

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**APPENDIX 4E – PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

<b>Results for announcement to market</b>	<b>Up/Down</b>	<b>% Change</b>	<b>31 December 2022</b>
			\$
Revenue from ordinary activities	Up	3	2,641,309
Loss after tax from ordinary activities attributable to members	Down	58	(532,787)
Loss attributable to members	Down	58	(532,787)

<b>Dividend Information</b>	<b>Amount per share</b>	<b>Franked Amount per share</b>
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

<b>Net Tangible Asset Backing per Ordinary Share</b>	<b>cents</b>
Net tangible asset backing per ordinary share – current reporting period	8.71
Net tangible asset backing per ordinary share – previous reporting period	8.94

**Commentary on the Results for the Period**

The loss after tax for the year ended 31 December 2022 was incurred in the ordinary course of business.

The decrease in loss after tax compared to the prior year is mainly attributable to the increase the revenue, decrease in director fee and salary, expected credit loss and share of losses of a joint venture and an associate. Refer to further analysis in the review of operations and changes in state of affairs in the following page.

**Audit**

This Preliminary Final Report is based on the Consolidated Annual Financial Report which is in the process of being audited.



**Michael Siu**  
**Director**

Dated at Hong Kong this 28 day of February 2023.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**REVIEW OF OPERATIONS AND CHANGES IN STATE OF AFFAIRS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**Review of Operations and Changes in State of Affairs**

***Operations***

During the year ended 31 December 2022, revenues earned from the Company's leasing business (net of business tax) amounted to \$2,653,223 (2021: \$2,580,988). In addition to this, revenues earned (before business tax) from the Company's jewellery business amounted to \$12,669 (2021: Nil). The Group expects the occupancy rate to maintain an upward trend in year 2023.

The opening of the Exhibition Centre was deferred as a result of COVID lockdowns. The Hainan local government recently terminated the lock down and allowed the decoration works of shops to be continued. It was expected the first and second floors will be opened shortly after the Chinese New Year 2023. The decoration works of Factory A has been completed and installation and testing works of machineries is in progress. It is expected the operation will be started in March 2023. The leasing receipts of Factory A will accrue from February 2023 according to the tenancy agreement. To date we have not received any request of deferral of the payment caused by the COVID lock down.

---

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<i>Note</i>	<b>Consolidated Year ended 31 December 2022 \$</b>	<b>Consolidated Year ended 31 December 2021 \$</b>
Rental income		2,653,223	2,580,988
Revenue from contracts with customers		12,669	–
<b>Revenue</b>		<b>2,641,309</b>	<b>2,580,988</b>
Other income		70,298	223,823
Purchase and changes in trading stock		(11,914)	–
Foreign currency loss		(12,684)	(3,648)
Legal expenses		(142,250)	(69,652)
Accounting, auditing fees and consultancy expenses		(381,288)	(239,554)
Directors fees and salary		(1,303,604)	(1,488,385)
Insurance expenses		(98,532)	(54,189)
Occupancy costs		(49,732)	(44,955)
Travel costs		(408,887)	(430,639)
Finance costs		(87,063)	(3,749)
Administration expenses		(483,887)	(353,759)
Other expenses		(142,934)	(230,470)
Depreciation		(47,982)	(97,269)
Amortisation		(17,688)	(24,374)
Expected credit loss		–	(309,380)
Change in fair value of investment properties	2	271,113	638,444
Impairment of investment in joint venture		–	(4,115)
Disposal gain on interests of an associate	13	128,804	–
Share of losses of a joint venture	3	–	(433,523)
Share of losses of an associate	4	–	(380,734)
<b>Loss from continuing operations before Income Tax</b>		<b>(65,007)</b>	<b>(725,140)</b>
Income tax expense		(467,780)	(544,591)
<b>Loss after income tax for the year</b>		<b>(532,787)</b>	<b>(1,269,731)</b>

