CAQ Holdings Limited and its Controlled Entities
Consolidated interim financial report for the period ended 30 June 2025

RULE 4.2A

APPENDIX 4D

Consolidated interim financial report for the period ended 30 June 2025

1. Name of entity

CAQ Holdings Limited and its Controlled Entities

ABN	Reporting Period	Previous Corresponding Period
86 091 687 740	Half-year ended 30 June 2025	Half-year ended 30 June 2024

2. Results for Announcement to the Market

Financial Results				**30 June 2025**
Revenues from ordinary activities *(item 2.1)*	Down	29.6%	to	624,571
Loss from ordinary activities after tax attributable to members *(item 2.2)*	Up	43.9%	to	985,263
Net loss for the period attributable to members *(item 2.3)*	Up	43.9%	to	985,263

Final and interim dividends (item 2.4)	It is not proposed that either a final or interim dividend be paid.
Record date for determining entitlements to the dividend *(item 2.5)*	N/A
Brief explanation of any of the figures reported above *(item 2.6)*:	The loss for the half-year ended 30 June 2025 amounts to $985,263 (2024: $684,650). The increase in loss was mainly due to the drop of fair value of investment properties.

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share *(Item 3)*	8 cents	8 cents

4. Control gained over entities

Details of entities over which control has been gained or lost *(item 4)*	N/A.

5. Dividends paid and payable

Details of dividends or distribution payments *(item 5)*	No dividends or distributions are payable.

6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans *(item6)*	There is no dividend reinvestment program in operation for CAQ Holdings Limited

7. Details of associates

Details of joint venture entity *(item 7)*	– Hainan Kingmall International Trading Co., Ltd

8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report *(item 8)*	N/A

9. Review Opinion

Details of any audit dispute or qualification *(item 9)*
None noted.

CAQ Holdings Limited and its Controlled Entities

ABN 86 091 687 740

Consolidated Interim Financial Report
Half-Year Ended 30 June 2025

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CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

DIRECTORS' REPORT

The Directors of CAQ Holdings Limited (the "Company") submit herewith the interim financial report of the Company and its controlled entities (collectively the "Group") during the half-year ended 30 June 2025.

Directors
The following persons acted as directors of the Company during or since the end of the period unless otherwise stated:

Michael Siu, *Non-Executive Director*
Qian Xu, *Non-Executive Director*
Ching Chung, *Deputy Chairman and Executive Director* (resigned on 21 July 2025)
Po Chang Chen, *Non-Executive Director*
Xiao Huan Wei, *Non-Executive Director*
Colin Zhao, *Non-Executive Director & Non-Executive Chairman*
Soo Tuck Yoon, *Non-Executive Director* (appointed on 21 July 2025)
Hu Xin, *Non-Executive Director* (appointed on 10 September 2025)

Company Secretary
Mark Maine

Principal Activities
The Group's principal activity includes leasing of an investment property in the Haikou Free Trade Zone in Peoples Republic of China ("PRC").

Dividends Paid or Recommended
No dividends were paid and no recommendation is made as to dividends during the half-year (2024: Nil)

Operating and Financial Review
The net loss after tax for the half-year ended 30 June 2025 amounts to $985,263 (2024: net loss after tax of: $684,650). The decrease in loss was mainly due to the drop of fair value of investment properties.

Review of Operations and Changes in State of Affairs
During the half-year ended 30 June 2025, revenues earned from the Company's leasing business (net of business tax) amounted to $624,571 (2024: $887,698). In addition to this, revenues earned (before business tax) from the Company's jewellery business amounted to $Nil (2024: $9,720). The property leasing business decrease was due to the charge rate by a warehouse tenant upon the renewal of new lease in November 2024, the new lease was charged based on volume of goods stored in the warehouse instead of area occupied, and since April 2025 there was no new goods kept in the warehouse so nil lease income was received from the warehouse tenant. Total rental income generated from this tenant for the half-year ended 30 June 2025 amounted to $159,715 (2024: $382,335).

