

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

Condensed Interim Financial Statements  
For the third quarter ended 30 September 2022

*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 qualified opinion issued by the Company's auditors in the latest audited financial statements for the financial year ended 31 December 2021.*

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

For the third quarter ended 30 September 2022

	Group		%	Group		%
	Third quarter ended 30 September			Nine months ended 30 September		
	2022	2021		2022	2021	
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Revenue	832	838	(1)	2,480	2,485	-
Other income	98	4,494	NM	402	4,665	NM
Administrative expenses	(1,185)	(1,302)	(9)	(3,530)	(3,960)	(11)
Other expenses	(2,046)	(1,389)	47	(3,709)	(2,440)	52
<b>(Loss) / profit before taxation</b>	<b>(2,301)</b>	<b>2,641</b>	NM	<b>(4,357)</b>	<b>750</b>	NM
Income tax credit / (expense)	66	21	214	(175)	(236)	(26)
<b>(Loss) / profit for the period and attributable to the equity holders of the company</b>	<b>(2,235)</b>	<b>2,662</b>	NM	<b>(4,532)</b>	<b>514</b>	NM
<b>(Loss) / profit representing comprehensive income for the period and attributable to the equity holders of the company</b>	<b>(2,235)</b>	<b>2,662</b>	NM	<b>(4,532)</b>	<b>514</b>	NM

NM: Not meaningful

### (Loss) / Earnings per share

	Group	
	Nine months ended 30 September	
	2022	2021
(Loss) / Earnings per ordinary share		
- Basic (Hong Kong cents) [A]	(0.86)	0.10
- Diluted (Hong Kong cents) [B]	(0.86)	0.10

[A] The calculation of basic (loss) / earnings per ordinary share was based on 525,630,328 shares (September 2021 : 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 (September 2021 : 525,630,328) being the weighted average number of ordinary shares in issue during the period. There were no outstanding share options as at 30 September 2022 and 30 September 2021 as no options were issued prior to expiry of the option scheme in May 2021.

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**B. Condensed interim consolidated statement of financial position**  
As at 30 September 2022

	Note	Group		The Company	
		As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000
<b>Non-current assets</b>					
Plant and equipment	9	10	15	10	15
Right-of-use assets		-	33	-	33
Investment in subsidiaries		-	-	1,069	1,069
		<b>10</b>	<b>48</b>	<b>1,079</b>	<b>1,117</b>
<b>Current assets</b>					
Loans and advances	11	27,600	27,600	-	-
Other receivables	10	36,036	41,147	78,040	83,795
Cash and cash equivalents		38,029	40,891	1,215	2,655
		<b>101,665</b>	<b>109,638</b>	<b>79,255</b>	<b>86,450</b>
<b>Total assets</b>		<b>101,675</b>	<b>109,686</b>	<b>80,334</b>	<b>87,567</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	145,105	145,105	145,105	145,105
Accumulated losses		(48,521)	(43,989)	(65,915)	(59,500)
<b>Total Equity</b>		<b>96,584</b>	<b>101,116</b>	<b>79,190</b>	<b>85,605</b>
<b>Current liabilities</b>					
Other payables	13	4,756	8,377	1,144	1,929
Lease liabilities		-	33	-	33
Current tax payable		335	160	-	-
		<b>5,091</b>	<b>8,570</b>	<b>1,144</b>	<b>1,962</b>
<b>Total liabilities</b>		<b>5,091</b>	<b>8,570</b>	<b>1,144</b>	<b>1,962</b>
<b>Total equity and liabilities</b>		<b>101,675</b>	<b>109,686</b>	<b>80,334</b>	<b>87,567</b>

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**C. Condensed interim consolidated statement of cash flows**  
For the third quarter ended 30 September 2022