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<i>Note</i>	<b>Consolidated Year ended 31 December 2022 \$</b>	<b>Consolidated Year ended 31 December 2021 \$</b>
<b>Other comprehensive profit/(loss)</b>			
<i>Items that may be reclassified to the profit or loss</i>			
Exchange differences on translation of foreign operations		(1,121,636)	5,236,946
<b>Total comprehensive profit/(loss) for the year</b>		<b>(1,654,423)</b>	<b>3,967,215</b>
Loss is attributable to:			
Owners of CAQ Holdings Limited		(532,787)	(1,269,731)
Total comprehensive profit/(loss) for the year is attributable to:			
Owners of CAQ Holdings Limited		(1,654,423)	3,967,215
<b>Loss per share attributable to the members of CAQ Holdings Limited</b>			
Basic and diluted loss per share	7	<u>(0.07)</u>	<u>(0.18)</u>

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	<i>Notes</i>	<b>Consolidated 31 December 2022</b>	<b>Consolidated 31 December 2021</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		819,585	541,129
Trade and other receivables		339,841	209,366
Inventory		1,278,476	1,309,803
Other current assets		226,281	204,459
Investment held for sale	<i>13</i>	—	555,484
<b>TOTAL CURRENT ASSETS</b>		<b><u>2,664,183</u></b>	<b><u>2,820,241</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		103,094	121,077
Investment property	<i>2</i>	68,283,842	68,652,528
Intangibles		3,222	21,156
Other receivables		—	1,257,841
Investment in a joint venture	<i>3</i>	—	—
Investment in an associate	<i>4</i>	—	—
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>68,390,158</u></b>	<b><u>70,052,602</u></b>
<b>TOTAL ASSETS</b>		<b><u>71,054,341</u></b>	<b><u>72,872,843</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,206,026	1,107,800
Tax payable		70,088	91,080
Accruals		514,650	678,593
Borrowings	<i>12</i>	850,549	1,002,544
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>2,641,313</u></b>	<b><u>2,880,017</u></b>

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	<i>Notes</i>	<b>Consolidated 31 December 2022</b>	<b>Consolidated 31 December 2021</b>
		\$	\$
<b>NON-CURRENT LIABILITIES</b>			
Other payable		149,803	163,460
Borrowings	12	2,362,578	2,686,501
Deferred tax liabilities		3,346,633	2,934,428
		<u>5,859,014</u>	<u>5,784,389</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,859,014</b>	<b>5,784,389</b>
<b>TOTAL LIABILITIES</b>		<b>8,500,327</b>	<b>8,664,406</b>
<b>NET ASSETS</b>		<b>62,554,014</b>	<b>64,208,437</b>
<b>EQUITY</b>			
Contributed equity	5	74,649,048	74,649,048
Accumulated losses		(16,709,106)	(16,176,319)
Reserves	6	4,614,072	5,735,708
		<u>62,554,014</u>	<u>64,208,437</u>
<b>TOTAL EQUITY</b>		<b>62,554,014</b>	<b>64,208,437</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Contributed equity \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Total \$
<b>Balance at 1.1.2022</b>	<b>74,649,048</b>	<b>(16,176,319)</b>	<b>5,735,708</b>	<b>64,208,437</b>
Loss for the year	–	(532,787)	–	(532,787)
Exchange differences on foreign currency translation	–	–	(1,121,636)	(1,121,636)
<b>Total comprehensive loss for the period</b>	<b>–</b>	<b>(532,787)</b>	<b>(1,121,636)</b>	<b>(1,654,423)</b>
<b>Balance at 31.12.2022 (Consolidated)</b>	<b><u>74,649,048</u></b>	<b><u>(16,709,106)</u></b>	<b><u>4,614,072</u></b>	<b><u>62,554,014</u></b>

