

Net Pacific Financial Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 200300326D)

DISCLAIMER OF OPINION BY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2025 (“FY2025”)

1. INTRODUCTION

- 1.1 Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), the Board of Directors (the “**Board**”) of Net Pacific Financial Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s external auditors, Foo Kon Tan LLP, have issued a disclaimer of opinion (“**Disclaimer Opinion**”) in their Independent Auditor’s Report dated 5 November 2025 (“**Independent Auditor’s Report**”) in respect of the consolidated financial statements of the Group for FY2025 (“**Financial Statements**”).
- 1.2 The basis for the Disclaimer of Opinion is contained in the Independent Auditor’s Report, a copy of which together with the relevant extract of notes to the Financial Statements are attached to this announcement for information. The Independent Auditors’ Report and a complete set of the Financial Statements will also be contained in the Company’s Annual Report for FY2025 (“**FY2025 Annual Report**”), which will also be released by the Company via SGXNet on 5 November 2025. Shareholders of the Company are advised to read this announcement in conjunction with the FY2025 Annual Report.
- 1.3 Unless otherwise defined, capitalised terms and references used herein shall bear the same meanings ascribed to them in the Financial Statements.

2. BASIS FOR THE DISCLAIMER OF OPINION

- 2.1 The auditor’s report dated 4 May 2024 for last financial year ended 31 December 2023 (“**FY2023**”) included a similar qualification in relation to the following matters.
 - (a) Completeness of related party disclosures
 - (b) Control of specified assets and liabilities in Jetwin Investment Pty Ltd (“**Jetwin**”)
 - (c) Classification and measurement of amounts owing from Jetwin
 - (d) Accuracy of the expected credit loss of the amounts due from a subsidiary - Company level
- 2.2 An update on the resolution of the above items in the current financial year is noted in the Independent Auditor’s Report as follows:

In respect of Item (b), the Group entered into a Deed of Assignment (the “Deed”) with Jetwin and an independent third party individual (“Party A”) in November 2024 where the Group agreed to transfer and Party A agreed to purchase the rights and obligations of the amounts receivable due from Jetwin (the “Loan Rights”) for an amount equivalent to AUD1,180,000 (“Purchase Price”) and Jetwin, by the execution of the Deed, is bound by its terms and acknowledged that the Loan Rights are assigned to Party A under the terms of the Deed and will be transferred to Party A upon the final settlement of the Purchase Price. Following the receipt of the final Purchase Price in April 2025, the Group transferred the Loan Rights to Party A, derecognised the amounts receivable from Jetwin, and recorded a gain on derecognition reported to be HK\$3,052,000 in the consolidated statement of comprehensive income in the current financial period.

In respect of Item (c), the Board of Directors of the Company received queries from the Accounting and Corporate Regulatory Authority (“ACRA”) during the financial period on their compliance with accounting standards in respect of the consolidated financial statements for the financial year ended 31 December 2022. In August 2025, the Company received a letter of final findings from ACRA where the latter is of the view that management has not complied with SFRS(I) 9 in respect of the classification and measurement of the receivables due from Jetwin which was previously measured at amortised cost.

Management performed a reassessment and concluded that the amounts due from Jetwin should have been measured at fair value since the amounts receivable from Jetwin failed to meet the solely payments of principal and interest test under SFRS(I) 9. Accordingly, management recomputed the fair value of the amounts due from Jetwin as at 31 December 2023 and 31 December 2022, respectively and recorded the fair value adjustments in respect of the amounts receivable from Jetwin as prior years’ adjustments for financial year ended 31 December 2023 and as at 1 January 2023 (being the beginning of the preceding period), respectively, as disclosed in Note 34 “Prior years’ adjustments” to the financial statements.

In respect of Item (d), management has reassessed the adequacy of the expected credit loss on the receivable amount due from the subsidiary which included the amounts owing from Jetwin which is now measured at fair value following the resolution of the qualification point raised under Item (c) in each of the financial year ended 31 December 2023 and as at 1 January 2023 (being the beginning of the preceding period), respectively as disclosed in Note 34 to the financial statements.

In addition, the accounting issue relating to the recoverability of the specified assets and liabilities of the deemed separate entity in Jetwin which determines management’s credit loss assessment on the amounts due from the subsidiary in accordance with SFRS(I) 9 would have been satisfactorily addressed by management as at 30 June 2025 following the execution of the Deed and completion of the assignment of the Loan Rights to Party A upon the receipt of final settlement of the Purchase Price in April 2025. Matters relating to Jetwin are further disclosed in Note 3 to the financial statements.