Events occurring after the reporting period
No matters or circumstances have arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's Independence Declaration
A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Board of Directors:

Michael Siu
Director

Signed in China this 19 day of September 2025

Ernst & Young
9 The Esplanade
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436
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Auditor's independence declaration to the directors of CAQ Holdings Limited

As lead auditor for the review of the half-year financial report of CAQ Holdings Limited for the half-year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of CAQ Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Timothy G Dachs
Partner
19 September 2025

Ernst & Young
9 The Esplanade
Perth WA 6000 Australia
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Independent auditor's review report to the members of CAQ Holdings Limited

Disclaimer of conclusion

We were engaged to review the half year financial report of CAQ Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying half year financial report of the Company. Because of the significance of the matter described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this half year financial report.

Basis for disclaimer of conclusion

As detailed in Note 2(c) to the half year financial report, the Group incurred a net loss after tax for the half-year ended 30 June 2025 of $985,263 and reported a net current liability position of $3,743,189 as at 30 June 2025. The Group's net current liability position reflects the maturity of $467,966 (RMB 2,206,000) and $1,082,727 (RMB 5,104,000) of its borrowing from its primary lender in November 2025 and December 2025 respectively and the deferred payment of trade and other creditors. The Group's cash and cash equivalents at 30 June 2025 of $54,689 is not sufficient to meet its debts as and when they fall due. At the time of authorising the half year financial report for issue, the Directors have relied on a commitment for the provision of a loan by a third party, which is yet to be finalised or drawn down and continued financial support of an existing shareholder in order to conclude that it is appropriate to prepare the half year financial report using the going concern basis of accounting. We were unable to obtain sufficient appropriate evidence to determine whether the funding being relied on by the directors will be available, in the amounts and at the required times, for the Group to pay its debts as and when they fall due. Consequently, we have been unable to conclude whether the going concern basis of accounting is appropriate as at 30 June 2025 and for the half-year then ended. The half year financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should Group not be able to continue as a going concern.

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to conduct a review of the half year financial report in accordance with ASRE 2410 and to issue an auditor's conclusion. However, because of the matter described in the *Basis for disclaimer of conclusion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a conclusion on the half year financial report.

Ernst & Young

Ernst & Young

Timothy G Dachs
Partner
Perth
19 September 2025

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Notes	**Half-year ended 30 June 2025** $	**Half-year ended 30 June 2024** $
Revenue from contracts with customers		–	9,720
Rental income		624,571	887,698
Revenue	*3*	**624,571**	**897,418**
Other income	*3*	289,814	43,760
Purchase and changes in trading stock		–	(18,062)
Foreign exchange gains		5,976	2,382
Legal expenses		(607)	(11,388)
Accounting, auditing fees and consultancy expenses		(124,643)	(84,059)
Salary expenses		(277,379)	(449,513)
Social security and other employee benefit expenses other than salaries		(67,695)	(78,392)
Insurance		(28,017)	(58,136)
Occupancy costs		(20,334)	(18,042)
Travel costs		(60,126)	(190,357)
Finance costs		(119,349)	(116,632)
Administration expenses		(118,520)	(215,004)
Repair and maintenance		(140,683)	(82,114)
Depreciation		(11,774)	(12,304)
Other expenses		(60,616)	(32,677)
Change in fair value of investment properties		(869,316)	(210,549)
Reversal of expected credit loss		–	112,860
Loss before income tax		**(978,698)**	**(520,809)**
Income tax expense		(6,565)	(163,841)
Loss after income tax		**(985,263)**	**(684,650)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2025 (CONTINUED)

