

# Net Pacific Financial Holdings Limited

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

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## MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 26 February 2024 in relation to its unaudited financial results for the financial year ended 31 December 2023.*

The Board of Directors (the "**Board**") of Net Pacific Financial Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement released by the Company on 26 February 2024 in relation to its unaudited financial results for the financial year ended 31 December 2023 ("**FY2023**") (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to the audited financial statements for FY2023 (the "**Audited Financial Statements**") following the finalisation of the audit by the Company's external auditor, Foo Kon Tan LLP.

The details of the material adjustments and differences are set out in Appendix A and reasons explained under the Notes in Appendix A below.

Shareholders are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that to the best of its knowledge, all material disclosures, facts and information have been provided and announced and is not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By Order of the Board

Mr Ong Chor Wei @ Alan Ong  
Executive Director and Chief Executive Officer  
4 May 2024

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*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.*

## Appendix A

### Consolidated Statement of Financial Position as at 31 December 2023

In HK\$'000	The Group			Note	The Company			Note
	Audited	Unaudited	Variance		Audited	Unaudited	Variance	
<b>ASSETS</b>								
<b>Non-Current Assets</b>								
Plant and equipment	608	608	-		3	3	-	
Right-of-use assets	2,028	2,028	-		-	-	-	
Other receivables	1,996	3,671	(1,675)	(1)	-	-	-	
Investment in subsidiaries	-	-	-		1,169	1,169	-	
	<b>4,632</b>	<b>6,307</b>	<b>(1,675)</b>		<b>1,172</b>	<b>1,172</b>	<b>-</b>	
<b>Current Assets</b>								
Loans and advances	27,600	27,600	-		-	-	-	
Other receivables	21,955	22,244	(289)	(1)	73,074	75,038	(1,964)	
Cash and cash equivalents	47,246	47,246	-		1,108	1,108	-	
	<b>96,801</b>	<b>97,090</b>	<b>-</b>		<b>74,182</b>	<b>76,146</b>	<b>(1,964)</b>	
<b>Total assets</b>	<b>101,433</b>	<b>103,397</b>	<b>(1,964)</b>		<b>75,354</b>	<b>77,318</b>	<b>(1,964)</b>	
<b>EQUITY AND LIABILITIES</b>								
<b>Capital and Reserves</b>								
Share capital	145,105	145,105	-		145,105	145,105	-	
Accumulated losses	(53,028)	(51,064)	1,964	(1)	(71,873)	(69,909)	1,964	(2)
<b>Total equity</b>	<b>92,077</b>	<b>94,041</b>	<b>(1,964)</b>		<b>73,232</b>	<b>75,196</b>	<b>(1,964)</b>	
<b>Non-Current Liabilities</b>								
Lease liabilities	1,499	1,499	-		-	-	-	
<b>Current Liabilities</b>								
Other payables	7,222	7,222	-		2,122	2,122	-	
Lease liabilities	536	536	-		-	-	-	
Current tax payable	99	99	-		-	-	-	
	<b>7,857</b>	<b>7,857</b>	<b>-</b>		<b>2,122</b>	<b>2,122</b>	<b>-</b>	
<b>Total liabilities</b>	<b>9,356</b>	<b>9,356</b>	<b>-</b>		<b>2,122</b>	<b>2,122</b>	<b>-</b>	
<b>Total equity and liabilities</b>	<b>101,433</b>	<b>103,397</b>	<b>(1,964)</b>		<b>75,354</b>	<b>77,318</b>	<b>(1,964)</b>	

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the financial year ended 31 December 2023

In HK\$'000	<b>Audited</b>	Unaudited	<i>Variance</i>	<b>Note</b>
Income	<b>3,327</b>	3,327	-	
Other income	<b>657</b>	657	-	
Administrative expenses	<b>(7,428)</b>	(7,428)	-	
Other expenses	<b>(23)</b>	(33)	10	(3a)
Impairment loss on other receivables	<b>(1,964)</b>	-	(1,964)	(1)
Loss from operations	<b>(5,431)</b>	(3,477)	(1,954)	
Finance cost	<b>(10)</b>	-	(10)	(3a)
Loss before taxation	<b>(5,441)</b>	(3,477)	(1,964)	
Income tax expense	<b>(76)</b>	(76)	-	
<b>Loss for the year</b>	<b>(5,517)</b>	(3,553)	(1,964)	
Other comprehensive income, net of nil tax	-	-	-	
<b>Total comprehensive loss for the year</b>	<b>(5,517)</b>	(3,553)	(1,964)	