In summary, the accounting issues relating to Items (a) to (d) as set out in the preceding paragraphs have been satisfactorily addressed by management as at 30 June 2025 following (i) the completion of assignment of the Loan Rights and obligations of the amounts due from Jetwin to an independent third party in FY2025 and the final settlement of the consideration in April 2025; and (ii) the restatement of the amounts due from Jetwin at fair value through profit or loss as at 31 December 2022, 31 December 2023 and for FY2025, following the completion of ACRA’s Financial Reporting Surveillance Programme on the Company’s financial statements for the financial year ended 31 December 2022.

2.3 *It is further noted in the Independent Auditor’s Report that, despite the above in respect of Items (a) to (d) in the current financial period and as at the balance sheet date, the auditors are unable to*

- (a) ascertain whether the related party transactions entered between the Group, Jetwin and the controlling shareholder cum director who is also a creditor of Jetwin have been completely and accurately disclosed in the consolidated financial statements from the preceding periods up to the date of the completion of the Deed;*
- (b) obtain sufficient appropriate audit evidence to establish whether there was control or no control, including legal representation and confirmation to validate whether or not the Group has the substantive right and power to direct the relevant activities of the deemed separate entity in Jetwin, from the preceding periods up to the date of the completion of the Deed;*
- (c) obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the expected credit loss of HK\$4,892,000 (FY 2023 – HK\$6,361,000 (restated)) recorded on the amounts due from the subsidiary in the Company’s statement of*

comprehensive income during the current financial period ended 30 June 2025 and the carrying value of the amounts due from the subsidiary of HK\$68,577,000 (restated) as at 31 December 2023 and HK\$74,509,000 (restated) as at 1 January 2023, respectively, following the restatements made and disclosed in Note 34 to the financial statements as the amount of expected credit loss may be different if control is deemed to have been established over the Group's control of the specified assets and liabilities in Jetwin, in the Company's statement of financial position as at 31 December 2023 and 1 January 2023; and

- (d) *ascertain the accounting effects on the derecognition of the amounts due from Jetwin following the transfer of the Loan Rights to Party A have been appropriately and correctly accounted for in the consolidated financial statements in the current financial period and in the previous financial years since we are unable to ascertain whether the Group has control over the specified assets and liabilities of the deemed separate entity in Jetwin from the preceding periods up to the date of the completion of the Deed.*

- 2.4 *Accordingly, these adjustments may have a possible effect on the comparability of the current and corresponding figures reported in the consolidated and separate financial statements of the Company.*

3. BOARD'S OPINION

- 3.1 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 have been satisfactorily resolved as at 30 June 2025 further to the following:

- (a) the completion of assignment of the Loan Rights and obligations of the amounts due from Jetwin to an independent third party in FY2025 and the final settlement of the Purchase Price in April 2025; and
- (b) the restatement of the amounts due from Jetwin at fair value through profit or loss as at 31 December 2022, 31 December 2023 and for FY2025, following the completion of ACRA's Financial Reporting Surveillance Programme on the Company's financial statements for the financial year ended 31 December 2022.

- 3.2 Nevertheless, the Board acknowledges that a disclaimer of opinion on the Financial Statements for FY2025 is still required under the relevant accounting standards due to the possible effects of the comparability of the current and corresponding figures, as noted in Section 2.4 above.

Accordingly, no further action is required by the Company in the financial year commencing 1 July 2025 in relation to the Disclaimer of Opinion for FY2025.

- 3.2 The Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material information in relation to the Group has been provided for trading of the Company's shares to continue.
- 3.3 Rule 1303(3) of the Catalist Rules does not apply to the Company's current situation, as the Group and Company will be able to operate as a going concern. As of 30 June 2025, the Group has cash and cash equivalents of HK\$24,440,000. Additionally, subsequent to the reporting period, the Group was granted bank borrowings of approximately HK\$10,000,000. The Group has sufficient cash resources to satisfy its working capital requirements and obligations within the next 12 months after the financial year ended 30 June 2025 to enable it to continue operations and meet its liabilities as and when they fall due.

Accordingly, the Board is of the view that no suspension of trading of the Company's shares pursuant to Rule 1303 of the Catalist Rules is required.

4. CAUTIONARY STATEMENT

- 4.1 Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are advised to read this announcement in conjunction with the Independent Auditor's Report and the FY2025 Annual Report and to read the aforementioned documents in their entirety. When in doubt, shareholders and potential investors of the Company are advised to seek independent advice from their professional advisors before trading or making any investment decision in the Company's securities.

