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ASX Announcements Platform
ASX Limited
Sydney, NSW, Australia

Company Update -

Exhibition Centre Fitout Completed and Ten-Year Lease Agreement Executed



CAQ Holdings refurbished Exhibition Centre

CAQ Holdings Limited (“CAQ” or “the Company”) is pleased to advise the completion of a major refurbishment of the Company’s five level Exhibition Centre in Hainan Island.

The refurbishment, which has been undertaken over the past year, was completed in May with total refurbishment costs of approximately \$4.58m (RMB21.3m). Following completion of the works CAQ has successfully entered into a ten-year lease agreement for the whole of the 17,766sqm Exhibition Centre together with 1,000sqm of office accommodation within the CAQ precinct. The lease agreement, with Chgo (Hainan) Trading Co Ltd (“CHT”) is for a ten-year period.

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



The estimated monthly lease income on the Centre and Office space under the lease agreement is \$153,460 (RMB713,108).

The lease agreement provides a three-month rent free (incentive) period for the first three months of the agreement.

As a consequence of the rent-free period provided under the lease agreement, the Company's financial performance will not be majorly impacted until after the September Quarter 2022.

CAQ director Mr Michael Siu said *"The opening and leasing of the Centre and office areas is a major step forward for the Company and was achieved in an extremely challenging economic environment. The leasing agreement with CHT provides an earnings platform for the Company into the future. It validates the Company's decision to restructure the Exhibition Centre to better position the Company to take advantage of the economic opportunities available in the rapidly developing Hainan Island free economic zone."*

Total leasable area within the Haikou facility totals 83,370sq. m. Following the lease of the Exhibition/Retail centre the facility vacancy rate will fall to 14.9%. It is anticipated that this will fall further during the next 12 months as subletting agreements for the Exhibition/Retail Centre are progressively executed and tenants seek to secure administrative facilities.

This release has been authorised by the Board of CAQ.
For further information please contact the Company Secretary Mr Mark Maine at mark@symcap.com.au.

Michael Siu
Director

About CAQ Holdings Limited -

CAQ is based in Hong Kong with a core focus in Haikou, Hainan Island in China. The Company's properties comprise 79,200sq.m of lettable space in a combination complex which includes, Offices, Warehouses, Exhibition/Retail Centre and Factories. Construction of the Complex was completed in 2016. In addition to its core infrastructure operations the Company also has interests in retail operations.