



29 January 2021

Company Announcements Office  
ASX Limited  
Sydney, NSW  
Australia

## **CAQ Holdings Limited December 2020 Quarter Activities Report**

### **Operations Review**

The December Quarter has seen a further continuation in the development of CAQ Holdings Limited (CAQ) commercial retail operations with leasing activities remained steady.

As noted in the September quarter Activities Report while there was an initial impact on emerging retail operations during the March Quarter that impact appears to have been only limited and temporary with trading operations having now recovered.

Retail outlets were largely unaffected in the December Quarter with sales from the Kingmall Joint Venture continuing an upward trend. Sales have increased by 15.58% quarter on quarter. Inventory supply issues noted in the September Quarter have now been largely overcome.

The Kingmall Joint Venture opened three consignment outlets in the December Quarter together with an additional outlet store. A further consignment store was opened after the end of the quarter.

During the December Quarter, the total sales from the Kingmall operation reached RMB3.56 million, up from RMB3.08 million in the September Quarter, representing an increase of 15.58%.

The property leasing business has not shown any deterioration as a result of COVID19. Leasing income has increased slightly on the September Quarter while remains relatively constant. Leasing revenue totalled RMB2.9 million during the December Quarter up from being RMB 2.7m in the September Quarter.

While occupancy of the industrial property continues to lag below target in some areas refurbishing of the exhibition centre is expected to improve this position in the coming periods. Vacancy (including areas subject to negotiation) rate being:

Warehouse (41,750m <sup>2</sup> )	0.8%	(down from 12% in September)
Factories (17,784m <sup>2</sup> )	67%	(steady with 69% in September)
Exhibition Centre	100%	(offline for refurbishment)
Administrative Building	57%	Steady with 57% in September)

Work is continuing on securing new tenants for all areas with a number of contracts under negotiation. Existing factory tenants have reserved, but not yet confirmed, an interest in the lease of the remaining untenanted Factory space.

During the December quarter CAQ's operating revenue was \$646k which was slightly down on the September quarter (\$712k) but a reasonable performance when having regard to the impact of advanced payment of RMB500k (AUD101k) received in the September quarter.

**CAQ Holdings Limited (ACN 091 687 740)**

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*Hong Kong Office:* c/- Beijing Properties Holdings Ltd, 66 Floor Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

Redevelopment work is continuing on the Exhibition Centre with a line of credit of \$4.2m having been secured. The Exhibition Centre, after renovation, was scheduled to open in the mid-December and start generating income starting from the first quarter of 2021. The planned opening timeline has not been achieved with work now scheduled to be completed by the end of January 2021. The total leasable floor area of the Exhibition Centre is approximately 17,700 sqm. After the opening the Exhibition Centre, diamond and jewellery retailers will open outlets which is expected to lead to an increase in demand of office areas and warehouse space, thereby benefiting the Group's associated infrastructure assets.

An intention letter leasing the 4th and 5th floors of the Company's Exhibition Centre has been signed. The leased area covered by the letter of intent is 7,676.4 sqm with a deposit of RMB500,000 received in the September quarter.

**Financial**

At the end of the Quarter the Group had cash at bank of \$0.567m and a undrawn line of credit of \$2.1m. Included in the Appendix 4C section 6.1 are amounts paid to Directors of the Company during the September Quarter totalling \$10k comprising director fees.

**Ends**

This announcement has been authorised for release to ASX by Michael Siu, Director on behalf of the Board of Directors.

For further information contact:

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

CAQ Holdings Limited and its controlled entities

**ABN**

86 091 687 740

**Quarter ended ("current quarter")**

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	646	2,547
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	(5)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(231)	(1,321)
(f) administration and corporate costs	(130)	(1,029)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(358)	(316)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(72)</b>	<b>(119)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,652)	(2,576)
(d) investments	(945)	(945)
(e) intellectual property	-	-
(f) other non-current assets	-	(24)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (loan to a Joint Venture)	-	(327)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,597)</b>	<b>(3,872)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,098	2,098
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,098</b>	<b>2,098</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,164	2,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(72)	(119)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,597)	(3,872)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,098	2,098

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(26)	35
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>567</b>	<b>567</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	557	1,150
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (cash)	10	14
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>567</b>	<b>1,164</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	10
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<u>Amounts paid to related parties associated with the Directors in Item 6.1</u>		
Directors fees \$10,000		
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,198	2,098
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>4,198</b>	<b>2,098</b>

7.5 **Unused financing facilities available at quarter end** 2,100

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Lender : Bank of Hainan; Date : 60 months from date of drawing  
 Facilities : RMB20,000,000 (AUD4,198,000); Drawdown : RMB9,995,000 (AUD2,098,000)  
 Rate : 6.5% per annum; Secured : Commercial and administrative building

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(72)
8.2 Cash and cash equivalents at quarter end (item 4.6)	567
8.3 Unused finance facilities available at quarter end (item 7.5)	--
8.4 Total available funding (item 8.2 + item 8.3)	567
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>7.8</b>
<i>Note : if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note : where item 8.5 is less than 2 quarters. All of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .29 January 2021.

Authorised by: .....  
(By the board)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.