By Order of the Board

Ong Chor Wei @ Alan Ong
Chief Executive Officer and Executive Director
5 November 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Net Pacific Financial Holdings Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Net Pacific Financial Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 1 January 2024 to 30 June 2025, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We expressed a disclaimer of opinion in our independent auditor's report dated 4 May 2024 in relation to the financial statements for the financial year ended 31 December 2023 ("FY 2023") due to the following matters:

- (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 loss of the amounts due from a subsidiary – Company level

A recap of the above matters is as follows:

(a) Completeness of related party disclosures

Management became aware that the controlling shareholder cum director of the Company held shares in an entity which had investments in the Australian borrowers. There was also a lack of disclosure in the financial statements that he was also a creditor of Jetwin since inception of the loan disbursement in the financial year ended 31 December 2013 and that Jetwin also held equity interests in the Australian borrowers. Management had previously reviewed this relationship and any other potential relationships and assessed that there was no additional related party disclosure to be made in accordance with SFRS(I) 1-24 *Related Party Disclosures* for the relevant financial years.

Despite the above, management had determined there was no requirement to engage any independent legal expert to establish whether there had been more related party information to be disclosed in the relevant financial years concerning the Group, the controlling shareholder cum director of the Company, Jetwin and the Australian borrowers. As such, we were unable to obtain sufficient appropriate audit evidence to ascertain the completeness of related party disclosures among the Group, the controlling shareholder cum director of the Company, Jetwin and the Australian borrowers.

Furthermore, management did not involve an independent accounting specialist to perform a retrospective review based on the above information to evaluate whether the Group had control over the specified assets and liabilities of the deemed separate entity in Jetwin in the relevant years as described under "Control of specified assets and liabilities in Jetwin Investment Pty Ltd ("Jetwin")" of the *Basis for Disclaimer of Opinion* section of our report.

Consequently, we were unable to determine whether any adjustments or additional disclosures might be necessary in respect of the related party balances and transactions as disclosed in Note 27 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Net Pacific Financial Holdings Limited

Basis for Disclaimer of Opinion (Cont'd)

A recap of the above matters is as follows: (Cont'd)

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

In accordance with SFRS(I) 10 *Consolidated Financial Statements*, management had previously identified specified assets in Jetwin (and related credit enhancements, if any) are the only source of payment for specified liabilities of, or specified other interests in Jetwin. Management is of the view that the Group has no control over the specified assets and liabilities of the deemed separate entity in Jetwin.

The Group may be exposed to or has rights to variability in returns from its involvement with the deemed separate entity in Jetwin and affect the amount of the returns due to the following factors:

- (i) As stipulated under the Confirmation Letters, unless and until the amount due by Jetwin are fully repaid to Net Pacific Investment Holdings Limited ("NPIHL"), the sale, transfer or disposal of any or all of the Properties held by Jetwin shall only be made with the prior written consent of NPIHL amongst other terms and conditions as specified in the Confirmation Letters, with such consent being at NPIHL's absolute discretion. NPIHL may also request the disposal of any or all of the Properties held by Jetwin at market rates, and Jetwin shall expeditiously comply with the request; and the terms and conditions of every disposal by Jetwin shall be as reasonably agreed by NPIHL. As such, NPIHL will be entitled to any upside of the proceeds from the sale of the Properties in excess of the original settlement consideration until all monies under the loan agreements and as agreed under the Confirmation Letters between NPIHL and Jetwin have been fully repaid.
- (ii) NPIHL also agreed to contribute towards the ongoing maintenance cost and expenses relating to the Properties held by Jetwin in accordance with the relevant percentage of the loans disbursed as specified under the Confirmation Letters. Moreover, the Group also received net rental income from Jetwin on some of the Properties which were leased out to external parties and recognised gain from the disposal of some of the Properties during the year.
- (iii) In respect of the trust accounts maintained in trust by an Australian law firm on behalf of Jetwin where the settlement proceeds were deposited into, the Australian law firm has also confirmed that it has the authority to disburse the funds from the trust accounts on the written request of the Executive Director of the Company and the other loan provider who is also a controlling shareholder cum director of the Company.

Despite the presence of above factors which may indicate control over the specified assets and liabilities of the deemed separate entity in Jetwin as well as the additional information as described under "Completeness of related party disclosures" of the *Basis for Disclaimer of Opinion* section of our report, management did not involve an independent accounting specialist to perform a retrospective review to evaluate whether the Group had control over the specified assets and liabilities of the deemed separate entity in Jetwin in the relevant years. As such, we were unable to obtain sufficient appropriate audit evidence to establish whether there was control or no control, including legal representation and confirmation to validate whether or not the Group has the substantive right and power to direct the relevant activities of the deemed separate entity in Jetwin.