	Half-year ended 30 June 2025 $	Half-year ended 30 June 2024 $
Other comprehensive loss		
Items that may be reclassified to the profit or loss		
Exchange differences on translation of foreign operations	(2,480,625)	(90,926)
Total comprehensive loss for the period	**(3,465,888)**	**(775,576)**
Loss is attributable to:		
Owners of CAQ Holdings Limited	(985,263)	(684,650)
	(985,263)	**(684,650)**
Total comprehensive loss for the period is attributable to:		
Owners of CAQ Holdings Limited	(3,465,888)	(775,576)
	(3,465,888)	**(775,576)**
Loss per share attributable to the members of CAQ Holdings Limited		
Basic and diluted loss per share (cents per share)	(0.14)	(0.10)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 *$*	31 December 2024 *$*
CURRENT ASSETS			
Cash and cash equivalents	*7*	54,689	88,027
Trade and other receivables		138,018	131,988
Inventory		85,141	90,205
Other current assets		506,008	692,413
TOTAL CURRENT ASSETS		**783,856**	**1,002,633**
NON-CURRENT ASSETS			
Plant and equipment		102,122	118,797
Investment properties	*4*	62,579,271	66,206,921
TOTAL NON-CURRENT ASSETS		**62,681,393**	**66,325,718**
TOTAL ASSETS		**63,465,249**	**67,328,351**
CURRENT LIABILITIES			
Trade and other payables		808,093	810,841
Other taxes payable		29,862	54,073
Director fee payable		330,000	330,000
Accruals		57,000	132,536
Borrowings	*5*	3,302,090	3,122,353
TOTAL CURRENT LIABILITIES		**4,527,045**	**4,449,803**
NON-CURRENT LIABILITIES			
Other payable		229,147	239,077
Borrowings		343,741	681,865
Deferred tax liabilities		3,037,534	3,163,936
TOTAL NON-CURRENT LIABILITIES		**3,610,422**	**4,084,878**
TOTAL LIABILITIES		**8,137,467**	**8,534,681**
NET ASSETS		**55,327,782**	**58,793,670**
EQUITY			
Contributed equity	*6*	74,649,048	74,649,048
Accumulated losses		(23,762,862)	(22,777,599)
Reserves		4,441,596	6,922,221
TOTAL EQUITY		**55,327,782**	**58,793,670**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Contributed equity	Accumulated losses	Foreign currency translation reserve	Total
	$	*$*	*$*	*$*
Balance at 1.1.2024	**74,649,048**	**(19,847,637)**	**2,934,439**	**57,735,850**
Loss for the period	–	(684,650)	–	(684,650)
Exchange differences on foreign currency translation	–	–	(90,926)	(90,926)
Total comprehensive loss for the period	–	**(684,650)**	**(90,926)**	**(775,576)**
Balance at 30.6.2024	**74,649,048**	**(20,532,287)**	**2,843,513**	**56,960,274**
Balance at 1.1.2025	**74,649,048**	**(22,777,599)**	**6,922,221**	**58,793,670**
Loss for the period	–	(985,263)	–	(985,263)
Exchange differences on foreign currency translation	–	–	(2,480,625)	(2,480,625)
Total comprehensive loss for the period	–	**(985,263)**	**(2,480,625)**	**(3,465,888)**
Balance at 30.6.2025	**74,649,048**	**(23,762,862)**	**4,441,596**	**55,327,782**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Half-year ended 30 June 2025 $	Half-year ended 30 June 2024 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	629,242	943,292
Expense refunded	71,635	–
Compensation for property insurance claims	117,588	–
Payments to suppliers and employees	(720,946)	(1,257,251)
Finance costs	(1,017)	(2,162)
Interest received	117	325
Value-added tax paid	(33,288)	–
Net cash flows generated from/(used in) operating activities	**63,331**	**(315,796)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	–	(131,173)
Receipts from disposal of equipments	200	3,316
Net cash flows generated from/(used in) investing activities	**200**	**(127,857)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from third party loans	325,122	526,374
Repayment of a bank borrowing	(319,691)	(191,811)
Interest payments on bank and other borrowing	(103,522)	(114,341)
Net cash flows (used in)/generated from financing activities	**(98,091)**	**220,222**
Net decrease in cash and cash equivalents	**(34,560)**	**(223,431)**
Cash and cash equivalents at the beginning of the period	88,027	676,788
Effects of exchange rate changes on cash and cash equivalents	1,222	(9,807)
Cash and cash equivalents at the end of the period	**54,689**	**443,550**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2025

1. Corporate Information

CAQ Holdings Limited (the "Company") is a public company listed on the Australian Securities Exchange (trading under the code: CAQ), incorporated in Australia and operating the business in China. The Company's registered office is Suite 91, 262 Lord Street, Perth Western Australia, 6000.

