



28 July 2022

Company Announcements Office
ASX Limited
Sydney, NSW
Australia

CAQ Holdings Limited June 2022 Quarter Activities Report

Operations Review

The property leasing business remained steady in June 2022 Quarter. Leasing revenue totalled RMB3.40 million during the June 2022 Quarter, slightly down from RMB3.60 in the March 2022 Quarter, representing a decrease of approximately 5%.

The refurbishment of the exhibition centre was completed in December 2021 with all approval certificates and licences obtained. All defects of refurbishment were nearly 100% ratified by the contractor. We have a sum of RMB277K under dispute with the contractor which was related to penalty on deferred completion and smaller contract items we considered unsatisfactory. The disputed amount has been submitted for arbitration. However, this will not affect the operation of the Exhibition Centre which was originally planned to start operation by the end of June but now rescheduled to early August due to the testing of systems not being completed.

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

Warehouse (41,750m ²)	18%	(12% in March 2022)
Factories (17,784m ²)	58%	(58% in March 2022)
Exhibition Centre*	2%	(100% in March 2022)
Administrative Building	47%	(55% in March 2022)

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 and the progress is satisfactory.

During the June 2022 Quarter CAQ's receipts from customers was \$631k (RMB2.98 million) which was slightly down on the March 2022 quarter \$696k (RMB3.20 million).

Due to keen competition, the operations of Kingmall were scaled down to a minimum level. The inventories are being sold online. The Sale and Purchase agreement for the disposal of the 45% interest in the associate company was completed on June 2022 and all consideration was received.

Financial

At the end of the Quarter the Group had cash at bank of \$1.723m.

Payments to director related parties and their associates during the quarter totalled \$48k.

Ends

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

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