	<b>Group</b>	
	<b>Nine months ended 30 September</b>	
	<b>2022</b> HK\$'000	<b>2021</b> HK\$'000
<b><u>Cash flows from operating activities:</u></b>		
(Loss) / profit before taxation	(4,357)	750
<i>Adjustments for:</i>		
Depreciation of plant and equipment	5	7
Depreciation of right-of-use assets	33	56
Interest income	(2,647)	(2,485)
Interest expense on lease liabilities	-	6
<b>Operating loss before changes in working capital changes</b>	<b>(6,966)</b>	<b>(1,666)</b>
Changes in loans and advances	-	18,585
Changes in other receivables	6,491	(26,249)
Changes in other payables	(3,621)	5,531
<b>Cash used in operating activities</b>	<b>(4,096)</b>	<b>(3,799)</b>
Interest income received	1,031	1,797
Dividend income received	200	150
Income tax refunded / (paid)	36	(148)
<b>Net cash used in operating activities</b>	<b>(2,829)</b>	<b>(2,000)</b>
<b><u>Cash flows from investing activities:</u></b>		
Acquisition of plant and equipment	-	(17)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(17)</b>
<b><u>Cash flows from financing activities:</u></b>		
Payment of principal portion of lease liabilities	(33)	(55)
Interest paid	-	(6)
<b>Net cash used in financing activities</b>	<b>(33)</b>	<b>(61)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,862)</b>	<b>(2,078)</b>
Cash and cash equivalents at beginning of the financial period	40,891	41,707
<b>Cash and cash equivalents at end of the financial period</b>	<b>38,029</b>	<b>39,629</b>

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**D. Condensed interim statements of changes in equity**  
For the third quarter ended 30 September 2022

	Attributable to equity holders of the Company			
	Share Capital	Share Option Reserve	Accumulated Losses	Total Equity
<b>The Group</b>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2021	145,105	340	(44,864)	100,581
Total profit and comprehensive income for the period	-	-	514	514
Employee share option scheme	-	(340)	340	-
	-	(340)	854	514
<b>As at 30 September 2021</b>	<b>145,105</b>	<b>-</b>	<b>(44,010)</b>	<b>101,095</b>
As at 1 January 2022	145,105	-	(43,989)	101,116
Total loss and comprehensive loss for the period *	-	-	(4,532)	(4,532)
<b>As at 30 September 2022</b>	<b>145,105</b>	<b>-</b>	<b>(48,521)</b>	<b>96,584</b>

	Share Capital	Share Option Reserve	Accumulated Losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>The Company</b>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2021	145,105	340	(57,486)	87,959
Total loss and comprehensive loss for the period *	-	-	(1,460)	(1,460)
Employee share option scheme	-	(340)	340	-
	-	(340)	(1,120)	(1,460)
<b>As at 30 September 2021</b>	<b>145,105</b>	<b>(340)</b>	<b>(59,726)</b>	<b>85,039</b>
As at 1 January 2022	145,105	-	(59,500)	85,605
Total loss and comprehensive loss for the period *	-	-	(6,415)	(6,415)
<b>As at 30 September 2022</b>	<b>145,105</b>	<b>-</b>	<b>(65,915)</b>	<b>79,190</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 nine months ended 30 September 2022 comprise the financial statements of the Company and its subsidiaries (collectively "**the Group**").

#### 2 Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2022 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 2021 and any public announcements made by the Company during the interim reporting periods.