The Group's principal activities includes leasing of an investment property in the Haikou Free Trade Zone in the PRC and jewelry trading.

2. (a) Basis of Preparation of Half-Year Financial Statements

These consolidated interim financial statements for the half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The historical cost basis has been used, except for investment property, which have been measured at fair value.

These consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these consolidated interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2024 and any public announcements made by the Group during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(b) Adoption of new policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025, but do not have an impact on the interim consolidated financial statements of the Group.

(c) Going concern

The Group incurred a net loss after tax for the six month period ended 30 June 2025 of $985,263 (year ended 31 December 2024: net loss after tax of $2,929,962) and had net cash inflows from operating activities of $63,331 (year ended 31 December 2024: net cash outflows from operating activities of $479,978). The Group had net assets of $55,327,782 and was in a net current liability position of $3,743,189 as at 30 June 2025 (31 December 2024: net assets of $58,793,670 and net current liability of $3,447,170). The Group had cash and cash equivalents at 30 June 2025 of $54,689 (31 December 2024: $88,027) and under the current agreement with the primary lender the Group is required to repay RMB2,206,000 (equivalent to $467,966) in November 2025 and RMB5,104,000 (equivalent to $1,082,727) in December 2025. The Group does not currently have sufficient funds available to meet these obligations.

2. (c) Going concern (Continued)

The Group's cashflow forecasts for the period ending 30 September 2026 reflect the requirement to achieve a growth in rental income and that new debt facilities and an equity raising of at least $5,000,000 will be secured over the forecast period.

The Directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate based upon the following considerations:

- The Directors believe that under the current business model and working capital management plan, that the Group generate additional revenues over the forecast period by reducing the vacancy rate of the investment property;
- The Directors have received a letter of support from a shareholder to provide working capital funds of up to A$700,000 over the 12 month period starting from 1 July 2025, which is undrawn at the date of this report;
- The Directors expect to receive a commitment from a third party to provide a loan of HK$1,500,000 in the near future;
- The Group currently has a financing facility of RMB6,000,000 (equivalent to $1,300,000) in place from an independent third party of which RMB1,300,000 (equivalent to $280,000) has been drawn at the date of this report;
- The Directors have received written agreement for delayed settlement terms from certain creditors and non-bank lenders;
- The Directors are involved in ongoing negotiations for an equity raising of at least $5,000,000 from a potential investor to assist the Group with its debt repayments and working capital requirements over the forecast period; and
- The Group has a proven history of successfully raising capital via equity or debt and rearranging debt repayment schedules as and when required. The Directors believe the new debt facilities assumed within the cashflow forecast will be secured as and when required.

If the Group is unable to achieve the matters set out above, there is material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should Group not be able to continue as a going concern.

(d) Comparative information

The consolidated interim financial statements provide comparative information in respect of the previous period. Where required, a reclassification of items in the financial statements of the previous period has been made in accordance with the classification of items in the consolidated interim financial statements of the current period.

3. Segment Information

The Group has two lines of business being leasing of an investment property in the Haikou Free Trade Zone in the PRC and jewellery trading. However, due to the size of the Group's operations, the chief operating decision maker being the board of directors, reviews the operating results at the consolidated group level. Hence, the operations of the Group represent one operating segment.

Information about products and services

	30 June 2025 $	30 June 2024 $
Revenue from contracts with customers (Sale of diamonds and goods)	–	9,720
Rental income	624,571	887,698
Revenue	**624,571**	**897,418**
Interest received	117	325
Gain on disposal of motor vehicles	–	3,205
Other tax refund/subsidy	700	1,426
Interest from recovery of advance	–	38,737
Travel costs refund	71,634	–
Interest expense in prior year waived by lender	97,798	–
Compensation for property insurance claims from typhoon	119,531	–
Others	34	67
Total other income	**289,814**	**43,760**

4. Investment Property

Investment properties refer to an Industrial Complex located at No. 69 South First Ring Road, Chengmai County, Hainan Province, The People Republic of China which comprises a parcel of land on which an exhibition centre, a composite building, three workshops and four warehouses are erected.

