



NET PACIFIC FINANCIAL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore on 9 January 2003)
(Company Registration Number. 200300326D)

- (I) **PROFIT GUIDANCE**
(II) **UPDATE ON THE CONVERSION OF LOANS INTO SHARES OF A PARTNER COMPANY**
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The Board of Directors (the “**Board**”) of Net Pacific Financial Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform shareholders of the Company (“**Shareholders**”) that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2018 (“**FY2018**”) currently available to the Board, the Group is expected to report a significant net loss for FY2018.

The losses are mainly attributable to:

- (1) a decline in revenue mainly from the Group’s loan portfolio in Australia;
- (2) the foreign exchange losses arising from the revaluation of the Group’s loan portfolios denominated in Australian Dollars (“**AUD**”) as a result of depreciation of AUD against Hong Kong dollars;
- (3) provision for impairment on interest receivables on certain loan portfolio which was the subject of the conditional agreement entered on 12 November 2017 between Jetwin Investments Pty Ltd (“**Jetwin**”), an intermediary for the Group’s loan portfolio in Australia and three (3) borrower companies in Australia (the “**Conditional Agreement**”).

The Company had on 14 November 2017 announced the Conditional Agreement, which is in relation to the conversion of loans of approximately AUD5,000,000 into shares of a partner company, subject to the satisfaction of various conditions including the successful listing of the shares of the partner company on the Australian Securities Exchange (the “**ASX**”).

Pursuant to the updates provided by the Company on 27 February 2018 and 10 August 2018 in its unaudited results announcements, the planned ASX listing of the partner company has been delayed. Subsequent to that, the Company learnt from the partner company that they had withdrawn the prospectus and would refresh its submission. However, there has been no further development to the planned ASX listing since then up to the date of this announcement. No agreement has also been reached with the partner company on the next course of action. Therefore, on prudence, provision has been made on the interest receivable from the loans.

- (4) provision for impairment in respect of the outstanding loan principal and interest receivables of an Australian loan guaranteed by an underwriter. The Company had entered into a settlement agreement on 31 December 2016 with the underwriter to claim the remaining net carrying value of the loan in three (3) instalments as the borrower in Australia had been placed under receivership in November 2016 (the “**Settlement**”). As disclosed in the Company’s annual report for the financial year ended 31 December 2017, upon settlement of the first two (2) instalments in 2017 pursuant to the Settlement, the Group has agreed with the underwriter that the final instalment shall be repaid in shares of the partner company upon the successful listing of the partner company on the ASX. As there has been no further development to the planned ASX listing of the partner company (please refer to point (3) above for further details), and no agreement has been reached with the underwriter

on other settlement options, provision has been made on the final instalment due from the underwriter on prudent basis.

Further details of the Group's financial performance will be disclosed when the Company finalises and announces its full year unaudited consolidated financial statements for FY2018 on or before 1 March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, Shareholders and potential investors should consult their broker, bank manager, solicitor, accountant or other professional advisers.

By Order of the Board

Ong Chor Wei @ Alan Ong
Chief Executive Officer
12 February 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Tan Pei Woon, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).