

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

(Registration Number: 200300326D)

**Condensed Interim Financial Statements  
For the second quarter and six months ended 30 June 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  
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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

For the second quarter and six months ended 30 June 2023

	The Group			The Group		
	Second quarter ended 30 June		% + / (-)	Half year ended 30 June		% + / (-)
	2023	2022		2023	2022	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
<b>Revenue</b>	<b>826</b>	<b>826</b>	-	<b>1,647</b>	<b>1,647</b>	-
Other income	87	235	(63)	176	303	(42)
Marketing and distribution costs	(27)	-	NM	(27)	-	NM
Administrative expenses	(1,613)	(1,279)	26	(2,901)	(2,342)	24
Other expenses	(305)	(3,032)	NM	(688)	(1,664)	(59)
<b>Loss before taxation</b>	<b>(1,032)</b>	<b>(3,250)</b>	NM	<b>(1,793)</b>	<b>(2,056)</b>	(13)
Income tax expense	(95)	(121)	(21)	(207)	(241)	(14)
<b>Loss representing comprehensive income for the period and attributable to the equity holders of the company</b>	<b>(1,127)</b>	<b>(3,371)</b>	NM	<b>(2,000)</b>	<b>(2,297)</b>	(13)

NM - Not meaningful

**Loss per share**

	The Group	
	Half year ended 30 June	
	2023	2022
Loss per ordinary share		
- Basic (Hong Kong cents) [A]	(0.38)	(0.44)
- Diluted (Hong Kong cents) [B]	(0.38)	(0.44)

[A] The calculation of basic loss per ordinary share was based on 525,630,328 shares (HY2021 : 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 (HY2021 : 525,630,328) 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 30 June 2023

	Note	The Group		The Company	
		As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000
<b>Non-current assets</b>					
Plant and equipment	9	6	9	6	9
Other receivables	10	3,671	3,671	-	-
Investment in subsidiaries		-	-	1,069	1,069
		<b>3,677</b>	<b>3,680</b>	<b>1,075</b>	<b>1,078</b>
<b>Current assets</b>					
Loans and advances	11	27,600	27,600	-	-
Other receivables	10	21,539	33,051	76,505	79,646
Cash and cash equivalents		47,753	38,827	600	805
		<b>96,892</b>	<b>99,478</b>	<b>77,105</b>	<b>80,451</b>
<b>Total assets</b>		<b>100,569</b>	<b>103,158</b>	<b>78,180</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		(49,511)	(47,511)	(67,959)	(65,087)
<b>Total Equity</b>		<b>95,594</b>	<b>97,594</b>	<b>77,146</b>	<b>80,018</b>
<b>Current Liabilities</b>					
Other payables	13	4,655	5,376	1,034	1,511
Current tax payable		320	188	-	-
		<b>4,975</b>	<b>5,564</b>	<b>1,034</b>	<b>1,511</b>
<b>Total liabilities</b>		<b>4,975</b>	<b>5,564</b>	<b>1,034</b>	<b>1,511</b>
<b>Total equity and liabilities</b>		<b>100,569</b>	<b>103,158</b>	<b>78,180</b>	<b>81,529</b>

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**C. Condensed interim consolidated statement of cash flows**

For the second quarter and six months ended 30 June 2023

	<b>The Group</b>	
	<b>Half year ended 30 June</b>	
	<b>2023</b> HK\$'000	<b>2022</b> HK\$'000
<b><u>Cash flows from operating activities:</u></b>		
Loss before taxation	(1,793)	(2,056)
<i>Adjustments for:</i>		
Depreciation of plant and equipment	3	3
Depreciation of right-of-use assets	-	33
Interest income	(1,662)	(1,647)
<b>Operating loss before changes in working capital changes</b>	<b>(3,452)</b>	<b>(3,667)</b>
Changes in loans and advances	-	-
Changes in other receivables	11,394	4,462
Changes in other payables	(721)	(3,489)
<b>Cash generated from (used in) operating activities</b>	<b>7,221</b>	<b>(2,694)</b>
Interest income received	1,680	576
Dividend income received	100	140
Income tax (paid) / refunded	(75)	36
<b>Net cash generated from (used in) operating activities</b>	<b>8,926</b>	<b>(1,942)</b>
<b><u>Cash flows from financing activities:</u></b>		
Payment of principal portion of lease liabilities	-	(33)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(33)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,926</b>	<b>(1,975)</b>
Cash and cash equivalents at beginning of the financial period	38,827	40,891
<b>Cash and cash equivalents at end of the financial period</b>	<b>47,753</b>	<b>38,916</b>

