

## **BUSINESS UPDATES ON THE GROUP**

- ENTRY INTO A SETTLEMENT AGREEMENT IN RESPECT OF CREDIT FACILITIES WITH BANK**
  - REVIEW OF THE GROUP'S OIL AND GAS PROPERTIES**
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### **1. INTRODUCTION**

The board of directors (the “**Board**”) of CapAllianz Holdings Limited (formerly known as CWX Global Limited) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update shareholders of the Company (“**Shareholders**”) on (i) Loyz Oil Pte Ltd (“**Loyz Oil**”) (a subsidiary of the Company) existing US\$32 million credit facility with Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) (the “**Term Loan**”); and (ii) the Group's oil and gas properties, which is in respect of the Group's key investment in a 20% stake in onshore oil concessions located at Phetchabun Basin in Thailand (“**Thailand Concessions**”). Please refer to the Company's annual report for the financial year ended 30 June 2020, Note 22 to the Financial Statements, for details on the Term Loan.

### **2. TERM LOAN**

The Board is pleased to announce that Loyz Oil has, on 16 August 2021, entered into a settlement agreement with OCBC Bank in relation to the Term Loan (“**Settlement Agreement**”). Under the terms of the Settlement Agreement, Loyz Oil will make a final repayment of S\$1.5 million to OCBC Bank by 30 September 2021 (“**Completion**”). This will extinguish all payables by Loyz Oil to OCBC Bank, including the Term Loan and all related servicing costs, amounting to approximately US\$18.6 million as at 30 June 2021. All collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary of the Group) will also be discharged by OCBC Bank on Completion.

The Completion is expected to provide the Group with a one-off gain of approximately US\$17.5 million which will significantly improve the consolidated net tangible assets per share and earnings per share of the Group for the financial year ending 30 June 2022 (“**FY2022**”). On Completion, the Group will be debt-free, turning around from its negative working capital position and strengthening its balance sheet.

### **3. THAILAND CONCESSIONS**

The Company wishes to announce that as part of the audit for the financial year ending 30 June 2021, it is conducting an impairment assessment exercise on the Thailand Concessions. This impairment assessment exercise is based on a discounted cash flow valuation with certain assumptions, including outlook for oil prices and the demand for oil in view of the uncertainties brought upon by the Coronavirus Disease 2019 (“**COVID-19**”) pandemic (the “**Impairment Review**”). The Company will give further updates on the Impairment Review in its announcement on the unaudited full year financial results to be released on SGXNET on or before 29 August 2021.

The Company also wishes to announce that, through various rounds of cost optimization efforts and improving oil price in 2021, the operations at the Thailand Concessions (“**Thailand Operations**”) are now able to generate positive operating cash flows despite the low oil production. The Thailand Operations have planned for a 5-well drilling campaign which is slated to commence in the last quarter of 2021. The drilling campaign aims to increase reserves as well as oil production.

#### 4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Pang Kee Chai, Jeffrey  
Executive Director and Chief Executive Officer  
17 August 2021

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*This announcement has been prepared by CapAllianz Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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