



HOLDINGS LIMITED | 共享资本

(Company Registration No. 199905693M)

**POWERING GROWTH
THROUGH INNOVATION**

通过创新推动成长

ANNUAL REPORT 2024

CONTENTS

- 01 Corporate Profile**
- 02 Vision, Mission and Core Values**
- 03 Letter to Shareholders**
- 06 Operations and Financial Review**
- 09 Business Operations**
- 12 Key Financial Highlights**
- 13 Board of Directors and Key Management**
- 16 Summary of Oil and Gas Reserves and Resources**
- 17 Financial Contents**

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

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

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

CORPORATE PROFILE

CapAllianz Holdings Limited 共享资本集团 (“**CapAllianz**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is an investment holding company that oversees and manages a portfolio of investments.

The Group’s goal is to harness the strengths of its experienced team to identify and invest in promising businesses, as well as improve the business operations of investee companies, in order to maximise investment returns on its investment portfolio.

The Group’s current investment portfolio comprises (i) a wholly-owned subsidiary that focusses on software and application development as well as information technology consulting with the goal of providing artificial intelligence technical services, and (ii) a 20% equity interest in onshore oil concessions located at Phetchabun Basin, Thailand. The onshore oil concessions have generated consistent income from existing oil-producing wells. With substantial proven reserves for production and significant potential exploration upside, this investment holds the promise of value enhancement and sustainable long-term growth as the joint operators of the concessions continue to work towards unlocking the untapped reserves.

The Group aims to achieve sustainable, long-term growth in the financial performance of its investee companies in the investment portfolio.

CapAllianz is listed on the Catalist board of the Singapore Exchange Securities Trading Limited under stock code 594.

VISION, MISSION AND CORE VALUES

VISION

The Group aspires to be an eminent investment group based on the collective strengths of our team and stakeholders.

MISSION

The Group seeks to invest responsibly with the goal of providing steady and long-term income and capital growth for our shareholders.

CORE VALUES

Good Corporate Governance

The Group is committed to upholding the best practices in corporate transparency and disclosures. The Board of Directors of the Company will continuously enhance the Group's corporate governance framework and processes through effective oversight, and observe high standards of transparency, accountability, and integrity in managing the Group's business to create value for stakeholders and safeguard the Group's assets.

Responsible Investing

The Group will carry out preliminary assessments on proposed investing opportunities based on proposed investment criteria, policies, and guidelines and will engage external independent professionals where necessary to carry out extensive due diligence on the identified proposed investing opportunities. The Group will also avoid investing in companies that are involved in known breaches of human rights, labour laws, environmental laws, or anti-corruption laws.

Prudent Risk Management

The Group takes great care in identifying and managing potential risks to ensure that all investment decisions made are in the best interests of the Company and its shareholders.

LETTER TO SHAREHOLDERS

The establishment of the technical services segment provides us greater oversight and control over the business, allowing us to balance our risk exposure in the oil and gas segment, which remains volatile. We believe this strategy will continue to propel the Group on the recovery path to profitability, building bridges to future possibilities.

DEAR FELLOW SHAREHOLDERS,

In the financial year ended 30 June 2024 (“FY2024”), we expanded our investment portfolio to include the technical services business segment after we identified the Group’s strategic growth direction. We have also brought on board professionals who have the expertise and experience in these specialised fields of digital development and information technology (“IT”) to expedite our foray into this new area of business.

We signed a technical service agreement with GPT Desk Pte. Ltd. (“GPT Desk”) in September 2023 to provide operational, technical, and maintenance services for the “GptDesk. AI” platform, an artificial intelligence (“AI”) large language processing model developed by GPT Desk. This collaboration marked the Group’s entry into this highly specialised field within the digital development and IT sectors, and it continues to create recurring service revenue for the Group.

Our pursuit of a new sustainable business to balance our risk exposure and expand our earnings base resulted in a maiden revenue contribution of US\$1.35 million from the technical services segment in FY2024.

The oil and gas segment, however, declined on the back of lower production volume, and our 20% stake in the Thailand onshore oil concessions saw a 16.2% year-on-year decrease from 39,293 barrels in FY2023 to 32,928 barrels in FY2024. This resulted in a decline in revenue by 17.4% year-on-year, from US\$3.32 million in FY2023 to US\$2.74 million in FY2024, despite a relatively stable average oil price of US\$85.63 per barrel.

For FY2024, the Group registered 25.4% year-on-year growth in revenue to US\$4.09 million, up from US\$3.32 million in FY2023, where contribution from the technical services segment consist of 33.0% of the overall revenue. Our conscientious cost management resulted in doubling our gross profit from US\$0.82 million in FY2023 to US\$1.58 million in FY2024, and correspondingly, our gross margin increased from 24.6% in FY2023 to 38.5% in FY2024.

As the Group refocused on cultivating sustainable businesses, we narrowed our loss after income tax from US\$1.65 million in FY2023 to US\$0.56 million in FY2024. The Group maintained a positive working capital position of US\$1.15 million as at 30 June 2024 and net asset value per share of 0.41 US cents (equivalent to approximately S\$0.0056) as at 30 June 2024, based on 8.55 billion ordinary shares in issue.

LETTER TO SHAREHOLDERS

POWERING GROWTH THROUGH INNOVATION

Our success with GPT Desk in the digital development and IT sectors has led us to establish a wholly-owned subsidiary, Future AI Pte. Ltd. (“**Future AI**”), in early May 2024, to pursue additional business opportunities in the specialised areas of AI software and application development and IT consulting. The Group’s initial discussions with Shenzhen Shoutou Industrial Co., Ltd. (“**SSI**”) for the provision of AI technical services resulted in a one-year technical service agreement for a fee of S\$1.00 million (inclusive of all taxes) to provide technical services to SSI’s downstream partners since 27 May 2024.

We believe that our entry into this business is timely and is well-positioned to benefit from the growing digital transformation trend as individuals and businesses adopt digitalisation and automation technologies at a faster rate.

According to research studies, the global digital transformation market size is estimated at US\$791.4 billion for 2024. Revenue from digital transformation technologies is expected to expand at a compound annual growth rate of 12.58% to reach US\$2,639.4 billion in 2034.⁽¹⁾

The establishment of the technical services segment provides us greater oversight and control over the business, allowing us to balance our risk exposure in the oil & gas segment, which remains volatile. We believe this strategy will continue to propel the Group on the recovery path to profitability, building bridges to future possibilities.

ACKNOWLEDGEMENTS AND APPRECIATION

We acknowledge and appreciate the invaluable guidance and contribution of our fellow directors in the past year.

On behalf of the Board, we would like to convey our appreciation to our management and staff for their commitment and efforts. We are also appreciative and thankful for the unwavering support of our business partners, shareholders, and bankers.

We aim to expand our newly established technical services business to capitalise on the worldwide digital transformation trend. We believe that our determination to overcome challenges and deliver stable and sustainable value for our stakeholders will motivate the Group forward.

MR. YU JINFENG (于金峰)

Chairman and Non-Executive Independent Director

MR. LIU QIANG (刘强)

Executive Director and Chief Executive Officer

(1) Digital Transformation Market Outlook (2024 to 2034) [https://www.factmr.com/report/digital-transformation-market#:~:text=Digital%20Transformation%20Market%20Outlook%20\(2024,US%24%202%2C639.4%20billion%20by%202034.](https://www.factmr.com/report/digital-transformation-market#:~:text=Digital%20Transformation%20Market%20Outlook%20(2024,US%24%202%2C639.4%20billion%20by%202034.)

Building Bridges to **FUTURE POSSIBILITIES** 为未来搭建桥梁

The establishment of the technical services segment provides us greater oversight and control over the business, allowing us to balance our risk exposure in the oil & gas segment. We believe this strategy will continue to propel the Group on the recovery path to profitability, building bridges to future possibilities.

技术服务分部的成立为集团提供了更大的业务监督和控制，使我们能够平衡石油和天然气分部的风险敞口。我们相信，这战略将继续推动集团走上盈利复苏之路，为未来的可能性架起桥梁。

OPERATIONS AND FINANCIAL REVIEW

Despite the challenging economic and business environment, the Group remained committed to strengthening its fundamentals and expanding its revenue base in the financial year ended 30 June 2024 (“FY2024”).

The Group’s pursuit of a new sustainable business in the digital development and information technology sector to enhance its investment portfolio resulted in a maiden revenue contribution of US\$1.35 million from the technical services segment in FY2024. This was mainly due to the technical service agreement entered with GPT Desk Pte. Ltd. (“GPT Desk”) in September 2023, under which the Group is required to provide operation and maintenance services of an artificial intelligence (“AI”) language processing platform developed by GPT Desk and receive a monthly service fee.

The global economic slowdown and geopolitical tensions, which led to a weaker demand for crude oil, continued to undermine the oil and gas segment. Consequently, the disequilibrium in demand and supply resulted in the oil price moving downwards despite the Petroleum Exporting Countries and leading oil-producing ally countries (collectively referred to as “OPEC+”) actively managing the oil production volume to stabilise the oil prices.

The Group registered 25.4% year-on-year growth in revenue from US\$3.32 million in FY2023 to US\$4.09 million in FY2024, where maiden revenue from the technical services segment bolstered the lower revenue of the oil and gas segment. Revenue generated from the oil and gas segment was mainly due to the sale of oil produced from its 20%-owned Thailand onshore oil concessions. The reduction in the production volume by 16.2% year-on-year, from 39,293 barrels in FY2023 to 32,928 barrels in FY2024, with a relatively consistent average oil price from US\$85.00 per barrel in FY2023 to US\$85.63 per barrel in FY2024, resulted in a decline in revenue by 17.4% year-on-year, from US\$3.32 million in FY2023 to US\$2.74 million in FY2024.

The cost of sales rose by 0.6% year-on-year, from US\$2.50 million in FY2023 to US\$2.51 million in FY2024. The rise was mostly due to manpower costs incurred in FY2024 for the technical services segment, which were largely offset by lower costs of sales for the oil and gas segment on the back of lower production volume and material costs, as well as non-cash depletion of the oil and gas properties.

Gross profit increased from US\$0.82 million in FY2023 to US\$1.58 million in FY2024. Correspondingly, gross margin increased from 24.6% in FY2023 to 38.5% in FY2024.

Other income increased by US\$8,000 year-on-year from US\$5,000 in FY2023 to US\$13,000 in FY2024. The increase was due to a reversal of over accrued expenses and government grants, of which the respective amounts were insignificant.

Administrative expenses increased by 5.32% year-on-year from US\$2.12 million in FY2023 to US\$2.24 million in FY2024. This was mainly due to depreciation of right-of-use assets for the new office and higher staff costs for the year under review.

Finance costs fell by 21.5% year-on-year, from US\$0.41 million in FY2023 to US\$0.32 million in FY2024. This was mainly due to a decrease in the unwinding of a discount on provisions for restoration costs related to the 20%-owned Thailand onshore oil concessions of US\$0.10 million, which was partially offset by an increase in interest expense on other payables of US\$0.01 million.

Other gains/(losses) of US\$0.05 million recorded in FY2024 was mainly due to a net foreign exchange loss because of the strengthening of the Singapore dollar against the US dollar during the financial year under review. This was a reversal from other gains of US\$0.02 million in FY2023, where there was a net foreign exchange gain of US\$0.03 million due to the weakening of the Singapore dollar against the US dollar in FY2023, as well as a gain on recovery of loans to then associated companies, which related to the reversal of overprovision of impairment loss on other receivables due from then associated companies, amounting to US\$171,000. The gain was partially offset by (i) loss on disposal of other property, plant and equipment; (ii) net fair value changes in investment securities carried at fair value through profit or loss; and (iii) provision of impairment on other receivables, totalling US\$0.01 million.

OPERATIONS AND FINANCIAL REVIEW

The income tax credit of US\$0.3 million recorded in FY2024 arose from the write-back of tax provision for the 20%-owned Thailand onshore oil concessions.

After taking into account the tax credit, the Group narrowed its net loss attributable to shareholders from US\$1.65 million in FY2023 to US\$0.56 million in FY2024.

FINANCIAL POSITION ANALYSIS

The Group maintained a positive working capital position of US\$1.15 million as at 30 June 2024, as compared to US\$1.34 million as at 30 June 2023. Net asset value per share maintained at 0.41 US cents (equivalent to approximately S\$0.0056) as at 30 June 2024 and 30 June 2023 respectively, based on 8.55 billion shares in issue.

Non-current assets decreased by US\$0.67 million from US\$71.51 million as at 30 June 2023 to US\$70.84 million as at 30 June 2024. The decrease was mainly attributable to the decrease in oil and gas properties of US\$1.49 million due to the reclassification of exploration, evaluation and development assets. The decrease was partially offset against the increase in (i) oil and gas properties of US\$0.62 million due to the reclassification of exploration, evaluation and development assets after the depletion of oil and gas properties; and (ii) the right-of-use assets of US\$0.20 million due to the renewal of lease for the Company's office.

Current assets increased by US\$0.37 million from US\$4.39 million as at 30 June 2023 to US\$4.76 million as at 30 June 2024. The increase was due to the increase in trade and other receivables of US\$0.43 million, which was partially offset by the decrease in cash and cash equivalents of US\$0.08 million.

Non-current liabilities decreased by US\$0.31 million from US\$37.43 million as at 30 June 2023 to US\$37.12 million as at 30 June 2024. This was mainly due to (i) the decrease in trade and other payables of US\$0.50 million due to the reclassification from non-current liabilities to current liabilities; and (ii) deferred tax liabilities of US\$0.42 million in relation to the 20%-owned Thailand onshore oil concessions. This decrease was partially offset against (i) the increase in provision for restoration costs related to the 20%-owned Thailand onshore oil concessions of US\$0.40 million; and (ii) lease liabilities of US\$0.21 million due to the renewal of lease for the Company's office.

Current liabilities increased by US\$0.56 million from US\$3.05 million as at 30 June 2023 to US\$3.61 million as at 30 June 2024. This was mainly due to the increase in trade and other payables, which was largely attributable to the increase in working capital loan, accruals, other payables and management fee payable to the main operator and the 60% interest holder of the Thailand onshore oil concessions.

CASH FLOW ANALYSIS

The Group's cash and cash equivalents decreased from US\$1.32 million as at 1 July 2023 to US\$1.25 million as at 30 June 2024.

Net cash used in the Group's operating activities was US\$0.92 million in FY2024, as compared to net cash generated from operating activities of US\$0.78 million in FY2023. The Group recorded operating cash inflows before working capital changes of US\$0.59 million. The movements of the cash in operating activities in FY2024 comprised (i) the increase in trade and other receivables of US\$1.29 million; and (ii) the increase in trade and other payables of US\$0.08 million. Income tax of US\$0.12 million was paid in FY2024.

Net cash generated from investing activities amounted to US\$0.48 million in FY2024. This was mainly due to the repayment of loan from disposal of the associate company, Preferred Mart Pte. Ltd. of US\$0.61 million, which was partially offset by (i) the additions to oil and gas properties of US\$0.12 million resulting from evaluation work performed related to the 20%-owned Thailand onshore oil concessions; and (ii) the additions to other property, plant and equipment of US\$0.02 million.

Net cash generated from financing activities amounting to US\$0.36 million in FY2024. This arose from the amount due to non-related parties of US\$0.63 million, which was partially offset by the repayment of lease liability of office rental of US\$0.16 million.

OPERATIONS AND FINANCIAL REVIEW

PLANS AHEAD

(I) Technical Services

The Group made its successful breakthrough into the digital development and information technology sectors to broaden its investment portfolio and earnings base through a technical service agreement in the first quarter of FY2024.

This technical service agreement signed with GPT Desk Pte. Ltd. (“**GPT Desk**”) on 7 September 2023 is to collaborate on technology development as well as operation and maintenance services of the “GptDesk.AI” platform, an artificial intelligence (“**AI**”) large language processing model developed by GPT Desk. It is still in effect and generates recurring revenue for the Group.

Building on this success, the Group went on to sign a non-binding memorandum of understanding with Shenzhen Shoutou Industrial Co., Ltd. (“**SSI**”) for the provision of AI technical services and established a wholly-owned subsidiary, Future AI Pte. Ltd. (“**Future AI**”) to focus on software and application development and information technology consulting in early May 2024. This subsequently resulted in a one-year technical service agreement with SSI for a fee of S\$1.00 million (inclusive of all taxes) to provide technical services to SSI’s downstream partners, starting 27 May 2024.

The Group believes that it is well-positioned to capitalise on the rising trend of global digital transformation, which was valued at US\$2.27 trillion in 2023. The market is expected to expand from US\$2.71 trillion in 2024 to US\$12.35 trillion by 2032, with a compound annual growth rate of 20.9%.⁽¹⁾

The strengthening of the technical services business segment through the pursuit of higher business possibilities is likely to continue to lower risks and stabilise the sustainability of the Group.

(II) Oil and Gas

The oil & gas business segment continues to serve as the foundation for the Group’s pursuit of new strategic business opportunities, allowing it to focus on long-term growth and expanding its earnings base in a bid to meet the goal of delivering value to its stakeholders.

The Joint Operators of the Thailand Operations continue to work towards improving the oil output and efficiency from current producing wells in FY2024 after the conclusion

of their planned drilling campaign in the second half of FY2023. These additional workovers started in mid-May 2024, and some of the new wells are still undergoing testing.

The expenses related to plans for additional workovers and tests, as well as new drilling campaigns aimed at increasing oil reserves and oil production volume in the long run, are expected to be fully covered by the positive cash flow generated from the sale of oil drawn from the existing producing wells and bank facilities available to the Thailand Operations.

Average oil prices continued to descend in FY2024 and are likely to remain volatile due to ongoing geopolitical uncertainties and economic challenges. The increasing penetration of liquefied natural gas trucks and electric vehicles is also resulting in a weaker demand for crude oil. OPEC+ output cutbacks, implemented since 2022 to stabilise the market, are expected to last until the end of 2025.⁽²⁾

CORPORATE DEVELOPMENTS

The Group endeavours to strengthen its fundamentals for sustainable growth and development. Some of the recent notable developments are as follows:

- 1) On 15 September 2023, the completion of the disposal of its associated company, Preferred Mart Pte. Ltd. The Group no longer holds any other active investment under the investment and trading business segment.
- 2) On 27 May 2024, the Company announced that its wholly-owned subsidiary, Future AI, entered into a one-year technical service agreement with SSI to provide AI technology technical services to SSI’s downstream partners.
- 3) On 22 July 2024, the Company announced a proposed placement to issue approximately 650.9 million new shares at S\$0.002 per share to raise approximately S\$1.3 million (equivalent to approximately US\$0.96 million) to improve the Group’s financial position to meet anticipated general working capital requirements and provide capital to the Group to fund acquisition of potential assets as and when opportunities arise as part of the Group’s strategy for long-term business growth. The proposed placement was completed on 5 August 2024.

Please refer to the Company’s announcements published on SGXNet for more information on the above corporate developments.

(Reference: (1) <https://www.fortunebusinessinsights.com/digital-transformation-market-104878>)

(Reference: (2) <https://www.businesstimes.com.sg/international/global/opec-again-lowers-2024-2025-global-oil-demand-growth-view>)

BUSINESS OPERATIONS

The Group maintains its commitment to long-term growth through the oversight and management of a portfolio of investments in which it leverages the strengths of its experienced team to identify and invest in promising businesses, as well as improve the business operations of investee companies, in order to maximise investment returns on its portfolio.

With the completion of the disposal of its associated company, Preferred Mart Pte. Ltd., the Group currently does not hold any other active investment and the investment and trading-related segment is dormant for now. The Group will continue to source for new business opportunities to invest in to deliver value to its shareholders. The Group's current investment portfolio focusses on two active business segments: (I) technical services, and (II) oil and gas.

I. TECHNICAL SERVICES

The Group effectively broadened its investment portfolio and earnings base by entering the digital development and information technology sectors in financial year ended 30 June 2024 ("FY2024").

In September 2023, the Group signed a technical service agreement with GPT Desk Pte. Ltd. ("**GPT Desk**") to collaborate on technology and development, as well as operation and maintenance services of the "GptDesk. AI" platform, an artificial intelligence large language processing model developed by GPT Desk. The provision of a suite of technical services in support of the GPT Desk resulted in a consistent and recurring service fee for the Group.

This success enables the Group to enter into a non-binding memorandum of understanding with Shenzhen Shoutou Industrial Co., Ltd. ("**SSI**") in early May 2024 for the provision of artificial intelligence technical services, as well as the establishment of a wholly-owned subsidiary, Future AI Tech Pte. Ltd. ("**Future AI**"), which focusses on software and application development and information technology consulting.

On 26 May 2024, Future AI signed a one-year technical service agreement with SSI, starting 27 May 2024, for a service fee of S\$1 million to provide the following services to SSI:

(a) provide SSI with system development and operation services, including technology development, system operation and maintenance, project consulting, so as to form SSI's full-case consulting service capability in the field of artificial intelligence business;

- (b) set up a full-time technical and operation and maintenance team for SSI, and provide SSI with platform development, construction, maintenance, upgrading and corresponding incubation and operation services in phases;
- (c) deploy models, system functions and technologies including P-Prompt tuning, finetuning, model merging, domain migration according to SSI's business needs;
- (d) provide private deployment and model customisation services for SSI's customers according to SSI's business needs;
- (e) provide SSI with systematic full-case consulting and landing counselling services according to SSI's needs, including but not limited to commercial top-level construction, model design, strategic planning, brand marketing, project roadshow, channel construction;
- (f) manage the project in the preliminary preparation stage, conduct market research and development trend analysis, system architecture planning, product positioning of the basic operational work, and cooperate with SSI to complete the corresponding work arrangements;
- (g) be granted by SSI a limited, royalty-free, non-transferable, non-exclusive right to use (i) SSI's trademarks, trade names, service marks and domain names; (ii) any visual display of such trademarks, trade names, service marks and domain names, including corporate logos, designs, symbols, word marks, images, colours and colour schemes, trade dress and features; (iii) any other publicity rights or proprietary marks owned or used by SSI or its affiliates; and (iv) any other indicia of publicity rights or proprietary rights owned or used by SSI or its affiliates; and
- (h) ensure that the Company's services do not contain any content or links to content that violates the relevant laws and regulations of Singapore, international treaties recognised or acceded to by Singapore, public order, and morals, as well as other legitimate rights and interests.

