

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

## Condensed Interim Financial Statements For the quarter ended 31 March 2023

*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 disclaimer of opinion issued by the Company's auditors in the latest audited financial statements for the financial year ended 31 December 2022.*

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# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

For the quarter ended 31 March 2023

	The Group		
	3 months ended 31/03/23 HK\$'000	3 months ended 31/03/22 HK\$'000	% + / (-)
<b>Revenue</b>	<b>821</b>	<b>821</b>	-
Other income	89	1,436	(94)
Administrative expenses	(1,288)	(1,063)	21
Other expenses	(383)	-	NM
<b>(Loss) / profit before taxation</b>	<b>(761)</b>	<b>1,194</b>	NM
Income tax expense	(112)	(120)	(7)
<b>(Loss) / profit representing comprehensive income for the period and attributable to the equity holders of the company</b>	<b>(873)</b>	<b>1,074</b>	NM

NM: Not meaningful

### (Loss) / earnings per share

	The Group	
	3 months ended 31/03/23	3 months ended 31/03/22
(Loss) / Earnings per ordinary share		
- Basic (Hong Kong cents) [A]	(0.17)	0.20
- Diluted (Hong Kong cents) [B]	(0.17)	0.20

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

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

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## B. Condensed interim consolidated statement of financial position

As at 31 March 2023

	Note	The Group		The Company	
		As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000
<b>Non-current assets</b>					
Plant and equipment	9	7	9	7	9
Other receivables	10	3,671	3,671	-	-
Investment in subsidiaries		-	-	1,069	1,069
		<b>3,678</b>	<b>3,680</b>	<b>1,076</b>	<b>1,078</b>
<b>Current assets</b>					
Loans and advances	11	27,600	27,600	-	-
Other receivables	10	32,105	33,051	76,942	79,646
Cash and cash equivalents		38,591	38,827	1,923	805
		<b>98,296</b>	<b>99,478</b>	<b>78,865</b>	<b>80,451</b>
<b>Total assets</b>		<b>101,974</b>	<b>103,158</b>	<b>79,941</b>	<b>81,529</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	145,105	145,105	145,105	145,105
Accumulated losses		(48,384)	(47,511)	(66,535)	(65,087)
<b>Total Equity</b>		<b>96,721</b>	<b>97,594</b>	<b>78,570</b>	<b>80,018</b>
<b>Current liabilities</b>					
Other payables	13	5,029	5,376	1,371	1,511
Current tax payable		224	188	-	-
		<b>5,253</b>	<b>5,564</b>	<b>1,371</b>	<b>1,511</b>
<b>Total liabilities</b>		<b>5,253</b>	<b>5,564</b>	<b>1,371</b>	<b>1,511</b>
<b>Total equity and liabilities</b>		<b>101,974</b>	<b>103,158</b>	<b>79,941</b>	<b>81,529</b>

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## C. Condensed interim consolidated statement of cash flows

For the quarter ended 31 March 2023

	The Group	
	3 months ended 31/03/23 HK\$'000	3 months ended 31/03/22 HK\$'000
<b><u>Cash flows from operating activities:</u></b>		
(Loss) / profit before taxation	(761)	1,194
<i>Adjustments for:</i>		
Depreciation of plant and equipment	2	2
Depreciation of right-of-use assets	-	20
Interest income	(828)	(821)
Interest expense on lease liabilities	-	2
Unrealised exchange differences	-	(341)
<b>Operating (loss) / profit before changes in working capital changes</b>	<b>(1,587)</b>	<b>56</b>
Changes in other receivables	468	1,506
Changes in other payables	(347)	(2,697)
<b>Cash used in operating activities</b>	<b>(1,466)</b>	<b>(1,135)</b>
Interest income received	1,246	288
Dividend income received	60	100
Income tax (paid) / refunded	(76)	36
<b>Net cash used in operating activities</b>	<b>(236)</b>	<b>(711)</b>
<b><u>Cash flows from financing activities:</u></b>		
Payment of principal portion of lease liabilities	-	(20)
Interest paid	-	(2)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(22)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(236)</b>	<b>(733)</b>
Cash and cash equivalents at beginning of period	38,827	40,891
Effect of exchange rate changes on cash and cash equivalents	-	341
<b>Cash and cash equivalents at end of period</b>	<b>38,591</b>	<b>40,499</b>

