



29 October 2021

Company Announcements Office
ASX Limited
Sydney, NSW
Australia

CAQ Holdings Limited September 2021 Quarter Activities Report

Operations Review

The September 2021 Quarter leasing activities remained steady due to a delay in completion of Exhibition Centre renovations while there was a decrease in commercial retail operations revenue.

The property leasing business remained steady in September 2021 Quarter. Leasing revenue totalled RMB3.50 million during the September 2021 Quarter, slightly down from RMB3.68 in the June 2021 Quarter, representing a decrease of approximately 4.8%.

Refurbishment of the exhibition centre is expected to be completed in December, subject to the completion of the earthquake resistance works as requested by newly implemented regulations.

The existing vacancy (including areas subject to negotiation) rate being:

Warehouse (41,750m ²)	5%	(0% in June 2021)
Factories (17,784m ²)	70%	(51% in June 2021)
Exhibition Centre*	100%	(100% in June 2021)
Administrative Building	55%	(57% in June 2021)

(*) exhibition Centre under redevelopment

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.

There is no new tenancy agreements were agreed on the lease of the Exhibition Centre during the Quarter. The Exhibition Centre was not delivered for tenant's decoration during the quarter due to the refurbishment being incomplete.

During the September 2021 quarter CAQ's receipts from customers was \$698k (RMB3.42 million) which was slightly up on the June 2021 quarter \$563k (RMB2.80 million).

The Exhibition Centre, after renovation, is scheduled to open in the first quarter 2022. The planned June Quarter opening timeline was not achieved due to delays in construction materials and the new construction requirements imposed by the government. 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, benefiting the Group's associated infrastructure assets.

The total floor area of the Exhibition Centre is 22,441.96 sqm.

CAQ Holdings Limited (ACN 091 687 740)

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During the September 2021 Quarter, the total sales from the Kingmall operation reached RMB1.73 million, down from RMB2.51 million in the June 2021 Quarter, representing a decrease of 31%. The decrease was primarily due to: (i) the tightening of China's customs policy leading to longer inspections times and consequential delays before goods are cleared for sale; and (ii) working capital funds of Kingmall being applied to settling the decoration expenses of a new outlets opened in 2021 which affected the funds available for purchase of goods. The combined effect of which lead to goods available for sale being at lower levels in September 2021 Quarter leading to a decline in sales for the period.

Financial

At the end of the Quarter the Group had cash at bank of \$0.646m and an undrawn line of credit of \$1.5m.

Payments to director related parties and their associates during the quarter totalled \$0.

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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