The Group believes that its business expansion into digital development and information technology is strategic, and it will continue to seek out new business opportunities to strengthen its fundamentals.

BUSINESS OPERATIONS

II. OIL AND GAS

The geopolitical uncertainty and global economic slowdown continue to influence demand and supply in the oil and gas industry, resulting in volatility of the crude oil prices.

Average crude oil prices have been on a downtrend as oil-producing countries, in addition to the Organisation of the Petroleum Exporting Countries and leading oil-producing ally countries (collectively referred to as “OPEC+”), continued to increase production levels post-pandemic. However, OPEC+ recently agreed to delay a planned oil output increase for October and November in 2024 to maintain the demand and manage the supply of oil in a bid to narrow oil price fluctuations.

The Group maintains its 20% equity interest in the Thailand onshore oil concessions located in the Phetchabun Basin (the “Thailand Operations”), which is a highly prolific onshore basin located roughly 300km north of Bangkok, Thailand. The Thailand Operations comprise three producing concessions – SW1, L44/43, and L33/43, which are within the basin limits and cover an aggregate area of 1,078 km².

The Group’s partners in the Thailand Operations are ECO Orient Energy (Thailand) Limited, ECO Orient Resources (Thailand) Limited, and the Berlanga Group (together with the Group, collectively known as the “Joint Operators”). The production licence for SW1 concession was renewed for another 10 years from July 2016, while production licences for L44/43 and L33/43 concessions will expire in 2032. Currently, there are 13 production licences and approximately 29 producing wells, covering an area of 124.7 km² within the Thailand Operations.

The Joint Operators continue to work towards improving the oil output and efficiency from current producing wells through workovers. These additional workovers began in mid-May 2024, and the wells are still currently being tested. One of the wells showed sand accumulation, and a sand filter was effectively installed.


These additional workovers are expected to be funded by the positive cash flow generated by the oil sales from existing oil-producing wells and bank facilities made available to the Thailand Operations.

In FY2024, the Thailand Operations continued to generate positive net cash flows for the Group. While the Group recorded an approximately 16.2% year-on-year decrease for its net working interest production volume from 39,293 barrels in the financial year ended 30 June 2023 (“FY2023”) to 32,928 barrels in FY2024, the relatively consistent average oil prices during FY2024 buoyed the positive returns. In FY2024, the average oil price remained relatively consistent at US\$85.63 per barrel, up from the average of US\$85.00 per barrel in FY2023.

The Joint Operators had commissioned the independent qualified person, Chapman Petroleum Engineering Ltd (“Chapman”), to prepare and issue two updated appraisal reports for the oil reserves of the Thailand Operations as at 31 December 2023 (collectively known as the “2023 Reserves Statement¹”). The 2023 Reserves Statement reflects gross 2P oil and gas reserves attributable to the Thailand Operations of approximately 12.2 million barrels and 503 thousand barrels of oil equivalent, respectively. This equates to a pre-tax net present value of 10% of approximately US\$370.00 million in 2023 compared to US\$377.00 million in 2022. The overall increase in net attributable 2P oil reserves to the Group was approximately 6.6% or 2.4 million barrels as compared to a year ago. The favourable production analysis was primarily due to new reserves added from successful workover and newly identified prospects in the area of the Thailand Operations, which was partially offset against the normal depletion of oil reserves due to oil production.

Note:

¹ The Group is the holder of 20% of the working interest in the Thailand Operations and as a minority stakeholder, the Group is reliant upon the operator of the Thailand Operations for all technical reporting. The 2023 Reserves Statement was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers and the Canadian Institute of Mining, Metallurgy and Petroleum. As such, the 2023 Reserves Statement was not prepared in accordance with any of the standards of reporting specified under the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst.



Innovating for
ENDURING SUCCESS
以创新促进持久成功

The Group's entry into AI software and application development and IT consulting business is timely and is well-positioned to benefit from the growing digital transformation trend.

集团进军人工智能软件和应用开发以及信息技术咨询业务恰逢其时，并已做好充分准备，从日益增长的数字化转型趋势中获益。

KEY FINANCIAL HIGHLIGHTS

REVENUE

US\$4.09 MILLION

FY2023: US\$3.3 million

EBITDAX⁽¹⁾

US\$0.8 MILLION

FY2023: US\$0.3 million

NET CASH FLOWS (USED IN)/PROVIDED BY OPERATING ACTIVITIES

(US\$0.92 MILLION)

FY2023: US\$0.78 million

PRODUCTION VOLUME

32,928 BARRELS

FY2023: 39,293 barrels

CONSOLIDATED INCOME STATEMENT (US\$'000)

	FY2024 (JULY'23 - JUNE'24)	FY2023 (JULY'22 - JUNE'23)
Revenue	4,087	3,315
Gross profit	1,575	817
Net loss after tax	(557)	(1,649)

BALANCE SHEET (US\$'000)

	AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
Non-current assets	70,837	71,510
Current assets	4,761	4,391
Non-current liabilities	37,119	37,425
Current liabilities	3,607	3,047
Equity attributable to owners of the parent	34,872	35,429
NAV per share (US cents)	0.41	0.41

Note:

(1) Earnings before interest, taxation, depreciation, amortisation and exploratory expenses (if applicable).

BOARD OF DIRECTORS



MR. YU JINFENG
CHAIRMAN AND NON-EXECUTIVE
INDEPENDENT DIRECTOR

Mr. Yu Jinfeng was appointed to the Board as Chairman of the Board and Non-Executive Independent Director of the Company on 1 May 2022. He is also the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Nominating Committee of the Company.

Mr. Yu brings along his wealth of experience and expertise in the field of information technology to the Board. He has a strong background and knowledge in software programming, research and development, and system architecture design, having participated in developing software and applications for numerous projects during his past employment.

Mr. Yu had previously served as Senior Software Engineer and Technical Lead in various technology companies such as Bitmaintech Pte Ltd and Singpilot Pte. Ltd. Currently, he is serving as a Technical Lead at a block chain technology firm in Singapore.

Mr. Yu holds a Bachelor in Electrical Engineering from University of Science and Technology of China and a Master in Engineering Degree, Software Engineering from Peking University.

MR. LIU QIANG
EXECUTIVE DIRECTOR
AND CHIEF EXECUTIVE OFFICER

Mr. Liu Qiang was appointed to the Board as Executive Director and Chief Executive Officer of the Company on 1 May 2022.

Mr. Liu is responsible for managing and overseeing the day-to-day operations and financial position of the Group, as well as exercising control over the quality and timeliness of information flow between the Board and the management of the Company. Operationally, Mr Liu focuses on sourcing for new business opportunities including but not limited to metaverse or blockchain, as well as information technology related businesses and investments.

Mr. Liu had previously served as Chairman of the Board of Directors and Executive Director of Dinghe Mining Holdings Limited, and other management positions in various organisations. He had also served as the Vice President and Chief Technical Officer of Asia Television Holdings Limited prior to joining the Group. Mr. Liu has participated in and organised a number of cross-border investment projects, and has substantial experience in mergers and acquisitions, information technology, blockchain and other related fields.

Mr. Liu currently also serves as an independent non-executive director on the board of China Ocean Group Development Limited, which is listed on the Hong Kong Stock Exchange.

Mr. Liu holds a Bachelor in Materials Engineering from Shijiazhuang Tiedao University and a Master in Resource Development Planning from China University of Mining and Technology-Beijing.

BOARD OF DIRECTORS



MR. ZHAO JIAN
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Mr. Zhao JiAn was appointed to the Board as a Non-Executive Independent Director of the Company on 31 March 2021. He is the Chairman of the Nominating Committee as well as a member of the Audit Committee and the Remuneration Committee of the Company.

Mr. Zhao has more than 21 years of experience in the area of information technology. He has profound knowledge and a wealth of experience in computer networking, wireless communications, and multimedia technologies. He had previously served as Senior Software Expert in Motorola Technology China, HiSilicon Semiconductors and Luokung Technology Corp. He is currently Chief Technology Officer of a startup company focusing in artificial intelligence and robotics in China.

Mr. Zhao holds a Ph.D. in Computer Science and Technology from Hong Kong University of Science and Technology and a Master in Computer Science and Technology from Institute of Computer Mathematics and Science, Engineering, Computing, Chinese Academy of Sciences.

MS. LIM HWEE YONG NANA
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Ms. Lim Hwee Yong, Nana was appointed to the Board as a Non-Executive Independent Director of the Company on 31 March 2021. She is a member of the Remuneration Committee, the Audit Committee and the Nominating Committee of the Company.

Ms. Lim has more than 23 years of experience in areas including accounting, auditing and business advisory. She is currently a Forensic Accountant.

Ms. Lim holds a Bachelor of Accountancy from Nanyang Technological University and a Master of Commerce (Information Systems) from University of Queensland. She is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a certified information systems auditor of the Information Systems Audit & Control Association.

MS. HUANG LIN
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Ms. Huang Lin was appointed to the Board as a Non-Executive Independent Director of the Company on 29 June 2022. She is the Chairman of the Audit Committee as well as a member of the Remuneration Committee and the Nominating Committee of the Company.

Ms. Huang has more than 14 years of experience in supervisory framework, financial technology, risk management and business modelling. She has excellent knowledge of a financial institution's operations, regulatory requirements and risk management controls and procedures in Singapore.

Ms. Huang had previously served as an Assistant Director of the Insurance Department under the Financial Supervision Group in the Monetary Authority of Singapore, as an Associate Director in finexis advisory Pte Ltd, as well as a Chief Sales Officer of Bancassurance in a financial insurance company. She is currently working as a Financial Advisory Manager with Financial Alliance Pte Ltd.

Ms. Huang holds a Bachelor of Arts in Economics and a Bachelor of Science in Chemistry from Peking University as well as a Master of Social Science in Applied Economics from National University of Singapore.

KEY MANAGEMENT

DR. BRUCE MORRIS TECHNICAL ADVISOR

Dr. Morris has been associated with the Group since May 2011. He utilises his wide-ranging technical expertise and experience to monitor and advise the Group on exploration assets and production operations. As both a field- and office-based geologist and geophysicist, as well as an exploration and production manager, he has amassed more than 36 years of professional hydrocarbon exploration and production experience across the globe. He has relevant experience in New Zealand, Australia, Papua New Guinea, China, Thailand, India, Cuba, and the USA. He has also participated in field research in Antarctica. He has been an active member of the American Association of Petroleum Geologists (AAPG) for 40 years.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

DATE OF REPORT:

30 June 2024

DATE OF PREVIOUS REPORT:

30 June 2023

NAME OF ASSET/ COUNTRY:

SW1,L44/43,L33/43, Thailand

Legend:

1C:	Low estimate of contingent resources
2C:	Best estimate of contingent resources
3C:	High estimate of contingent resources
1P:	Proved
2P:	Proved + Probable
3P:	Proved + Probable + Possible
Mboe:	Thousands barrels of oil equivalent
MMbbl:	Millions of barrels

Note 1:

The Group is the holder of 20% of the working interest in the three producing onshore oil concessions in Phetchabun Basin, Thailand (the "Concessions") and as a minority stakeholder, the Group is reliant upon the operator and holder of 60% of the working interest in the Concessions (namely ECO Orient Resources (Thailand) Limited) for all technical reporting.

Name of Qualified Person:

Bruce Douglas Morris (PhD)

Date:

30 September 2024

Professional Society Affiliation / Membership:

American Association of Petroleum Geologists and South East Asia Petroleum Exploration Society

CATEGORY	GROSS ATTRIBUTABLE TO LICENCE	NET ATTRIBUTABLE TO THE COMPANY	CHANGE FROM PREVIOUS UPDATE %	RISK FACTORS	REMARKS
	(MMBBL OR MBOE)	(MMBBL OR MBOE)			
Reserves					
Oil Reserves (Mmbbl)					
1P	3.74	0.75	5.27	–	Please refer to note 1 below
2P	12.20	2.44	6.56	–	
3P	13.02	2.60	6.30	–	
Gas Reserves (Mboe)					
1P	–	–	(100.00)	–	Please refer to note 1 below
2P	503.00	100.60	–	–	
3P	503.00	100.60	–	–	
Natural Gas Liquids Reserves					
1P	–	–	–	–	–
2P	–	–	–	–	–
3P	–	–	–	–	–
Contingent Resources					
Oil					
1C	–	–	–	–	–
2C	–	–	–	–	–
3C	–	–	–	–	–
Natural Gas					
1C	–	–	–	–	–
2C	–	–	–	–	–
3C	–	–	–	–	–
Natural Gas Liquids					
1C	–	–	–	–	–
2C	–	–	–	–	–
3C	–	–	–	–	–
Prospective Resources					
Oil					
Low Estimate	–	–	–	–	–
Best Estimate	–	–	–	–	–
High Estimate	–	–	–	–	–
Natural Gas					
Low Estimate	–	–	–	–	–
Best Estimate	–	–	–	–	–
High Estimate	–	–	–	–	–

FINANCIAL CONTENTS

18	Corporate Governance Report
52	Directors' Statement
56	Independent Auditor's Report
63	Consolidated Statement of Comprehensive Income
64	Balance Sheets
66	Consolidated Statement of Changes in Equity
67	Consolidated Statement of Cash Flows
69	Notes to the Financial Statements
131	Statistics of Shareholdings
133	Notice of Annual General Meeting
	Proxy Form

CORPORATE GOVERNANCE REPORT

CapAllianz Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to ensure high standards of corporate governance for the protection of interests of the Company’s shareholders (“**Shareholders**”) and to promote investors’ confidence.

This Corporate Governance Report describes the corporate governance practices adopted by the Company for the financial year ended 30 June 2024 (“**FY2024**”) with specific reference made to each of the principles of the Singapore Code of Corporate Governance 2018 (the “**Code**”), which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Company confirms that, for FY2024, it has complied substantially with the principles and provisions set out in the Code. Where there are deviations from the Code, appropriate explanations are provided. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and review such practices on an ongoing basis to ensure compliance with the Catalist Rules.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Principal Duties of the Board

The primary function of the board of directors (the “**Board**” or “**Directors**”) of the Company is to provide entrepreneurial leadership so as to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board’s role includes the following:

- (i) setting overall business direction and provide guidance on corporate strategic plans;
- (ii) ensure that necessary resources are in place for the Company to meet its objectives;
- (iii) monitoring financial performance including review and approval of interim and annual financial reports;
- (iv) reviewing the adequacy and integrity of the Company’s internal controls, risk management systems, financial reporting systems and monitoring the performance of the Group and the Company’s management (“**Management**”);
- (v) assuming responsibility for corporate governance;
- (vi) monitoring and approving major funding, investment, acquisitions, disposals and divestment proposals; and
- (vii) reviewing interested person transactions.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Group and hold Management accountable for performance.

The Company has established a Code of Business Conduct and Ethics that sets the principles of the code of business conduct and ethics which applies to all employees of the Group. Such a code of business conduct and ethics sets appropriate tone-from-the-top and desired organizational culture and ensures proper accountability within the Group.

All Directors are required to disclose their interests in the Group including any interested person transaction with the Group. Directors facing conflicts of interest in relation to any matter will recuse themselves from discussions and decisions involving the conflicted-related matters.

CORPORATE GOVERNANCE REPORT

Delegation by the Board

The Board is supported by the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”). The Board Committees were formed with clear written terms of reference setting out their compositions, authorities and duties. The members of the Board Committees are drawn from the members of the Board and each of these Board Committees operates under the delegated authority from the Board. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. The responsibilities and authority of the Board Committees set out in their respective terms of reference were revised for alignment with the Code. The composition, description, terms of reference and summary of activities of each Board Committee are set out in this Corporate Governance Report.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Board Committees report its activities regularly to the Board. Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director of senior Management to attend their meetings.

Board and Board Committees Meetings

The Board meets regularly and whenever deemed necessary and appropriate. Telephonic attendance is allowed under the Company’s Constitution. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circular resolutions.

The attendance of each Director at all Board and Board Committee meetings as well as general meetings of the Company held during FY2024 is set out below:

	BOARD	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE	ANNUAL GENERAL MEETING HELD ON 27 OCTOBER 2023
Number of meetings held:	2	2	1	1	1
Attendance:					
Pang Kee Chai, Jeffrey ⁽¹⁾	1	1	1	–	–
Lim Hwee Yong Nana	2	2	1	1	1
Zhao JiAn	2	2	1	1	1
Liu Qiang	2	2	-	1	1
Yu Jinfeng	2	2	1	1	1
Huang Lin	2	2	1	1	1

Note:

(1) Mr Pang Kee Chai, Jeffrey resigned as the Vice Chairman of the Board and Executive Director of the Company with effect from 1 October 2023.

CORPORATE GOVERNANCE REPORT

While the Board considers Directors' attendance at board meetings important, it should not be the only criterion used to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provisions of guidance and advice on various matters relating to the Group. The Board also considers the Directors' other listed company board representations and other principal commitments to ensure they are able to and have been adequately carrying out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company.

Directors' Orientation and Training

The Company does not have a formal training programme for its Directors. Regular training will be arranged and funded by the Company for all Directors, from time to time. All Directors are also updated on an on-going basis by way of circulars or via Board and Board Committee meetings on matters relating to the changes to relevant laws, regulations and accounting and governance standards so as to enable them to make well-informed decisions and to properly discharge their duties as Board or Board Committee members. During FY2024, Directors are provided with briefings and updates as and when necessary on (i) the developments in new and revised financial reporting standards that are relevant to the Group, as well as governance standards by the Company's external auditors; (ii) regulatory announcements, guidance and/or amendments to the Catalist Rules and the Code by the Company Secretary and the Company's sponsor; and (iii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings. In addition, all Directors have attended the prescribed sustainability training courses organised by the relevant training providers as required under the enhanced sustainability reporting rules announced by the SGX-ST in December 2021.

Newly appointed Directors would receive a formal letter setting out the Director's duties and obligations and the Company would arrange orientation programs to enable the newly appointed Directors to familiarise themselves with the Group's business and governance practices. The Company will also arrange and fund such trainings for first-time Directors (being a director who has no prior experience as a director of a company listed on the SGX-ST) in relation to the roles and responsibilities of a director of a listed company, organised by the Singapore Institute of Directors ("SID") as required under Rule 406(3)(a) of the Catalist Rules, as well as other courses relating to areas such as accounting, legal and industry specific knowledge as and where appropriate. No new Director was appointed during FY2024.

Matters Requiring Board's Approval

All material transactions require the Board's approval. Material transactions are those which do not ordinarily fall within the normal day-to-day operations of the Group, which include amongst others, investments, acquisitions and disposals, annual budgets, approval of annual reports and audited financial statements, declaration of dividends, convening of general meetings and approval of interested person transactions.

Access to Information

The Board and Board Committees are furnished with adequate and accurate information prior to any meeting so as to facilitate the Directors in the proper and effective discharge of their duties. Board papers are prepared for each Board and Board Committee meeting. The Board papers include sufficient information from the Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board and Board Committee meetings. Information about the Company and the Group are freely available to each Board member. The Management will supply any additional information that the Board requires. The Management and the senior executive officers of the Company and the Group are invited by the Board to attend the Board meetings to present their proposals or to answer any questions that Board members may have.

CORPORATE GOVERNANCE REPORT

Access to Management and Company Secretary

In carrying out their duties as directors, all Directors have full access to and may communicate directly with the Management, the Company Secretary, as well as the internal and external auditors of the Company, on all matters whenever they deem necessary. The Management provides the Directors with regular updates on the operational and financial performance of the Group, and also responds to regular questions from the Board or individual Directors in a timely manner.

The Company Secretary provides corporate secretarial support to the Board and ensures adherence to Board procedures and the relevant rules and regulations which are applicable to the Company. The Company Secretary or her representative attends all Board and Board Committee meetings to record the proceedings. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

Independent Professional Advice

All Directors, either individually or as a group, may seek independent professional advice as and when necessary, at the Company's expense, to enable them to discharge their responsibilities effectively.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition and Size

The composition of the Board and the Board Committees as at the end of FY2024 is set below:-

NAME	DESIGNATION	BOARD COMMITTEE MEMBERSHIP		
		AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
Yu Jinfeng	Chairman and Non-Executive Independent Director	Member	Member	Chairman
Liu Qiang	Executive Director and Chief Executive Officer	–	–	–
Lim Hwee Yong Nana	Non-Executive Independent Director	Member	Member	Member
Zhao JiAn	Non-Executive Independent Director	Member	Chairman	Member
Huang Lin	Non-Executive Independent Director	Chairman	Member	Member

During FY2024, the Board of Directors and the NC underwent changes to its composition. The Board currently comprises five (5) Directors, of whom four (4) (including the Chairman of the Board) are independent (who are also non-executive) to exercise objective judgement. As such, the Non-Executive Directors make up a majority of the Board. The Board is of the view that there is sufficient independent element on the Board, and no individual or groups of individuals dominates the Board's decision-making.

Membership on the Board and Board Committees are carefully constituted to ensure equitable distribution of responsibilities and appropriate combination of skills and experience, as well as balance of power and independence.

CORPORATE GOVERNANCE REPORT

The NC reviews the size and composition of the Board and Board Committees taking into account the balance and diversity of skills, knowledge, experience and gender, among other factors, on an annual basis. The Board and the NC are of the view that, taking into account the current scope and nature of the operations of the Group and the requirements of the businesses of the Group, the size of the Board and Board Committees is appropriate, and the Board and the Board Committees have the appropriate requisite mix of expertise, knowledge and experience, and collectively possesses the necessary core competencies for effective functioning as well as independent and informed decision-making to avoid groupthink and foster constructive debate. Such experiences and competencies include finance and accounting, strategic planning, investment management, relevant industry knowledge, entrepreneurial and management experience, familiarity with regulatory requirements and risk management.

Board Diversity

The Company has adopted a Board Diversity Policy which provides for the Board to comprise of Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds who as a group provide an appropriate balance, and have diversity from a number of aspects, including but not limited to diversity in gender, age, ethnicity, nationalities, business or professional experience, skills and knowledge. The Company recognises the benefits of having a well-balanced Board with Directors from diverse backgrounds who can provide different perspectives to solve business issues, foster growth and create value for the Company and shareholders and enhance corporate governance.

The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. In reviewing the Board composition and appointments, the NC takes into consideration diversity of skills, experience, background, gender, age and other relevant factors. The diversity in areas such as gender and age, allow for fresh and objective perspectives on the Group's business and direction in order to foster growth and create value for the Company and enhance corporate governance to support the long-term success of the Group.