Consequently, we were unable to determine whether any further adjustments to these amounts were necessary or would have a consequential significant effect on the Group's financial statements and the elements making up the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the previous financial year ended 31 December 2023 and corresponding years ended 31 December 2019 to 31 December 2022 and the related disclosures.

(c) Classification and measurement of amounts owing from Jetwin

In accordance with SFRS(I) 9 - *Financial Instruments*, the Group determines if a financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at 31 December 2023, management was of the view that the business model of the Group had not changed and there were proper loan documentations in place with Jetwin which supported that the contractual terms of the amounts due from Jetwin would give rise on specified dates to cash flows that would result from collecting contractual cashflows from the principal amounts outstanding from Jetwin. The net rental income received from Jetwin was a form of compensation in place of interest income since the debt was interest-free.

As highlighted under Item (b) - "Control of specified assets and liabilities in Jetwin in our *Basis for Disclaimer of Opinion* section of our report, the Group received net rental income from Jetwin on some of the Properties which were leased out to external parties and recognised gains on disposal on some of the Properties in the previous financial year. Furthermore, NPIHL would be entitled to any upside of the proceeds from the sale of the Properties in excess of the original settlement consideration until all monies under the loan agreements and as agreed under the Confirmation Letters between NPIHL and Jetwin have been fully repaid. As a result, these may give rise on specified dates to cash flows that may not be solely payments of principal and interest on the principal amount owing from Jetwin. In addition, management did not involve an independent accounting specialist to perform a retrospective review to evaluate whether the Group had control over the specified assets and liabilities of the deemed separate entity in Jetwin.

In the absence of other satisfactory evidence, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the proper classification and measurement of the principal amounts outstanding from Jetwin recorded in the consolidated statement of financial position of the Group as of 31 December 2023 and the relevant corresponding years. Consequently, we were unable to determine whether any further adjustments to these amounts were necessary or would have a consequential significant effect on the Group's financial statements and the elements making up the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2023 and the relevant corresponding years and the related disclosures.

INDEPENDENT AUDITOR'S REPORT

To the members of Net Pacific Financial Holdings Limited

Basis for Disclaimer of Opinion (Cont'd)

A recap of the above matters is as follows: (Cont'd)

(d) Accuracy of the expected credit loss of the amounts due from a subsidiary - Company level

As at 31 December 2023, the net carrying value of non-trade amounts due from a subsidiary recorded at the Company level included in "trade and other receivables" (Note 15) amounted to HK\$68,577,000 (restated).

In performing the expected credit loss assessment on the non-trade amounts due from the subsidiary as at 31 December 2023, management did not involve an independent accounting specialist to evaluate whether the Group had the control or not over the specified assets and liabilities of the deemed separate entity in Jetwin as highlighted under Item (b) in the preceding paragraphs. The receivable due from Jetwin, if control was established, may be recorded as an additional non-trade amount due from another subsidiary to be recorded in the Company's statement of financial position as at 31 December 2023. Accordingly, management did not consider and evaluate the expected realisable amounts of these assets and expected settlement values of these liabilities related to Jetwin in its credit loss assessment of the amounts due from the subsidiary in accordance with SFRS(I) 9 - *Financial Instruments*.

Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the expected credit loss recorded in the previous financial year ended 31 December 2023 and the carrying value of the amounts due from the subsidiary as at 31 December 2023.

An update on the above items in the current financial year as disclosed in Notes 3 and 34 to the financial statements are as follows:

In respect of Item (b), the Group entered into a Deed of Assignment (the "Deed") with Jetwin and an independent third party individual ("Party A") in November 2024 where the Group agreed to transfer and Party A agreed to purchase the rights and obligations of the amounts receivable due from Jetwin (the "Loan Rights") for an amount equivalent to AUD1,180,000 ("Purchase Price") and Jetwin, by the execution of the Deed, is bound by its terms and acknowledged that the Loan Rights are assigned to Party A under the terms of the Deed and will be transferred to Party A upon the final settlement of the Purchase Price. Following the receipt of the final Purchase Price in April 2025, the Group transferred the Loan Rights to Party A, derecognised the amounts receivable from Jetwin, and recorded a gain on derecognition reported to be HK\$3,052,000 in the consolidated statement of comprehensive income in the current financial period.

In respect of Item (c), the Board of Directors of the Company received queries from the Accounting and Corporate Regulatory Authority ("ACRA") during the financial period on their compliance with accounting standards in respect of the consolidated financial statements for the financial year ended 31 December 2022. In August 2025, the Company received a letter of final findings from ACRA where the latter is of the view that management has not complied with SFRS(I) 9 in respect of the classification and measurement of the receivables due from Jetwin which was previously measured at amortised cost.