	30 June 2025 $	31 December 2024 $
Balance as at beginning of period/year	66,206,921	64,096,903
Addition for the year	–	48,444
Fair value adjustment	(869,316)	(2,365,992)
Foreign exchange adjustment	(2,758,334)	4,427,566
Closing balance as at end of period/year	**62,579,271**	**66,206,921**

4. Investment Property (Continued)

Investment property valuation assumptions

Description	Valuation Approach	Unobservable Inputs	Inputs used at 30 June 2025	Inputs used at 31 December 2024
Investment property	Income approach based on estimated rental value of the property. Market rent (based on estimated market rent) and capitalisation rate are estimated by an external valuer or management based on comparable transactions and industry data.	Market rent	RMB23.8 sqm per month	RMB23.8 sqm per month
		Capitalisation rate	7.5%	7.5%

The administration block and fourth floor of Warehouse B has been provided as security for the Group's borrowing.

Investment Properties

	30 June 2025 $	31 December 2024 $
Rental income derived from investment properties (after deduction of business tax and surcharges)	624,571	1,729,887
Expected credit loss	–	–
Direct operating expenses generating rental income	(52,098)	(94,441)
Direct operating expenses that did not generate rental income	(63,822)	(109,204)
Profit arising from investment properties carried at fair value	508,651	1,526,242

Fair value measurements

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets, financial assets and financial liabilities into the three levels under the fair value hierarchy in accordance with AASB 13: *Fair Value Measurement*

4. Investment Property (Continued)

Fair value measurements (Continued)

(i) Fair value hierarchy (Continued)

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated based on unobservable market data.

The following table sets out the Group's assets that are measured and recognised at fair value in the financial statements.

30 June 2025

	Level 1	**Level 2**	**Level 3**	**Total**
	$	*$*	*$*	*$*
Non-financial assets				
Investment property	–	–	62,579,271	62,579,271
Total non-financial assets	–	–	62,579,271	62,579,271

31 December 2024

	Level 1	**Level 2**	**Level 3**	**Total**
	$	*$*	*$*	*$*
Non-financial assets				
Investment property	–	–	66,206,921	66,206,921
Total non-financial assets	–	–	66,206,921	66,206,921

4. Investment Property (Continued)

Fair value measurements (Continued)

(ii) Valuation techniques

At 31 December 2024, the Group obtained an independent valuation (from an independent professional qualified valuer who holds a recognised relevant professional qualification and has recent experience in the location and segment of the investment properties valued) for its leasehold land and buildings. At 30 June 2025, the directors updated their assessment of the fair value of the investment property, taking into account the most recent independent valuation. The directors determined the investment property fair value within a range of reasonable fair value estimates and concluded that there is decrease in fair value was required at 30 June 2025.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 3.

<u>Investment property valuation assumptions</u>

Due to the valuation uncertainty, the property values may change significantly and unexpectedly over a relatively short period of time. The property valuations have been prepared based on information that is available at 30 June 2025. The table below summarises some of the key inputs used in determining investment property valuations:

	Valuation approach	**Unobservable Inputs**	**Range of inputs**	**Relationship Between Unobservable Inputs and Fair Value**
Financial year/period ended 31 December 2024 and 30 June 2025	Depreciated replacement cost approach	Construction cost	RMB3,164 per sqm	The higher construction cost, the higher the fair value.
		Land value	RMB477 per sqm	The higher land value, the higher the fair value.
	Income approach	Market rent	RMB23.8 per sqm per month	The higher rental income, the higher the fair value.
		Capitalisation rate	7.5%	Refer below for sensitivity analysis

4. Investment Property (Continued)

Fair value measurements (Continued)

(ii) Valuation techniques (Continued)

Investment property valuation assumptions (Continued)

Changes to key inputs would result in changes to the fair value of investment properties. An increase in capitalisation rate would result in lower fair value, while a decrease in capitalisation rate will result in higher fair value (with all other factors held constant). An increase in market rent would result in higher fair value, while a decrease in market rent will result in lower fair value (with all other factors held constant). The capitalisation rate and market rent sensitivity analysis is detailed below.