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## D. Condensed interim statements of changes in equity

For the quarter ended 31 March 2023

	Attributable to equity holders of the Company		
	Share Capital	Accumulated Losses	Total Equity
<b>The Group</b>	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2022	145,105	(43,989)	101,116
Profit for the period *	-	1,074	1,074
<b>As at 31 March 2022</b>	<b>145,105</b>	<b>(42,915)</b>	<b>102,190</b>
As at 1 January 2023	145,105	(47,511)	97,594
Loss for the period *	-	(873)	(873)
<b>As at 31 March 2023</b>	<b>145,105</b>	<b>(48,384)</b>	<b>96,721</b>

	Share Capital	Total Equity	Total Equity
	HK\$'000	HK\$'000	HK\$'000
<b>The Company</b>	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2022	145,105	(59,500)	85,605
Profit for the period *	-	417	417
<b>As at 31 March 2022</b>	<b>145,105</b>	<b>(59,083)</b>	<b>86,022</b>
As at 1 January 2023	145,105	(65,087)	80,018
Loss for the period *	-	(1,448)	(1,448)
<b>As at 31 March 2023</b>	<b>145,105</b>	<b>(66,535)</b>	<b>78,570</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 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 financial period ended 31 March 2023 comprise the Company and its subsidiaries (collectively "**the Group**").

### 2 Basis of preparation

The condensed interim financial statements for the financial period ended 31 March 2023 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 2022.

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

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 - Allowance for expected credit loss ("**ECL**") of other receivables

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

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

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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, the Hong Kong Special Administrative Region ("HKSAR") 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	
	3 months ended 31 March		3 months ended 31 March		3 months ended 31 March	
	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total revenue by segments	821	821	-	-	821	821
<b>External revenue</b>	<b>821</b>	<b>821</b>	<b>-</b>	<b>-</b>	<b>821</b>	<b>821</b>
<b>Segment (loss) / profit</b>	<b>287</b>	<b>2,098</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>2,098</b>
Unallocated expenses					(1,046)	(882)
Depreciation of plant and equipment					(2)	(2)
Depreciation of right-of-use assets					-	(20)
<b>(Loss) / profit before tax</b>					<b>(761)</b>	<b>1,194</b>
Income tax expense					(112)	(120)
<b>(Loss) / profit for the year</b>					<b>(873)</b>	<b>1,074</b>
<b>Segment assets</b>	<b>99,881</b>	<b>106,524</b>	<b>-</b>	<b>-</b>	<b>99,881</b>	<b>106,524</b>
Unallocated assets					2,093	1,639
<b>Total assets per statement of financial position</b>					<b>101,974</b>	<b>108,163</b>
<b>Segment liabilities</b>	<b>3,882</b>	<b>4,395</b>	<b>-</b>	<b>-</b>	<b>3,882</b>	<b>4,395</b>
Unallocated liabilities					1,371	1,578
<b>Total liabilities per statement of financial position</b>					<b>5,253</b>	<b>5,973</b>

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

### 4.2 Geographical information

The Group derives interest income from loans and advances over time in the following geographical regions. Revenue is attributed to countries by location of customers.

	The Group	
	3 months ended	3 months ended
	31/03/23	31/03/22
	HK\$'000	HK\$'000
<b>Interest income</b>		
PRC & Hong Kong	671	671
British Virgin Islands	150	150
	<b>821</b>	<b>821</b>
<b>Non-current assets</b>		
Singapore	7	26
British Virgin Islands	3,671	-
	<b>3,678</b>	<b>26</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 31 March 2023 and 31 December 2022:

	The Group		The Company	
	As at	As at	As at	As at
	31/03/23	31/12/22	31/03/23	31/12/22
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Financial assets at amortised cost</b>				
Loans and advances	27,600	27,600	-	-
Other receivables <sup>(1)</sup>	35,649	36,678	76,816	79,603
Cash and cash equivalents	38,591	38,827	1,923	805
	<b>101,840</b>	<b>103,105</b>	<b>78,739</b>	<b>80,408</b>
<b>Financial liabilities at amortised cost</b>				
Other payables	5,029	5,376	1,371	1,511
Lease liabilities	-	13	-	-
	<b>5,029</b>	<b>5,389</b>	<b>1,371</b>	<b>1,511</b>