Management performed a reassessment and concluded that the amounts due from Jetwin should have been measured at fair value since the amounts receivable from Jetwin failed to meet the solely payments of principal and interest test under SFRS(I) 9. Accordingly, management recomputed the fair value of the amounts due from Jetwin as at 31 December 2023 and 31 December 2022, respectively and recorded the fair value adjustments in respect of the amounts receivable from Jetwin as prior years' adjustments for financial year ended 31 December 2023 and as at 1 January 2023 (being the beginning of the preceding period), respectively, as disclosed in Note 34 "*Prior years' adjustments*" to the financial statements.

In respect of Item (d), management has reassessed the adequacy of the expected credit loss on the receivable amount due from the subsidiary which included the amounts owing from Jetwin which is now measured at fair value following the resolution of the qualification point raised under Item (c) in each of the financial year ended 31 December 2023 and as at 1 January 2023 (being the beginning of the preceding period), respectively as disclosed in Note 34 to the financial statements.

In addition, the accounting issue relating to the recoverability of the specified assets and liabilities of the deemed separate entity in Jetwin which determines management's credit loss assessment on the amounts due from the subsidiary in accordance with SFRS(I) 9 would have been satisfactorily addressed by management as at 30 June 2025 following the execution of the Deed and completion of the assignment of the Loan Rights to Party A upon the receipt of final settlement of the Purchase Price in April 2025. Matters relating to Jetwin are further disclosed in Note 3 to the financial statements.

In summary, the accounting issues relating to Items (a) to (d) as set out in the preceding paragraphs have been satisfactorily addressed by management as at 30 June 2025 following (i) the completion of assignment of the Loan Rights and obligations of the amounts due from Jetwin to an independent third party in FY2025 and the final settlement of the consideration in April 2025; and (ii) the restatement of the amounts due from Jetwin at fair value through profit or loss as at 31 December 2022, 31 December 2023 and for FY2025, following the completion of ACRA's Financial Reporting Surveillance Programme on the Company's financial statements for the financial year ended 31 December 2022.

INDEPENDENT AUDITOR'S REPORT

To the members of Net Pacific Financial Holdings Limited

Basis for Disclaimer of Opinion (Cont'd)

An update on the above items in the current financial year as disclosed in Notes 3 and 34 to the financial statements is as follows (Cont'd):

Despite the above in respect of Items (a) to (d) in the current financial period and as at the balance sheet date, we are unable to:

- (i) ascertain whether the related party transactions entered between the Group, Jetwin and the controlling shareholder cum director who is also a creditor of Jetwin have been completely and accurately disclosed in the consolidated financial statements from the preceding periods up to the date of the completion of the Deed;
- (ii) obtain sufficient appropriate audit evidence to establish whether there was control or no control, including legal representation and confirmation to validate whether or not the Group has the substantive right and power to direct the relevant activities of the deemed separate entity in Jetwin, from the preceding periods up to the date of the completion of the Deed;
- (iii) obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the expected credit loss of HK\$4,892,000 (FY 2023 – HK\$6,361,000 (restated)) recorded on the amounts due from the subsidiary in the Company's statement of comprehensive income during the current financial period ended 30 June 2025 and the carrying value of the amounts due from the subsidiary of HK\$68,577,000 (restated) as at 31 December 2023 and HK\$74,509,000 (restated) as at 1 January 2023, respectively, following the restatements made and disclosed in Note 34 to the financial statements as the amount of expected credit loss may be different if control is deemed to have been established over the Group's control of the specified assets and liabilities in Jetwin, in the Company's statement of financial position as at 31 December 2023 and 1 January 2023; and
- (iv) ascertain the accounting effects on the derecognition of the amounts due from Jetwin following the transfer of the Loan Rights to Party A have been appropriately and correctly accounted for and presented in the consolidated financial statements in the current financial period and in the previous financial years since we are unable to ascertain whether the Group has control over the specified assets and liabilities of the deemed separate entity in Jetwin from the preceding periods up to the date of the completion of the Deed.

Accordingly, these adjustments may have a possible effect on the comparability of the current and corresponding figures reported in the consolidated and separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

3 Matters relating to Jetwin

In prior years, Jetwin facilitated the Group in granting loans to 5 borrowers located in Australia. As at 31 December 2023, HK\$19,867,000 (2022 - HK\$30,337,000) due from Jetwin was secured, interest-free and repayable on demand.

Included in this balance were mainly receivables arising from the settlement of loans by the borrowers in Australia to Jetwin in the form of Properties and cash under two separate deeds of settlement:

- (i) On 25 June 2019, Jetwin had entered into a 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 Jetwin and the borrowers, and any and all claims which existed 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 Jetwin as settlement of the loans previously granted by the Group to the two borrowers via Jetwin.