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 2021, 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 (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 2021 and the interim reports for first quarter ended 31 March 2022 and half year ended 30 June 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 and 12	- Allowance for expected credit loss ("ECL") 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 11	- Impairment of amounts due from subsidiaries
Note 11	- 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, the Hong Kong Special Administrative Region 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	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total revenue by segments	2,480	2,485	-	-	2,480	2,485
<b>External revenue</b>	<b>2,480</b>	<b>2,485</b>	-	-	<b>2,480</b>	<b>2,485</b>
<b>Segment (loss) / profit</b>	<b>(1,603)</b>	<b>3,609</b>	-	-	<b>(1,603)</b>	<b>3,609</b>
Unallocated expenses					(2,716)	(2,796)
Depreciation of plant and equipment					(5)	(7)
Depreciation of right-of-use assets					(33)	(56)
<b>(Loss) / profit before tax</b>					<b>(4,357)</b>	<b>750</b>
Income tax expense					(175)	(236)
<b>(Loss) / profit for the period</b>					<b>(4,532)</b>	<b>514</b>
	<b>As at 30/09/22 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>	<b>As at 30/09/22 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>	<b>As at 30/09/22 HK\$'000</b>	<b>As at 30/09/21 HK\$'000</b>
<b>Segment assets</b>	<b>100,319</b>	<b>106,297</b>	-	-	<b>100,319</b>	<b>106,297</b>
Unallocated assets					1,356	3,295
<b>Total assets per statement of financial position</b>					<b>101,675</b>	<b>109,592</b>
<b>Segment liabilities</b>	<b>3,947</b>	<b>6,675</b>	-	-	<b>3,947</b>	<b>6,675</b>
Current income tax liabilities					-	40
Unallocated liabilities					1,144	1,782
<b>Total liabilities per statement of financial position</b>					<b>5,091</b>	<b>8,497</b>

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### 4.2 Geographical information

	The Group		The Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>				
PRC & Hong Kong	682	688	2,030	2,035
British Virgin Islands	150	150	450	450
	<b>832</b>	<b>838</b>	<b>2,480</b>	<b>2,485</b>
<b>Non-current assets</b>				
Singapore			10	140
British Virgin Islands			-	1,076
			<b>10</b>	<b>1,216</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 September 2022 and 31 December 2021:

	The Group		The Company	
	As at 30/09/22	As at 31/12/21	As at 30/09/22	As at 31/12/21
	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>	35,936	41,017	77,940	83,755
Cash and cash equivalents	38,029	40,891	1,215	2,655
	<b>101,565</b>	<b>109,508</b>	<b>79,155</b>	<b>86,410</b>
<b>Financial liabilities at amortised cost</b>				
Other payables	4,756	8,377	1,144	1,929
Lease liabilities	-	33	-	33
	<b>4,756</b>	<b>8,410</b>	<b>1,144</b>	<b>1,962</b>

<sup>(1)</sup> Excludes prepayment



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### 6 Loss after tax

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

	Group		Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Foreign exchange loss	(2,046)	(1,387)	(3,709)	(2,434)
Interest expense on lease liabilities	-	(2)	-	(6)
Interest income from fixed deposit	13	-	167	-
Other income	85	82	235	253
Reversal of over provision of impairment	-	4,192	-	4,192
Gain on settlement of loans	-	220	-	220
Depreciation of plant and equipment	(1)	(1)	(5)	(7)
Depreciation of right-of-use assets	-	(19)	(33)	(56)

### 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:

	Group		Group	
	Third quarter ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current income tax expense</b>				
Current year	102	116	343	373
Under / (over) provision in respect of prior year	(168)	(137)	(168)	(137)
	<b>(66)</b>	<b>(21)</b>	<b>175</b>	<b>236</b>

### 8 Net asset value

	Group		The Company	
	As at 30/09/22	As at 31/12/21	As at 30/09/22	As at 31/12/21
	Net asset value per ordinary share (Hong Kong cents)	18.37	19.30	15.07

Net asset value per ordinary share was computed based on the number of ordinary shares outstanding of 525,630,328 shares as at 30 September 2022 (31 December 2021: 525,630,328).

### 9 Plant and equipment

There were no acquisitions during the three months ended 30 September 2022. During the corresponding period ended 30 September 2021, the Group acquired assets amounting to HK\$17,000. There were no disposal of assets during the three months period ended 30 September 2022 and 30 September 2021.