	Contributed equity \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Total \$
<b>Balance at 1.1.2021</b>	<b>74,649,048</b>	<b>(14,906,588)</b>	<b>498,762</b>	<b>60,241,222</b>
Loss for the year	–	(1,269,731)	–	(1,269,731)
Exchange differences on foreign currency translation	–	–	5,236,946	5,236,946
<b>Total comprehensive loss for the period</b>	<b>–</b>	<b>(1,269,731)</b>	<b>5,236,946</b>	<b>3,967,215</b>
<b>Balance at 31.12.2021 (Consolidated)</b>	<b><u>74,649,048</u></b>	<b><u>(16,176,319)</u></b>	<b><u>5,735,708</u></b>	<b><u>64,208,437</u></b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Consolidated 31 December 2022</b>	<b>Consolidated 31 December 2021</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	3,956,628	2,731,114
Payments to suppliers and employees	(3,401,553)	(2,600,483)
Finance costs	(3,440)	(3,236)
Interest received	9,593	1,381
	<b>561,228</b>	<b>128,776</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of items of property, plant and equipment	(32,032)	(16,414)
Receipts from disposal of an associate	695,077	–
Payment for construction	(333,042)	(805,327)
	<b>330,003</b>	<b>(821,741)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from other loan	–	412,506
Repayment of other loan	(195,193)	(412,506)
Proceeds from a bank borrowing	–	663,310
Repayment of a bank borrowing	(399,404)	(36,507)
	<b>(594,597)</b>	<b>626,803</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>561,228</b>	<b>128,776</b>
<b>Net cash inflow/(outflow) from investing activities</b>	<b>330,003</b>	<b>(821,741)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(594,597)</b>	<b>626,803</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>296,634</b>	<b>(66,162)</b>
Cash and cash equivalents at the beginning of the financial year	541,129	567,233
Effects of exchange rate changes on cash and cash equivalents	(18,178)	40,058
<b>Cash and cash equivalents at end of year</b>	<b>819,585</b>	<b>541,129</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 1: Investments**

The consolidated financial statements include the financial statements of CAQ Holdings Limited and the following wholly owned subsidiaries:

Name	Country of Incorporation	% Equity Interest	
		31 December 2022	31 December 2021
CAQ Diamond Network Limited	BVI	100%	100%
CAQ Diamond Network (HK) Limited	Hong Kong	100%	100%
CAQ Finance Limited	BVI	100%	100%
CAQ Finance (HK) Limited	Hong Kong	100%	100%
Rayport Limited	BVI	100%	100%
Peace Base Holdings Limited	Hong Kong	100%	100%
Actual Winner Limited	Hong Kong	100%	100%
Express Linker Limited	Hong Kong	100%	100%
Haikou Peace Base Industry Development Co. Ltd.	China	100%	100%

CAQ Holdings Limited is the ultimate Australian parent entity and ultimate parent of the Group.

**Note 2: Investment Properties**

	Consolidated 2022	Consolidated 2021
	\$	\$
Balance as at 1 January	68,652,528	61,716,745
Addition for the year	586,092	805,327
Fair value adjustment	271,113	638,444
Foreign exchange adjustment	(1,225,891)	5,492,012
<b>Closing balance as at 31 December</b>	<b>68,283,842</b>	<b>68,652,528</b>

Note

31 December 2022 investment property valuation assumptions

Description	Valuation Approach	Unobservable Inputs	Range of inputs used at 31 December 2022
Investment property	Income approach based on estimated rental value of the property. Market rent (based on estimated market rent) and capitalisation rate are estimated by an external valuer or management based on comparable transactions and industry data.	Market rent	RMB0.81 per sqm per day
		Capitalisation rate	8%

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 3: Interest in a Joint Venture**

	2022	2021
	\$	\$
Investment in Hainan Kingmall International Trading Co., Ltd	—	—
<b>Total interest in a joint venture</b>	<b>—</b>	<b>—</b>
	2022	2021
	\$	\$
<b>Reconciliation of carrying value</b>		
Opening balance	—	459,095
Share of loss	—	(433,523)
Impairment of joint venture	—	(4,115)
Translation difference	—	(21,457)
Closing balance	—	—