On 7 November 2019, Jetwin 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 Company's wholly owned subsidiary – Net Pacific Investment Holdings Limited ("NPIHL"), in accordance with the terms and conditions as set out in the original loan agreements between the relevant parties.

- (ii) On 6 August 2021, Jetwin entered into a similar Deed of Settlement and Release with three remaining borrowers ("2021 Deed") pursuant to which it was agreed, among other things, that the parties to the 2021 Deed shall resolve all their disputes on the terms and conditions set out in the 2021 Deed and absolutely, unconditionally and irrevocably release and forever discharge and hold each other free from and against any and all claims including their obligations under the loan agreements entered into between Jetwin and the borrowers without any admission of any liability of any kind whatever. Under the 2021 Deed, cash of AUD4,196,000 and the ownership in three properties in Australia were transferred to Jetwin as settlement of the loans previously granted by the Group to the remaining three borrowers via Jetwin. Under the Confirmation Letter dated 6 August 2021, Jetwin 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 NPIHL in accordance with the terms and conditions as set out in the original loan agreements between the relevant parties.

Pursuant to the 2019 Deed and 2021 Deed, Jetwin received settlement proceeds from the underlying borrowers in Australia in the form of 8 properties ("the Properties") and cash proceeds in aggregate. The Properties and cash proceeds received under the provision of the 2019 Deed, and 2021 Deed shall be paid to the Group and the other loan provider who is also a controlling shareholder cum director of the Company.

As at 31 December 2023, the financials of Jetwin comprised mainly of the Properties and trust accounts of Jetwin held in trust by an Australian law firm where the debt settlement proceeds were deposited into, and liabilities which comprised mainly of payables owing to the Group and the other loan provider who is also a controlling shareholder cum director of the Company.

In respect of the Properties held by Jetwin, under the Confirmation Letters dated 7 November 2019 and 6 August 2021 (the "Confirmation Letters") between NPIHL and Jetwin, the latter confirmed that notwithstanding that the Properties were transferred to Jetwin, Jetwin agreed to grant security over the Properties to NPIHL, whether by way of caveat or registered mortgage, and not otherwise encumber the Properties as security for repayment of the loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

3 Matters relating to Jetwin (Cont'd)

In addition, as stipulated under the Confirmation Letters, unless and until the amount due by Jetwin had been fully repaid to NPIHL, the sale, transfer or disposal of any or all of the Properties held by Jetwin shall only be made with the prior written consent of NPIHL amongst other terms and conditions as specified in the Confirmation Letters, with such consent being at NPIHL's absolute discretion. NPIHL may request the disposal of any or all of the Properties held by Jetwin at market rates, and Jetwin shall expeditiously comply with the request; and the terms and conditions of every disposal by Jetwin shall be as reasonably agreed by NPIHL.

As such, NPIHL will be entitled to any upside of the proceeds from the sale of the Properties in excess of the original settlement consideration until all monies under the loan agreements and as agreed under the Confirmation Letters between NPIHL and Jetwin have been fully repaid.

NPIHL also agreed to contribute towards the ongoing maintenance cost and expenses relating to the Properties held by Jetwin in accordance with the relevant percentage of the loans disbursed as specified under the Confirmation Letters.

Moreover, the Group also received net rental income from Jetwin on some of the Properties which were leased out to external parties and recognised gain from the disposal of some of the Properties during the year.

In respect of the trust accounts maintained in trust by an Australian law firm on behalf of Jetwin where the settlement proceeds were deposited into, the Australian law firm also confirmed that it has the authority to disburse the funds from the trust accounts on the written request of the Executive Director of the Company and the other loan provider who is also a controlling shareholder cum director of the Company.

A recap of prior years' significant judgements applied:

a. Completeness of related party disclosures

In FY2022, management became aware that a controlling shareholder cum director of the Company held shares in an entity which has investments in the Australian borrowers. Furthermore, management also noted that it had not been disclosed in the financial statements that he was a creditor of Jetwin since inception of the loan disbursement in the financial year ended 31 December 2013 to 31 December 2023 and that Jetwin also held equity interest in the Australian borrowers.