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### 10 Other receivables

	The Group		The Company	
	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000
Interest receivable	1,712	96	-	-
Dividend receivable	680	880	-	-
	2,392	976	-	-
Expected credit losses:				
At beginning	-	(24,858)	-	-
Write-off	-	23,737	-	-
Foreign exchange difference	-	1,121	-	-
At end	-	-	-	-
Net interest and dividend receivables	2,392	976	-	-
Deposits	15	23	15	15
Income tax recoverable	-	36	-	36
Other receivables (a)	33,529	40,072	16	12
Amounts due from subsidiaries (non-trade) (b)	-	-	131,964	134,013
	35,936	41,107	131,995	134,076
Expected credit losses:				
At beginning	-	-	(50,321)	(51,337)
Allowance for expected credit loss	-	-	(3,734)	1,016
At end	-	-	(54,055)	(50,321)
Net other receivables	35,936	41,107	77,940	83,755
Prepayments	100	40	100	40
<b>Total other receivables</b>	<b>36,036</b>	<b>41,147</b>	<b>78,040</b>	<b>83,795</b>

Note (a) - Other receivables comprise mainly:

- HK\$28,622,339 (31 December 2021 - HK\$34,839,000) due from Intermediary. Included in this balance is mainly receivable arising from the settlement of the loans to Ultimate 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 Ultimate 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 Ultimate 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 Ultimate 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.

(ii) On 6 August 2021, the Intermediary entered into a similar Deed of Settlement and Release with three remaining Ultimate 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 Ultimate 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 Ultimate 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\$4,367,000 (31 December 2021 - HK\$5,067,000) 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 FY2020. During the financial year ended 31 December 2020, with the concurrence of the Company, the external buyer has requested to revise the payment schedule until 31 December 2022.

Note (b)

The amounts due from subsidiaries are non-trade in nature, unsecured, bear interest at rate of 0.11% (2021 - 0.11%) 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 made provision for expected credit loss of HK\$3,734,000 (2021 - reversal of expected credit loss of HK\$1,016,000) on the non-trade amounts due from a subsidiary.

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### 11 Loans and advances

	The Group	
	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000
Loans and advances repayable within one year	27,600	27,600
Expected credit losses:		
At beginning	-	(18,235)
Reversal of over provision of allowance for expected credit losses	-	4,165
Allowance utilised upon settlement of loans	-	13,247
Foreign exchange difference	-	823
At end	-	-
<b>Net loans and advances</b>	<b>27,600</b>	<b>27,600</b>

Please also refer to Note 6 and 10 on update on the settlement with the Australian borrowers in 2019 and 2021.

### 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 2021.

There were no outstanding convertibles as at 30 September 2022 and 31 December 2021.

The Company did not hold any treasury shares as at 30 September 2022 and 31 December 2021. There were no sales, transfers, disposals, cancellations and/or use of treasury shares during the nine months ended 30 September 2022.

There were no subsidiary holdings as at 30 September 2022, 31 December 2021 and 30 September 2021. There were no sales, transfers, cancellation and/or use of subsidiary holdings during the nine months ended 30 September 2022.

### 13 Other payables

	The Group		The Company	
	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000	As at 30/09/22 HK\$'000	As at 31/12/21 HK\$'000
Accrued operating expenses	4,756	8,377	1,144	1,929

### 14 Borrowings

The Group has no outstanding borrowings and debt securities as at 30 September 2022 and 31 December 2021.

### 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 September 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 nine-month period then ended and certain 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 basis for the qualified opinion in the annual report for the financial year ended 31 December 2021 was as follows. For details, please refer to Independent Auditors Report for the year ended 31 December 2021 (announced on 11 April 2022).

##### (1) Accuracy and recoverability of the principal of the loans

Deed of settlement and release has been entered on 6 August 2021 with the aim of achieving settlement. Please refer to Note 6 and Note 10 for more details.

##### (2) Recoverability of amounts due from a subsidiary - Company level

The Company has recomputed the recoverable amount and noted the impairment has no impact on the Group's results for the nine months period ended 30 September 2022.