The NC and the Board have reviewed and are satisfied that the current Board comprises five (5) Directors, who as a group provide an appropriate balance and diversity of skills, including accounting and finance, investment, regulatory compliance, business and management experience and industry knowledge that are important for the Group's business objectives. The Company had appointed two (2) female Directors, Ms Huang Lin and Ms Lim Hwee Yong, Nana, to the Board on 29 June 2022 and 31 March 2021 respectively, representing 40% of the total Board composition. In addition, the Board consists of Directors with ages ranging from late-30s to early-50s, who have served on the Board for different tenures. Accordingly, the NC and the Board are of the view that the current Board composition reflects the Company's commitment to Board diversity and are satisfied that the objectives of the Board Diversity Policy are met.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

Director's Independence

The criterion for independence is based on the definition of an "independent" director as stated in the Code and its Practice Guidance, and taking into account whether the Director falls under any of the circumstance pursuant to Rule 406(3)(d) of the Catalist Rules. The Code has defined an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company.

The NC shall conduct an annual review to determine the independence of the Directors according to the Code and its Practice Guidance, as well as Rule 406(3)(d) of the Catalist Rules. In its review, the NC shall consider the nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its finding and recommendations to the Board for approval. Each Director is also required to declare his/her independence by duly completing and submitting a declaration form.

CORPORATE GOVERNANCE REPORT

For FY2024, each of the Independent Directors (namely Mr Yu Jinfeng, Ms Lim Hwee Yong Nana, Mr Zhao JiAn and Ms Huang Lin) has confirmed his/her independence in accordance with the definition of an “independent” director as stated in the Code and its Practice Guidance, and taking into account Rule 406(3)(d) of the Catalist Rules. None of the Independent Directors holds shares and/or warrants in the Company representing 5% or more of the total issued shares in the Company. The Company is of the view that the shareholdings held by an Independent Director will not compromise his/her independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the aforesaid Directors are independent.

Duration of Independent Directors' Tenure

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, an independent director will not be considered independent if he/she has been a director of the company for an aggregate period of more than nine (9) years (whether before or after listing). None of the Independent Directors has served on the Board for more than nine (9) years from the date of his/her first appointment.

Meeting of Independent Directors without Management

The Non-Executive Directors, who are also Independent Directors, will constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Non-Executive Directors will have discussions amongst themselves without the presence of the Management, so as to facilitate a more effective check on the Management. Feedback from such meetings will be provided to the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separation of the Role of Chairman of the Board and Chief Executive Officer

The Company keeps the positions of the Chairman of the Board and the Chief Executive Officer (“CEO”) of the Company separate. Mr Yu Jinfeng, who is an Independent Director, is the Non-Executive Chairman of the Board, while Mr Liu Qiang is an Executive Director and CEO of the Company. The Non-Executive Chairman of the Board and the CEO of the Company are not related to each other.

Role of Chairman of the Board and Chief Executive Officer

As the Non-Executive Chairman of the Board, Mr Yu Jinfeng is, amongst other things, responsible for leading the Board to ensure its effectiveness on all aspects of its role, ensure that adequate time is available for discussion for all agenda items and promote a culture of openness and debate at the Board.

The Company's CEO, Mr Liu Qiang, manages and oversees the day-to-day operations of the Group. Consequential to the resignation of Mr Pang Kee Chai, Jeffrey, Mr Liu Qiang exercises control over the quality and timeliness of information flow between the Board and the Management. Operationally, Mr Liu Qiang is responsible to source for new business opportunities, including but not limited to metaverse, blockchain, technology, and other technology-related businesses and investments.

The Company practices a clear division of responsibilities between the Chairman and the CEO. This ensures an appropriate balance of power between the Chairman and the CEO and thereby allows for increased accountability and greater capacity of the Board for independent decision-making.

CORPORATE GOVERNANCE REPORT

Lead Independent Director

The Board believes that there is a strong and independent element on the Board and adequate safeguards are in place against an uneven concentration of power and authority vested in any single individual. As such, the Board has not appointed any Independent Director to assume the role of a lead independent director. However, the Board will review from time to time, the necessity of nominating a lead independent director.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Composition of the Nominating Committee

As at the date of this Corporate Governance Report, the NC comprises four (4) Directors, all of whom are independent. The members of the NC are as follows:

Zhao JiAn (Chairman)
Lim Hwee Yong Nana
Yu Jinfeng
Huang Lin

The NC met once in FY2024.

Role and Duties of the Nominating Committee

The NC, which reports to the Board, is established for the purpose of ensuring that there is a formal and transparent process for all Board appointments. The NC has adopted written terms of reference defining its membership, administration and duties.

The principal functions of the NC include, amongst others:

- (i) reviews and recommends the nomination or re-nomination of the Directors having regard to their contribution and performance;
- (ii) reviews the succession plans for Directors, in particular, for the appointment and/or replacement of the Chairman of the Board, the CEO and key executives of the Company ("**Key Executives**");
- (iii) determines annually whether or not a Director is independent;
- (iv) where a Director or proposed Director has multiple board representation, decides on whether the Director is able to and/or has been adequately carrying out his/her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments;
- (v) assesses the effectiveness of the Board as a whole and the Board Committees, as well as the contribution by each individual Director to the effectiveness of the Board;
- (vi) develops a process and the criteria for evaluation of the performance of the Board, the Board Committees and the Directors;

CORPORATE GOVERNANCE REPORT

- (vii) reviews of training and professional development programs for the Board and the Directors;
- (viii) reviews the size and composition of the Board and the Board Committees with the objective of achieving a balanced Board and the Board Committees in terms of the mix of experience and expertise and make recommendations to the Board with regard to any change;
- (ix) reviews the appointment and re-appointment of Directors (including alternate Directors, if any); and
- (x) reviews and approves any new employment of related persons and the proposed terms of their employment.

Each member of the NC abstains from voting on any resolution and making any recommendation and/or participating in any deliberation of the NC in respect of matters in which he/she has an interest.

Continuous Review of Directors' Independence

As set out under Principle 2 of the Code above, on an annual basis, the NC is required to determine the independence of each Director in accordance with the definition of an "independent" director as stated in the Code and its Practice Guidance, and taking into account Rule 406(3)(d) of the Catalist Rules. For FY2024, the NC has reviewed and determined that each of the Independent Directors (namely Mr Yu Jinfeng, Ms Lim Hwee Yong Nana, Mr Zhao JiAn and Ms Huang Lin) is independent, and is able to exercise judgment on the corporate affairs of the Group independent of the Management.

Multiple Board Representations

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his/her knowledge. When a Director has multiple board representations and in considering the nomination of Directors for re-appointment, the NC will consider whether the Director is able to and has been adequately carrying out his/her duties as a Director of the Company, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

For FY2024, the NC has reviewed all the declarations from the Directors and considers that the multiple board representations held presently by some of the Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the experience and knowledge of the Board. The NC is satisfied that the Directors are able to and have been adequately carrying out their duties as a Director of the Company, as well as sufficient time and attention are given to the affairs of the Company. In view of this, the Board does not see a need to set the maximum number of listed company board representations that a Director may hold as long as all the Directors are able to devote to the Company's affairs in light of their commitments. The Board and the NC will review the requirement to fix a maximum number of listed company board representations when the need arises.

CORPORATE GOVERNANCE REPORT

Re-election of Directors

The election of a Director is held annually and in accordance with the Catalist Rules and the Company's Constitution. Rule 720(4) of the Catalist Rules requires all Directors to submit themselves for re-nomination and re-appointment at least once every three (3) years. The Company's Constitution requires one-third of the Directors to retire from office at each annual general meeting ("**AGM**") of the Company, and all Directors are required to retire from office by rotation at least once every three (3) years. In addition, the Company's Constitution provides that a newly appointed Director must retire and submit himself/herself for re-appointment at the next AGM of the Company following his/her appointment. Thereafter, he/she is subject to be re-appointed at least once every three (3) years. The aforesaid will enable all Shareholders to exercise their rights in selecting all the Board members of the Company. Directors who retire are eligible to offer themselves for re-election.

The re-election of each Director is voted on separate resolution during the AGM of the Company. To assist Shareholders in their decision, sufficient information such as personal profile, meeting attendance and the shareholdings of each Director standing for re-election are furnished in the annual report.

For re-appointment of Directors to the Board, the NC will take into consideration in its evaluation, amongst others, the competency, time commitment and experience in meeting the needs of the Company. The NC will then recommend the Directors to be re-appointed to the Board for approval.

At the forthcoming AGM of the Company, the NC had nominated and recommended, and the Board had agreed that Mr Yu Jinfeng and Mr Liu Qiang, will retire pursuant to Regulation 107 of the Company's Constitution and in accordance with Rule 720(4) of the Catalist Rules. Mr Yu Jinfeng and Mr Liu Qiang, being eligible for re-election, have offered themselves for re-election.

Please refer to the section entitled "Additional Information on Directors Seeking for Re-election – Appendix 7F to the Catalist Rules" of this Corporate Governance Report for the information as set out in Appendix 7F to the Catalist Rules relating to Mr Yu Jinfeng and Mr Liu Qiang.

Nomination and Selection of Directors

The NC would review and nominate the most suitable candidate to the Board when a vacancy arises under any circumstances or where it is considered that the Board would benefit from the services of a new Director with particular skills. The NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The NC then nominates the most suitable candidate to the Board. The Company Secretary will ensure that all appointments are properly made and regulatory obligations are met. The Company's sponsor is also kept abreast of any new candidate and the new candidate's resume is also provided to them for review. The Company's sponsor would interview the new candidate separately.

Alternate Director

Currently, there is no alternate Director appointed to the Board.

CORPORATE GOVERNANCE REPORT

Listed Company Directorship and Other Principal Commitments

The profile of each Director is set out below.

NAME OF DIRECTOR	BOARD APPOINTMENT	DATE OF FIRST APPOINTMENT	DATE OF LAST RE-APPOINTMENT	DIRECTORSHIPS/ CHAIRMANSHIPS BOTH PRESENT IN OTHER LISTED COMPANIES AND OTHER PRINCIPAL COMMITMENTS
Yu Jinfeng ⁽¹⁾	Chairman, Non-Executive and Independent	01/05/2022	28/10/2022 (to be re-elected at the forthcoming AGM)	Present Listed Directorships: NIL Other Principal Commitment: NIL
Liu Qiang ⁽¹⁾	Executive and CEO	01/05/2022	28/10/2022 (to be re-elected at the forthcoming AGM)	Present Listed Directorship: 1. China Ocean Group Development Limited Other Principal Commitment: 1. Shenzhen Duxiaoman Industrial Co., Ltd. Huaqiang North Store (Legal Representative); 2. ATV Culture Media (Shenzhen) Co., Ltd. (Legal Representative); and 3. Zhuhai Linghang Ocean Fishing Co., LTD (Legal Representative)
Lim Hwee Yong Nana	Non-Executive and Independent	31/03/2021	27/10/2023	Present Listed Directorship: NIL Other Principal Commitments: Director of: 1. OOSS Global Pte Ltd; 2. SMG Development Pte Ltd; and 3. Univerlux (Singapore) Pte Ltd
Zhao JiAn	Non-Executive and Independent	31/03/2021	27/10/2023	Present Listed Directorship: NIL Other Principal Commitments: 1 Director of Beijing Chaomi Technology Co., Ltd
Huang Lin	Non-Executive and Independent	29 June 2022	28/10/2022	Present Listed Directorship: NIL Other Principal Commitment: NIL

Note:

- (1) Each of Mr Yu Jinfeng and Mr Liu Qiang will retire at the forthcoming AGM of the Company and being eligible, has offered himself for re-election. Further information relating to Mr Yu Jinfeng and Mr Liu Qiang has been set out in the section entitled "Additional Information on Directors Seeking for Re-Election – Appendix 7F to the Catalist Rules" of this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Key information regarding the Directors' academic and professional qualifications as well as working experience is set out in the section entitled "Board of Directors and Key Management" of this Annual Report. Information on the interests of the Directors who held office at the end of the financial year in shares, debentures and share options/awards in the Company and its related corporations (other than wholly-owned subsidiaries) are set out in the section entitled "Directors' Statement" of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees as well as the contribution by each Director to the effectiveness of the Board.

The evaluation of the Board is performed annually by having all members complete a board evaluation questionnaire individually. The assessment parameters such as the Director's attendance and participation in and outside meetings, the quality of the Director's involvement as well as industry and business knowledge made by the Director will enable an all-rounded evaluation, covering the various aspects of an effective Board. The completed evaluation forms are submitted to the Company Secretary for collation and the consolidated responses are presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the effectiveness of the Board.

The performance criteria for the evaluation of the Board are in respect of Board size and composition, Board independence, Board's decision-making processes, strategic planning, Board information and accountability, Board performance in relation to discharging its principal functions and financial targets.

The individual Director's performance and contribution to the effectiveness of the Board are evaluated by requesting the NC members to complete the Director's evaluation form individually. Some factors taken into consideration by the NC members include availability at Board meetings, degree of preparedness, ability to make informed decisions in the best interest of the Company and the contribution to develop strategies which are in line with the Company's vision.

The overall assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board was competent for FY2024, and it is the Board's endeavour to further improve and enhance its effectiveness over the Group's financial performance. The Board is also satisfied that each Director has allocated sufficient time and resources to the affairs of the Group.

The Board, together with the NC, are of the view that due to the relatively small size of the Board, it would not be necessary to evaluate the effectiveness and performance of each of the Board Committees in addition to the evaluation of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

For FY2024, the NC has not engaged any external facilitator in conducting the assessment of the effectiveness of the Board as a whole and the Board Committees as well as the contribution by each Director to the effectiveness of the Board. Where relevant, the NC will consider such engagement.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of the Remuneration Committee

As at the date of this Corporate Governance Report, the RC comprises four (4) Directors, all of whom are independent. The members of the RC are as follows:

Yu Jinfeng (Chairman)
Zhao JiAn
Lim Hwee Yong Nana
Huang Lin

The RC met once in FY2024.

Role and Duties of the Remuneration Committee

The RC, which reports to the Board, is established for the purpose of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of the Directors and Key Executives. The RC has adopted written terms of reference defining its membership, administration and duties.

The principal functions of the RC include, amongst others:

- (i) reviews and recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind for each Director and Key Executive;
- (ii) reviews and recommends to the Board the specific remuneration packages of each Director;
- (iii) reviews and recommends to the Board the specific remuneration packages of each Key Executive, taking into consideration the Executive Directors' assessment of and recommendation for remuneration and bonus;
- (iv) reviews and recommends to the Board the specific remuneration packages of employees who are related to any Director and/or substantial Shareholder; and
- (v) reviews and determines the contents of any service agreement for any Director or Key Executive.

Each member of the RC abstains from voting on any resolution and making any recommendation and/or participating in any deliberation of the RC in respect of his/her remuneration package and matters in which he/she has an interest.

CORPORATE GOVERNANCE REPORT

Remuneration Packages and Framework

The RC reviews and recommends to the Board the remuneration packages or policies for the Executive Directors and the Key Executives based on the performance of the Group, the individual Director and the individual Key Executive. No Director individually decides or is involved in the determination of his/her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

In reviewing the service agreements of the Executive Directors and Key Executives, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance

Engagement of Remuneration Consultants

The RC has access to advice within the Company and if necessary, may seek external expert advice of which the expenses will be borne by the Company. For FY2024, the RC did not seek any external expert advice from any remuneration consultant on the remuneration packages of the Directors and the Key Executives.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Executive Director(s) and Key Executives

The Group's remuneration policy is to provide compensation packages which reward successful performance and are appropriate to attract, retain and motivate the Executive Directors and Key Executives needed to run the Company and the Group successfully. The RC reviews the compensation annually to ensure that the remuneration of the Executive Directors and Key Executives commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors (together with the Key Executives) is reviewed periodically by the RC and the Board.

Each of the Executive Directors has entered into a service agreement with the Company for a period which the Board may decide. The Board will review the respective remuneration package of the Executive Directors (which is based on their respective service agreement) from time to time based on the recommendation of the RC.

The Executive Director does not receive director's fees but are remunerated as a member of the Management. The remuneration package of the Executive Director and the Key Executives comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and Key Executives in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group.

CORPORATE GOVERNANCE REPORT

Remuneration of Non-Executive Directors

The Non-Executive Directors (who are also Independent Directors) do not have service agreements with the Company and are each paid a fixed director's fee, which is determined by the Board, after the recommendation by the RC, taking into consideration their efforts and time spent, responsibilities and contribution to the Board, subject to approval by Shareholders at the AGM of the Company. The RC is mindful that Independent Directors should not be over-compensated to the extent that their independence may be compromised. The Non-Executive Directors confirmed that they do not receive any other remuneration from the Company except for Directors' fees for FY2024. Directors' fees for the Non-Executive Directors of S\$180,000 for FY2024 were approved by Shareholders at the last AGM of the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Remuneration Policy and Criteria

The Group's remuneration policy is to provide compensation packages which reward successful performance and are appropriate to attract, retain and motivate employees including the Executive Director and the Key Executives. The compensation packages comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

The RC will review the remuneration of the Executive Director and the Key Executives from time to time to ensure that their remuneration commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Director (together with the Key Executives) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Disclosure on Remuneration of Directors (including the CEO) and Key Executives

The Code recommends the disclosure of the remuneration of each Director, the CEO and at the least, the Group's top five (5) Key Executives (who are not Directors or the CEO).

The Board, has on review, is of the opinion that it is in the best interests of the Group not to fully disclose in this Corporate Governance Report the exact remuneration of each Director and the CEO, the names of the Company's top five (5) Key Executives (who are not Directors or the CEO) and the total remuneration of each Key Executive in dollar terms, given the confidentiality and sensitivity of remuneration matters, and the Board believes that such disclosure may be prejudicial to the Group's business interests given the competitive environment it is operating in as well as the disadvantages this brings. The disclosure of such detailed remuneration could have an adverse effect on the working relationships and contributions to the operations of the Group.

CORPORATE GOVERNANCE REPORT

The remuneration of the Directors for FY2024 in bands of US\$250,000 is as follows:

REMUNERATION BANDS	DIRECTORS' FEE %	BASE SALARY %	BONUS %	CPF %	OTHERS %	SHARE OPTIONS AND AWARDS %	TOTAL %
Below US\$250,000							
Yu Jinfeng	100	–	–	–	–	–	100
Liu Qiang	–	100	–	–	–	–	100
Huang Lin	100	–	–	–	–	–	100
Lim Hwee Yong Nana	100	–	–	–	–	–	100
Zhao JiAn	100	–	–	–	–	–	100
Pang Kee Chai, Jeffrey ⁽¹⁾	–	28	18	7	47 ⁽²⁾	–	100

Notes:

- (1) Mr Pang Kee Chai, Jeffrey resigned as Vice Chairman of the Board and Executive Director of the Company with effect from 1 October 2023.
- (2) Referring to a one-time ex-gratia payment amounting to S\$150,000 in recognition of Mr Pang Kee Chai, Jeffrey's service, dedication and contributions to the Group since 2011, which was approved by Shareholders at the Company's last AGM.

The remuneration of the top five (5) Key Executives for FY2024 in bands of US\$250,000 is as follows:

REMUNERATION BAND	BASE SALARY %	BONUS %	CPF %	ALLOWANCE %	SHARE OPTIONS AND AWARDS %	TOTAL %
Below US\$250,000						
No. of Key Executives: Two	82	6	12	–	–	100

There are two (2) Key Executives (who are not also Directors or the CEO) in the Group for FY2024.

The total aggregate remuneration paid to the Group's top two (2) Key Executives (who are not also Directors or the CEO) during FY2024 was approximately US\$115,000.

The breakdown of performance conditions which links to remuneration paid to the Executive Directors and the top two (2) Key Executives (who are not also Directors or the CEO) are not disclosed in this Corporate Governance Report due to confidentiality reasons.

There were no termination, retirement or post-employment benefits granted to the Directors and Key Executives in FY2024.

The Company's long-term incentive schemes, namely the CapAllianz Holdings Limited Employee Share Option Scheme (the "ESOS") and the CapAllianz Holdings Limited Performance Share Plan (the "PSP"), were approved by Shareholders at an extraordinary general meeting of the Company held on 29 October 2021 and adopted by the Company on the same day. The RC is responsible for the administration of the ESOS and PSP in accordance with their respective rules. There are no outstanding share options and share awards under the ESOS and PSP, respectively since the last financial year. There were no share options granted under the ESOS and no share awards granted under the PSP during FY2024. Please refer to the "Directors' Statement" section of this Annual Report for further information and details on the ESOS and PSP.

CORPORATE GOVERNANCE REPORT

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this Corporate Governance Report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

Disclosure on Remuneration of Employees who are Substantial Shareholders, or are Immediate Family Members of a Director, the CEO or a Substantial Shareholder

The Company does not have any employee who is a substantial Shareholder, or an immediate family member of a Director, the CEO or a substantial Shareholder, and whose remuneration exceeded S\$100,000 during FY2024.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its stakeholders.

The Board acknowledges that it is responsible for maintaining a sound system of internal controls to safeguard Shareholders' interest and maintain accountability of its assets. While no cost-effective internal control system can provide absolute assurance against loss or misstatement, the Company's internal controls and systems have been designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably reduced, proper accounting records are maintained and financial information used within the business and for publication are reasonable and accurate.

During FY2024, the Company's external and internal auditors conducted their respective annual review of the adequacy and effectiveness of the Company's material internal controls (including financial, operational, compliance and information technology controls) and risk management systems and these were reported to the AC. The AC, on behalf of the Board, also reviewed the adequacy and effectiveness of the Group's systems of internal controls and risk management in light of key business and financial risks affecting its business. The Board has also received assurance from the CEO and the Financial Controller that, as at 30 June 2024, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the Management, the Board Committees and the Board, and assurance from the CEO and the Financial Controller, the Board, with the concurrence of the AC, is satisfied that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place in the Group are adequate and effective for FY2024.

The Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. The Board, together with the AC and the Management, will continue its risk assessment process, which is an on-going process, with a view to enhance and improve the existing internal control framework to identify and mitigate these risks.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively

Composition of the Audit Committee

As at the date of this Corporate Governance Report, the AC comprises four (4) Directors, all of whom are independent. The members of the AC are as follows:

Huang Lin (Chairman)
Yu Jinfeng
Zhao JiAn
Lim Hwee Yong Nana

The Chairman of the AC, Ms Huang Lin, has more than 14 years of experience in the financial industry. She possesses related financial and risk management experience.

Mr Yu Jinfeng, a member of the AC, has years of experience in the corporate sector in the area of software programming, research and development, and system architecture design of the technology industry.

Mr Zhao JiAn, a member of the AC, has more than 21 years of experience in the area of information technology. He has profound knowledge and wealth of experience in computer networking, wireless communications and multimedia technologies.

Ms Lim Hwee Yong Nana, a member of the AC, has more than 23 years of experience in areas including accounting, auditing and business advisory. She is currently a Forensic Accountant.

In view of the above, the Board is of the opinion that the members of the AC have sufficient financial and corporate management experience and expertise in discharging their duties.

None of the members of the AC is a former partner or director of the Company’s external or internal auditors.

Role and Duties of the Audit Committee

The role of the AC is to assist the Board in discharging its responsibility to safeguard the assets of the Group, ensuring the maintenance of adequate accounting record procedures and processes and to develop and maintain effective systems of internal and risk controls. The overall objective of the AC is to ensure that the Management has established and maintained an effective system of internal control and that the Management does not override the established system of internal controls. The AC has adopted written terms of reference defining its membership, administration and duties.

The principal functions of the AC include, amongst others:

- (i) reviews the audit plans and results of the external and internal audits;
- (ii) reviews the Group’s financial and operating results and accounting policies;
- (iii) reviews the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and the external auditors’ report on those financial statements;

CORPORATE GOVERNANCE REPORT

- (iv) reviews the quarterly (if applicable), half year and annual announcements on the results and financial position of the Company and of the Group;
- (v) ensures the co-operation and assistance given by the Management to external auditors;
- (vi) makes recommendations to the Board on the appointment of external and internal auditors; and
- (vii) reviews the Interested Person Transactions as defined in Chapter 9 of the Catalist Rules as required by SGX-ST and ensures that the transactions are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

In discharging the above duties, the AC has confirmed that it has full access and co-operation from the Management and is given reasonable resources to enable it to perform its functions properly.

The AC reports to the Board and met two (2) times in FY2024, to review the half year and annual unaudited financial statements of the Group and all related disclosures to Shareholders before submission to the Board for approval. The Company Secretary or her representative was present at the meetings to record the proceedings.

The AC has full authority to investigate any matter when alerted on issues of internal controls, suspected fraud or irregularity. It has full access to and cooperation of the Management and full discretion to invite any staff to attend its meetings.

Internal Audit Function

The Company has outsourced its internal audit function to an external professional firm for the purposes of reviewing the adequacy and effectiveness of its internal controls and risk management systems. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the Chairman of the AC. The functions of the internal auditors include the review of the adequacy and effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditors discuss and agree on the annual internal audit plan with the AC at the beginning of each financial year. Subsequent internal audit findings and corresponding responses from the Management to address these findings are reported at the meetings of the AC.

The internal auditors have carried out its functions according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the independence, adequacy and effectiveness of the outsourced internal audit function and is satisfied that the outsourced internal audit function is independent, adequately resourced, effective and has the appropriate standing within the Group to fulfill its mandate. The AC is also of the view that the outsourced internal audit function is adequately staffed with qualified and experienced personnel with the relevant experience and that the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are used as a reference and guide by the Company's internal auditors to perform its function effectively.

The AC will review annually the independence, adequacy and effectiveness of the internal audit function.

CORPORATE GOVERNANCE REPORT

External Audit Function

Statutory audit review and the implementation of the Company's material internal controls are reviewed by the Company's current external auditors, CLA Global TS Public Accounting Corporation ("CLA"), to the extent set out in their audit plan. Any material non-compliance and internal control weaknesses noted during their audit, and the external auditors' recommendations to address such non-compliance and weaknesses, will be reported to the AC. Any material non-compliances and internal control weaknesses will be followed up by the Management as part of the Management's role in the review of the Company's internal control systems. There are no such material non-compliances and internal control weaknesses in FY2024. The external auditors have unrestricted access to the AC.

The AC has reviewed the overall scope of the external audit and met with the Company's external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. The Company's external auditors also briefed the AC on the changes in the financial reporting standards that will take effect during the financial year and also the following financial year. This ensures that the AC is kept abreast with the changes in financial reporting standards which have a direct impact on the Group's financial statements.

The AC has performed independent reviews of the Company's half year and full year financial results for FY2024. The AC has also considered the report from the Company's external auditors, including their findings on the significant risks and audit focus areas. The AC has also reviewed the following key audit matters as reported by the external auditors for FY2024.

KEY AUDIT MATTERS

HOW THE KEY AUDIT MATTERS WERE ADDRESSED BY THE AC

Impairment assessment of (i) exploration, evaluation and development assets; and (ii) oil and gas properties	The AC has held discussions with the Management to review and assess the valuation methodologies and assumptions applied and is satisfied that the valuation method and estimates are reflective of current market conditions and the valuation reports are prepared in accordance with recognised appraisal and valuation standards. The external valuations are conducted by independent qualified person who has the appropriate recognised professional qualifications and experience in valuation of the oil reserves.
--	---

Assessment of the going concern basis in preparation of the financial statements	The AC has reviewed the Management's assessment on going concern basis by obtaining the Management's forecast of the cash flows projection of the Group over the next 12 months and is satisfied with the appropriateness of the key going concern assumptions used by the Management in the cash flows projection, including timing of cash inflows and cash required for operations.
--	--

Revenue recognition	The AC has held discussions with the Management to review and assess the revenue recognition policy and is satisfied that the revenue recognised is in accordance with the relevant accounting standards.
---------------------	---

Further information on the aforesaid key audit matters can be found in the Independent Auditor's Report for FY2024 on pages 56 to 62 to the Financial Statements of this Annual Report, respectively.

The AC is responsible for conducting an annual review of the independence and objectivity of the external auditors, including the nature and volume of non-audit services performed by the external auditors for the Group. The aggregate amount of audit fees paid to the Company's external auditors, CLA, for FY2024 was US\$92,000. There were no non-audit fees paid to the external auditors of the Company in FY2024.

CORPORATE GOVERNANCE REPORT

In reviewing the re-appointment of CLA as the Company's external auditors for the ensuing year, the AC has considered and is satisfied with the adequacy of the resources and experience of CLA and the audit partner-in-charge assigned to the audit (taking into account the Audit Quality Indicators relating to CLA), the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. CLA has also confirmed its independence and that it is registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a public accountant under the Accountants Act 2004 of Singapore.

On the basis of the above, the AC has recommended to the Board and which the Board has accepted, that CLA be nominated for re-appointment as the external auditors of the Company for the current financial year ending 30 June 2025 for Shareholders' approval at the forthcoming AGM of the Company.

The Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in appointing the auditing firms for the Group.

Meeting Auditors without the Management

In performing its functions, the AC and Management meet with the external and internal auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits. The AC also meets regularly with the Management, as well as the external and internal auditors to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements.

At least once a year and as and when required, the AC meets with the external and internal auditors without the presence of Management, to review any matters that might be raised privately. The AC has met with the external and internal auditors separately without the presence of the Management to review any area of audit concern for FY2024.

Whistleblowing Policy

In line with the Code, the Company has implemented a whistleblowing policy and has incorporated it into the Company's internal control procedures. The whistleblowing policy will provide a well-defined and accessible channel in the Group through which whistleblowers may raise concerns about improper conduct within the Group. The whistleblowing policy sets out the procedures for whistleblowers to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The AC will review arrangements by which whistleblowers may raise in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Company will ensure that the identity of the whistleblower is kept confidential and is committed to ensure the whistleblower will be protected against detrimental or unfair treatment. The AC's objectives of such a policy are to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action. The AC is responsible for oversight and monitoring of whistleblowing. Multiple employees' briefings have been conducted to update and explain the whistleblowing policy adopted by the Company. There were no reported incidents pertaining to whistleblowing for FY2024.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders' Participation in General Meetings

The Board welcomes the view of Shareholders on matters affecting the Company, whether at Shareholders' meetings or on an ad hoc basis. The Board encourages active Shareholders' participation in general meetings. It believes that general meetings are an opportune forum and suitable platform for Shareholders and the Board and Management of the Company to engage in active exchange of ideas.

Shareholders are informed of all general meetings through notices, circulars and annual reports sent to all Shareholders. These notices are published in the daily local newspapers. The Group encourages active participation from all Shareholders at general meetings.

At general meetings of the Company, Shareholders are invited to raise questions on any matters that need clarification and appropriate responses are given.

All Shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting process, are explained by the scrutineers at such general meetings.

Conduct of Resolutions and Voting

The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each item in the agenda of the general meetings is provided in the explanatory notes to each notice of the general meetings.

Shareholders are given the right to vote on the resolutions at general meetings. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. The results of all general meetings of the Company will be notified and released through SGXNet after the meetings. Proxy form is sent with the notice of general meeting to all Shareholders so that those Shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf.

The Company's Constitution allows members of the Company to appoint not more than two (2) proxies to attend and vote on their behalf. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two (2)-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

CORPORATE GOVERNANCE REPORT

Interaction with Shareholders

At general meetings of the Company, Shareholders are invited to raise questions on any matters that need clarification and appropriate responses are given. Directors, including the Chairman of the Board and the Board Committees, will be present at all general meetings to address any queries from Shareholders. The external auditors will also be present at the AGMs of the Company to address Shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

Following the easing of the COVID-19 situation in 2023, the Company held its last AGM in respect of FY2023 physically on 27 October 2023 ("**2023 AGM**"). All Directors attended the 2023 AGM together with the Company's external auditor and Management to engage with Shareholders.

At the 2023 AGM, Shareholders had the opportunity to actively participate by raising questions and sharing their views. Additionally, they could submit questions in advance via post or email. The Company ensured that responses to all substantial and relevant questions received prior to or during the 2023 AGM were provided. These responses were also published on the SGXNet website and the Company's corporate website.

The forthcoming AGM of the Company in respect of FY2024 will be convened in a physical format and there will be no option for Shareholders to participate virtually. Please refer to the notice of AGM dated 15 October 2024 as set out in this Annual Report for more information on how Shareholders may participate in the forthcoming AGM.

Absentia Voting

The Company has not amended its Constitution to provide for absentia voting methods. The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Minutes of General Meetings

The proceedings of each of the general meetings will be properly recorded and prepared by the Company. The minutes of all general meetings will be posted on the Company's corporate website and SGXNet within one (1) month after the date of the general meetings. Such minutes include substantial and pertinent comments and questions received from Shareholders relating to the agenda of the general meetings, together with responses from the Board and the Management, as well as details of the proceedings of the general meetings.

The minutes of the 2023 AGM were published by the Company on the Company's corporate website and SGXNet within one (1) month after the date of the 2023 AGM.

The Company will also publish minutes of its forthcoming AGM in respect of FY2024 on the Company's corporate website and SGXNet within one (1) month after the date of the AGM.

CORPORATE GOVERNANCE REPORT

Dividend Policy

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board deem appropriate. The Board does not recommend any payment of dividends for FY2024 as the Group wishes to conserve its funds for working capital purposes.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Investor Relations Practices

The Company treats all Shareholders fairly and equitably by disclosing material information through the SGX-ST in accordance with the Corporate Disclosure Policy of the SGX-ST. The Company has taken steps to ensure that all material information, including changes in the Company or its business that would likely to have material impact on the price or value of the Company's shares, are disclosed on an accurate and timely basis to all Shareholders via SGXNet.

Disclosure of Information

The Company does not practice selective disclosure. All Shareholders are equally and timely informed of all major developments that affect the Group. The Company is committed to disclosing as much relevant information as is possible, in a timely, fair and transparent manner, to its Shareholders.

Information is communicated to Shareholders through:

- SGXNet announcements including press releases;
- Annual reports and circulars; and
- Notices of general meetings.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meeting. Quarterly (if applicable), half year and full year results as well as annual reports are announced or issued within the period prescribed by the SGX-ST and are available on the Company's corporate website at <https://capallianzholdings.com>. The Company's corporate website, which is updated regularly, contains various others investor-related information on the Company which serves as an important resource for investors. The release of such timely and relevant information is crucial to good corporate governance and enables Shareholders to make informed decisions in respect of their investments in the Company.

The Company has engaged an investor relations consultancy firm to assist the Group in facilitating communications with all stakeholders – Shareholders, analysts and media – to keep the investors public apprised of the Group's corporate developments and financial performance.

CORPORATE GOVERNANCE REPORT

Dialogue with Shareholders

The Group encourages full participation of Shareholders at general meetings to ensure a high level of accountability and identification with the Group's direction, strategy and goals. The Board views the general meetings of the Company as the principal forum for dialogue with Shareholders, being an opportunity for Shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the Directors or the Management questions regarding the Company and its operations. To facilitate and encourage such participation, Directors are present and available to address questions at general meetings. In addition, the external auditors are also present during the AGMs of the Company to address the Shareholders' queries on the conduct of audit and the preparation and content of the independent audit report.

The reception after the general meetings of the Company also provides an opportunity for Shareholders to informally communicate their views and expectations to the Company.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Stakeholders' Engagement

The Company acknowledges the importance of establishing effective communication among the stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. The Company has identified six (6) stakeholders' groups, namely, employees, wholesale and retail customers, suppliers and service providers, shareholders, local communities, and local government and regulators. The Company's approach to the engagement with key stakeholders and materiality assessment will be disclosed in the Company's Sustainability Report for FY2024, which will be uploaded on the SGXNet no later than 31 October 2024, where the Company would continue to monitor and improve to ensure the best interest of the Company.

Corporate Website

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at <https://capallianzholdings.com> through which Shareholders are able to access up-to-date information on the Group. The website provides annual reports, financial information, profiles of the Group, and contact details of the Group.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES

The Company has adopted internal code of conduct and policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in securities of the Company.

The Directors, the Management and the Officers of the Company are not permitted to deal in the Company's shares:

- a) on short-term considerations;
- b) during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters and one (1) month before the announcement of the Company's full year financial results (if the Company announces its quarterly financial results, whether required by SGX-ST or otherwise), or one (1) month before the announcement of the Company's half year and full year financial results (if the Company does not announce its quarterly financial results), and ending on the date of announcement of the relevant results; and/or
- c) when they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities of the Company within the permitted trading period.

Reminders are sent via email to all Directors and employees. The Company has conducted staff briefing to explain the Company's policy on this matter.

INTERESTED PERSON TRANSACTIONS

The Company has not obtained a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

All interested person transactions are subject to review by the AC to ensure that they are on an arm's length basis and on normal commercial terms that will not be prejudicial to the Company and its minority Shareholders.

The Company has put in place an internal procedure to track interested person transactions of the Group and to ensure that such transactions are reported to the AC on a timely manner.

Save for interested person transactions below S\$100,000 (if any), there were no interested person transactions entered into by the Group during FY2024.

CORPORATE GOVERNANCE REPORT

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to the Company's sponsor, ZICO Capital Pte. Ltd., for FY2024.

MATERIAL CONTRACTS

Save for the service agreement between the Executive Director and the Company, there were no material contracts (including loans) entered into by the Company and its subsidiaries involving the interests of any Director or controlling Shareholders of the Company, either still subsisting at the end of FY2024, or if not then subsisting, entered into since the end of the previous financial year ended 30 June 2023.

SUSTAINABILITY REPORTING

The Board recognises that good governance is essential for continued growth and investors' confidence, and that all businesses have to manage their own operations responsibly. The Board strongly believes that to grow sustainably as a forward-looking corporate entity, the Group has to regularly reach out and work together with all its stakeholders, from its employees to the community, and be responsible stewards of its natural environment. The Company endeavours to comply with Rule 711A of the Catalist Rules to issue its sustainability report by 31 October 2024.

Please refer to the full standalone report, to be published on or before 31 October 2024 on the Company's corporate website at <https://capallianzholdings.com> and uploaded on the SGXNet.

RISK MANAGEMENT POLICIES AND PROCESSES

Political Risks and Exposure

The Group is exposed to political risks and government initiatives, policies and regulations towards the oil and gas industry which may affect the level of oil and gas activities in the regions the Group operates or seeks to operate in. In order to lower the potential exposure, the Management reviews opportunities from a wide geographic area. The Group endeavors to lower risks by focusing on stable political environments.

Exploration and Development Risks

The Group is also exposed to the exploration and development risks innate to the oil and gas industry. Each opportunity is reviewed by a technical team taking into account production history, availability of data, interpretation of data and track record of previous initiatives by other ventures.

CORPORATE GOVERNANCE REPORT

Reliance on Third Party Providers

The Management constantly evaluates resources against ongoing and developing workload in the worldwide endeavors. Through a fine balance between retaining core competencies in a lean in-house team and selective outsourcing of experienced consulting resources from the industry worldwide, the Group is able to remain flexible and dynamic while retaining global knowledge assets. This helps to manage the risk of retaining organisational capability while keeping internal team sizes at reasonable numbers and manageable costs. The Management works very closely with the selected partners and service providers to ensure timely and quality execution of projects globally.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION - APPENDIX 7F TO THE CATALIST RULES

Mr Yu Jinfeng and Mr Liu Qiang are the Directors retiring and seeking re-election at the forthcoming AGM of the Company (the “Retiring Directors”).

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules is set out below:

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
Date of first appointment	1 May 2022	1 May 2022
Date of last re-appointment	28 October 2022	28 October 2022
Age	42	39
Country of principal residence	Singapore	China
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience, independence and suitability of Mr Yu Jinfeng as well as the diversity of the Board, for re-appointment as Non-Executive Independent Director of the Company. The Board has reviewed and concluded that Mr Yu Jinfeng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Liu Qiang as well as the diversity of the Board, for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Liu Qiang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Please refer to the section entitled “Board of Directors” of this Annual Report for the area of responsibility of Mr Liu Qiang.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board and Non-Executive Independent Director, RC Chairman, NC Member and AC Member	Executive Director and CEO

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
Professional qualifications	<p>Master in Engineering Degree, Software Engineering, Peking University</p> <p>Bachelor in Electrical Engineering, University of Science and Technology of China</p>	<p>Master in Resource Development Planning, China University of Mining and Technology, Beijing</p> <p>Bachelor in Materials Engineering, Shijiazhuang Tiedao University</p>
Working experience and occupation(s) during the past 10 years	<p>2020 to 2023: Technical Lead of Chaintecs Consulting Singapore Pte. Ltd.</p> <p>2018 to 2020: Senior Software Engineering / Technical Lead of Bitmaintech Pte Ltd</p> <p>2016 to 2017: System Software Engineer of Singpilot Pte. Ltd.</p> <p>2014 to 2016: Senior Software Engineer / Technical Lead of Berkeley Education Alliance for Research in Singapore Limited (BEARS)</p> <p>2012 to 2014: Research Engineer of Panasonic R&D Center Singapore (Networking Team)</p>	<p>2022 to Present: Executive Director and Chief Executive Officer of the Company</p> <p>2024 to Present: Executive Director of China Ocean Group Development Limited</p> <p>2021 to 2024: Independent Non-Executive Director of China Ocean Group Development Limited</p> <p>2018 to 2022: Vice President and Chief Technical Officer of Asia Television Holdings Limited</p> <p>2018: Chairman of the Board and Executive Director of Dinghe Mining Holdings Limited</p> <p>2013 to 2018: Executive Deputy General Manager of AVIC Energy Cambodia Company</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
Other Principal Commitments* Including Directorships#	<p><u>Past (for the last 5 years):</u> Directorship: 1. Yu Select Pte. Ltd.</p> <p>Other Principal Commitment: Nil</p> <p><u>Present:</u> Directorship: 1. Softnano Pte. Ltd.</p> <p>Other Principal Commitment: Nil</p>	<p><u>Past (for the last 5 years):</u> Directorships: 1. Fengyi (Shenzhen) International Culture Development Co., Ltd. (Legal Representative)</p> <p>2. ATV Pictures (Wuxi) Co., Ltd. (Legal Representative)</p> <p>Other Principal Commitment: Nil</p> <p><u>Present:</u> Directorships: 1. China Ocean Group Development Limited</p> <p>2. Shenzhen Xinhonghu Technology Co., Ltd. (Legal Representative)</p> <p>3. Shenzhen Finger Slide Network Technology Co., Ltd. (Legal Representative)</p> <p>4. Chengdu Soundline Network Technology Co., Ltd. (Legal Representative)</p> <p>5. Shenzhen Lovebee Life Technology Co., Ltd. (Legal Representative)</p> <p>6. Shenzhen Duxiaoman Industrial Co., Ltd. (Legal Representative)</p> <p>7. Zhongke Jianye Energy Development Co., Ltd.</p> <p>Other Principal Commitments: 1. Shenzhen Duxiaoman Industrial Co., Ltd Huaqiang North Store (Legal Representative)</p> <p>2. ATV Culture Media (Shenzhen) Co., Ltd. (Legal Representative)</p> <p>3. Zhuhai Linghang Ocean Fishing Co., LTD (Legal Representative)</p>
* "Principal Commitments" has the same meaning as defined in the Code.		
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)		

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	<p data-bbox="1005 761 1485 1366">Yes</p> <p data-bbox="1005 828 1485 1366">From April 2018 to July 2018, Mr Liu was the Chairman and Executive Director of Dinghe Mining Holdings Limited (“DMH”), a company previously listed on the Hong Kong Stock Exchange. Mr Liu joined DMH to assist with its restructuring. During Mr Liu’s tenure as the Chairman and Executive Director of DMH, DMH received several statutory demands and winding up petitions against DMH. Pursuant to a successful requisition for an extraordinary general meeting to elect and remove directors of DMH, Mr Liu was removed as a Director of DMH and he ceased to be the Chairman of DMH with effect from the conclusion of the extraordinary general meeting held on 11 July 2018. On 4 December 2019, DMH announced that, pursuant to an Order of the Honourable Mr Justice Harris dated 11 November 2019, DMH was ordered to be wound up and the Official Receiver was appointed as the Provisional Liquidator of DMH.</p> <p data-bbox="1005 1590 1485 2009">Subsequently, the listing of the shares of DMH on the Hong Kong Stock Exchange was cancelled with effect from 5 February 2020 by The Stock Exchange of Hong Kong Limited. To the best of Mr Liu’s knowledge, (i) none of the statutory demands and winding up petitions received by DMH is in connection with any matters occurring or arising during Mr Liu’s tenure as the Chairman and Executive Director of DMH; and (ii) save as disclosed above, Mr Liu is not aware of any other information relating to the winding up of DMH.</p>

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,		
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

CORPORATE GOVERNANCE REPORT

NAME OF RETIRING DIRECTOR	MR YU JINFENG	MR LIU QIANG
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?	Not applicable as this is a re-election of a Director of the Company.	Not applicable as this is a re-election of a Director of the Company.
---	---	---

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2024 and the balance sheet of the Company as at 30 June 2024.