Loss per share attributable to equity holders  
of the Company (Hong Kong cents):

- Basic	<b>(1.05)</b>	(0.68)
- Diluted	<b>(1.05)</b>	(0.68)

Consolidated statement of cash flows  
for the financial year ended 31 December 2023

In HK\$'000	Audited	Unaudited	Variance	Note
<b>Cash Flows from Operating Activities</b>				
Loss before taxation	(5,441)	(3,477)	(1,964)	(1)
Adjustments for:				
Depreciation of plant and equipment	17	17	-	
Depreciation of right-of-use assets	49	49	-	
Interest income	(3,312)	(3,312)	-	
Interest expense on lease liabilities	10	10	-	
Impairment loss on other receivables	1,964	-	1,964	(1)
Unrealised exchange differences	(289)	(289)	-	
Operating loss before working capital changes	(7,002)	(7,002)	-	
Changes in other receivables	10,647	10,647	-	
Changes in other payables	1,230	1,846	(616)	(4)
Cash generated / (used in) operations	4,875	5,491	(616)	
Dividend received	160	160	-	
Interest received	3,312	3,312	-	
Income tax paid	(165)	(165)	-	
<b>Net cash generated from / (used in) operating activities</b>	<b>8,182</b>	<b>8,798</b>	<b>(616)</b>	
<b>Cash Flows from Investing Activity</b>				
Acquisition of plant and equipment	-	(616)	616	(4)
<b>Net cash used in investing activity</b>	<b>(616)</b>	<b>(616)</b>	<b>616</b>	
<b>Cash Flows from Financing Activities</b>				
Payment of principal portion of lease liabilities	(42)	(52)	10	(3b)
Payment of interest of lease liabilities	(10)	-	(10)	(3b)
<b>Net cash used in financing activities</b>	<b>(52)</b>	<b>(52)</b>	<b>-</b>	
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,130</b>	<b>8,130</b>	<b>-</b>	
Cash and cash equivalents at beginning of year	38,827	38,827	-	
Effect of exchange rate fluctuations on cash held	289	289	-	
<b>Cash and cash equivalents at end of the year</b>	<b>47,246</b>	<b>47,246</b>	<b>-</b>	

Note:

- (1) As disclosed under Note 10 of the Unaudited Financial Statements, included in Other Receivables is an amount of HK\$4,147,000 (2022 - HK\$4,307,000) due from a third party external buyer on the disposal of financial asset at fair value through profit or loss in prior periods. During the current financial year, the third-party external buyer has requested with the concurrence of the Company, to revise the payment schedule over another 24 instalments from January 2024 to December 2025.

The Group evaluated the third-party external buyer's financial performance to meet the contractual cash flow obligations and had provided an expected credit loss of HK\$1,964,000 (2022 – HK\$Nil) on the non-trade amounts due from the third party external buyer.

As a result, the Group reported a higher net loss of HK\$5.5 million in FY2023, as compared to the net loss of HK\$3.6 million reported in Unaudited Financial Statements.

- (2) As disclosed under Note 10 of the Unaudited Financial Statements, the Company evaluated its subsidiaries' financial performance to meet the contractual cash flow obligations and had provided an expected credit loss of HK\$5,034,000 (2022 – HK\$4,179,000) on the non-trade amounts due from a subsidiary.

Due to the impairment loss made by a subsidiary as explained under Note (1) above, additional expected credit loss of HK\$1,964,000 was made to the amount due from the same subsidiary.

This resulted in an increase of the Company's accumulated losses. This adjustment did not have any impact on the Group's results as the amount due from subsidiary will be eliminated at group consolidation.

(3) Reclassification

- (a) The HK\$10,000 reduction in Other Expenses was attributable to a reclassification of interest of lease liabilities to Finance Cost.
- (b) The HK\$10,000 reduction in Payment of the principal portion of lease liabilities was attributable to a reclassification to Payment of interest of lease liabilities.

(4) Reclassification

During FY2023, the Group acquired plant and equipment of HK\$616,000 under acquisition of subsidiary where the related liability has not been settled at the time of releasing the Unaudited Financial Statements.