However, management maintained the view that the controlling shareholder cum director of the Company did not have any beneficial interest in Jetwin nor the borrowers in Australia, and that there was no need for any shareholders' mandate to approve any interested person transactions under Chapter 9 of the Listing Manual of the SGX-ST. Management also reviewed this relationship and any other potential relationships and assessed that there was no additional related party disclosure to be made in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

Furthermore, management determined that there was no requirement to engage any independent legal expert to establish whether there had been more related party information to be disclosed in the relevant financial years concerning the Group, the controlling shareholder cum director of the Company, Jetwin and the Australian borrowers.

b. Control of specified assets and liabilities in Jetwin

In accordance with SFRS(I) 10 *Consolidated Financial Statements*, management identified specified assets in Jetwin (and related credit enhancements, if any) are the only source of payment for specified liabilities of, or specified other interests in Jetwin. These specified assets and liabilities of the deemed separate entity in Jetwin are the Properties and cash proceeds received under the settlement; and the balances owing to the Group and the other loan provider who is also the controlling shareholder cum director of the Company, respectively.

Under the Confirmation Letters dated 7 November 2019 and 6 August 2021, Jetwin confirmed and agreed that all the proceeds received under the provision of the 2019 Deed and 2021 Deed and the subsequent sale of the Properties shall be paid to the Group in accordance with the terms and conditions as set out in the original loan agreements between the Group and Jetwin.

Management is of the view that the Group has no control over the specified assets and liabilities of the deemed separate entity in Jetwin because:

- (i) The Group has no equity interest in Jetwin;
- (ii) None of the directors or controlling shareholders of the Group is a director or shareholder of Jetwin;
- (iii) The sale, transfer or disposal of any or all of the Properties held by Jetwin at NPIHL's absolute discretion is to safeguard the recoverability of the debt due from Jetwin;
- (iv) The receipt of net rental income from Jetwin is a form of compensation in place of interest income; and
- (v) The authority to disburse the funds from the trust accounts held in trust by an Australian law firm is merely a protective right.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

3 Matters relating to Jetwin (Cont'd)

c. Classification and measurement of amounts due from Jetwin at amortised cost

In accordance with SFRS(I) 9 *Financial Instruments*, the Group determines if a financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The business model of the Group has not changed and there are proper loan documentations in place with Jetwin which support that the contractual terms of the amounts due from Jetwin will give rise on specified dates to cash flows that will result from collecting contractual cashflows from the principal amounts outstanding from Jetwin. The net rental income received from Jetwin is a form of compensation in place of interest income since the debt is interest-free.

Developments during the financial period

a. Deed of Assignment

The Group had on 1 November 2024 entered into a Deed of Assignment (the "Deed") with Jetwin and an independent third party individual ("Party A") in November 2024 where the Group agreed to transfer and Party A agreed to purchase the rights and obligations of the amounts receivable due from Jetwin (the "Loan Rights") for an amount equivalent to AUD1,180,000 ("Purchase Price") and Jetwin, by the execution of the Deed, is bound by its terms and acknowledged that the Loan Rights are assigned to Party A under the terms of the Deed and will be transferred to Party A upon the final settlement of the Purchase Price.

Following the receipt of the final Purchase Price in April 2025, the Group's receivables from Jetwin have been derecognised and a gain on derecognition of HK\$3,052,000 on the amounts receivable due from Jetwin in the consolidated statement of comprehensive income in the current financial period.

b. Queries from the Accounting and Corporate Regulatory Authority ("ACRA")

The Board of Directors of the Company received queries from the Accounting and Corporate Regulatory Authority ("ACRA") during the financial period on their compliance with accounting standards in respect of the consolidated financial statements for the financial year ended 31 December 2022.

In August 2025, the Company received a letter of final findings from ACRA where the latter is of the view that management has not complied with SFRS(I) 9 in respect of the classification and measurement of the receivables due from Jetwin, which was previously measured at amortised cost, does not meet the solely payments of principal and interest ("SPPI") test under SFRS(I) 9.

SFRS(I) 9 states that contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to the basic lending arrangement do not give rise to contractual cashflows that are solely payments of principal and interest on the principal amount outstanding. In the case of the amounts due from Jetwin, the interest income is explicitly linked to the rental income generated from the properties owned by Jetwin which directly ties the receivable's cash flows to the performance of the property market in Australia and the success of renting out the properties, are unrelated to the compensation for the time value of money and credit risk. Furthermore, the non-recourse nature of the loans, which limits recourse primarily to the underlying properties, combined with the cash flows being directly influenced by the economic performance of the specified properties, suggested that the contractual cashflows are not solely payments of principal and interest.

Management performed a reassessment and concluded that the amounts due from Jetwin should have been measured at fair value.