Movement in capitalisation rate	**30 June 2025** *$*	**31 December 2024** *$*
–100bps	70,003,930	69,266,008
–50bps	66,185,534	65,337,488
+50bps	59,397,274	58,721,034
+100bps	56,427,410	55,826,335

Movement in Market Rent	**30 June 2025** *$*	**31 December 2024** *$*
–10%	56,639,543	56,033,099
–5%	59,609,407	58,927,798
5%	65,761,268	64,717,195
10%	68,731,131	67,818,658

4. Investment Property (Continued)

There are lease agreements in place for some of the premises with tenants under long-term operating leases with rental payable monthly. Minimum lease payments under the lease agreements not recognised in the financial statements, are as follows:

	30 June 2025	**31 December 2024**
	$	*$*
Within one year	889,761	1,765,469
Between 1 and 2 years	500,116	660,186
Between 2 and 3 years	326,563	435,813
Between 3 and 4 years	304,584	300,963
Between 4 and 5 years	–	138,490
More than 5 year	–	–
	2,021,024	**3,300,921**

The investment properties are leased to tenants under operating leases with rentals payable monthly.

Lease payments for some contracts include a fixed rate of increases over the lease periods. Where considered necessary to reduce credit risk, the group may obtain guarantees for the term of the lease or increase the amount of deposits.

Although the group is exposed to changes in the residual value at the end of the current leases, the group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

5. Borrowings

	30 June 2025	**31 December 2024**
	$	*$*
Current borrowings		
Bank loan	2,140,211	2,236,642
Other loan	1,161,879	885,711
	3,302,090	3,122,353
Non-current borrowings		
Bank loan	**343,741**	**681,865**
	3,645,831	**3,804,218**

5. Borrowings (Continued)

During the year 2020, Haikou Peace Base Industry Development Co Ltd ("HPB") entered into a loan agreement with a third party. Pursuant to the loan agreement, the loan is interest incurs an interest rate of 6% per annum. The loan repayment term has been extended for one year with a carrying value of $912,172 equivalent to approximately RMB4,300,000 (2024: $885,711 equivalent to approximately RMB4,000,000). The facility is secured by the title over the Factory C.

During the year 2020, HPB had been granted a banking facility of RMB20,000,000 by Bank of Hainan. The facility, which is only available for capital expenditure related to investment property, is secured by the title of the Administrative Building. As at 30 June 2025 HPB had drawn down RMB9,209,400 (equivalent to approximately $1,953,619). According to the loan agreement, the bank loan has a term of sixty months from withdrawal date and bears interest rate of 6.5% per annum and can only be used for construction works related the properties owned by HPB. The bank loan has instalment repayments in May and November each year and interest will be repaid each month. The portion of the bank loan to be repaid in the next 12 months has been classified as current with the remaining balance as non-current.

During the year 2023, HPB had been granted a banking facility of RMB4,000,000 by Bank of Hainan. The facility, which is only available for repairment expenditure related to investment property and working capital of daily business, is secured by the title of the Administrative Building. As at 30 June 2025 HPB had drawn down RMB2,500,000 (equivalent to approximately $530,333). According to the loan agreement, the bank loan has a term of thirty-six months from withdrawal date and bears interest rate of 5.3% per annum and can only be used for repairment expenditure related to investment property and working capital of daily business. The bank loan has instalment repayments in February and August each year and interest will be repaid each month. The portion of the bank loan to be repaid in the next 12 months has been classified as current with the remaining balance as non-current.

During the year 2025, Silex Private Equity Ltd provided the Company with a loan of $80,000 equivalent to HK$400,000 for general working capital with a term of six months, the loan is incurs an interest rate of 4.5% per annum and unsecured. (31 December 2024: $Nil). Po Chang Chen, a director of the Company, is also a director of Silex Private Equity Ltd.

During the year 2025, HPB entered into a loan agreement with a third party for RMB6,000,000. Pursuant to the loan agreement, the loan is interest incurs an interest rate of 6% per annum. As at 30 June 2025, HPB has drawn down RMB800,000 (equivalent to approximately $169,707). According to the loan agreement, the loan has a term of one year from withdrawal date without installment repayments. The facility is secured by the title over the Warehouse B.

