research & development, marketing & promotion, and e-commerce of luggage products manufactured by Saint Pearl. The joint venture was entered into in March 2024 between the parties before the completion of the Acquisition on 10 May 2024. The share of loss was primarily attributable to the administrative expenses incurred by the Associate during its start-up stage.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

## E. Notes to the condensed interim financial statements (contd)

### 11 Trade & other receivables

	The Group		The Company	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
Trade receivables	18,432	-	-	-
Interest receivables	629	1,185	-	-
Dividend receivables	400	480	-	-
Interest and dividend receivables	1,029	1,665	-	-
Deposits	1,010	177	15	14
Other receivables (a)	19,257	24,042	49	19
Amounts due from subsidiaries (non-trade) (b)	-	-	133,204	134,508
	21,296	25,884	133,268	134,541
Expected credit losses:				
At beginning	(1,964)	-	(61,498)	(54,500)
Allowance for expected credit loss	(2,434)	(1,964)	(8,288)	(6,998)
At end	(4,398)	(1,964)	(69,786)	(61,498)
Net other receivables	16,898	23,920	63,482	73,043
Prepayments (c)	2,251	31	97	31
	<b>37,581</b>	<b>23,951</b>	<b>63,579</b>	<b>73,074</b>
Presented as:				
- Non-current	-	1,996	-	-
- Current	37,581	21,955	63,579	73,074
	<b>37,581</b>	<b>23,951</b>	<b>63,579</b>	<b>73,074</b>

Note (a) - Other receivables comprise mainly:

- HK\$8,996,000 (31 December 2023 - HK\$19,867,000) due from an 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 ("**2019 Deed**") with two borrowers pursuant to which it was agreed that the parties to the 2019 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, and any and all claims which exist in respect of the conditional agreements entered on 12 November 2017. Under the 2019 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 borrowers via the Intermediary. On 7 November 2019, the Intermediary confirmed and agreed that all the proceeds received under the provision of the 2019 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. Up to date of this announcement, the five completed units have been sold and sales proceeds received by the Intermediary. The Group has received its share of sales proceeds of approximately HK\$5.7 million on 16 May 2024, which has reduced the amount receivable from the Intermediary from HK\$19.0 million as at 31 March 2024 to HK\$13.4 million as at 30 June 2024. The amount receivable from the Intermediary increased to HK\$13.8 million as of 30 September 2024, primarily due to the appreciation of the Australian Dollar ("**AUD**") against the HK\$ towards the end of September 2024. This amount was subsequently reduced to HK\$9.0 million as of 31 March 2025, following the remittance of funds held with the Australian legal advisor in November 2024, the depreciation of the AUD against the HK\$ in the last two quarters ended 31 December 2024 and 31 March 2025, and provision of expected credit loss of HK\$1.34 million as explained under (iii).

(ii) On 6 August 2021, the Intermediary entered into a similar Deed of Settlement and Release with three remaining borrowers ("**2021 Deed**") pursuant to which it was agreed that the parties to the 2021 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 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.

(iii) The Group had on 1 November 2024 entered into a deed of assignment (the "**Deed**") with the Intermediary and Mr Tsui Wai Hung, Peter ("**Mr Tsui**") whereby the Group agreed to transfer, and Mr Tsui agreed to purchase the rights and obligations in the amount receivable from the Intermediary to-date for an amount of AUD1,180,000. Please refer to Update Announcements dated 4 November 2024, 8 January 2025, 16 April 2025 and Note 16 for more details on the Deed. At the end of the reporting period, the Group evaluated the projected cash inflows to be received from the Deed entered into with Mr Tsui and had provided an expected credit loss of HK\$1,343,000 (31 December 2023 - Nil) on the amounts receivable from the Intermediary. The full amount due from Mr Tsui under the Deed was received by the Group in April 2025.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 11 Trade & other receivables (contd)

• HK\$1,032,000 (31 December 2023 - HK\$2,183,000) due from an external buyer on the disposal of financial asset at fair value through profit or loss in prior years. Under a revised repayment schedule approved by the credit committee of the Group, the remaining balance of HK\$4,880,000 (before provision of expected credit loss) would be repaid over 24 instalments from January 2024 to December 2025, which was interest-free. At the end of the reporting period, the Group evaluated the counterparty's financial performance to meet the contractual cash flow obligations and had provided an expected credit loss of HK\$1,091,000 (31 December 2023 - HK\$1,964,000) on the non-trade amounts due from the counterparty.