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

#### 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\$2.5 million in the nine months ended ended 30 September 2022 ("Q3/2022"), which was comparable to that in the nine months ended ended 30 September 2021 ("Q3/2021") as the Group's loan portfolio has remained the

Other income in Q3/2021 was higher at HK\$4.7 million as it included the reversal of over provision of impairment of HK\$4.2 million arising from the Settlement in 2021 as explained under Note 6. Similarly, other Income for the nine months ended 30 September 2022 was lower at HK\$0.4 million as compared to corresponding period in 2021 due to the absence of the reversal of over provision of

Total operating expenses of the Group was lower at HK\$3.5 million in Q3/2022 mainly due to higher professional fees incurred in Q3/2021 as the Group had been seeking advice from the legal advisors and consultants on ways to settle the loans from Australian

Other expenses which relate mainly to the foreign exchange loss arising from the revaluation of the Group's receivables denominated in Australian Dollars ("AUD") were higher in Q3/2022 as AUD depreciated further against HK\$ in Q3/2022.

Other expenses in the nine months period ended 30 September 2022 was higher at HK\$3.7 million as compared to HK\$2.4 million in last corresponding period ended 30 September 2021 mainly due to the foreign exchange loss arising from the revaluation of the Group's receivables denominated in AUD as AUD depreciated further against HK\$ in 2022.

As a result of the foregoing, the Group reported a loss of HK\$4.5 million in Q3/2022 as compared to a net profit of HK\$0.5 million in Q3/2021.

##### Consolidated statements of financial position

The Group's loan portfolio at HK\$27.6 million as at 30 September 2022, all of which are current, are the same as that as at 31 December 2021.

The Group's other receivables, all current as at 30 September 2022, were lower as at 30 September 2022 mainly due to payments from an external buyer on the disposal of financial assets at fair value through profit or loss as disclosed under Note 10 above, settlement of professional fees and expenses via the amount receivable from the Intermediary. In addition, depreciation of AUD against HK\$ in Q3/2022 also resulted in lower amount receivable from the Intermediary which is denominated in AUD.

Other payables and accrued liabilities of the Group were lower as at 30 September 2022 mainly due to payment of expenses related to the settlement with Australian borrowers.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED

## AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

### Consolidated statements of cash flow

The Group's cash and cash equivalents stood at HK\$38.0 million as at 30 September 2022.

Net cash used in operating activities was HK\$2.8 million in Q3/2022 mainly due to the Group's operating loss before working capital in Q3/2022.

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\$38.0 million and no outstanding borrowings as at 30 September 2022.

**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 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**

The economic uncertainty brought about by the COVID-19 pandemic despite the fact that many countries have adopted the "live with Covid-19" approach, may affect the level of profitability and liquidity of potential and existing customers. The Company will continue to monitor closely the development. There have been no exceptional issues noted at the moment.

As the world continues its fight against the COVID-19 outbreak and waves, the Directors are mindful of the challenging market sentiment and have been making effort to ensure that the Group's investment and credit risks are well managed. The Directors will continue to be prudent in deploying capital as well as executing stringent due diligence for new borrowers in the remaining months in 2022.

The Group will continue to monitor the current COVID-19 situation while ensuring adequate liquidity and financial strength to sustain its operations and business growth. 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 paid or declared during the financial period ended 30 September 2022 and during the corresponding period ended 30 September 2021 because the Group was not profitable in Q3/2022.

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

Not applicable. No dividend was declared or recommended for the previous corresponding period ended 30 September 2021.

**(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 30 September 2022.

# NET PACIFIC FINANCIAL HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200300326D)

**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 30 September 2022.

**BY ORDER OF THE BOARD**

Ong Chor Wei @ Alan Ong  
Chief Executive Officer  
11 November 2022

*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 hereby confirm 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 nine months ended 30 September 2022 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

11 November 2022