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

For the second quarter and six months ended 30 June 2023

	Attributable to equity holders of the Company			
	Share	Capital	Accumulated Losses	Total Equity
<b>The Group</b>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2022	145,105	(43,989)		101,116
Total loss and comprehensive loss for the period	-	(2,297)		(2,297)
<b>As at 30 June 2022</b>	<b>145,105</b>	<b>(46,286)</b>		<b>98,819</b>
As at 1 January 2023	145,105	(47,511)		97,594
Total loss and comprehensive loss for the period	-	(2,000)		(2,000)
<b>As at 30 June 2023</b>	<b>145,105</b>	<b>(49,511)</b>		<b>95,594</b>

	Share	Capital	Total Equity	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>The Company</b>				
As at 1 January 2022	145,105	(59,500)		85,605
Total loss and comprehensive loss for the period	-	(4,920)		(4,920)
<b>As at 30 June 2022</b>	<b>145,105</b>	<b>(64,420)</b>		<b>80,685</b>
As at 1 January 2023	145,105	(65,087)		80,018
Total loss and comprehensive loss for the period	-	(2,872)		(2,872)
<b>As at 30 June 2023</b>	<b>145,105</b>	<b>(67,959)</b>		<b>77,146</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 Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

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

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

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

### 2 Basis of preparation

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

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

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

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

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

#### 2.2 Use of judgement and estimates

In preparing the condensed interim financial statements for the second quarter and half year ended 30 June 2023, 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 2022 and the interim report for 1Q2023.

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 applicable future periods.

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

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

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

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

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### 3 Seasonal operations

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

### 4 Segment and revenue information

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

#### (1) Financing Business

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

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

#### (2) Investment

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

#### 4.1 Reportable segments

	Financing Business		Investment		Consolidated	
	Half year ended 30 June 23	Half year ended 30 June 22	Half year ended 30 June 23	Half year ended 30 June 22	Half year ended 30 June 23	Half year ended 30 June 22
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total revenue by segments	1,647	1,647	-	-	1,647	1,647
<b>External revenue</b>	<b>1,647</b>	<b>1,647</b>	-	-	<b>1,647</b>	<b>1,647</b>
<b>Segment (loss) / profit</b>	<b>346</b>	<b>(248)</b>	-	-	<b>346</b>	<b>(248)</b>
Unallocated expenses					(2,136)	(1,772)
Depreciation of plant and equipment					(3)	(3)
Depreciation of right-of-use assets					-	(33)
<b>Loss before tax</b>					<b>(1,793)</b>	<b>(2,056)</b>
Income tax expense					(207)	(241)
<b>Loss for the period</b>					<b>(2,000)</b>	<b>(2,297)</b>
<b>Segment assets</b>	<b>99,842</b>	<b>101,871</b>	-	-	<b>99,842</b>	<b>101,871</b>
Unallocated assets					727	2,237
<b>Total assets per statement of financial position</b>					<b>100,569</b>	<b>104,108</b>
<b>Segment liabilities</b>	<b>3,942</b>	<b>4,210</b>	-	-	<b>3,942</b>	<b>4,210</b>
Unallocated liabilities					1,033	1,079
<b>Total liabilities per statement of financial position</b>					<b>4,975</b>	<b>5,289</b>

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**4.2 Geographical information**

	The Group		The Group	
	Second quarter ended 30 June		Half year ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>				
PRC & Hong Kong	676	676	1,347	1,347
British Virgin Islands	150	150	300	300
	<b>826</b>	<b>826</b>	<b>1,647</b>	<b>1,647</b>
<b>Non-current assets</b>				
Singapore	6	12	6	12
British Virgin Islands	3,671	-	3,671	-
	<b>3,677</b>	<b>12</b>	<b>3,677</b>	<b>12</b>

**5 Financial assets and financial liabilities**

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

	The Group		The Company	
	As at 30/06/23	As at 31/12/22	As at 30/06/23	As at 31/12/22
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Financial assets at amortised cost</b>				
Loans and advances	27,600	27,600	-	-
Other receivables <sup>(1)</sup>	25,168	36,678	76,463	79,603
Cash and cash equivalents	47,753	38,827	600	805
	<b>100,521</b>	<b>103,105</b>	<b>77,063</b>	<b>80,408</b>
<b>Financial liabilities at amortised cost</b>				
Other payables	4,655	5,376	1,034	1,511
	<b>4,655</b>	<b>5,376</b>	<b>1,034</b>	<b>1,511</b>