#### Note (b)

The amounts due from subsidiaries comprised of the following:

(i) HK\$35,310,000 (31 December 2023 - HK\$65,672,000) which is non-trade in nature, unsecured, bear interest at rate of 4.43% (31 December 2023 - 4.31%) per annum and is 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\$8,288,000 (31 December 2023 - HK\$6,998,000) on the non-trade amounts due from a subsidiary. The amount was reduced to fund the shareholders' loans to the subsidiaries under the Golf and Luggage Business, as explained under (ii) and (iii) below.

(ii) HK\$10,107,000 (31 December 2023 - HK\$7,338,000) due from Ben Sports, a wholly owned subsidiary of the Company, which is non-trade in nature, bear interest at rate of 8.00% per annum and mature two (2) years from the date of disbursement pursuant to a Shareholder Loan Agreement entered between the Company and Ben Sports on 31 January 2024 ("**SLA**"). Based on the supplemental agreement entered between the Company and Mr Ben Lee, a Non-Independent Non-Executive Director of the Company, Mr Ben Lee undertakes that in the event that Ben Sports fails to repay the interest payable on the shareholder's loans as set out in the SLA, Mr Ben Lee shall be responsible for such loan interest due but not having been paid by Ben Sport, and shall make payment of such loan interest to the Company. Mr Ben Lee also undertakes that in the event the Company (at its sole discretion) requires Ben Lee to purchase the Company's interest in Ben Sports (the "**Ben Sports Shares**") from the Company, Ben Lee shall acquire the Ben Sports Shares from the Company within three (3) to six (6) months, for an amount equivalent to the shareholder's loans which has been disbursed under the SLA. Please refer to the announcement on Entry into a Supplemental Agreement in relation to the acquisition of Ben Sports and its subsidiary dated 31 January 2024 for more details.

(iii) HK\$18,001,000 (31 December 2023 - Nil) due from Net Industrial International Company Limited ("**JV Company**"), which the Company holds 80% interest while Mr Ben Lee owns the remaining 20%. The amount, which is non-trade in nature, bear interest at rate of 8.00% per annum and mature two (2) years from the date of disbursement pursuant to a Joint Venture Agreement entered between the Company and Mr Ben Lee on 2 February 2024 ("**JVA**"), for the furtherance of the Luggage Business. Mr Ben Lee undertakes that in the event that the JV Company fails to repay the interest payable on the shareholder's loans as set out in the JVA, Mr Ben Lee shall be responsible for such loan interest due but not having been paid by the JV Company, and shall make payment of such loan interest to the Company. Mr Ben Lee also undertakes that in the event the Company (at its sole discretion) requires Mr Ben Lee to purchase the Company's interest in the JV Company (the "**JV Company Shares**") from the Company, Ben Lee shall acquire the JV Company Shares from the Company within three (3) to six (6) months, for an amount equivalent to the shareholder's loans which has been disbursed by the Company. Please refer to the announcement on Entry into Joint Venture Agreement with and acquisition of 51% of Saint Pearl dated 2 February 2024 for more details.

