



31 March 2020

Company Announcements Office
ASX Limited
Sydney, NSW
Australia

**LODGEMENT OF AUDIT REPORT AND STATUTORY FINANCIAL REPORT
RELIEF ORDER GRANTED BY ASIC – SUBSECTION 340(1)**

CAQ Holdings Limited (“CAQ” or “the Company”) advise that the Company has been granted relief by Australian Securities and Investments Commission (ASIC) from the lodgement of the audit report on the annual financial report for the year ended 31 December 2019 within the time required by subsection 319(3) of the Corporations Act 2001 (“the Act”), being 31 March 2020. ASIC has provided relief such that CAQ must lodge the auditor’s report on or before 30 April 2020.

Further the relief provides that the Company does not have to comply with any of the following obligations under Part 2M.3 of the Act:

- (a) Report to its members under section 314 within the time required by section 315;
- (b) Send reports to a member of the Company in accordance with a request under subsection 316(1) within the time required by subsection 316(2);

in relation to the financial year of the Company ended 31 December 2019. Relief provides the Company with an extension of one month to comply with the requirements.

The Company applied to ASIC for an extension of time to obtain and lodge its auditor’s report in relation to the Company’s financial report for the financial year ended 31 December 2019 and reporting obligations under Part 2M.3 of the Act due to delays in conducting audit work as a result of COVID19 and the specific circumstance of the Company.

ASIC granted the application on the basis that it was satisfied that the Company is unable to complete the audit of its 31 December 2019 financial report due to delays caused in whole or in part by the impacts of the COVID-19 pandemic on or before 31 March 2020, including shut-downs and travel restrictions in Australia and China.

Background

The Company’s principle operations are based in Hainan Island, the Peoples Republic of China (“PRC”). The recent and rapid development of the COVID19 outbreak and the travel restrictions and quarantine measures implemented by Australia, Hong Kong and PRC have affected our auditor, EY’s ability to complete certain required audit work. In addition, performance of the audit procedures in the midst of the COVID19 outbreak also represented a significant health risk to both the Company and EY personnel within PRC and Hong Kong which had to be appropriately managed to ensure that none of the Company and EY personnel were exposed to unacceptable risk associated with COVID19.

Consequently, having consulted with EY on the potential timing impacts on audit work, the Company applied to ASIC for, and has been granted, relief from compliance with the obligations to lodge audited financial statement with ASIC under subsection 319(1) within the time required by subsection 319(3).

The relief granted to the Company by ASIC does not relieve the Company’s obligation to lodge a Financial Report and Directors Report for the financial year ended 31 December 2019. The ASIC relief Order is provided subject to, amongst other matters, the Company adhering to general reporting obligations.

Conditions

Relief was granted on condition that the Company:

- (a) lodge its unaudited financial report and directors' report for the financial year that ended on 31 December 2019 with ASX Limited on or before 31 March 2020;
- (b) provide notification explaining the relief and reasons for the relief;
- (c) comply with any obligations within the Order by not later than the last day of the auditor's report extension period;
- (d) comply with obligations in respect of relief granted under Part 2M.3 of the Act;
- (e) provide adequate arrangement to answer within a reasonable period of time, without charge, any reasonable questions asked by a member of the Company about the relief granted during the auditor's report extension period and during the members extension period.

Current Status of Audit

EY has notified the Company on 27 March 2020, that while the audit is progressing, travel restrictions and quarantine measures enforced by Australian, Hong Kong and PRC are continuing to impact EY's ability to complete the outstanding audit procedures.

Key audit procedures that are yet to be completed include but not limited to obtaining sufficient appropriate audit evidence over certain transactions recorded in the books and records in PRC and the completion of the review by EY Australia of the work performed by the component audit team in Hong Kong for the outstanding audit procedures impacting on the group financial statements.

CAQ understand that EY is working toward completion of all audit requirements as soon as possible. The Company expects the majority of outstanding audit work to be finalised within the next two weeks, prior to the 30 April 2020 extension.

CAQ is not aware of any adverse impact to the business as a result of the delay in obtaining the auditors' report within the time normally required by statute.

Further Information

Should any shareholder have any question related to the relief granted by ASIC please direct your question to the Company Secretary, Mark Maine, by email to mark@symcap.com.au or on mobile +61416107244.

Ends

This announcement has been authorised for release to ASX by Mark Maine, Company Secretary.

For further information contact:

Mark Maine

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