In the opinion of the directors,

- (i) the balance sheet of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, on the basis of the going concern assumptions as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Yu Jinfeng
Liu Qiang
Huang Lin
Lim Hwee Yong Nana
Zhao JiAn

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than Warrants as disclosed under "Directors' interests in shares or debentures", "Share options" and "Share awards" in this Statement.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of the director or nominee		
	At 21.7.2024	At 30.6.2024	At 1.7.2023
The Company <u>(No. of ordinary shares)</u>			
Lim Hwee Yong Nana	189,927,844	189,927,844	189,927,844

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

Share options

The CapAllianz Holdings Limited Employee Share Option Scheme (the "ESOS") was approved by the members of the Company at an extraordinary general meeting held on 29 October 2021 which provides for the grant of incentive share options to employees and directors. The ESOS is administered by the Remuneration Committee ("Committee") whose members are:

Yu Jinfeng (Chairman)
Huang Lin
Lim Hwee Yong Nana
Zhao JiAn

Under the ESOS, the total number of shares in respect of which the Committee may grant options on any date, when added to the number of shares issued and issuable or delivered and deliverable in respect of (a) all options granted under the ESOS, and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen percent (15%) of the number of all issued shares (excluding treasury shares, as defined in the Act, and subsidiary holdings) on the day preceding that date. The ESOS allows the issue of options with a subscription price at a discount of up to 30% of the market price, or its nominal value, whichever is higher.

An option may be exercised in whole or in part, after the second anniversary of the date of grant of that option but before the fifth anniversary of the date of grant of that option in the case where options are granted at a discount, or after the first anniversary of the date of grant of that option in the case where options are not granted at a discount.

The lapsing of options is provided for upon the occurrence of certain events, which includes:

- (a) the termination of the grantee's employment;
- (b) misconduct on the part of the grantee as determined by the Committee;
- (c) bankruptcy of the grantee;
- (d) the company by which the grantee is employed ceasing to be a company within the Group; and
- (e) the winding-up of the Company (voluntary or otherwise).

There were no options granted under the ESOS since the commencement of the ESOS to the end of the financial year.

Share awards

The CapAllianz Holdings Limited Performance Share Plan (the "PSP") was approved by the members of the Company at an extraordinary general meeting held on 29 October 2021 which provide for the grant of incentive share awards to employees and directors. The PSP is administered by the Remuneration Committee ("Committee") whose members are:

Yu Jinfeng (Chairman)
Huang Lin
Lim Hwee Yong Nana
Zhao JiAn

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

Share awards (continued)

Under the PSP, the total number of shares in respect of which the Committee may grant awards on any date, when added to the number of shares issued and issuable or delivered and deliverable in respect of (a) all awards granted under the PSP, and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen percent (15%) of the number of all issued shares (excluding treasury shares, as defined in the Act and subsidiary holdings) on the day preceding that date. In relation to each performance-related awards, the release of awards is based on the sole discretion of the Committee. The Committee reviews the performance conditions in respect of the awards and determines whether these have been satisfied. The Company shall release to the grantee the share awards on the vesting period in case where awards are not performance-related.

The lapsing of the awards is provided for upon the occurrence of certain events, which includes:

- (a) the termination of the grantee's employment;
- (b) non-executive director ceasing to be a director of the Group;
- (c) the bankruptcy of the grantee;
- (d) the death of the grantee;
- (e) the breach by the grantee of any terms on the awards; and
- (f) the misconduct of the grantee as determined by the Committee in its discretion.

There were no share awards granted under the PSP during the financial year ended 30 June 2024.

Audit committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Huang Lin (Chairman)
Lim Hwee Yong Nana
Yu Jinfeng
Zhao JiAn

All members of the AC were independent and non-executive directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance.

In performing those functions, the AC carried out the following:

- Reviews the audit plans and results of the external and internal audits;
- Reviews the Group's financial and operating results and accounting policies;
- Reviews the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and the independent auditors' report on those financial statements;
- Reviews the quarterly (if applicable), half-yearly and annual announcements on the results and financial position of the Company and of the Group;
- Ensures the co-operation and assistance given by the management to the independent and internal auditors;
- Makes recommendations to the Board on the appointment of the independent and internal auditors; and

DIRECTORS' STATEMENT

For the financial year ended 30 June 2024

Audit committee (continued)

In performing those functions, the AC carried out the following: (continued)

- Reviews the Interested Person Transactions as defined in Chapter 9 of the Catalist Rules as is required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor has unrestricted access to the AC.

The AC has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Yu Jinfeng
Chairman and Non-executive Independent Director

Liu Qiang
Executive Director and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CapAllianz Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Impairment assessment of (i) exploration, evaluation and development assets; and (ii) oil and gas properties

(Refer to Notes 2.10, 3.1(a), 16 and 17 to the financial statements)

Area of focus

As at 30 June 2024, the carrying amount of exploration, evaluation and development assets ("E,E&D") and oil and gas properties amounted to US\$9,711,000 and US\$59,582,000 respectively, which accounted for a total of 92% of the Group's total assets.

During the financial year ended 30 June 2024, the Group had considered impairment indicators due to the potential effects from the macro-economic environment and thereon assessed the recoverable amounts of the E,E&D and oil and gas properties as at the end of the financial year. The recoverable amounts were determined by estimating the value-in-use of these long-lived assets. Significant judgements and estimations were involved in determining the underlying assumptions to be applied in the value-in-use calculation. Amongst other matters, inputs and assumptions used in the calculation include, but not limited to, the long-term oil prices, discount rates, inflation rates, operating costs and estimation of the oil and gas reserves compiled by external, independent and qualified persons. Notes 16 and 17 to the financial statements include details of the Group's E,E&D and oil and gas properties. No impairment has been recognised during the financial year.

We identified impairment assessment of E,E&D and oil and gas properties as a key audit matter due to significant degree of management's judgements and assumptions involved in determining the recoverable amounts of these assets.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Reviewed management's impairment assessment on the indicators of impairment on non-financial assets in accordance with SFRS(I) 1-36 *Impairment of Assets*;
- Evaluated the objectivity, independence and expertise of management's expert who provided the valuation of the reserve reports;
- Critically evaluated whether the valuation methodology used to determine the recoverable amounts of the E,E&D and oil and gas properties complied with the requirements of SFRS(I) 1-36 *Impairment of Assets* and SFRS(I) 13 *Fair Value Measurement*;
- Critically evaluated the reasonableness and appropriateness of the key inputs and assumptions used, tested and challenged the underlying assumptions of the calculation as well as the reasonableness of discount rate used in determining the recoverable amount;
- Reviewed the sensitivity analyses in consideration of the potential impact of possible downside changes in these key assumptions; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Assessment of the going concern basis in preparation of the financial statements (Refer to Note 2.1 to the financial statements)

Area of focus

During the financial year ended 30 June 2024, the Group recorded a net loss of US\$557,000 and net cash used in operating activities of US\$916,000.

Since the preceding financial year, the Group has been raising capital to meet its general working capital requirements and to fund its acquisition of potential assets as and when opportunities arise, as part of the Group's strategy for long-term business growth.

Notwithstanding the above mentioned and as disclosed in Note 2.1 to the financial statements, management is of the view that the Group will be able to meet their obligations over the next 12 months from the date of the financial statements after taking into consideration the following key measures and assumptions:

- The Group has on 26 May 2024 entered into a technical service agreement with a non-related party for a duration of one year and is expected to receive a service fee of approximately US\$738,000 (equivalent to S\$1,000,000) over the next 12 months. Barring unforeseen circumstances, this agreement is expected to have a positive impact on the Group's earnings and cash flow;
- Subsequent to the financial year ended 30 June 2024, the Group has obtained unsecured loans amounting to approximately US\$207,000 (equivalent to S\$280,000) from a non-related party and an employee (Note 31(a) and 31(b));
- The Group has on 5 August 2024 completed share placement of 650,859,805 ordinary shares of the Company at a placement price of S\$0.002 per share (Note 31(d)). The total placement consideration of approximately US\$960,000 (equivalent to approximately S\$1,300,000) was used to offset non-trade payables due to non-related parties within the next 12 months. As a result, no cash is expected to be received or disbursed in connection with the placement or repayment of the non-trade payables; and
- The Group will not be required to provide additional funds towards its 20% equity interests in its Thailand ("Thailand Operations") for the next 12 months as the Thailand Operations are currently able to generate sufficient cash flows to sustain operations and there are existing undrawn bank facilities of US\$10,000,000 obtained from a financial institution by the Thailand Operations. Such facilities will be sufficient to cover the discretionary capital costs of the Thailand Operations including drilling of new wells and workovers of existing wells.

Based on the above measures and assumptions, the Group will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts included in the financial statements. Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.

We identified the assessment of whether the financial statements have been appropriately prepared on a going concern basis as a key audit matter due to the significant degree of management's judgements and assumptions involved in determining the use of going concern assumption in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Assessment of the going concern basis in preparation of the financial statements (continued)

(Refer to Note 2.1 to the financial statements)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Reviewed management's assessment on going concern through obtaining management's forecast of the cash flows projection of the Group over the next 12 months;
- Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations;
- Discussed with management on any material judgements and uncertainties identified;
- Reviewed minutes of board meetings and relevant committees for events and conditions after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements;
- Reviewed events after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Revenue recognition

(Refer to Notes 2.2 and 4 to the financial statements)

Area of focus

During the financial year ended 30 June 2024, the Group's revenue amounted to US\$4,087,000 which was contributed from the oil and gas and technical services segments.

In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, revenue is recognised at an amount that reflects the consideration in the contracts to which the Group expects to be entitled in exchange for promised goods or services to the customers as and when the Group satisfies its performance obligation.

We identified revenue recognition as a key audit matter due to the presumed fraud risk related to revenue recognition. Revenue represents one of the most significant items on the Group's financial statements and serves as one of the key performance indicators of the Group. The potential existence of management override controls also increases the inherent risk that revenue may not be recognised in the appropriate accounting period.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Revenue recognition (continued)

(Refer to Notes 2.2 and 4 to the financial statements)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Understood the key controls over the sales cycle through performing walkthrough test;
- Reviewed major significant agreements identified during the financial year and assessed the appropriateness of performance obligations identified by management and the transaction price allocated to the performance obligations in the agreements;
- Reviewed and evaluated the Group's revenue recognition policy is in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*;
- Performed substantive audit procedures and verified the revenue recognised, including sales cut-off procedures at financial year end and ascertained that revenue is recognised in the correct financial year;
- Reviewed journal entries to detect any unusual transactions in relation to revenue for evidence of fraud and/or management override of controls; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To the Members of CapAllianz Holdings Limited

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

**CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

Singapore

14 October 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	2024 US\$'000	2023 US\$'000
Revenue	4	4,087	3,315
Cost of sales		<u>(2,512)</u>	<u>(2,498)</u>
Gross profit		1,575	817
Other income			
- Interest		2	1
- Others	7	13	5
Other gains/(losses)			
- Reversal of/(loss allowance) on financial assets	28(b)	171	(2)
- Others	8	(58)	21
Expenses			
- Administrative		(2,237)	(2,124)
- Finance	9	<u>(321)</u>	<u>(409)</u>
Loss before income tax		(855)	(1,691)
Income tax credit	10	298	42
Total comprehensive loss for the financial year, representing net loss for the financial year		<u>(557)</u>	<u>(1,649)</u>
Total comprehensive loss, representing net loss attributable to:			
Equity holders of the Company		<u>(557)</u>	<u>(1,649)</u>
		<u>(557)</u>	<u>(1,649)</u>
Loss per share attributable to equity holders of the Company (US\$ cents per share)			
- Basic and diluted	11	<u>(0.006)</u>	<u>(0.019)</u>

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 30 June 2024

	Note	Group		Company	
		2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
ASSETS					
Current assets					
Cash and bank balances	12	1,248	1,324	-	276
Financial asset, at FVPL	13	-	-	-	-
Trade and other receivables	14	1,672	1,239	1,210	977
Inventories	15	1,841	1,828	-	-
		<u>4,761</u>	<u>4,391</u>	<u>1,210</u>	<u>1,253</u>
Non-current assets					
Exploration, evaluation and development assets	16	9,711	11,203	-	-
Oil and gas properties	17	59,582	58,959	-	-
Other property, plant and equipment	18	1,155	1,156	-	-
Right-of-use assets	19	389	192	389	192
Investments in subsidiary corporations	20	-	-	59,616	59,217
Investments in associated companies	22	-	-	-	-
Intangible assets	23	-	-	-	-
		<u>70,837</u>	<u>71,510</u>	<u>60,005</u>	<u>59,409</u>
Total assets		<u>75,598</u>	<u>75,901</u>	<u>61,215</u>	<u>60,662</u>
LIABILITIES					
Current liabilities					
Trade and other payables	24	3,369	2,803	1,717	935
Lease liability	19	180	182	180	182
Income tax payables		58	62	-	-
		<u>3,607</u>	<u>3,047</u>	<u>1,897</u>	<u>1,117</u>
Non-current liabilities					
Trade and other payables	24	-	503	-	503
Provision for restoration costs	25	3,295	2,891	-	-
Deferred tax liabilities	26	33,610	34,025	-	-
Lease liability	19	214	6	214	6
		<u>37,119</u>	<u>37,425</u>	<u>214</u>	<u>509</u>
Total liabilities		<u>40,726</u>	<u>40,472</u>	<u>2,111</u>	<u>1,626</u>
NET ASSETS		<u>34,872</u>	<u>35,429</u>	<u>59,104</u>	<u>59,036</u>

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 30 June 2024

	Note	Group		Company	
		2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	150,083	150,083	150,083	150,083
Accumulated losses		<u>(115,211)</u>	<u>(114,654)</u>	<u>(90,979)</u>	<u>(91,047)</u>
Total equity		<u>34,872</u>	<u>35,429</u>	<u>59,104</u>	<u>59,036</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

	Note	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
30 June 2024				
Beginning of financial year		150,083	(114,654)	35,429
Net loss for the financial year		-	(557)	(557)
End of financial year		<u>150,083</u>	<u>(115,211)</u>	<u>34,872</u>
30 June 2023				
Beginning of financial year		150,083	(113,005)	37,078
Net loss for the financial year		-	(1,649)	(1,649)
Issuance of shares	27	-*	-	-*
End of financial year		<u>150,083</u>	<u>(114,654)</u>	<u>35,429</u>

* Less than US\$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	2024 US\$'000	2023 US\$'000
Cash flows from operating activities			
Loss before income tax		(855)	(1,691)
Adjustments for:			
- Depletion of oil and gas properties	5	1,109	1,375
- Depreciation of other property, plant and equipment	5	17	43
- Depreciation of right-of-use asset	5	170	150
- Gain on sale of financial assets, at FVPL	8	-	(2)
- (Reversal of)/loss allowance on financial assets	28(b)	(171)	2
- Other property, plant and equipment written-off	8	-	3
- Loss on disposal of other property, plant and equipment	8	-	1
- Net fair value changes in financial asset, at FVPL	8	-	4
- Finance expenses	9	321	409
- Interest income		(2)	(1)
		<u>589</u>	<u>293</u>
Change in working capital:			
- Inventories		(13)	(9)
- Trade and other receivables		(1,294)	109
- Trade and other payables		(79)	560
Cash (used in)/generated from operations		<u>(797)</u>	<u>953</u>
Interest received		2	1
Income tax paid		(121)	(173)
Net cash (used in)/provided by operating activities		<u>(916)</u>	<u>781</u>
Cash flows from investing activities			
Additions to oil and gas properties	17	(119)	(1,506)
Acquisition of other property, plant and equipment	18	(16)	(15)
Proceeds from disposal of other property, plant and equipment		-	-*
Repayment of loan from former associated company		612	418
Proceeds from sale of financial asset, at FVPL		-	7
Net cash generated from/(used in) investing activities		<u>477</u>	<u>(1,096)</u>
Cash flows from financing activities			
Interest paid		(31)	(13)
Loan from non-related parties		629	503
Repayment of loan to non-related party		(74)	-
Repayment of lease liability		(161)	(154)
Issuance of shares	27	-	-*
Repayment of borrowings		-	(110)
Net cash provided by financing activities		<u>363</u>	<u>226</u>
Net decrease in cash and bank balances		(76)	(89)
Cash and bank balances			
Beginning of financial year		<u>1,324</u>	<u>1,413</u>
End of financial year	12	<u><u>1,248</u></u>	<u><u>1,324</u></u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

Reconciliation of liabilities arising from financing activities

	Non-cash changes							30 June US\$'000
	1 July US\$'000	Proceeds from loans US\$'000	Principal and interest payments US\$'000	Additions during the year US\$'000	Offset against loan to former associated company (Note 24(b)) US\$'000	Modification of lease liability (Note 19(g)) US\$'000	Interest expense US\$'000	
2024								
Lease liability	188	-	(170)	-	-	367	9	394
Amount due to non- related parties	744	629	(96)	-	(422)	-	29	884
2023								
Lease liability	-	-	(167)	342	-	-	13	188
Bank borrowings	110	-	(110)	-	-	-	-*	-
Amount due to non- related parties	229	503	-	-	-	-	12	744

* Less than US\$1,000

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

CapAllianz Holdings Limited (the “Company”) is a public limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office and principal place of business is 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095.

The principal activities of the Company are those of investment holding, provision of management services to its subsidiary corporations and provision of technical services. The principal activities of the subsidiary corporations, joint operations and associated companies are set out in Notes 20, 21 and 22 to the financial statements respectively.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in United States Dollar (“US\$”) and all values are rounded up to the nearest thousand (“US\$’000”) except as otherwise indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Interpretations and amendments to published standards effective in 2024

On 1 July 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern

During the financial year ended 30 June 2024, the Group recorded a net loss of US\$557,000 and net cash used in operating activities of US\$916,000.

Since the preceding financial year, the Group has been raising capital to meet its general working capital requirements and to fund its acquisition of potential assets as and when opportunities arise, as part of the Group’s strategy for long-term business growth.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern

The financial statements have been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the ordinary course of business at the amounts included in the financial statements after taking into consideration the following key measures and assumptions:

- The Group has on 26 May 2024 entered into a technical service agreement with a non-related party for a duration of one year and is expected to receive a service fee of approximately US\$738,000 (equivalent to S\$1,000,000) over the next 12 months. Barring unforeseen circumstances, this agreement is expected to have a positive impact on the Group's earnings and cash flow;
- Subsequent to the financial year ended 30 June 2024, the Group has obtained unsecured loans amounting to approximately US\$207,000 (equivalent to S\$280,000) from a non-related party and an employee (Note 31(a) and 31(b));
- The Group has on 5 August 2024 completed share placement of 650,859,805 ordinary shares of the Company at a placement price of S\$0.002 per share (Note 31(d)). The total placement consideration of approximately US\$960,000 (equivalent to approximately S\$1,300,000) was used to offset non-trade payables due to non-related parties within the next 12 months. As a result, no cash is expected to be received or disbursed in connection with the placement or repayment of the non-trade payables; and
- The Group will not be required to provide additional funds towards its 20% equity interests in its Thailand ("Thailand Operations") for the next 12 months as the Thailand Operations are currently able to generate sufficient cash flows to sustain operations and there are existing undrawn bank facilities of US\$10,000,000 obtained from a financial institution by the Thailand Operations. Such facilities will be sufficient to cover the discretionary capital costs of the Thailand Operations including drilling of new wells and workovers of existing wells.

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. These financial statements do not include any adjustment which may arise from these uncertainties.

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods and services to the customer, which is when the customer obtains control of the goods and services. A performance obligation may be satisfied at a point in time or overtime. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.2 Revenue recognition (continued)

(a) Sale of crude oil

Revenue from sale of crude oil is recognised upon transfer of control to the customers usually at a point in time when the goods have been delivered to customers. The Group normally invoices the customers upon delivery of the goods with a 30 days credit term.

(b) Technical services

Revenue from provision of technical services is recognised in the accounting period in which the services are rendered. For fixed-price contract, revenue is recognised when the client provides written acknowledgement confirming that the services have been rendered and certifying the services have been completed for the relevant service period.

Advances from customers or amounts invoiced when the Group has the right to the amount billed, are recognised as deferred income until the revenue is recognised. Deferred income is then recognised as revenue when the services are provided to the customer.

2.3 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to expenses are shown separately in other income. Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the entity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interest having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.4 Group accounting

(a) *Subsidiary corporations*

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.4 Group accounting (continued)

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies. If the associated companies subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interests in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated companies is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.4 Group accounting (continued)

(d) Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operations:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operations;
- its share of the revenue from the sale of the output arising from the joint operations; and
- its expense, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to the joint operations, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from the joint operations, it does not recognise its share of the gains and losses until it resells the assets to a third party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interests in the joint operations have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations and associated companies in the separate financial statements of the Company.

2.5 Investments in subsidiary corporations and associated companies

Investments in subsidiary corporations and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Investments in subsidiary corporations includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.6 Exploration, evaluation and development assets (“E, E&D”)

(a) *Exploration and evaluation costs (“E&E”)*

Exploration and evaluation activity involves the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss. Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

- (i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or alternatively, by its sale; or
- (ii) exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets comprises costs that are directly attributable to: researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

Exploration and evaluation assets are transferred to development costs, a component of E, E&D assets, when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. If no potentially commercial oil and gas reserves are discovered, the exploration asset is written off as dry hole. If extractable oil and gas reserves are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the oil and gas.

All such capitalised costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written-off to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.6 Exploration, evaluation and development assets (“E, E&D”) (continued)

(i) Development assets

Development assets incurred within an area of interest are considered as a component of a commercial development phase only upon its commitment to a commercial development.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, is capitalised within E, E&D assets.