#### Note (c)

Prepayment included an amount of HK\$2,145,000 (31 December 2023 - Nil) paid to a golf simulator developer based on the terms and conditions of the exclusive distribution right for sale of golf simulators under its brand GREENJOY® and GOLFJOY® via B2B and B2C in certain regions of the PRC. The amount will be utilised to offset against future deliveries of golf simulator orders.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 12 Right-of-use assets

	The Group	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
<b>The Group</b>		
<u>Cost</u>		
At beginning of the period / year	2,077	-
Foreign exchange differences	(97)	-
Acquisition of a subsidiary	15,987	-
Addition	76	2,077
Termination of lease	(777)	-
At end of the period / year	17,266	2,077
<u>Accumulated depreciation</u>		
At beginning of the period / year	49	-
Foreign exchange differences	(5)	-
Acquisition of a subsidiary	1,624	-
Depreciation	2,608	49
Termination of lease	(186)	-
At end of the period / year	4,090	49
<b>Carrying amount</b>	<b>13,176</b>	<b>2,028</b>

The group leases several assets including leasehold buildings. The lease term ranges from 3 to 8 years (2023 : 3 years). Information about the Group's leasing activities are disclosed in Note 15.

### 13 Loans and advances

	The Group	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
Loans and advances due within one year	27,600	27,600
	<b>27,600</b>	<b>27,600</b>

There were no loans and advances due beyond one year as at 31 March 2025 and 31 December 2023.

### 14 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 2023.

There were no outstanding convertibles as at 31 March 2025 and 31 December 2023.

The Company did not hold any treasury shares as at 31 March 2025 and 31 December 2023. There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial period ended 31 March 2025 and 31 December 2023.

There were no subsidiary holdings as at 31 March 2025 and 31 December 2023. There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial period ended 31 March 2025.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 15 Lease liabilities

	The Group	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
Presented as:		
- Non-current	12,170	1,499
- Current	2,039	536
	<b>14,209</b>	<b>2,035</b>
Movement of the lease liabilities as follows:		
At beginning of the period / year	2,035	-
Acquisition of a subsidiary	14,840	-
Additions	76	2,077
Termination of lease	(615)	-
Foreign exchange differences	(92)	-
Lease payments	(2,864)	(52)
Interest expense on lease liabilities	829	10
At end of the period / year	<b>14,209</b>	<b>2,035</b>

### 16 Trade and other payables

	The Group		The Company	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
Trade payables	18,047	-	-	-
Accrued operating expenses	7,327	6,814	2,043	2,122
Loan from related parties (a)	11,463	-	-	-
Other payables (b)	2,937	-	-	-
Contract liabilities (c)	4,244	408	-	-
	<b>44,018</b>	<b>7,222</b>	<b>2,043</b>	<b>2,122</b>

#### Note (a)

Shareholders' loan from Limingzhu, the 49% shareholder of Saint Pearl, and Ben Lee, the 20% shareholder of the JV Company, are unsecured, interest-free and repayable on demand. As disclosed under Note 6.2, the Company holds 80% interest of the JV Company, which in turn holds 51% interest in Saint Pearl.

#### Note (b)

Pursuant to the Deed mentioned in Note 11, the Group received the first and second payments totaling AUD 590,000 (approximately HK\$2.8 million). The Company received the final 50% payment of AUD 590,000 in April 2025. For more details, please refer to the Update Announcements dated 4 November 2024, 8 January 2025 and 16 April 2025, as well as Note 11.

#### Note (c)

Contract liabilities relate to advance payment from customers. Contract liabilities are recognised as revenue when the Group fulfills its performance obligations under the contract with the customer. All performance obligations are expected to be recognised within one (1) year. The significant changes in the contract liabilities during the financial period are as follows:

	The Group	
	As at 31/3/25 HK\$'000	As at 31/12/23 HK\$'000
At beginning of the period / year	408	-
Acquisition of a subsidiary	1,174	-
Foreign exchange	(15)	-
Advance received during the period / year	25,300	415
Revenue recognised during the period / year	(22,623)	(7)
At end of the period / year	<b>4,244</b>	<b>408</b>

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## E. Notes to the condensed interim financial statements (contd)

### 17 Borrowings

The bank loan of HK\$7,556,000 (31 December 2023 : Nil) was advanced in tranches from 28 June 2024 and is due for repayment in full on 27 June 2025. The bank loan carries fixed interest rate at 3.60% per annum, and is secured by a charge over certain fixed assets under Saint Pearl, as well as personal guarantee by certain directors of Saint Pearl and Limingzhu.