(1) Excludes prepayment



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**6 Loss after tax**

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

	The Group		The Group	
	Second quarter ended 30 June		Half year ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Foreign exchange losses	(305)	(3,032)	(688)	(1,664)
Interest income from fixed deposit	8	-	15	-
Other income	79	235	161	303
Depreciation of plant and equipment	(1)	(1)	(3)	(3)
Depreciation of right-of-use assets	-	(13)	-	(33)

**6.2 Related party transactions**

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

**7 Taxation**

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

	The Group		The Group	
	Second quarter ended 30 June		Half year ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current income tax expense</b>				
Current year	95	121	207	241
Under / (over) provision in respect of prior year	-	-	-	-
	<b>95</b>	<b>121</b>	<b>207</b>	<b>241</b>

**8 Net asset value**

	The Group		The Company	
	As at 30/06/23	As at 31/12/22	As at 30/06/23	As at 31/12/22
	Net asset value per ordinary share (Hong Kong cents)	18.19	18.57	14.68

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

**9 Plant and equipment**

There are no acquisition and disposal of plant and equipment during the six months ended 30 June 2023 and 30 June 2022.

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**10 Other receivables**

	The Group		The Company	
	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000
Interest receivable	1,167	1,185	-	-
Dividend receivable	540	640	-	-
	1,707	1,825	-	-
Deposits	23	23	15	15
Other receivables (a)	23,438	34,830	64	9
Amounts due from subsidiaries (non-trade) (b)	-	-	132,706	134,078
	25,168	36,678	132,785	134,102
Expected credit losses:				
At beginning	-	-	(54,500)	(50,321)
Allowance for expected credit loss	-	-	(1,822)	(4,179)
At end	-	-	(56,322)	(54,500)
Net other receivables	25,168	36,678	76,463	79,602
Prepayments	42	44	42	44
<b>Total other receivables</b>	<b>25,210</b>	<b>36,722</b>	<b>76,505</b>	<b>79,646</b>
Presented as:				
- Non-current	3,671	3,671	-	-
- Current	21,539	33,051	76,505	79,646
	<b>25,210</b>	<b>36,722</b>	<b>76,505</b>	<b>79,646</b>

Note (a) - Other receivables comprise mainly:

- HK\$19,026,000 (31 December 2022 - HK\$30,337,000) due from Intermediary which facilitated the Group in granting loans to borrowers located in Australia ("**Intermediary**"). Included in this balance is mainly receivable arising from the settlement of the loans to borrowers in Australia with the Intermediary in the form of properties and cash under two different deeds of settlement:

- 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.

- On 6 August 2021, the Intermediary entered into a similar Deed of Settlement and Release with three remaining borrowers ("**Borrowers**") ("**2021 Deed**") pursuant to which it was agreed that the parties to the Deed would release each other from the performance of any and all of their obligations under the loan agreements entered into between the Intermediary and the borrowers. Under the 2021 Deed, cash of AUD4,196,750 and the ownership in three properties in Australia will be transferred to the Intermediary as settlement of the loans previously granted by the Group to the remaining three 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.

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## 10 Other receivables (contd)

• HK\$4,207,000 (31 December 2022 - HK\$4,307,000) due from an external buyer on the disposal of financial asset at fair value through profit or loss. The balance is unsecured, interest-free and repayable over a two-year period commencing in FY2021. During the financial year ended 31 December 2022, the external buyer has requested with the concurrence of the Company to revise the payment schedule until 31 December 2024.

### Note (b)

The amounts due from subsidiaries are non-trade in nature, unsecured, bear interest at rate of 1.65% (2022 - 1.65%) per annum and are repayable on demand. At the end of the reporting period, the Company evaluated its subsidiaries' financial performance to meet the contractual cash flow obligations and had provided an additional expected credit loss of HK\$1,822,000 (2022 - HK\$4,179,000) on the non-trade amounts due from a subsidiary.

## 11 Loans and advances

	The Group	
	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000
Loans and advances repayable within one year	27,600	27,600
<b>Net loans and advances</b>	<b>27,600</b>	<b>27,600</b>

## 12 Share capital

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

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

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

The Company did not hold any treasury shares as at 30 June 2023 and 31 December 2022. There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2023, and as at 31 December 2022.

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

## 13 Other payables

	The Group		The Company	
	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000	As at 30/06/23 HK\$'000	As at 31/12/22 HK\$'000
Accrued operating expenses	4,655	5,376	1,034	1,511

## 14 Borrowings

The Group has no outstanding borrowings and debt securities as at 30 June 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.