Amortisation is not charged on costs carried in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are transferred to oil and gas properties.

Development assets are reviewed for impairment in accordance with the Group's accounting policy on impairment of non-financial assets as set out in Note 2.10 to the financial statements.

2.7 Oil and gas properties and other property, plant and equipment

(a) Measurement

Oil and gas properties and other property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, oil and gas properties and other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of an asset includes expenditure that is directly attributable to the acquisition of the asset. Dismantlement, removal or restoration costs are included as part of the cost of the asset if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(b) Depreciation

Oil and gas properties are depleted on a unit-of-production method by reference to the ratio of production in the period and the related commercial reserve of the field.

Freehold land is not depreciated. Other property, plant and equipment is calculated using straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	5 years
Leasehold building	61 years
Plant, machinery and equipment	
- plant and machinery	21 years
- other equipment	2 – 5 years
Furniture and fittings	3 – 5 years

Depreciation relating to other property, plant and equipment attributable directly to activities for exploration, evaluation and development of oil and gas are capitalised as part of exploration, evaluation and development assets.

The estimated useful lives and depreciation method are reviewed at each financial year end to ensure that the period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of oil and gas properties and other property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.7 Oil and gas properties and other property, plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to the asset that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) Disposal

An item of oil and gas properties and other property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.8 Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiary corporations or interests in joint operations that constitute a businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations or interests in joint operations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations or interests in joint operations and associated companies include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets

Other intangible assets acquired separately are measured initially at cost. The cost of other intangible assets acquired in a business combination is their fair value as at date of acquisition. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of other intangible assets are assessed to be either finite or indefinite.

Other intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the other intangible assets may be impaired. The amortisation period and the amortisation method for other intangible assets with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite useful lives is recognised in profit or loss or capitalised as E&E assets, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.8 Intangible assets (continued)

(ii) Other intangible assets (continued)

Other intangible assets with indefinite useful lives are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. Such other intangible assets are not amortised. The useful life of an other intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an other intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Software

Software is stated at cost less accumulated amortisation and impairment losses, if any. The cost is amortised using the straight-line method over the estimated useful life of 2-5 years.

Acquired pre-exploration data

Acquired pre-exploration data has indefinite useful life as the Group has a contractual right to the exclusive use of the asset indefinitely and in perpetuity.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or production of that assets. This includes those costs on borrowings acquired specifically for the assets under construction, as well as those in relation to general borrowings used to finance the assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the assets. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(a) Goodwill (continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Other intangible assets

Exploration, evaluation and development assets

Oil and gas properties and other property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations and associated companies

Other intangible assets, exploration, evaluation and development assets, oil and gas properties and other property, plant and equipment, right-of-use assets, and investments in subsidiary corporations and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.11 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised costs; and
- Fair value through profit or loss (FVPL)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Subsequent measurement for debt instruments are classified as amortised cost.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains/(losses)", except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as "Dividend income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.11 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as below:

	<u>Useful lives</u>
Office premise	3 years

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments, less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.14 Leases (continued)

- Lease liabilities (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the "weighted average" method and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

Spare parts and consumables are usually carried as inventory and recognised in profit or loss when consumed. They are recognised in oil and gas properties or other property, plant and equipment if they are expected to be used for more than one year.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.16 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated companies except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax assets is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

Royalties

In addition to corporate taxes, other type of taxes on net income which are calculated based on oil and gas production are recognised as income taxes in the Group's consolidated financial statements.

Royalties are accounted for under SFRS(I) 1-12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed by the government tax authority and the amount payable is based on taxable income – rather than based on physical quantity produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.17 Provisions

(a) General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(b) Provision for restoration costs

The Group recognises a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory item is expensed as incurred.

Changes in the estimated timing of decommissioning or changes to the decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas assets.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with SFRS(I) 1-36. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance expense.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be measured reliably.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) *Performance shares*

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(e) *Share-based payments*

The Group operates an equity-settled share-based compensation plan for its employees.

Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market based vesting conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each financial year, the Group reviews and revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the share option reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.18 Employee compensation (continued)

(e) *Share-based payments* (continued)

Fair value is measured using the Trinomial option pricing model. The expected life used in the model has been adjusted, based on the external independent valuer's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each financial year a revision is made to the number of options that are expected to become exercisable, it recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar ("US\$"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in income statement within "Other gains/(losses)".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policies (continued)

2.19 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital account.

3. Critical accounting estimates, assumptions and judgements

3.1 Critical accounting estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(a) *Impairment assessment of exploration, evaluation and development assets, and oil and gas properties*

The recoverable amounts of these non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication that the non-financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of these assets are determined to be higher fair value less costs to sell and value-in-use.

In assessing the recoverable amounts of the non-financial assets, the Group requires the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, inflation rates, operating costs and operating performance (from production volumes which is also affected by the probable oil and gas reserves as described below), including the future net cash flows arising from such operations. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to these assets.

These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in geological circumstances and market prices will impact these projections, which may impact the recoverable amount of assets. Favourable changes to some assumptions may allow the Group to avoid the need to further impair the development assets and oil and gas properties, whereas unfavourable changes may cause the further impairment to the development assets and oil and gas properties.

Oil and gas reserve estimates

The Group estimates its oil and gas reserve based on information compiled by external, independent and qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Reserves are determined using estimates of the reserves in place, recovery factors and future oil prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs.

Oil and gas reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. Such changes may impact the Group's reported financial position and results, which include:

- the carrying amounts of development assets (Note 16) and oil and gas properties (Note 17) may be affected due to changes in estimated future cash flows considered in the impairment testing; and
- depletion and depreciation charges in profit or loss may change where such changes are determined using the units of production method, or where the useful life of the related assets change.

The carrying amounts of the development assets and oil and gas properties are disclosed in Notes 16 and 17 to the financial statements respectively. The key assumptions applied in impairment testing are disclosed in Note 17(a) to the financial statements. The Group performed a sensitivity analysis to evaluate the potential impact on the impairment loss recognised in profit or loss due to deviations in key assumptions, with the results presented in Note 17(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(b) *Impairment of financial assets*

Impairment allowance for financial assets measured at amortised costs are applied using the expected credit loss ("ECL") model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining key inputs to the impairment calculation, taking into account the Group's past history, existing market conditions as well as forward-looking information relating to industry, market development and macroeconomic factors. ECL is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, geographical location, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The carrying amounts representing the credit risk exposure, key assumptions and inputs used in ECL assessment are disclosed in Note 28(b) to the financial statements.

(c) *Estimation of provision for restoration costs*

Restoration costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The ultimate restoration costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. Consequently, the timing and amounts of future cash flows are subject to significant uncertainty. Changes in the expected future costs are reflected in both the provision and the asset and could have a material impact on the Group's consolidated financial statements.

The carrying amount of the Group's provision for restoration costs is disclosed in Note 25 to the financial statements.

(d) *Units of production method for depletion of oil and gas properties*

Oil and gas properties are depleted on a unit-of-production method by reference to the ratio of production in the period and the related commercial reserve of the field. This results in a depletion charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the units of production rate for depletion could be impacted to the extent that actual production in the future is different from current forecast production based on total proved and probable developed and undeveloped reserves, or future capital assumptions used in estimating reserves, including the effect on proved reserves of differences between actual commodity prices and commodity price assumptions; or unforeseen operational issues.

Any changes in estimates are accounted for prospectively. A 1% difference in the forecasted production based on total petroleum reserves from management's estimates will result in approximately 1.28% (2023: 0.02%) variance in the net carrying amount of oil and gas properties. The carrying amount of the oil and gas properties is disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(e) Income taxes

The Group and the Company recognised liabilities for expected income taxes based on the estimates of income tax payable. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the financial year when such determination is made. The carrying amounts of the Group's deferred tax liability and income tax payable as at 30 June 2024 were approximately US\$33,610,000 (2023: US\$34,025,000) (Note 26) and US\$58,000 (2023: US\$62,000) respectively.

3.2 Critical judgements in applying the entity's accounting policies

Impairment of investments in subsidiary corporations

The Company follows the guidance of SFRS(I) 1-36 in determining whether there is an indication that an investment in subsidiary corporations are impaired. This determination requires significant judgement. The Company evaluate, among other factors, the duration and extent to which the recoverable amount of the non- financial asset is less than its carrying amount and the financial health of and near-term business outlook for the non-financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amounts of the investments in subsidiary corporations are disclosed in Note 20 to the financial statements.

4. Revenue

	Group	
	2024 US\$'000	2023 US\$'000
Sales of crude oil ^(a)	2,737	3,315
Technical services income ^(b)	1,350	-
	<u>4,087</u>	<u>3,315</u>

(a) The Group derives revenue from the transfer of goods at a point in time and all customers are based in Thailand.

(b) The Group derives revenue from the technical services provided upon satisfaction of performance obligation at a point in time and all customers are based in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

5. Expenses by nature

	Group	
	2024	2023
	US\$'000	US\$'000
Audit fees		
- Auditor of the Company	92	82
Depreciation of other property, plant and equipment (Note 18)	17	43
Depreciation of right-of-use asset (Note 19(a))	170	150
Depletion of oil and gas properties (Note 17)	1,109	1,375
Directors' fees of the Company	134	135
Employee compensation (Note 6)	1,279	1,255
Insurance	52	82
Production expense	992	887
Professional fees	144	128
Transportation	54	71
Rental expense – short term lease (Note 19(c))	24	24
Repair and maintenance	31	31
Royalties and other government taxes	137	166
Other expenses	514	193
Total cost of sales and administrative expenses	<u>4,749</u>	<u>4,622</u>

6. Employee compensation

	Group	
	2024	2023
	US\$'000	US\$'000
Salaries, bonuses and other short-term benefits	1,223	1,209
Defined contributions plans	56	46
	<u>1,279</u>	<u>1,255</u>

7. Other income

	Group	
	2024	2023
	US\$'000	US\$'000
Government grant income	2	3
Miscellaneous income	11	2
	<u>13</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. Other (losses)/gains

	Group	
	2024	2023
	US\$'000	US\$'000
Net fair value changes in financial asset, at FVPL (Note 13)	-	(4)
Loss on disposal of other property, plant and equipment	-	(1)
Gain on sale of financial assets, at FVPL	-	2
Other property, plant and equipment written-off	-	(3)
Foreign exchange (loss)/gain, net	(54)	27
Others	(4)	-
	<u>(58)</u>	<u>21</u>

9. Finance expenses

	Group	
	2024	2023
	US\$'000	US\$'000
Interest expense		
- Other payables	29	12
- Lease liability (Note 19(b))	9	13
Unwinding of discount on provisions (Note 25)	283	384
	<u>321</u>	<u>409</u>

10. Income taxes

	Group	
	2024	2023
	US\$'000	US\$'000
Tax expense attributable to the loss is made up of:		
Current income taxes	117	135
Deferred income tax (Note 26)	(415)	(176)
	<u>(298)</u>	<u>(41)</u>
Over provision in prior financial years:		
Current income taxes	-	(1)
	<u>(298)</u>	<u>(42)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

10. Income taxes (continued)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Loss before income tax	(855)	(1,691)
Tax calculated at tax rate of 17% (2023: 17%)	(145)	(287)
Effects of:		
- different tax rates in other countries	(146)	185
- income not subject to tax	(29)	-
- expenses not deductible for tax purposes	48	65
- over provision of tax in prior financial years	-	(1)
- others	(26)	(4)
Tax credit	(298)	(42)

The Company and subsidiary corporations incorporated in Singapore

The Company and subsidiary corporations incorporated in Singapore are subjected to an applicable tax rate of 17% (2023: 17%). Certain subsidiary corporations are in a tax loss position for both the financial years ended 30 June 2024 and 2023, hence they are not subject to tax in the respective years.

Thailand Operations (Note 21)

The Thailand Operations are subjected to an applicable tax rate of 50% (2023: 50%).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised as it is uncertain that there will be sufficient future taxable profits to realise these future benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements of the Group in accordance with the accounting policy as disclosed in Note 2.16 to the financial statements.

The movements of unrecognised deferred tax assets are as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	-	151
Liquidation of a former subsidiary corporation	-	(151)
End of financial year	-	-

The unrecognised deferred tax assets in the financial year ended 30 June 2023 are attributable to the temporary differences arising from unutilised tax losses which belong to a former subsidiary corporation, Loyz Oil Australia Pty Ltd ("Loyz Oil Australia"), with indefinite expiry. With effect from 18 January 2023, Loyz Oil Australia has been deregistered from the Companies Registry of Australia (Note 20). Accordingly, the unrecognised deferred tax assets have been written-off.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Outstanding warrants of 487,502,256 have not been included in the calculation of diluted loss per share because they are anti-dilutive for the current and previous financial years. There is no dilutive effect arising from the warrants as the exercise price of the warrants was higher than the Company's average share price for the financial year. The warrants had expired on 13 December 2022.

The calculation of basic and diluted loss per share is as follows:

	Group	
	2024	2023
Net loss attributable to equity holders of the Company (US\$'000)	<u>(557)</u>	<u>(1,649)</u>
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	<u>8,552,538</u>	<u>8,552,538</u>
Basic and diluted loss per share (US cents per share)	<u>(0.006)</u>	<u>(0.019)</u>

With the completion of the share placement on 5 August 2024 as disclosed in Note 31(d) to the financial statements, the number of ordinary shares will increase from 8,552,538,955 as at 30 June 2024 to 9,203,398,760. Loss per share for the financial year ended 30 June 2024 was not required to be adjusted in accordance with the requirement of SFRS(I)1-33 Earnings per share.

12. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank	1,247	1,323	-	276
Cash on hand	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u>1,248</u>	<u>1,324</u>	<u>-</u>	<u>276</u>

13. Financial asset, at FVPL

	Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	-	9
Fair value loss (Note 8)	-	(4)
Disposal of financial asset, at FVPL	<u>-</u>	<u>(5)</u>
End of financial year	<u>-</u>	<u>-</u>

The financial asset, at FVPL are listed equity securities in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

14. Trade and other receivables

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Trade receivable – Non-related party	1,530	217	1,148	-
Other receivables				
- Non-related parties	26	31	-	-
- Subsidiary corporations	-	-	4,759	7,441
- Associated companies ^(a)	-	1,915	-	49
Less: Loss allowance (Note 28(b))	-	(1,054)	(4,759)	(6,582)
	26	892	-	908
Deposits	73	76	54	47
Prepayments	43	54	8	22
	1,672	1,239	1,210	977

Other receivables due from subsidiary corporations are unsecured, interest-free and repayable on demand.

^(a) During the previous financial years, a loan of approximately US\$1,809,000 (equivalent to S\$2,400,000) bearing an interest of 5% per annum was extended to a former associated company, Preferred Mart Pte. Ltd. ("PM"). The loan is unsecured and is not expected to be receivable within the next 12 months.

From August 2021 to October 2021, a total loan of approximately US\$502,000 (equivalent to S\$680,000) bearing an interest of 5% per annum was extended to a former associated company, Chinese International Commodity City Pte. Ltd. ("CICC") through PM. The loan proceeds were disbursed by the Company. The loan is unsecured and is not expected to be receivable within the next 12 months.

On 30 January 2022, the Company has assigned all interests in and over the loans extended to both PM and CICC to CWX Investments Pte. Ltd., a wholly-owned subsidiary corporation of the Company.

During the financial year ended 30 June 2022, the loans extended to PM and CICC has been reclassified from non-current to current and a loss allowance of US\$1,052,000 has been recognised against these loans (Note 28(b)) due to the factors disclosed in Note 22 to the financial statements.

During the financial year ended 30 June 2023, an additional loss allowance of US\$2,000 has been recognised against these loans (Note 28(b)) due to the factors disclosed in Note 22 of the financial statements.

As disclosed in Note 22 to the financial statements, during the financial year ended 30 June 2024, the former associated companies had settled the agreed Settlement Amount with the Group. Consequently, the Group reversed loss allowance on these loans which were previously recognised amounting to US\$171,000 and written-off allowances amounting to US\$883,000 for the remaining loan (Note 28(b)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

15. Inventories

	Group	
	2024	2023
	US\$'000	US\$'000
Stores and consumables	1,802	1,789
Crude oil	39	39
	<u>1,841</u>	<u>1,828</u>

16. Exploration, evaluation and development assets

	Development assets US\$'000
Group	
2024	
<i>Cost</i>	
Beginning of financial year	12,466
Transfer to oil and gas properties (Note 17)	<u>(1,492)</u>
End of financial year	<u>10,974</u>
<i>Accumulated impairment loss</i>	
Beginning and end of financial year	<u>1,263</u>
Net book value	
End of financial year	<u><u>9,711</u></u>
2023	
<i>Cost</i>	
Beginning of financial year	13,958
Transfer to oil and gas properties (Note 17)	<u>(1,492)</u>
End of financial year	<u>12,466</u>
<i>Accumulated impairment loss</i>	
Beginning and end of financial year	<u>1,263</u>
Net book value	
End of financial year	<u><u>11,203</u></u>

The development assets arose from the acquisition of the Thailand Operations in 2014 as disclosed in Note 21 to the financial statements.

During the financial years ended 30 June 2024 and 2023, no impairment was recognised on the E, E&D assets (Note 17(a)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17. Oil and gas properties

	2024 US\$'000	2023 US\$'000
Group		
<i>Cost</i>		
Beginning of financial year	84,281	80,867
Additions	119	1,506
Provision of restoration costs (Note 25)	121	416
Transfer from exploration, evaluation and development assets (Note 16)	1,492	1,492
End of financial year	<u>86,013</u>	<u>84,281</u>
<i>Accumulated depletion</i>		
Beginning of financial year	20,435	19,060
Depletion (Note 5)	1,109	1,375
End of financial year	<u>21,544</u>	<u>20,435</u>
<i>Accumulated impairment loss</i>		
Beginning and end of financial year	<u>4,887</u>	<u>4,887</u>
Net book value		
End of financial year	<u>59,582</u>	<u>58,959</u>

These are attributable to the Thailand Operations (Note 21).

During the financial years ended 30 June 2024 and 2023, no impairment was recognised on oil and gas properties.

(a) *Impairment testing of exploration, evaluation and development assets and oil and gas properties*

The recoverable amount of exploration, evaluation and development assets and oil and gas properties has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 4 to 20 years (2023: 5 to 21 years) based on development plans for the producing wells and the remaining concession periods including expected renewals of 10 years each at the end of respective concession periods.

Management has assessed that the period for the financial forecast of the above assets is appropriate considering the long-term development plans for the fields and the terms of the respective permits.

The value-in-use calculations are most sensitive to the following assumptions:

- Crude oil prices (taking into consideration of current and future outlook in fluctuating oil prices);
- Forecast annual production volumes (taking into account proved and probable reserve); and
- Pre-tax discount rate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17. Oil and gas properties (continued)

(a) Impairment testing of exploration, evaluation and development assets and oil and gas properties (continued)

Crude oil prices of US\$77 to US\$112 (2023: US\$81 to US\$114) per barrel are based on publicly available benchmark oil prices by petroleum consultants, with the forecasted recovery of 1.7% to 2.1% per annum in the next 2 years (2023: forecasted declined of 2.0% to 3.0% per annum in the next 2 years) and forecasted recovery of 2.0% per annum from year 2027 onwards (2023: 2.0% per annum from year 2026 onwards).

Forecasted annual production volumes are based on detailed data for the reserves of the fields and taking into account the development plans for the fields approved by the representatives of each party holding interest in the joint operation ("Operating Committee") (Note 21) as part of the long-term planning process. Whereby reserves are based on information compiled by external, independent and qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

The discount rate of 10% (2023: 10%) represents the current market assessment of the risk specific to these assets, regarding the time value of money and individual risks of underlying assets which have not been incorporated in the cash flows estimates. The discount rate calculation is based on the specific circumstances of these assets and derived with reference to the weighted average cost of capital (WACC) of these assets, adjusted for the risks specific to these assets.

With the above assessment, management is of the view that the provision of US\$6,150,000 for exploration, evaluation and development assets and oil and gas properties is sufficient for the challenges that may arise from the uncertainties in the macro-economic environment. As a result, there is no reversal or addition of provision during the financial year.

