



31 January 2022

Company Announcements Office  
ASX Limited  
Sydney, NSW  
Australia

## **CAQ Holdings Limited December 2021 Quarter Activities Report**

### **Operations Review**

The property leasing business remained steady in December 2021 Quarter. Leasing revenue totalled RMB3.52 million during the December 2021 Quarter, slightly up from RMB3.50 in the September 2021 Quarter, representing a increase of approximately 0.5%.

The overall refurbishment of the exhibition centre was completed in December 2021 with all approval certificates and licences obtained. The final contract sum was in negotiation with the main contractor and the surveyor approved by the Group. The difference in disputed amount to less than RMB500K and which is expected to be finalized in foreseeable future.

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

Warehouse (41,750m <sup>2</sup> )	11%	(5% in September 2021)
Factories (17,784m <sup>2</sup> )	58%	(70% in September 2021)
Exhibition Centre*	100%	(100% in September 2021)
Administrative Building	55%	(55% in September 2021)

(\*) exhibition Centre just completed 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.

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 in the Quarter.

During the December 2021 Quarter CAQ's receipts from customers was \$678k (RMB3.29 million) which was slightly down on the September 2021 quarter \$698k (RMB3.42 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.

During the December 2021 Quarter, the total sales from the Kingmall operation reached RMB1.42 million, down from RMB1.73 million in the September 2021 Quarter, representing a decrease of 18%. The decrease was primarily due to: (i) the continuous 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 continued to decrease in December 2021 Quarter and a decline in sales for the period.

**Financial**

At the end of the Quarter the Group had cash at bank of \$0.541m and an undrawn line of credit of \$1.5m.

Payments to director related parties and their associates during the quarter totalled AUD\$99k.

**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:

Mark Maine  
Company Secretary  
+61 416107244