Notes:

Particulars of the Group's sole joint venture are as follows:

Company name	Place of Registration And business	Registered capital	Ownership interest attributable to the Group	Percentage of Voting Power	Profit sharing	Principal activities
Hainan Kingmall International trading Co., Ltd.	PRC/Mainland China	\$2,073,509 (RMB10,000,000)	50	50	50	Wholesale and retail

**Interest in a joint venture**

The Group has a 50% interest in Hainan Kingmall International Trading Co., Ltd, a joint venture involved in the operate on a B2C model within the Haikou Integrated Free Trade Zone. The Group's interest in Hainan Kingmall International Trading Co., Ltd is accounted for using the equity method in the consolidated financial statements.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 4: Interest in an associate**

	<b>2022</b>	<b>2021</b>
	\$	\$
Investment in Hainan Provincial Diamond & Jewelry Co., Ltd	—	—
<b>Total interest in a joint venture</b>	<b>—</b>	<b>—</b>

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Reconciliation of carrying value</b>		
Opening balance	—	878,145
Share of loss	—	(380,734)
Translation difference	—	58,073
Reclassification to investment held for sale ( <i>note 13</i> )	—	(555,484)
Closing balance	—	—

Notes:

Particulars of the Group's sole associate are as follows:

Company name	Place of Registration And business	Registered capital	Ownership interest attributable to the Group	Percentage of Voting Power	Profit sharing	Principal activities
Hainan Provincial Diamond & Jewelry Co., Ltd.	PRC/Mainland China	\$6,497,085 (RMB30,000,000)*	45	45	45	Diamond and Jewelry retail

\* Total registered capital is \$6,497,085 (RMB30,000,000) and paid up capital injection is \$4,547,959 (RMB21,000,000).

**Interest in associate**

The Group has a 45% interest in Hainan Provincial Diamond & Jewelry Co., Ltd, an associate was established in August 2020 and involved in the operate on a diamond & jewelry retail activities. The Group's interest in Hainan Provincial Diamond & Jewelry Co., Ltd is accounted for using the equity method in the consolidated financial statements. On 31 October 2021, the Group decided to dispose of it entire in Hainan Provincial Diamond & Jewelry Co., Ltd. Accordingly, the interest in associate have been reclassified to asset held for sale during the financial year 2021 (See note 13).

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 5: Contributed equity**

	<b>Consolidated 31 December 2022</b>	<b>Consolidated 31 December 2021</b>
	\$	\$
(a) Ordinary shares	74,649,048	74,649,048
<b>Total contributed equity</b>	<b>74,649,048</b>	<b>74,649,048</b>

\* Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in ordinary share capital

	<i>No.</i>	<i>\$</i>
Balance as at 1 January 2021	717,786,281	74,649,048
Issue of shares (net of issue costs)	—	—
<b>Closing balance as at 31 December 2021</b>	<b>717,786,281</b>	<b>74,649,048</b>
Balance as at 1 January 2022	717,786,281	74,649,048
No movement	—	—
<b>Closing balance as at 31 December 2022</b>	<b>717,786,281</b>	<b>74,649,048</b>

(c) Share Options

There are no unissued ordinary shares of CAQ Holdings Limited under option as at 31 December 2022 (2021: Nil).

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 6: Reserves**

The foreign currency reserve is used to recognise exchange difference arising from translation of financial statements of foreign operations to Australian dollars.