(b) Sensitivity analysis

The recoverable amount is most sensitive to the discount rate, oil price and production volume used for the discounted cash flows model. If the discount rate, oil prices and production volume deviate in respect of 1%, 5% and 5% respectively, the impact on the impairment loss recognised in profit or loss are as follows:

FY2024

Absolute change in discount rate	Applied discount rate	Market value of Thailand Operations (not adjusted for the percentage ownership)	Increase/(decrease) in impairment
%	%	US\$'000	US\$'000
+1	11	359,600	16,689
0	10	376,289	-
-1	9	394,098	(17,809)

Absolute change in oil price	Oil price (US\$/BBL)	Market value of Thailand Operations (not adjusted for the percentage ownership)	Increase/(decrease) in impairment
%	US\$	US\$'000	US\$'000
+5	80.86-117.94	405.708	(29,419)
0	77.01-112.32	376.289	-
-5	73.16-106.70	346.870	29,419

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17. Oil and gas properties (continued)

(b) *Sensitivity analysis* (continued)

FY2024 (continued)

Percentage change in production volume %	Total production volume (MSTB) MSTB	Market value of Thailand Operations (not adjusted for the percentage ownership) US\$'000	Increase/(decrease) in impairment US\$'000
+5	11,382	400,402	(24,113)
0	11,982	376,289	-
-5	12,581	352,176	24,113

FY2023

Absolute change in discount rate %	Applied discount rate %	Market value of Thailand Operations (not adjusted for the percentage ownership) US\$'000	Increase/(decrease) in impairment US\$'000
+1	11	366,573	17,981
0	10	384,554	-
-1	9	403,758	(19,204)

Absolute change in oil price %	Oil price (US\$/BBL) US\$	Market value of Thailand Operations (not adjusted for the percentage ownership) US\$'000	Increase/(decrease) in impairment US\$'000
+5	85.17 – 122.23	412,089	(27,535)
0	81.11 – 116.41	384,554	-
-5	77.05 – 110.59	357,019	27,535

Percentage change in production volume %	Total production volume (MSTB) MSTB	Market value of Thailand Operations (not adjusted for the percentage ownership) US\$'000	Increase/(decrease) in impairment US\$'000
+5	11,934	408,483	(23,929)
0	11,366	384,554	-
-5	10,797	360,625	23,929

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18. Other property, plant and equipment

	Freehold land US\$'000	Leasehold land and building US\$'000	Plant, machinery and equipment US\$'000	Furniture and fittings US\$'000	Total US\$'000
Group					
2024					
<i>Cost</i>					
Beginning of financial year	1,071	86	431	8	1,596
Additions	-	7	2	7	16
End of financial year	1,071	93	433	15	1,612
<i>Accumulated depreciation</i>					
Beginning of financial year	-	53	380	7	440
Depreciation (Note 5)	-	9	6	2	17
End of financial year	-	62	386	9	457
Net book value	1,071	31	47	6	1,155

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18. Other property, plant and equipment (continued)

	Freehold land US\$'000	Leasehold land and building US\$'000	Plant, machinery and equipment US\$'000	Furniture and fittings US\$'000	Total US\$'000
Group					
2023					
<i>Cost</i>					
Beginning of financial year	1,071	84	431	7	1,593
Additions	-	10	4	1	15
Disposal	-	-	(4)	-	(4)
Written-off	-	(8)	-	-	(8)
End of financial year	1,071	86	431	8	1,596
<i>Accumulated depreciation</i>					
Beginning of financial year	-	40	359	6	405
Depreciation (Note 5)	-	18	24	1	43
Disposal	-	-	(3)	-	(3)
Written-off	-	(5)	-	-	(5)
End of financial year	-	53	380	7	440
Net book value	1,071	33	51	1	1,156

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19. Right-of-use asset

- (a) Carrying amounts and depreciation charge

	<u>Group and Company</u>	
	2024	2023
	US\$'000	US\$'000
Office premises		
<i>Cost</i>		
Beginning of financial year	342	-
Additions	-	342
Modification of lease (Note 19(g))	367	-
End of financial year	<u>709</u>	<u>342</u>
<i>Accumulated depreciation</i>		
Beginning of financial year	150	-
Depreciation (Note 5)	170	150
End of financial year	<u>320</u>	<u>150</u>
Net book value	<u>389</u>	<u>192</u>

There is no externally imposed covenant on these lease arrangements.

- (b) Interest expense

	<u>Group and Company</u>	
	2024	2023
	US\$'000	US\$'000
Interest expense on lease liability (Note 9)	<u>9</u>	<u>13</u>

- (c) Lease expense not capitalised in lease liability

	<u>Group and Company</u>	
	2024	2023
	US\$'000	US\$'000
Lease expense – short-term leases (Note 5)	<u>24</u>	<u>24</u>

- (d) Total cash outflow for all the leases was US\$194,000 (2023: US\$191,000).

- (e) Future cash outflow which are not capitalised in lease liability.

Extension options

2023

The leases for certain office premises contain extension periods, for which the related lease payments had not been included in lease liability as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

2024

The leases for certain office premises does not contain extension option.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19. Right-of-use asset (continued)

(g) Modification of lease

During the financial year, the Company renegotiated and modified existing lease contract by extending the lease term at revised lease payments. As this extension not part of the terms and condition of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets. The corresponding remeasurement to lease liability is recorded under lease. There is no impact to the Group's consolidated statement of comprehensive income on the remeasurement.

(f) Lease liability

Lease liability presented in the balance sheets are as follows:

	Group and Company	
	2024	2023
	US\$'000	US\$'000
Current	180	182
Non-current	214	6
Total	<u>394</u>	<u>188</u>

20. Investments in subsidiary corporations

	Company	
	2024	2023
	US\$'000	US\$'000
Composition:		
Unquoted equity shares, at cost ^(a)	26,194	26,120
Capital contribution in the form of share options issued to employees of a subsidiary corporation	1,378	1,378
Loans deemed as investment in subsidiary corporations ^(b)	51,854	51,529
Impairment loss	<u>(19,810)</u>	<u>(19,810)</u>
	<u>59,616</u>	<u>59,217</u>

^(a) On 3 May 2024, the Company incorporated a wholly-owned subsidiary corporation, Future AI Tech Pte Ltd, with a share capital of approximately US\$74,000 (equivalent to S\$100,000) comprising of 100,000 ordinary shares of approximately US\$0.74 (equivalent to S\$1.00) per share. As at the end of the financial year ended 30 June 2024 and as at the date of these financial statements, the share capital remains unpaid and is presented as non-trade payable to a subsidiary corporation in Note 24 to the financial statements.

^(b) The management has deemed these loans as investments in subsidiary corporations as the Company will not be expecting repayment of such loans from these subsidiary corporations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

20. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 30 June 2024 and 2023:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion (%) of ownership interest held by the Group</u>	
			<u>2024</u> %	<u>2023</u> %
<u>Held by the Company</u>				
Loyz Oil Pte. Ltd. ("Loyz Oil") ⁽¹⁾	Exploration and production of oil and gas and investment holding	Singapore	100	100
CWX Investments Pte. Ltd. ("CWX Investments") ⁽²⁾⁽⁴⁾	Investment holding	Singapore	100	100
Future AI Tech Pte Ltd ("Future AI Tech") ⁽²⁾⁽⁵⁾	Development of software and applications and provision of information technology consultancy service	Singapore	100	-
<u>Held by Loyz Oil</u>				
Loyz Oil Thailand Pte. Ltd. ("Loyz Thai") ⁽¹⁾⁽³⁾	Exploration and production of oil and gas and investment holding	Singapore	100	100
Loyz Oil Australia Pty Ltd ("Loyz Oil Australia") ⁽⁶⁾	Exploration and production of oil and gas and investment holding	Australia	-	-

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.

(2) Reviewed by CLA Global TS Public Accounting Corporation, Singapore for consolidation purposes.

(3) Inclusive of 20% Participating Interest in Thailand Operations (Note 21).

(4) Deregistered from the Singapore Register of Companies at the expiration of 60 days from the date of notice, 4 July 2024.

(5) Incorporated on 3 May 2024.

(6) Deregistered from the Companies Registry of Australia with effect from 18 January 2023.

Significant restrictions

As at 30 June 2024 and 2023, there were no significant restrictions with regards to the Company's investments in subsidiary corporations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

20. Investments in subsidiary corporations (continued)

Loyz Oil Australia

The Company has fully impaired its investment in Loyz Oil Australia, a wholly-owned subsidiary corporation of the Group, amounting to US\$45,467,000 in the prior financial years. During the financial year ended 30 June 2023, Loyz Oil Australia has been deregistered from the Companies Registry of Australia. Accordingly, the impairment in cost of investment in Loyz Oil Australia has been written-off.

21. Interests in joint operations

On 30 April 2014, Loyz Thai, a wholly-owned subsidiary corporation of the Company, completed the acquisition of 20% participating interest in Petroleum Concessions Nos. 1/2527/24 (SW1) held by ECO Orient Energy (Thailand) Ltd. (the "Operator"), and 3/2546/60 (L44/43) and 5/2546/62 (L33/43) held by ECO Orient Resources (Thailand) Ltd. (the "Operator") located about 300 km north of Bangkok, Thailand (the "Thailand Operations") from Carnarvon Thailand Limited ("CVN"), at a purchase consideration of US\$65,000,000 ("the Original SPA").

Following the acquisition, the Thailand Operations was held by 3 parties, namely the Operator, CVN and Loyz Thai (the "3 Parties") with participating interests of 60%, 20% and 20% ("Participating Interests") respectively. On 16 February 2015, CVN assigned its 20% Participating Interests to Berlanga Thailand Limited. Pursuant to the terms of the International Operating Agreements ("IOA") between the 3 Parties, management assessed and concluded that the Thailand Operations qualify as a joint operation under SFRS(I) 11 *Joint Arrangements*, notwithstanding that all decisions, approvals and other actions of the operating committee are decided by the affirmative vote of one or more parties, with a collective vote of at least 75% Participating Interests.

In the event where votes are not unanimous, the IOA provides for an Exclusive Operation ("EO") clause, for consenting parties to bear all relevant costs and liabilities of the EO, in proportion to their respective Participating Interests, and to indemnify the non-consenting party from any costs and liabilities incurred in relation to the EO. The EO shall be excluded from the scope of the IOA. Accordingly, the management concluded that the Thailand Operations is jointly controlled by the 3 Parties, and the Group will share the respective rights and interests, the obligations, liabilities and expenses incurred by the Thailand Operations, according to its Participating Interests.

In the Original SPA, the purchase consideration of US\$65,000,000 was to be satisfied by:

- (i) Cash payment of US\$33,000,000; and
- (ii) Deferred consideration of US\$32,000,000 payable annually, commencing on 30 November 2015, for an amount equal to 12% of the concession revenue for the year, not exceeding US\$10,000,000 for any given payment year. The deferred consideration was measured at its present value at initial recognition and subsequently carried at amortised cost in the previous financial years.

In the financial year ended 30 June 2017, taking into account of the volatility in the oil and gas industry, the Group and CVN entered into a supplemental agreement to revise the deferred consideration, to be satisfied by:

- (a) An upfront payment of US\$4,000,000, in cash of US\$50,000 and issuance of 331,653,000 new ordinary shares of the Company which has been settled during the financial year ended 30 June 2018; and
- (b) In the event of a disposal of the Thailand Operations by the Group and the sale proceeds exceed US\$45,000,000, a cash payment amounting to 12% of the sale proceeds that is in excess of US\$45,000,000 shall be payable to CVN.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

21. Interests in joint operations (continued)

As at 30 June 2024 and 2023, the management has assessed that the fair value of this part of deferred consideration to be US\$Nil as the Group does not foresee the disposal of Thailand Operation at an amount exceeding US\$45,000,000 to be likely within the near future.

The following amounts represent the assets controlled and liabilities obligated, income and expenses incurred by the Group in relation to its interest in the joint operations that are included in the Group's financial statements:

	Group	
	2024	2023
	US\$'000	US\$'000
Assets and liabilities		
Non-current assets ⁽¹⁾	70,449	72,810
Current assets	3,419	3,126
Non-current liabilities ⁽²⁾	(36,905)	(36,916)
Current liabilities	<u>(1,760)</u>	<u>(1,595)</u>
Profit or loss		
Income	2,737	3,315
Expenses	<u>(3,427)</u>	<u>(3,345)</u>

⁽¹⁾ Mainly comprise of development assets (Note 16) and oil and gas properties (Note 17).

⁽²⁾ Mainly comprise of provision for restoration costs (Note 25) and deferred tax liabilities (Note 26).

The Thailand Operations are audited by, Patana Consulting Co., Ltd., and reviewed by CLA Global TS Public Accounting Corporation, Singapore, for consolidation purposes.

There are no contingent liabilities relating to the Group's interest in joint operations.

22. Investments in associated companies

	Group	
	2024	2023
	US\$'000	US\$'000
Unquoted equity shares, at cost	-	30
Accumulated share of losses	<u>-</u>	<u>(30)</u>
Net carrying amount	<u>-</u>	<u>-</u>

There are no contingent liabilities relating to the Group's interest in associated companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

22. Investments in associated companies (continued)

Set out below are the associated companies of the Group as at 30 June 2024 and 2023:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>% of ownership interest</u>	
			2024 %	2023 %
<u>Held by CWX Investments</u> Preferred Mart Pte. Ltd. ⁽¹⁾ ("Preferred Mart")	Investment holding and management of a retail supermarket	Singapore	-	40
<u>Held by Preferred Mart</u> Chinese International Commodity City Pte. Ltd. ⁽¹⁾	Management of a retail supermarket	Singapore	-	40
Immense Wellness Pte. Ltd. ⁽²⁾	Healthcare services and trading of healthcare products	Singapore	-	16

⁽¹⁾ Reviewed by CLA Global TS Public Accounting Corporation, Singapore, for consolidation purposes.

⁽²⁾ Not required to be audited under the laws of country of incorporation.

Preferred Mart

On 19 February 2021, the Company, through its wholly-owned subsidiary corporation, CWX Investments Pte. Ltd. ("CWX Investments") acquired 40% of the issued share capital in Preferred Mart, an investment in and/or management of the operation of a retail supermarket chain, for a consideration of approximately US\$30,000 (equivalent to S\$40,000) through a joint venture agreement entered on 5 February 2021 with four non-related parties.

The four non-related parties (jointly and not severally) irrevocably and unconditionally grants a call option ("Call Option") to the Company, whereby the Company shall have the right to require each of the parties (jointly and not severally) to sell to the Company all shares held by them for an aggregate consideration of approximately US\$90,000 (equivalent to S\$120,000). The Call Option shall be exercisable any time and at the discretion of the Company.

On 22 February 2021, Preferred Mart acquired 100% of issued and paid-up share capital of Chinese International Commodity City Pte. Ltd. ("CICC") from a non-related party (the "Vendor"), on the terms and subject to the conditions set out in a sale and purchase agreement entered into between Preferred Mart and the Vendor on the same day (the "Acquisition"). Following the completion of the Acquisition, CICC is a wholly-owned subsidiary corporation of Preferred Mart.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

22. Investments in associated companies (continued)

On 30 January 2022, the Group entered into a sales and purchase agreement (“Agreement”) to sell its 40% interest in Preferred Mart to a non-related party (“Buyer”) in view that its businesses have not performed to expectations (“Proposed Disposal”). The transaction amount of the Agreement is: (i) the consideration for the sale and purchase of the 40,000 ordinary shares at approximately US\$29,000 (equivalent to S\$40,000) (“Sale Consideration”); and (ii) full and final settlement of approximately US\$1,856,000 (equivalent to S\$2,560,000) (“Settlement Amount”) (together the “Transaction Amount”). The Transaction Amount shall be payable by the Buyer to the Company in 8 tranches and the completion of the Proposed Disposal will take place following the payment of first 2 payment tranches amounting to approximately US\$1,450,000 (equivalent to S\$2,000,000) as set out in the Agreement.

On 30 June 2023, the Group entered into a supplemental sales and purchase agreement (“Supplemental Agreement”) with the Buyer to vary the terms and conditions of the Agreement. The variations of the Supplemental Agreement are such that: (i) the Settlement Amount shall be reduced from approximately US\$1,856,000 (equivalent to S\$2,560,000) to approximately US\$1,450,000 (equivalent to S\$2,000,000) in cash to the Group; and (ii) the Settlement Amount shall be repayable by the Buyer to the Group in 2 tranches on or before 31 July 2024 instead of 8 tranches as set out in the Agreement.

The Group has not recognised its share of losses from Preferred Mart for the financial period from 1 July 2023 to 15 September 2023 and for financial year ended 30 June 2023 as the Group’s cumulative share of losses exceed its interest in that entity and the Group has no obligation in respect of those accumulated losses at the reporting date.

On 15 September 2023, the Group has completed the Proposed Disposal. During the financial year ended 30 June 2024, the Group has received the full Settlement Amount and accordingly, the Group’s cost of investment and accumulated share of losses of US\$30,000 has been written-off.

23. Intangible assets

	Goodwill US\$'000
Group	
2024	
<i>Cost</i>	
Beginning and end of financial year	<u>27,969</u>
<i>Accumulated amortisation and impairment loss</i>	
Beginning and end of financial year	<u>27,969</u>
Net book value	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23. Intangible assets

	Goodwill US\$'000	Pre- exploration data US\$'000	Software US\$'000	Total US\$'000
Group				
2023				
<i>Cost</i>				
Beginning of financial year	35,410	95	34	35,539
Written-off	(7,441)	(95)	(34)	(7,570)
End of financial year	<u>27,969</u>	<u>-</u>	<u>-</u>	<u>27,969</u>
<i>Accumulated amortisation</i>				
Beginning of financial year	-	95	34	129
Written-off	-	(95)	(34)	(129)
End of financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Accumulated impairment loss</i>				
Beginning of financial year	35,410	-	-	35,410
Written-off	(7,441)	-	-	(7,441)
End of financial year	<u>27,969</u>	<u>-</u>	<u>-</u>	<u>27,969</u>
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Pre-exploration data and software

Pre-exploration data relates to proprietary technologies reports on the non-core concessions in Australia. In the financial year ended 30 June 2023, it has been written-off due to the deregistration of Loyz Oil Australia. The asset had been fully impaired since the financial year ended 30 June 2016.

Goodwill

Goodwill is attributable to the following cash generating units identified:

	Group	
	2024	2023
	US\$'000	US\$'000
Loyz Oil Australia	-	7,441
Thailand operations	27,969	27,969
	<u>27,969</u>	<u>35,410</u>

Goodwill arising on acquisition of Loyz Oil Australia and the participating interests in the Thailand Operations (Note 21) are attributable mainly to the potential for the recognition of or the access to additional reserves and the synergies expected to be achieved from integrating the investees into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

During the financial year ended 30 June 2023, Loyz Oil Australia has been deregistered from the Companies Registry of Australia (Note 20). Accordingly, the goodwill arising from the acquisition of Loyz Oil Australia has been written-off.

Goodwill had been fully impaired since the financial year ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

24. Trade and other payables

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Current				
Trade payables				
- Non-related parties ^(a)	47	38	-	-
Non-trade payables				
- Non-related parties ^(b)	2,458	1,639	1,063	343
- Subsidiary corporation ^(c)	-	-	74	-
Deferred income	75	-	75	-
Accruals for operating expenses ^(d)	789	1,126	505	592
	<u>3,369</u>	<u>2,803</u>	<u>1,717</u>	<u>935</u>
Non-current				
Non-trade payables				
- Non-related party ^(b)	-	503	-	503
	<u>3,369</u>	<u>3,306</u>	<u>1,717</u>	<u>1,438</u>

(a) The trade amounts due to non-related parties are unsecured, interest-free and are on 30 days (2023: 30 days) credit term.

(b) Included in the current non-trade payables due to non-related parties is a total loan amount of US\$884,000 (2023: US\$744,000) due to Parties B, C, and D, (2023: Party A). which are unsecured and bear interest at rates ranging from 5% to 15% per annum (2023: 5% per annum).

Party A

During the previous financial years, the Company entered into several loan agreements with Party A, for a total amount of approximately US\$221,000 (equivalent to S\$300,000).

During the financial year ended 30 June 2024, the Company repaid approximately US\$74,000 (equivalent to S\$100,000) to Party A. The Company also settled the remaining loan of approximately US\$147,000 (equivalent to S\$200,000) due to Party A by entering into a new loan agreement with Party A and Party B. Under the new loan agreement, the loan and the related interest payable were reassigned from the Party A to Party B. Consequently, there were no non-trade payables due to Party A as of 30 June 2024.

Party B

During the financial year ended 30 June 2024, the loan of approximately US\$147,000 (equivalent to S\$200,000) and the related interest payable were reassigned from Party A to Party B.

Subsequent to the financial year ended 30 June 2024, on 16 July 2024, the Company entered into a new loan agreement to reassign the loan of approximately US\$147,000 (equivalent to S\$200,000) and the related interest payable to a non-related party, Placee A, under the Placement Agreement entered into by the Company on 22 July 2024 (Note 31(c)). The loan and the related interest payable due to Placee A was offset against the placement considerations due from Placee A (Note 31(d)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

24. Trade and other payables (continued)

(b) *Party C*

During the financial year ended 30 June 2023, the Company entered into several loan agreements with Party C, for a total amount of approximately US\$503,000 (equivalent to S\$678,000) and was classified as non-current as at 30 June 2023. During the financial year ended 30 June 2024, this non-trade payables have been reclassified from non-current to current.

During the financial year ended 30 June 2024, the Company repaid approximately US\$422,000 (equivalent to S\$568,000) by offsetting this amount against the Settlement Amount related to the sale of a 40% interest in the associated company, Preferred Mart Pte. Ltd. (Note 22). The Company has also entered into a new loan agreement amounting to US\$482,000 (equivalent to S\$650,000) on 15 April 2024.

Subsequent to the financial year ended 30 June 2024, the Company entered into a Placement Agreement with Party C, being one of the three placees as Placee B under the Placement Agreement entered into by the Company on 22 July 2024 (Note 31(c)). Consequently, the loan and the related interest payable due to Party C were offset against the placement considerations (Note 31(d)).

Party D

During the financial year ended 30 June 2024, the Company entered into several loan agreements with Party D, for a total amount of approximately US\$147,000 (equivalent to S\$200,000).

Subsequent to the financial year ended 30 June 2024, on 16 July 2024, the Company entered into several new loan agreements to reassign the total loan of approximately US\$147,000 (equivalent to S\$200,000) and the related interest payable to a non-related party, Placee C, under the Placement Agreement entered into by the Company on 22 July 2024 (Note 31(c)). The loan and the related interest payable due to Placee C was offset against the placement considerations due from Placee C (Notes 31(d)).

(c) The current non-trade payables due to a subsidiary corporation relates to the unpaid share capital of the Company's wholly-owned subsidiary corporation, Future AI Tech Pte Ltd (Note 20(a)). The amount is unsecured and interest-free.

(d) Included in the accruals for operating expenses is an amount of approximately US\$56,000 (equivalent to approximately S\$75,000) for services provided to the Group by a non-related party for the financial year ended 30 June 2024. The service period is from 1 October 2023 to 30 September 2024.

Subsequent to the financial year ended 30 June 2024, one of the Group's key management personnel was appointed as the director of the non-related party on 22 July 2024. On 7 September 2024, the aforementioned key management personal resigned from the Group and ceased to a key management personal of the Group. Consequently, the non-related party became a related party with effect from 22 July 2024 to 7 September 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

25. Provision for restoration costs

	Group	
	2024	2023
	US\$'000	US\$'000
Provision for restoration costs	<u>3,295</u>	<u>2,891</u>

Movements in provision for restoration costs were as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	2,891	2,091
Provision during the financial year (Note 17)	121	416
Unwinding of discount (Note 9)	283	384
End of financial year	<u>3,295</u>	<u>2,891</u>

The Group's site restoration obligation arose from Loyz Thai's interests in the Thailand Operations, for the future cost incurred for restoration of oil production facilities.

In accordance with the Ministerial Regulation of Thailand ("Regulation") which was made retroactive in 2016, all oil and gas operators are required to pay the costs of decommissioning assets they have installed, including those they will transfer free of charge to a next operator. Following the development of arbitration proceedings taken by the Thailand Authorities against major oil and gas operators, management assessed that the imposition of this Regulation will likely affect the Group's Thailand Operations. Therefore the Group recognised a provision for restoration costs in December 2019 as the management believes there is a present legal obligation for Thailand Operations to restore the production sites at the end of the operating life of the oil and gas assets.