6. Contributed Equity

		30 June 2025 $	31 December 2024 $
(a)	Ordinary shares	74,649,048	74,649,048
	Total contributed equity	**74,649,048**	**74,649,048**

(b) Movements in ordinary share capital

	Number of shares	$
Balance as at 1 January 2024	717,786,281	74,649,048
Closing balance as at 31 December 2024	717,786,281	74,649,048
Balance as at 1 January 2025	717,786,281	74,649,048
Closing balance as at 30 June 2025	717,786,281	74,649,048

(c) Share Options
There are no unissued ordinary shares of the Company under option as at 30 June 2025. (2024: Nil)

7. Cash and cash equivalents

	30 June 2025	31 December 2024
	$	*$*
Current Assets		
Cash at bank and on hand	54,689	88,027
Cash and cash equivalents	54,689	88,027

Cash at bank and on hand balances as at 30 June 2025 includes Chinese Renminbi ("RMB") denominated equivalent balance of $35,737 (31 December 2024; $40,646) which are held with reputable financial institutions in the People's Republic of China in current accounts.

The Chinese RMB is not freely convertible into foreign currencies. Under the People's Republic of China ("PRC") Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

The exchange rate or RMB is determined by the government of the PRC and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

8. Other transactions with key management personnel

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Company in the reporting period/year.

Cash Advance:

Ching Chung is the director of Jun Time Limited, Jun Time Limited provided the Company with an advance of HK$700,000 for general working capital, the advance is interest free and unsecured. The repayment term has been extended for one year until 25 November 2025 with a carrying value of $137,736 equivalent to HK$700,000 was payable to Jun Time Limited as at 30 June 2025 (31 December 2024: $37,736).

Interest Bearing loan:

Silex Private Equity Ltd, is one of the shareholders of the Company and Po Chang Chen is the director of Silex Private Equity Ltd. Silex Private Equity Ltd provided the Company with a loan of $80,000 equivalent to HK$400,000 for general working capital, the loan has an interest rate of 4.5% per annum and unsecured. (31 December 2024: $Nil).

8. Other transactions with key management personnel (Continued)

Expense paid on behalf:

Beijing Properties (Holdings) Limited is one of the shareholders of the Company and Michael Siu is the director of Beijing Properties (Holdings) Limited. During the period, Beijing Properties (Holdings) Limited has paid certain expenses on behalf of the Company for an amount $21,183 (2024: $96,294). As at 30 June 2025, $117,477 was payable to Beijing Properties (Holdings) Limited (31 December 2024: $96,294).

Michael Siu, a director of the Company, has paid certain expenses on behalf of the Company for an amount $10,345 (2024: Nil). As at 30 June 2025, $10,345 equivalent to HK$51,724 was payable to Michael Siu (31 December 2024: $Nil).

9. Contingent Liabilities

The Group is in the process of finalising the construction cost of the investment property with the Constructor. At the date of this report, an amount of $5.9 million (RMB27.8 million) in respect of variations to work undertaken during the construction of the investment property is under negotiation and the Group has made an advance of $3.44 million (RMB16.2 million) to the Constructor in lieu of the variations claimed. The balance of the claim of $2.46 million (RMB11.6 million) has not been accrued for in these interim financial statements as the Directors consider that payment for $2.46 million (RMB11.6 million) is not probable taking into consideration that work claimed to have been performed by the Constructor cannot be substantiated.

Other than the matters set out above, there are no other contingent liabilities that require disclosure in the financial statements.

10. Fair value of financial assets and liabilities

The fair value of financial assets and liabilities at 30 June 2025 approximated its carrying value.

11. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

CAQ Holdings Limited and its Controlled Entities
ABN 86 091 687 740

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 30 JUNE 2025

The Directors of the Group declare that:

1. The financial statements and notes set out on pages 6 to 22 are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the half-year ended on that date.

2. In the Director's opinion, subject to the matters set out in note 2(c), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Michael Siu
Director

Signed in China this 19 day of September 2025