**Note 7: Loss per share**

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic loss per share computations:

	<b>Consolidated 31 December 2022 \$</b>	<b>Consolidated 31 December 2021 \$</b>
Loss attributable to ordinary equity holders	<u>(532,787)</u>	<u>(1,269,731)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	<u>717,786,281</u>	<u>717,786,281</u>
	<b>Cents/share</b>	<b>Cents/share</b>
Basic and diluted loss per share	<u>(0.07)</u>	<u>(0.18)</u>

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

---

**Note 8: Operating Segment**

The Group has two segments being investment property and investment in trading entities (through its investment in joint venture/associate). The Group's jewellery trading business is not significant and thus not considered a separate segment. The results of the Group's jewellery trading business are included in the investment property segment.

Other than the share of loss for the joint venture and associate separately disclosed in the statement of profit or loss, the balance of the results relate to the Group's investment property segment.

Other than the carrying value of the Group's investment in joint venture and associate separately disclosed in the statement of financial position, the balance of the net asset relate to the group's investment property segment.

**Note 9: Basis of Preparation**

The accounting policies adopted in the preparation of this Appendix 4E are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

These amendments had no impact on the consolidated financial statements of the Group.

***Going concern***

The Group incurred a net loss after tax for the year ended 31 December 2022 of \$532,787 and experienced net cash inflows from operating activities of \$561,228.

The ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity as and when the need arises to continue to fund its planned operational activities and fund working capital.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

---

The financial statements have been prepared on the basis that the entity is a going concern, the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has proven history of successfully raising capital via equity or debt;
- The Directors believe that with the current business and working capital management plan, there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities;
- The Directors believe that they will be able to lease out the vacant factory floors and the recently refurbished exhibition centre to generate cash inflows; and
- Cash spending can be reduced or slowed below its current rate if required.

If the Company is unable to obtain sufficient funding for ongoing operational requirements, there is material uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

**Note 10: Expected credit loss**

In 2021, the Group has advanced an amount of RMB1,500,000 to Hainan Kingmall International trading Co., Ltd. in which the Group has a 50% equity interest. The amount advanced is overdue and accordingly, an expected credit loss provision for the full amount has been provided for the year ended 31 December 2021.

**Note 11: Events occurring after the reporting date**

There have not been any events that have arisen in the interval between the end of the financial period and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.

**CAQ Holdings Limited and its Controlled Entities**  
**ABN 86 091 687 740**

**NOTES TO THE APPENDIX 4E**

**Note 12 : Borrowings**

	2022	2021
	\$	\$
Current borrowings		
Bank loan	276,199	136,266
Other loan	574,350	866,278
	850,549	1,002,544
Non-current borrowings		
Bank loan	2,362,578	2,686,501
Total borrowings	3,213,127	3,689,045

During the year 2020, HPB entered into a loan agreement with a third party for RMB4,000,000. Pursuant to the loan agreement, the loan is interest free for one year and incurs an interest rate of 10% per annum for subsequent extensions. The loan repayment term has been extended for one year with a carrying value of \$574,350 equivalent to approximately RMB2,700,000 (2021: \$866,278 equivalent to approximately RMB4,000,000). The facility is secured by the title over the fourth floor of the Warehouse B.

During the year 2020, HPB had been granted a banking facility of RMB20,000,000 by Bank of Hainan. The facility is secured by the title of the Administrative Building. As at 31 December 2022 HPB had drawn down RMB12,404,800 (equivalent to approximately \$2,638,777). According to the loan agreement, the bank loan interest rate is 6.5% per annum, the bank loan has instalment repayments in May and November each year and interest will be repaid each month. The portion of the bank loan to be repaid in the next 12 months has been classified as current with the remaining balance as non-current.

**Note 13 : Investment held for sale**

	2022	2021
	\$	\$
Investment in Hainan Provincial Diamond & Jewelry Co., Ltd held for sale ( <i>note 4</i> )	–	555,484

On 31 October 2021, the Group decided to dispose of its entire interest in Hainan Provincial Diamond & Jewelry Co., Ltd. Accordingly, the interest in associate have been reclassified to asset held for sale. The disposal has been completed on 20 June 2022 and the Group has recognized a disposal gain of \$128,804 during the financial year 2022.