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

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

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

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

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

#### (1) Completeness of related party disclosures

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

#### (3) Classification and measurement of amounts owing from Jetwin

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

(a) Up to 30 June 2023, AUD2 million or approximately HKD10.4 million in the trust account held in trust by an Australian law firm has been remitted to a bank account in Hong Kong under the Group. This has reduced amount receivable from Jetwin from HKD30.0 million as at 31 December 2022, to HKD19.0 million as at 30 June 2023.

(b) The remaining balance will be repaid via sales proceeds from disposal of the Properties. The Company is in discussion with potential property agents and target to start marketing of the completed units for sale within 2023. Subject to the market conditions in Perth, Australia where the Properties are located, the Company expects the units to be sold within next 12 months.

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

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

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

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

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

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

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

## **Consolidated statement of comprehensive income**

The Group recorded a revenue of HK\$1.6 million in the half year ended 30 June 2023 ("HY2023"), which is comparable to that in the half year ended 30 June 2022 ("HY2022") as the Group's loan portfolio has remained the same.

Other income was higher in HY2022 due to a one-time late payment penalty received from the Australian borrower in the second quarter ended 30 June 2022 ("2Q2022").

Total administrative expenses of the Group was higher in HY2023 as compared to HY2022 mainly due to higher professional fees incurred in HY2023 as the Group had been exploring and reviewing investment opportunities to diversify its business. Total administrative expenses was higher in the second quarter ended 30 June 2023 for the same reason.

Other expenses relate mainly to the foreign exchange loss of HK\$0.7 million (HY2022 - HK\$1.7 million) arising from the revaluation of the Group's other receivables and bank balances denominated in Australian Dollars ("AUD") as a result of depreciation of AUD against HK\$ in HY2023 and HY2022.

Other expenses was higher in 2Q2022 mainly due to the foreign exchange loss recorded in 2Q2022 arising from revaluation of the Group's other receivables denominated in AUD as AUD depreciated against HK\$, a reversal from a foreign exchange gain recorded in first quarter ended 31 March 2022 when AUD appreciated against HK\$.

As a result of the foregoing, the Group reported a net loss of HK\$2.0 million in HY2023 as compared to a net loss of HK\$2.3 million in HY2022.

## **Consolidated statements of financial position**

The Group's total loans and advances at HK\$27.6 million as at 30 June 2023, all of which are current, are the same as that as at 31 December 2022.

The Group's other receivables, both current and non-current as at 30 June 2023, were lower as at 30 June 2022 mainly due to payments from Intermediary as disclosed under Note 17 above.

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

## **Consolidated statements of cash flow**

Net cash generated from operating activities was HK\$8.9 million in HY2023 mainly due to payment from the Intermediary (as explained under Note 17) offset partially by the Group's operating loss before working capital in HY2023.

The Board confirms that the Group is able to meet its short term debt obligations when they fall due with cash and cash equivalent of HK\$47.8 million and no outstanding borrowings as at 30 June 2023.

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

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

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

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

The Board holds the view that acquiring controlling stakes in operating businesses would offer greater potential for growth, primarily due to the possibility of higher profit margin compared to the financing business. Additionally, obtaining bank loans for operating businesses is comparatively easier since the turnover and total assets of the company are recorded in the books of the Company. By securing additional funds through bank loans, the company can effectively utilize more working capital, thereby enhancing returns for both the business and its shareholders. The Group will continue to explore and review opportunities to diversify its business so as to boost growth and enhance shareholder value. The Company will make the necessary announcements should there be material developments on this front.

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

**21 Dividend**

If a decision regarding dividend has been made:

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

No dividends were paid or declared during the financial period ended 30 June 2023 because the Group was not profitable in HY2023. No dividends were paid or declared during the corresponding financial period ended 30 June 2022.

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

Not applicable. No dividend was declared or recommended for previous corresponding period ended 30 June 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 a value of S\$100,000 and above entered into during the financial period ended 30 June 2023.

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**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 under Rule 720(1) of the SGX-ST Catalist Listing Manual.

**24 Additional information required pursuant to Rule 706A**

Not applicable. The Company did not acquire and/or dispose shares in any companies during HY2023.

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

Ong Chor Wei @ Alan Ong  
Chief Executive Officer  
10 August 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.*

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**Negative confirmation pursuant to Rule 705(5)**

The board of directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group for the second quarter and half year ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhou Wen Jie  
Non-Independent Non-Executive Director

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