### 18 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 CATALIST RULES

### 19 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 the Group as at 31 March 2025 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 financial period then ended and the disclosed explanatory notes have not been audited or reviewed by the Company's auditors.

### 20 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 2023 ("FY2023"). For details, please refer to Independent Auditors Report for FY2023 announced on 4 May 2024.

(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

(4) Accuracy of the expected credit losses of the amount due from a subsidiary - Company level

Please refer to Update Announcements dated 4 November 2024, 8 January 2025 and 16 April 2025 on the efforts taken towards resolving the outstanding audit issues.

The Board is of the view that the accounting issues in relation to the disclaimer of opinion issued by auditors on the consolidated financial statements for FY2023 would be satisfactorily resolved as at 30 June 2025 with the full settlement of the amount receivable from Jetwin pursuant to the transfer of the Loan Rights, and upon receipt of the final payment of the Purchase Price from Mr Tsui on 11 April 2025. However, the Company acknowledges that the financial statements for FY2025 would have to be modified because of the possible effects of the matters that gave rise to the modification with respect to FY2023 which has an effect on the comparability of the current 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.



# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF CATALIST RULES (contd)

- 21 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's revenue increased by HK\$59.1 million from HK\$3.3 million for the twelve months ended 31 December 2023 ("FY2023") to HK\$62.4 million for the fifteen months ended 31 March 2025 ("15M2025"), mainly arising from the revenue contribution from the Luggage and Golf Businesses.

	Financing		Golf Business		Luggage Business		Corporate		Consolidated	
	15 months ended	12 months ended	15 months ended	12 months ended	15 months ended	12 months ended	15 months ended	12 months ended	15 months ended	12 months ended
	31/3/25	31/12/23	31/3/25	31/12/23	31/3/25	31/12/23	31/3/25	31/12/23	31/3/25	31/12/23
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue by segments</b>	<b>4,133</b>	3,312	<b>5,342</b>	15	<b>52,971</b>	-	-	-	<b>62,446</b>	3,327
Revenue by segments (%)	7%	100%	9%	-	85%	-	-	-	100%	100%
Cost of sales	-	-	(5,241)	-	(50,750)	-	-	-	(55,991)	-
<b>Gross profit</b>	<b>4,133</b>	3,312	<b>101</b>	15	<b>2,221</b>	-	-	-	<b>6,455</b>	3,327
Gross profit margin	100%	100%	2%	100%	4%	-	-	-	10%	100%
Other income	1,320	653	53	2	12	-	573	2	<b>1,958</b>	657
Marketing and distribution costs	(16)	-	(1,304)	-	(4,688)	-	(57)	-	<b>(6,065)</b>	-
Administrative expenses	(1,457)	(1,754)	(3,308)	(319)	(6,137)	-	(7,103)	(5,355)	<b>(18,005)</b>	(7,428)
Other expenses	(4,741)	(1,976)	71	-	76	-	(103)	(11)	<b>(4,697)</b>	(1,987)
Finance costs	-	-	(107)	(10)	(865)	-	-	-	<b>(972)</b>	(10)
Share of results of an associated company	-	-	-	-	(493)	-	-	-	<b>(493)</b>	-
<b>Segment profit (loss)</b>	<b>(761)</b>	235	<b>(4,494)</b>	(312)	<b>(9,874)</b>	-	<b>(6,690)</b>	(5,364)	<b>(21,819)</b>	(5,441)

### Luggage Business

The Luggage Business contributed 85% or HK\$53.0 million of Group revenue in 15M2025, based on approximately eleven months results following the completion of the Acquisition on 10 May 2024. The revenue represents sales of hard case luggage products to established domestic and foreign luggage brands in the industry. Amongst the domestic sales, HK\$19.5 million or 37% of revenue were orders from related companies with common directors of Limingzhu, the 49% shareholder of Saint Pearl, as disclosed under Note 6.2.