(1) Excludes prepayment



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

## 6 Profit / (loss) after tax

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

	3 months ended	3 months ended
	31/03/23	31/03/22
	HK\$'000	HK\$'000
Foreign exchange (losses) / gain	(383)	1,368
Interest income from fixed deposit	7	-
Other income *	82	68
Depreciation of plant and equipment	(2)	(2)
Depreciation of right-of-use assets	-	(20)

\* Included in other income is an amount of HK\$50,000 (2021 : HK\$15,000) of net rental income derived from the leasing of some of the properties held by Jetwin during the financial period ended 31 March 2023.

### 6.2 Related party transactions

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

## 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	
	3 months ended	3 months ended
	31/03/23	31/03/22
	HK\$'000	HK\$'000
<b>Current income tax expense</b>		
Current year	112	120
Under / (over) provision in respect of prior year	-	-
	112	120

## 8 Net asset value

	The Group		The Company	
	As at	As at	As at	As at
	31/03/23	31/12/22	31/03/23	31/12/22
Net asset value per ordinary share (Hong Kong cents)	18.40	18.57	14.95	15.22

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

## 9 Plant and equipment

There are no acquisition or disposal of assets during the financial period ended 31 March 2023 and 31 March 2022.

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

## 10 Other receivables

	The Group		The Company	
	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000
Interest receivable	767	1,185	-	-
Dividend receivable	580	640	-	-
Interest and dividend receivable	1,347	1,825	-	-
Deposits	23	23	15	15
Other receivables (a)	34,279	34,830	22	9
Amounts due from subsidiaries (non-trade) (b)	-	-	131,679	134,078
	35,649	36,678	131,716	134,102
Expected credit losses:				
At beginning	-	-	(54,500)	(50,321)
Write back / (allowance) for expected credit loss	-	-	(400)	(4,179)
At end	-	-	(54,900)	(54,500)
Net other receivables	35,649	36,678	76,816	79,602
Prepayments	127	44	126	44
<b>Total other receivables</b>	<b>35,776</b>	<b>36,722</b>	<b>76,942</b>	<b>79,646</b>
Presented as:				
- Non-current	3,671	3,671	-	-
- Current	32,105	33,051	76,942	79,646
	<b>35,776</b>	<b>36,722</b>	<b>76,942</b>	<b>79,646</b>

Note (a) - Other receivables comprise mainly:

- HK\$29,869,000 (31 December 2022 - HK\$30,337,000) 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 ("Deed") with two 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 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 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.

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

### 10 Other receivables (contd)

(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 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.

• HK\$4,246,000 (31 December 2022 - HK\$4,307,000) due from an external buyer on the disposal of financial asset at fair value through profit or loss. The balance is unsecured, interest-free and repayable over a two-year period commencing in FY2023. During the financial year ended 31 December 2022, the external buyer has requested with the concurrence of the Company, to revise the payment schedule until 31 December 2024.

#### Note (b)

The amounts due from subsidiaries are non-trade in nature, unsecured, bear interest at rate of 1.65% (2021 - 1.65%) per annum and are repayable on demand. At the end of the reporting period, the Company evaluated its subsidiaries' financial performance to meet the contractual cash flow obligations and had provided an additional expected credit loss of HK\$400,000 (2022 - HK\$4,179,000) on the non-trade amounts due from a subsidiary.

### 11 Loans and advances

	The Group	
	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000
Loans and advances repayable within one year	27,600	27,600
<b>Net loans and advances</b>	<b>27,600</b>	<b>27,600</b>

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

### 12 Share capital

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

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

There were no outstanding convertibles as at 31 March 2023 and 31 March 2022.

The Company did not hold any treasury shares as at 31 March 2023 and 31 December 2022. There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial period ended 31 March 2023 and 31 December 2022.