Accordingly, management recomputed the fair value of the amounts due from Jetwin as at 1 January and 31 December 2023, respectively, and recorded the fair value adjustments in respect of the amounts receivable from Jetwin as prior years' adjustments for financial year ended 31 December 2023 and 1 January 2023 (being the beginning of the preceding period), respectively as disclosed in Note 34 "*Prior years' adjustments*" to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

3 Matters relating to Jetwin (Cont'd)

Developments during the financial period (Cont'd)

The movement of the receivables from Jetwin measured at FVTPL are as follows:

The Group	HK\$'000
At 1 January 2023, as previously reported	30,337
Prior year's adjustment (Note 34)	(5,070)
At 1 January 2023, as restated	25,267
Amounts received during the year	(10,163)
Fair value gain, as restated	637
Translation differences	(504)
Others	197
At 31 December 2023, as restated	15,434
Amounts received during the period	(13,645)
Gain on derecognition	3,052
Provision no longer required (Note 25(b))	(3,251)
Translation differences	(1,314)
Others	(276)
At 30 June 2025	–

Discontinued operations

Following the derecognition of receivables from Jetwin, the Group assessed that the Financing Business in Australia meets the definition of a "discontinued operation" in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as it represents a separate major line of business and geographical area of operations of the Group.

The results of the discontinued operations, and impact on the cash flows are as follows:

The Group	30 June 2025 HK\$'000	31 December 2023 HK\$'000 (Restated)
Other income (Note 5)	137	590
Gain on derecognition of financial assets at FVTPL	3,052	–
Fair value gain on financial asset on FVTPL	–	637
Administrative expenses:		
- Rental-related expenses	(28)	(205)
- Legal and professional fees	(309)	(251)
	(337)	(456)
	2,852	771
Operating cash inflows	13,645	10,163

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

34 Prior years' adjustments

As disclosed in Note 3 "Matters relating to Jetwin", following the receipt of the letter of final findings from ACRA where the latter is of the view that management has not complied with SFRS(I) 9 in respect of the classification and measurement of the receivables due from Jetwin which was previously measured at amortised cost, management performed a reassessment and concluded that the amounts due from Jetwin should have been measured at fair value since the amounts receivable from Jetwin failed to meet the solely payments of principal and interest test under SFRS(I) 9.

Accordingly, management recomputed the fair value of the amounts due from Jetwin as at 1 January and 31 December 2023, respectively, and recorded the fair value adjustments in respect of the amounts receivable from Jetwin retrospectively by restating the comparative amounts for the prior period's statement of comprehensive income in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The relevant significant judgement and estimate applied in determining the fair value of the receivables due from Jetwin, which is premised on the fair value of the properties held by Jetwin is disclosed in Notes 3 and 30.2 to the financial statements.

The prior year adjustments, to the extent that they are applied retrospectively, have the following impact:

	As reported HK\$'000	Prior year adjustments HK\$'000	As restated HK\$'000
Statements of financial position			
The Group:			
At 1 January 2023			
Trade and other receivables (Note 15)	33,051	(5,070)	27,981
Financial assets at amortised cost (Note 15)	31,599	(25,267)	6,332
Financial assets at FVTPL (Note 15)	–	25,267	25,267
Accumulated loss	(47,511)	(5,070)	(52,581)
At 31 December 2023			
Trade and other receivables (Note 15)	21,955	(4,433)	17,522
Financial assets at amortised cost (Note 15)	19,469	(15,434)	4,035
Financial assets at FVTPL (Note 15)	–	15,434	15,434
Accumulated loss	(53,028)	(4,433)	(57,461)
The Company:			
At 1 January 2023			
Trade and other receivables (Note 15)	79,646	(5,070)	74,576
Amount due from subsidiaries (Note 15)	79,579	(5,070)	74,509
Accumulated loss	(65,087)	(5,070)	(70,157)
At 31 December 2023			
Trade and other receivables (Note 15)	73,074	(4,433)	68,641
Amount due from subsidiaries (Note 15)	73,010	(4,433)	68,577
Accumulated loss	(71,873)	(4,433)	(76,306)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2024 to 30 June 2025

34 Prior years' adjustments (Cont'd)

The prior year adjustments, to the extent that they are applied retrospectively, have the following impact: (Cont'd)

	As reported HK\$'000	Prior year adjustments HK\$'000	As restated HK\$'000
Consolidated statement of comprehensive income			
Financial year ended 31 December 2023			
Fair value gain on financial asset at FVTPL (Note 3)	–	637	637
Loss before taxation	(5,441)	637	(4,804)
Loss for the year, attributable to owners of the Company	(5,517)	637	(4,880)
Loss per share - basic and diluted (Hong Kong cents)	(1.05)	0.12	(0.93)
Consolidated statement of cash flows			
Cash Flows from Operating Activities			
Loss before taxation	(5,441)	637	(4,804)
Fair value gain on financial asset at FVTPL	–	(637)	(637)