Total related cost of sales of HK\$50.8 million mainly comprised the cost of materials and parts, direct labour, subcontracting fee and fixed production overheads including the lease of the production plant and depreciation of plant & equipment. The cost of sales increased in line with increase of revenue. The gross profit recorded for the approximately eleven month operation is HK\$2.2 million or a gross profit margin of 4%.

The related total marketing and distribution costs of HK\$4.7 million mainly comprised exhibition expenses, distribution costs, sales commission and entertainment expenses, while the related total administrative expenses of HK\$6.1 million mainly comprised payroll related expenses, and other administrative expenses. Both the marketing and distribution costs, and administrative expenses increased due to increase in revenue.

As a result, losses from the Luggage Business amounted to HK\$9.9 million as Saint Pearl, which was incorporated in April 2023, has yet to reach its optimal sales volume in order to achieve production efficiency.

### Golf Business

The Golf Business accounted for HK\$5.3 million or 9% of Group revenue in 15M2025. Total related cost of sales of HK\$5.2 million mainly comprised direct labour, cost of golf simulators, and fixed production overheads including the lease of the golf simulator venue and depreciation of plant & equipment.

Total related marketing and distribution costs of HK\$1.3 million mainly comprised advertisement expenses, sales commission and entertainment expenses, while the related total administrative expenses of HK\$3.3 million mainly comprised payroll related expenses, and other administrative expenses. Losses from the Golf Business amounted to HK\$4.5 million as the operating expenses outweighed the lower revenue during the financial period. The losses from the Golf Business were attributable to (i) slowing growth in consumer spending in China amid a property market slump and weak business sentiment especially towards non-staple products and services, and (ii) intense competition and price war in the industry.

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## F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF CATALIST RULES (contd)

### Consolidated statement of comprehensive income (contd)

#### Financing Business

The Financing Business recorded a revenue of HK\$4.1 million in 15M2025 while the Group's loan portfolio has remained the same.

Other income in 15M2025 was higher as it included (a) interest income from fixed deposit, and (b) gain on disposal of completed units as explained under Note 11 (a) (i) under 2019 Deed.

Total administrative expenses mainly comprised professional fees, which was higher in FY2023 as the Group had been exploring and reviewing investment opportunities to diversify its business in 2023.

Other expenses in 15M2025 included (a) foreign exchange loss of HK\$2.2 million arising from the revaluation of the Group's receivables and cash and cash equivalents denominated in AUD as a result of depreciation of AUD against HK\$ in 15M2025, and (b) provision of expected credit loss of HK\$2.4 million made on other receivables as explained under Note 11 (a) above.

As a result, losses from the Financing Business amounted to HK\$0.76 million in 15M2025, as compared to a net profit of HK\$0.2 million in FY2023.

#### Corporate

Administrative expenses of corporate office was higher in 15M2025 mainly due to (a) higher directors' fees for 2024 approved by shareholders during the annual general meeting held in May 2024, and (b) higher compliance expenses especially audit fees as the Group expanded with the new Golf Business and Luggage Business.

Other income in 15M2025 was higher as it included interest income received from the guarantor, Mr Ben Lee (please refer to Note 6.1 (#) and Note 11(b) (ii) for more information.

As a result of the foregoing, the Group reported a net loss of HK\$22.1 million in 15M2025 as compared to a net loss of HK\$5.5 million in FY2023.

### Consolidated statements of financial position

#### Non-Current Assets

Plant and equipment, right-of-use assets (and corresponding lease liabilities) and goodwill were higher as at 31 March 2025 following the completion of the Acquisition as explained under Note 6.2.

