



31 July 2023

Company Announcements Office
ASX Limited
Sydney, NSW
Australia

CAQ Holdings Limited June 2023 Quarter Activities Report

Operations Review

The property leasing business remained steady in June 2023 Quarter. Leasing revenue totalled RMB3.33 million during the June 2023 Quarter, slightly up from RMB3.05 in the March 2023 Quarter, representing an increase of approximately 9%.

The previous agreement signed with a tenant to underwrite the exhibition centre was terminated due to non-payment of that party. Instead, we are now cooperating with the management committee of the Haikou Integrated Free-Trade Zone to source tenants to the exhibition centre. Lease agreements of a total area of 1,500 sqm of the exhibition centre was signed, however, the grand opening of the shops were deferred due to the delayed completion of the system integration test between the shops and the custom. So far we do not receive any lease payment from the tenants and it is anticipated the tenancy status can only be improved after the completion of the system integration test.

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

Warehouse (41,750m ²)	24%	(24% in March 2023)
Factories (17,784m ²)	28%	(28% in March 2023)
Exhibition Centre*	100%	(0% in March 2023)
Administrative Building	46%	(46% in March 2023)

Work is continuing on securing new tenants for all areas with a number of contracts under negotiation.

During the June 2023 Quarter CAQ's receipts from customers was \$542k (RMB2.54 million) which was slightly down on the March 2023 quarter \$656k (RMB3.07 million).

The inventories of Kingmall continue to be sold online. Kingmall is searching new suppliers of goods and negotiation was in progress.

Financial

At the end of the Quarter the Group had cash at bank of \$0.391m. It is anticipated the inventories will be sold to a third party to improve the cash position of the company in the third quarter.

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

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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