There were no subsidiary holdings as at 31 March 2023, 31 March 2022 and 31 December 2022. There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial period ended 31 March 2023.

### 13 Other payables

	The Group		The Company	
	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000	As at 31/03/23 HK\$'000	As at 31/12/22 HK\$'000
Accrued operating expenses	5,029	5,376	1,371	1,511

### 14 Borrowings

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

### 15 Subsequent events

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

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

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

The condensed interim statements of financial position of Net Pacific Financial Holdings Limited and its subsidiaries as at 31 March 2022 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 year then ended and the disclosed explanatory notes have not been audited or reviewed by the Company's auditors.

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

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

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

(1) Completeness of related party disclosures

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

(3) Classification and measurement of amounts owing from Jetwin

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

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

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

The Board is of the view that the impact of all outstanding audit issues on the financial statements have been adequately disclosed under Note 2(d), 13 and 20.

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

### **Consolidated statement of comprehensive income**

The Group recorded a revenue of HK\$0.8 million in the financial period ended 31 March 2023 ("Q1/2023"), comparable to the revenue reported for the financial period ended 31 March 2022 ("Q1/2022") as the loan portfolio has remained the same.

Other expenses in Q1/2023 included the foreign exchange loss of HK\$0.4 million arising from the revaluation of the Group's receivables denominated Australian Dollars ("AUD") as a result of depreciation of AUD against HK\$ in Q1/2023, while other income in Q1/2022 included the foreign exchange gain of HK\$1.4 million arising from the revaluation of the same receivables as a result of appreciation of AUD against HK\$ in Q1/2022.

Total operating expenses of the Group was higher in Q1/2023 mainly due to higher professional fees incurred in Q1/2023 as the Group had been exploring and reviewing investment opportunities to diversify its business.

As a result of the foregoing, the Group reported a loss of HK\$0.9 million in Q1/2023 as compared to a net profit of HK\$1.1 million in Q1/2022.

### **Consolidated statements of financial position**

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

The Group's other receivables, both current and non-current, were lower as at 31 March 2023 mainly due to payments from an external buyer on the disposal of financial asset at fair value through profit or loss as disclosed under Note 10 above, and settlement of legal fees via the amount receivable from the Intermediary.

Other payables comprise mainly accrued operating expenses of the Group were lower as at 31 March 2023 mainly due to payment of expenses related to directors' fees in second half of 2022 as approved by shareholders at last AGM.

### **Consolidated statements of cash flow**

Net cash used in operating activities was HK\$0.2 million in Q1/2023 mainly due to the Group's operating loss before working capital in Q1/2023.

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

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

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

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

Although there are signs that the credit market in the PRC is starting to loosen, the HKSAR and PRC market continues to be weak. While this continues to present uncertainties, it also presents opportunities to the Group's financing business which is targeted at small and medium-sized companies.

The Directors are mindful of the current market sentiment and have been making effort to ensure that the Group's investment and credit risks are well managed, while ensuring adequate liquidity and financial strength to sustain its operations and business growth. As the overall global economy continues to be challenging, the Directors will continue to be prudent in deploying capital as well as executing stringent due diligence for new investments in 2023.

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.

### 21 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 2023 because the Group was not profitable in Q1/2023. No dividend was paid or declared during the corresponding period ended 31 March 2022, as the Company would have been in an operating loss position for the financial period ended 31 March 2022 if the foreign exchange gain were excluded. The Board has decided not to declare dividends in Q1/2022 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 financial period ended 31 March 2022.

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

Not applicable

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

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

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

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

There was no IPT with value of S\$100,000 and more entered into during the financial period ended 31 March 2023.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

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

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

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

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

Not applicable. The Company did not acquire and/or dispose shares in any companies during the financial period ended 31 March 2023.

### **BY ORDER OF THE BOARD**

Ong Chor Wei @ Alan Ong  
Executive Director & Chief Executive Officer  
13 June 2023

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

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

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

(Registration Number: 200300326D)

## **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 quarter ended 31 March 2023 to be false or misleading in any material aspect.

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

Zhou Wen Jie  
Non-independent Non-executive Director  
13 June 2023

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