Other receivables are now due within the next 12 months, which explains the decrease in trade and other receivables under non-current assets as of 31 March 2025.

#### Current Assets

The Group's loan portfolio at HK\$27.6 million as at 31 March 2025, all of which are current, was the same as that as at 31 December 2023.

The Group's trade & other receivables, both current and non-current, were higher as at 31 March 2025 mainly due to (a) trade receivables under the Luggage Business, and (b) prepayment to a golf simulator developer based on the terms and conditions of the exclusive distribution right for sale of golf simulators under its brand GREENJOY® and GOLFJOY® via B2B and B2C in certain regions of the PRC. The amount will be utilised to offset against future deliveries of golf simulator orders. The increase was partially offset by the receipt of sales proceeds of five completed properties and remittance of funds parked with Australian legal advisor from the Intermediary as explained under Note 11 (a).

Inventories as at 31 March 2025 comprised mainly raw materials and finished goods recorded under the Luggage Business.

### Consolidated statements of financial position (contd)

#### Current Liabilities

Trade & other payables comprise mainly (a) trade payables under the newly acquired Luggage Business, (b) loans from related parties under the Luggage Business, which is unsecured, interest-free and repayable on demand, (c) accrued operating expenses of the Group, (d) advance payments collected from customers in relation to orders placed for golf simulators to be fulfilled in next three to six months, and (e) the 50% payments received from Mr Tusi pursuant to the Deed mentioned in Note 11. Please refer to Note 16 for more details.

The bank loan was advanced to the Luggage Business in tranches starting from June 2024. Please refer to Note 17 for more details.

#### Non-Current Liabilities

Lease liabilities of HK\$14.2 million as at 31 March 2025, of which HK\$12.2 million is non-current, refers mainly to lease liabilities for the operation of Luggage Business in the PRC. Please refer to Note 15 for more details.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF CATALIST RULES (contd)

### Consolidated statements of cash flow

Net cash used in operating activities was HK\$13.0 million in 15M2025 mainly due to the Group's operating loss before working capital during the same period.

Net cash used in investing activities of HK\$7.4 million in 15M2025 refers to the consideration paid for the Acquisition and purchase of plant and equipment under the Golf Business.

Net cash generated from financing activities of HK\$2.9 million in 15M2025 refers to capital contributions from non-controlling interests, shareholders' loan from non-controlling interests, and a new bank loan under the Luggage Business, partially offset by the repayment of short-term loans from related company.

As a result of the above, cash and cash equivalents decreased by approximately HK\$17.4 million, amounting to approximately HK\$31.0 million as at 31 March 2025.

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\$31.0 million as at 31 March 2025.

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

The Company has stated in the results announcement dated 29 May 2024 for first quarter ended 31 March 2024 that the revenue contribution from the Golf Business is expected to pick up in later part of 2024 and expects revenue contribution from the Luggage Business in 2024. The Company is pleased to update that the Golf Business and Luggage Business accounted for 9% (from 0.45% in FY2023) and 85% (Luggage Business acquisition was completed on 10 May 2024) of the group revenue respectively in 15M2025. Please refer to more explanations under Note 21 above.

### **23 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. To-date, no exceptional issues arising from our customers under the Financing Business 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 potentially enhancing returns for both the business and its shareholders.

Our ongoing pursuit of potential investments has led to the Group's expansion into the Golf and Luggage businesses. Following the completion of the Acquisition on 10 May 2024, the Group will continue to manage its business operations in both PRC and Hong Kong as it simultaneously seeks business opportunities to strengthen its fundamentals.

As the Group has gained a better understanding of its operations in the Golf and Luggage Businesses, it has implemented / will be implementing the following business strategies in the second half of 2024 and in 2025.

#### Golf Business

- The Ben Sports Group completed a business restructuring plan towards the end of 2024, which involved (i) replacing an unprofitable indoor golf venue with a more strategically located venue to drive increased foot traffic, and (ii) introducing retail and repair services for golf equipment at venue to attract more customers and generate synergies.

- In 2025, the Group has transitioned its simulator segment's operating model from being an exclusive regional distributor for the single supplier GREENJOY to a general dealer for various simulator brands. This change arises as a result of market feedback of desire for more options and aims to reduce dependence on a single brand, relieve the Group from the prepayment requirement for an exclusive regional distributorship, and drive sales volume.

- Given the current challenges posed by a highly competitive consumption market and weakened consumption sentiment in China, the Group will continue to explore other simulator brands as a general dealer. We will prioritize streamlining operating costs across all functions and sale of simulators and service packages at competitive prices to improve our cash flows and retain our market shares.

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## F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF CATALIST RULES (contd)

### Luggage Business

- Saint Pearl has intensified its marketing activities to increase industry exposure and reach out to more potential customers. It has participated in several large-scale industry exhibitions in China towards the end of 2024 to increase out-reach and it targets to continue to participate in more industry events in 2025;
- In addition, Saint Pearl is working to expand into new markets for overseas customers in other Asian countries and shifting the focus to Europe from the United States to mitigate the potential impact and uncertainty of the changing U.S. tariffs policy on Chinese goods.
- Alongside its ongoing cooperation with Dapu to expand the aluminium case luggage market, Saint Pearl is also working closely with its Associate (as defined under Note 10 on page 11 of this announcement) to develop its own brand and distribution channel through various major PRC e-commerce platforms. This strategy aims to, amongst others, reduce reliance on original equipment manufacturer ("OEM") sales, and increase market visibility.
- To improve production efficiency and cost-effectiveness, Saint Pearl will optimize and enhance production processes and operating procedures to minimise waste. Saint Pearl has also implemented various operating cost cutting measures, including reforms in wages and commission to drive profitability.

## 24 Dividend

If a decision regarding dividend has been made:

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

No dividend was declared or recommended during the financial period ended 31 March 2025 because the Group was not profitable in 15M2025. Also the Group would like to preserve cash for the new business segments and other investment opportunities, if any.

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

Not applicable. No dividend was declared or recommended for the previous financial period ended 31 December 2023.

### **(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

## 25 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 obtained a general mandate from its shareholders at an extraordinary meeting held on 2 October 2024 in relation to commercial transactions between Saint Pearl and Guangdong Dapu All Aluminium Luggage Co., Ltd.. Please refer to the circular dated 16 September 2024 for more information.

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions less than S\$100,000, and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		HK\$'000	HK\$'000
Guangdong Dapu All Aluminium Luggage Co., Ltd. ("Dapu")	The largest shareholder of Dapu is Ms Li Minhui (李敏輝) (who holds 80% interest in Dapu) who is Mr Ben Lee's sister. Mr Ben Lee is a Non-Independent Non-Executive Director and controlling shareholder of the Company. Accordingly, as Dapu is a company in which Mr Ben Lee and his immediate family (which includes Mr Ben Lee's siblings) together (directly or indirectly) have an interest of 30% or more, Dapu is an associate of Mr Ben Lee, and therefore an "interested person".	-	6,497

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## F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF CATALIST RULES (contd)

### **26 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 Catalist Rules.

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

Other than the formation of the JV Company, Acquisition of Saint Pearl and Associate as disclosed under Notes 6.2 and 10 above, the Company did not acquire and/or dispose shares in any companies during the financial period ended 31 March 2025.

## **BY ORDER OF THE BOARD**

Ong Chor Wei @ Alan Ong  
Chief Executive Officer & Executive Director  
15 May 2025

*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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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

# **NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES**

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## **CONFIRMATION BY THE BOARD**

The board of directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited condensed interim financial statements of the Group for the fifteen months ended 31 March 2025 to be false or misleading in any material aspect.

### **On behalf of the Board of Directors**

Zhou Wen Jie  
Non-independent Non-executive Director  
15 May 2025

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