The provision represents the present value of restoration costs which are expected to be incurred up to the end of the concession license using a discount rate of 10% per annum.

26. Deferred tax liabilities

	Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	(34,025)	(34,201)
Credited to profit or loss (Note 10)	415	176
End of financial year	<u>(33,610)</u>	<u>(34,025)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

26. Deferred tax liabilities (continued)

The components of deferred tax assets and liabilities as at 30 June prior to offsetting are as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
Deferred tax assets of the Group		
Unutilised tax losses	1,339	1,722
Provision for restoration costs	674	699
Others	68	76
	<u>2,081</u>	<u>2,497</u>
Deferred tax liabilities of the Group		
Exploration, evaluation and development assets	(4,855)	(5,602)
Oil and gas properties	(30,836)	(30,920)
	<u>(35,691)</u>	<u>(36,522)</u>

27. Share capital

	No. of ordinary shares		Amount	
	2024	2023	2024	2023
	'000	'000	US\$'000	US\$'000
Group and Company				
At beginning of the year	8,552,539	8,552,536	150,083	150,083
Issuance of shares ^(a)	-	3	-	-*
At end of the year	<u>8,552,539</u>	<u>8,552,539</u>	<u>150,083</u>	<u>150,083</u>

* Less than US\$1,000

All issued shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share without restrictions and entitled to receive dividends as and when declared by the Company.

^(a) A renounceable non-underwritten Rights cum Warrants issue of 1,950,009,035 new ordinary shares (the "Rights Shares") at an issue price of approximately US\$0.0067 (equivalent to S\$0.009) for each Rights share on the basis of one Rights Share for every one existing ordinary share held by the shareholders of the Company, with 487,502,256 free detachable and transferrable warrants (the "Warrants"), was allotted and issued by the Company on 14 December 2017. Each Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of approximately US\$0.0112 (equivalent to S\$0.015) for each new share, which is exercisable up to 13 December 2022.

On 13 December 2022, the unexercised Warrants which lapsed and ceased to be valid was 487,499,756 Warrants and the remaining 2,500 Warrants were exercised into 2,500 new shares. On 15 December 2023, the Company issued 2,500 new ordinary shares in the capital of the Company.

As at financial year ended 30 June 2023, there was no outstanding Warrants.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. Share capital (continued)

CapAllianz Holdings Limited Employee Share Option Scheme (the "ESOS")

The Company has a share options scheme which provides for the grant of incentive share options to employees and Directors of the Company.

Under the ESOS, the total number of shares in respect of which the committee may grant options on any date, when added to the number of shares issued and issuable or delivered and deliverable in respect of (a) all options granted under the ESOS, and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15% of the number of all issued shares (excluding treasury shares, as defined in the Act) on the day preceding that date. The ESOS allows the issue of options with a subscription price at a discount of up to 30% of the market price, or its nominal value, whichever is higher.

An option may be exercised in whole or in part, after the second anniversary of the date of grant of that option but before the fifth anniversary of the date of grant of that option in the case where options are granted at a discount, or after the first anniversary of the date of grant of that option in the case where options are not granted at a discount. The lapsing of options is provided for upon the occurrence of certain events, which includes:

- (a) the termination of the grantee's employment;
- (b) misconduct on the part of the grantee as determined by the Committee;
- (c) bankruptcy of the grantee;
- (d) the company by which the grantee is employed ceasing to be a company within the Group; and
- (e) the winding-up of the Company (voluntary or otherwise).

There were no grant of options under the ESOS since the commencement of the ESOS to the end of the financial year.

CapAllianz Holdings Limited Performance Share Plan (the "PSP")

The Company has a performance share plan which provides for the grant of incentive share awards to employees and directors for no consideration. Under the PSP, the total number of shares in respect of which the committee may grant awards on any date, when added to the number of shares issued and issuable or delivered and deliverable in respect of (a) all awards granted under the PSP, and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15% of the number of all issued shares (excluding treasury shares, as defined in the Act) on the day preceding that date. In relation to each performance-related awards, the release of awards is based on the sole discretion of the Committee. The Committee reviews the performance conditions in respect of the awards and determines whether these have been satisfied.

The Company shall release to the grantee the share awards on the vesting period in case where awards are not performance-related.

The lapsing of the awards is provided for upon the occurrence of certain events, which includes:

- (i) the termination of the grantee's employment;
- (ii) non-executive director ceasing to be a director of the Group;
- (iii) the bankruptcy of the grantee;
- (iv) the death of the grantee;
- (v) the breach by the grantee of any terms on the awards; and
- (vi) the misconduct of the grantee as determined by the Committee in its discretion.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. Share capital (continued)

CapAllianz Holdings Limited Performance Share Plan (the "PSP") (continued)

Share awards of 58,695,651 had been granted to former directors of the Company since the commencement of the PSP and had been in released full in the financial year ended 2023.

Except as disclosed above, there were no awards granted to (a) controlling shareholders and Directors of the Company, (b) associates of the controlling shareholders and (c) Directors of its subsidiary corporations from the commencement of the PSP to the end of the financial year. No individual has been granted awards representing 5.0% or more of the total number of awards available under the PSP.

There were no share awards granted under the PSP during the financial year ended 30 June 2024.

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. If necessary, market risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk

(i) *Currency risk*

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than its functional currency. The currencies giving rise to this risk is primarily Singapore Dollar ("SGD") and Thai Baht ("THB"). Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in the currency that is not the entity's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	SGD US\$'000	THB US\$'000	Total US\$'000
2024				
Financial assets				
Cash and bank balances	2	126	1,120	1,248
Trade and other receivables	1,148	55	426	1,629
	<u>1,150</u>	<u>181</u>	<u>1,546</u>	<u>2,877</u>
Financial liabilities				
Trade and other payables	360	1,679	1,220	3,259
Lease liabilities	-	394	-	394
	<u>360</u>	<u>2,073</u>	<u>1,220</u>	<u>3,653</u>
Net financial assets/(liabilities)	<u>790</u>	<u>(1,892)</u>	<u>326</u>	<u>(776)</u>
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies				
	<u>-</u>	<u>(1,892)</u>	<u>326</u>	<u>(1,566)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	SGD US\$'000	THB US\$'000	Total US\$'000
2023				
Financial assets				
Cash and bank balances	1	329	994	1,324
Trade and other receivables	-	909	276	1,185
	<u>1</u>	<u>1,238</u>	<u>1,270</u>	<u>2,509</u>
Financial liabilities				
Trade and other payables	570	1,495	1,241	3,306
Lease liabilities	-	188	-	188
	<u>570</u>	<u>1,683</u>	<u>1,241</u>	<u>3,494</u>
Net financial (liabilities)/assets	<u>(569)</u>	<u>(445)</u>	<u>29</u>	<u>(985)</u>
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies				
	<u>-</u>	<u>(445)</u>	<u>29</u>	<u>(416)</u>

If the SGD and THB change against USD by 2% (2023: 3%) and 8% (2023: 1%) respectively with all other variables including tax rate being held constant, the effects are as follows:

	Loss after tax	
	2024	2023
	US\$'000	US\$'000
SGD against USD		
- Strengthened	(34)	(13)
- Weakened	34	13
	<u>34</u>	<u>13</u>
THB against USD		
- Strengthened	18	1
- Weakened	(18)	(1)
	<u>(18)</u>	<u>(1)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	SGD US\$'000	Total US\$'000
2024			
Financial assets			
Trade and other receivables	1,148	54	1,202
Financial liabilities			
Trade and other payables	14	1,593	1,607
Lease liabilities	-	394	394
	<u>14</u>	<u>1,987</u>	<u>2,001</u>
Net financial assets/(liabilities)	<u>1,134</u>	<u>(1,933)</u>	<u>(799)</u>
Currency exposure of financial liabilities net of those denominated in the Company's functional currency			
	<u>-</u>	<u>(1,933)</u>	<u>(1,933)</u>
2023			
Financial assets			
Cash and bank balances	-	276	276
Trade and other receivables	-	955	955
	<u>-</u>	<u>1,231</u>	<u>1,231</u>
Financial liabilities			
Trade and other payables	-	1,438	1,438
Lease liabilities	-	188	188
	<u>-</u>	<u>1,626</u>	<u>1,626</u>
Net financial liabilities	<u>-</u>	<u>(395)</u>	<u>(395)</u>
Currency exposure of financial liabilities net of those denominated in the Company's functional currency			
	<u>-</u>	<u>(395)</u>	<u>(395)</u>

If the SGD had strengthened/weakened against USD by 2% (2023: 3%) with all other variables including tax rate being held constant, the Company's profit/(loss) after tax would have been higher/lower by US\$39,000 (2023: US\$12,000) as a result of currency translation gains/(losses) on SGD denominated financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(a) Market risk (continued)

(ii) Equity price risks

During the financial year ended 30 June 2023, the Group is exposed to equity risk arising from its investment in quoted equity securities which are classified as fair value through profit or loss (Note 13). As at 30 June 2024 and 2023, the Group does not have exposure to equity price risk as it does not hold any equity financial assets.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings at floating interest rates. The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain the operations of the Group.

As at 30 June 2024 and 2023, the Group's is not exposed to cash flow interest rate risk as the Group does not hold any variable rates financial assets or financial liabilities. The Group is not exposed to changes in interest rates for fixed rate financial assets and financial liabilities.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

Bank balances are placed with reputable financial institutions. Therefore, credit risk arises mainly from the inability of its customers and borrowers of loan receivables to make payments when due. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

At the end of the reporting period, approximately 100% (2023: 100%) of the Group's trade and other receivables are due from the Group's customers in Thailand and Singapore (2023: 69% of the Group's other receivables are due from former associated company). As at 30 June 2024, 24% and 76% of trade receivables are due from a single customer in Thailand and Singapore respectively (2023: 100% of trade receivables are due from a single customer in Thailand).

At the end of the reporting period, approximately 100% of the Company's trade and other receivables are due from the Company's customers in Singapore (2023: 93% of the Company's trade and other receivables are due from former associated company). As at 30 June 2024, 100% of the Company's trade receivables are due from a single customer in Singapore.

The Group manages credit loss based on Expected Credit Losses (ECL) model.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(b) Credit risk

Trade receivables

The Group's exposure to credit risk arises from trade receivables, which are linked to the individual characteristics of each customer, and also influenced by the default risk specific to the industry or country brought about by the general economic condition.

The Group applies simplified approach to all trade receivables. Impairment loss allowance is measured at life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument ("Life-time ECL").

The ECL assessment is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers. The Group did not experience any credit loss from its only customer for the past years and there are no significant changes in the business operation of that customer nor significant change in credit quality.

The Group considers trade receivables are in default (credit-impaired) when the customers fails to make contractual payments within 90 days when due. When the receivables are overdue for 90 days, the Group will provide provision for the balances while continuing to engage in enforcement activity to recover the balances.

The management have assessed that there are no material ECL on the trade receivables.

Other receivables

The Group applies general approach on all other financial instruments and recognise a 12-months ECL on initial recognition, which are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter. Life time ECL is recognised for all other financial instruments if the credit risk on the financial instrument has increased significantly since initial recognition.

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Other receivables				
- Non-related parties	26	31	-	-
- Subsidiary corporations	-	-	4,759	7,441
- Associated companies	-	1,915	-	49
Total gross carrying amount	26	1,946	4,759	7,490
ECL allowance (Note 14)	-	(1,054)	(4,759)	(6,582)
Net carrying amount	26	892	-	908

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (continued)

The Group applies general approach on all other financial instruments and recognise a 12-months ECL on initial recognition, which are ECLs that result from possible default events. The movement of the ECL impairment on other receivables are as follows:

	12-months ECL	Lifetime ECL (Credit - impaired)	Total
	US\$'000	US\$'000	US\$'000
Group			
2024			
Beginning of financial year	-	1,054	1,054
Reversal of ECL (Note 14(a))	-	(171)	(171)
Written-off (Note 14(a))	-	(883)	(883)
End of financial year (Note 14)	-	-	-
2023			
Beginning of financial year	-	1,052	1,052
ECL allowance recognised during the financial year (Note 14(a))	-	2	2
End of financial year (Note 14)	-	1,054	1,054
Company			
2024			
Beginning of financial year	-	6,582	6,582
Written-off	-	(1,823)	(1,823)
End of financial year (Note 14)	-	4,759	4,759
2023			
Beginning of financial year	-	6,547	6,547
ECL allowance recognised during the financial year	-	35	35
End of financial year (Note 14)	-	6,582	6,582

Subsidiary corporations

The life-time ECL allowance of the Company on the amount due from subsidiary corporations is made based on the financial position of the subsidiary corporations, and the underlying assets relevant to the ultimate manner of recovery of these amounts. Based on the particular circumstances and uncertainties brought by the macro environment, the Company has determined that the balances are credit-impaired (Stage 3), as at 30 June 2024 and 2023 due to lack of revenue generating activities and net liabilities position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(b) Credit risk (continued)

Associated companies – PM and CICC

As disclosed in Note 22 to the financial statements, in view that its businesses have not performed up to expectations, the management has assessed the amount due from the former associated companies as credit-impaired (Stage 3). The Group has recognised an impairment loss of US\$1,052,000 during the financial year ended 30 June 2022. An additional of US\$2,000 of impairment loss has been recognised during the financial year ended 30 June 2023. During the financial year ended 30 June 2024, the former associated companies had settled the agreed Settlement Amount with the Group. Consequently, the Group reversed loss allowance on these loans which were previously recognised amounting to US\$171,000 and written-off allowances amounting to US\$883,000 for the remaining loan (Note 14(a)).

Bank balances

Bank deposits are with reputable financial institutions with high credit ratings assigned by international credit rating agencies. Impairment on bank balances has been measured on the 12-months expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. ECL on bank balances are immaterial.

Deposits

The Group assessed and determined the ECL on the deposits are immaterial.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities to meet obligations when due. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and bank balances as disclosed in Note 12 to the financial statements.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Less than 1 year				
Trade and other payables	3,259	2,803	1,607	935
Lease liabilities	180	182	180	182
	<u>34,39</u>	<u>2,985</u>	<u>1,787</u>	<u>1,117</u>
More than 1 year				
Trade and other payables	-	503	-	503
Lease liabilities	214	6	214	6
	<u>214</u>	<u>509</u>	<u>214</u>	<u>509</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management (continued)

(d) Capital risk

The Group manages its capital to ensure that the Group is able to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The management constantly reviews the capital structure to ensure the Group is able to service any debt obligations based on its operating cash flows. The Group's overall strategy remains unchanged from 2023.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Net debt	2,515	2,170	2,111	1,350
Total equity	34,872	35,429	59,104	59,036
Total capital	<u>37,387</u>	<u>37,599</u>	<u>61,215</u>	<u>60,386</u>
Gearing ratio	<u>6.7%</u>	<u>5.8%</u>	<u>3.4%</u>	<u>2.2%</u>

(e) Fair value measurement

The table below presents assets and liabilities recognised and measure at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found at Note 13 to the financial statements.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Financial assets, at amortised cost	2,877	2,509	1,202	1,231
Financial liabilities, at amortised cost	<u>3,728</u>	<u>3,494</u>	<u>2,076</u>	<u>1,626</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group with related parties at terms and rates agreed between the parties:

(a) Sales and purchase of goods and services

	Group	
	2024	2023
	US\$'000	US\$'000
Payment made on behalf of associated companies	<u>-</u>	<u>2</u>

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances as at 30 June 2024 and 2023 are unsecured and receivable/payable within 12 months from reporting date are disclosed in Notes 14 and 24 to the financial statements.

(b) Key management personnel compensation

	Group	
	2024	2023
	US\$'000	US\$'000
Directors of the Company		
Directors' fees	134	135
Salaries, bonuses and other short-term benefits	325	407
Defined contributions plans	<u>33</u>	<u>13</u>
	<u>492</u>	<u>555</u>
Other key management personnel		
Salaries, bonuses and other short-term benefits	93	101
Defined contributions plans	<u>11</u>	<u>12</u>
	<u>104</u>	<u>113</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company and respective subsidiary corporations, including all directors of the Company and respective subsidiary corporations. The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

30. Segment information

The Group's chief operating decision-maker ("CODM") comprises the Chief Executive Officer and Financial Controller. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources and assess performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30. Segment information (continued)

For management purposes, the Group has 3 operating and reportable segments – oil and gas, investment and trading and technical service segment. The principal activities of the Group's operating segments are summarised as follows:

- (i) Oil and gas – Comprising exploration, development and production activities and drilling activities; and
- (ii) Investment and trading – Mainly comprising of the following business activities:
 - (a) investments, including in private equity deals, pre-initial public offerings (mature stage), initial public offerings, fixed income and hybrid instruments; and
 - (b) trading, including the trading of equities, commodities and other financial instruments.
- (iii) Technical service – Comprising development of software and applications.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

The segment information provided to the management for the reportable segments are as follows:

	Oil and gas US\$'000	Investment and trading US\$'000	Technical service US\$'000	Unallocated US\$'000	Total US\$'000
2024					
Sales to external customers	2,737	-	1,350	-	4,087
Segment results	445	-	1,130	-	1,575
Interest income	1	-	-	1	2
Other income	13	-	-	-	13
Other losses	(3)	-	(55)	171	113
Administrative expenses	(1,206)	-	(234)	(797)	(2,237)
Finance costs	(283)	-	-	(38)	(321)
Loss before tax					(855)
Income tax credit					298
Loss for the financial year					<u>(557)</u>
Total assets	<u>73,868</u>	<u>-</u>	<u>1,148</u>	<u>582</u>	<u>75,598</u>
Total liabilities	<u>38,666</u>	<u>-</u>	<u>75</u>	<u>1,985</u>	<u>40,726</u>
Other information					
Capital expenditure	135	-	-	367	502
Other material non-cash items					
Depreciation of other property, plant and equipment and right-of-use asset	(17)	-	-	(170)	(187)
Depletion of oil and gas properties	(1,109)	-	-	-	(1,109)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30. Segment information (continued)

The segment information provided to the management for the reportable segments are as follows:
(continued)

	Oil and gas US\$'000	Investment and trading US\$'000	Technical service US\$'000	Unallocated US\$'000	Total US\$'000
2023					
Sales to external customers	3,315	-	-	-	3,315
Segment results	817	-	-	-	817
Interest income	-	-	-	1	1
Other income	2	3	-	-	5
Other (losses)/gains	(4)	23	-	-	19
Administrative expenses	(1,118)	(362)	-	(644)	(2,124)
Finance costs	(384)	-	-	(25)	(409)
Loss before tax					(1,691)
Income tax credit					42
Loss for the financial year					(1,649)
Total assets	74,445	902	-	554	75,901
Total liabilities	38,817	11	-	1,644	40,472
Other information					
Capital expenditure	1,521	-	-	342	1,863
Other material non-cash items					
Depreciation of other property, plant and equipment and right-of-use asset	(43)	-	-	(150)	(193)
Depletion of oil and gas properties	(1,375)	-	-	-	(1,375)
Net fair value change in investment carried at fair value through profit or loss	-	(4)	-	-	(4)

* Capital expenditure consists of additions to oil and gas properties and other property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30. Segment information (continued)

Geographical segments

The Group's business segments operate in 2 geographical areas:

- Singapore – the operation comprises technical service and investment and trading segment.
- Thailand – the operation comprises oil and gas segment.

	Revenue		Non-current assets	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Singapore	1,350	-	389	192
Thailand	2,737	3,315	70,448	71,318
	<u>4,087</u>	<u>3,315</u>	<u>70,837</u>	<u>71,510</u>

In presenting the geographical information, revenue is based on the geographical locations of the customers which the revenue are derived from and is measured in a manner consistent with that in the statement of comprehensive income.

Non-current assets are presented based on the location of the assets mainly include exploration, evaluation and development assets and oil and gas properties held under Thailand Operations (Note 21) and other property, plant and equipment (Note 18) in Singapore.

Revenue from major customers

2023

Revenue of US\$3,315,000, or 100% of the Group's revenue is derived from one customer in Thailand, which is attributable to the "Oil and gas" segment.

No revenue was generated by the Company for the financial year ended 30 June 2023.

2024

Revenue of US\$2,737,000 and US\$1,350,000, or 66% and 34% of the Group's revenue is derived from one customer in Thailand, which is attributable to the "Oil and gas" segment and one customer in Singapore, attributable to the "Technical service" segment, respectively.

Revenue of approximately US\$1,350,000, or 100% of the Company's revenue is derived from one customer in Singapore, which is attributable to the "Technical service" segment.

31. Subsequent events

- (a) On 3 July 2024, the Group obtained an unsecured loan of approximately US\$74,000 (equivalent to S\$100,000) from a non-related party, Party D as defined in Note 24(b) to the financial statements. The loan bears interest at 9% per annum and matures on 3 July 2025.
- (b) On 8 August 2024, the Group obtained an unsecured loan of approximately US\$133,000 (equivalent to S\$180,000) from an employee. The loan bears interest at 5% per annum and matures on 8 August 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

31. Subsequent events (continued)

- (c) During the financial year ended 30 June 2024, the Group obtained loans amounting to approximately US\$147,000 (equivalent to S\$200,000) from the non-related parties, Party B and Party D respectively as disclosed and defined in Note 24(b) to the financial statements.

Along with the loan obtained on 3 July 2024 (Note 31(a)), on 16 July 2024, the Group entered into several new agreements to reassign the loans and the related interest payable to two of the placees under the Placement Agreements dated 22 July 2024 (Note 31(d)). A total loan amounting to approximately US\$147,000 and US\$221,000 (equivalent to S\$200,000 and S\$300,000) due to Party B and Party D respectively, has been reassigned.

- (d) On 22 July 2024, the Company entered into separate placement agreements ("Placement Agreements") with three placees, Placee A, B and C (collectively "the Placees"). Subject to and upon the terms of the Placement Agreements, the Company has agreed to allot and issue, and the Placees have agreed to subscribe and pay for, an aggregate of 650,859,805 new ordinary shares in the capital of the Company ("Placement Shares") at approximately US\$0.001 (equivalent to S\$0.002) per Placement Share, amounting to an aggregate placement consideration of approximately US\$960,000 (equivalent to S\$1,300,000) (the "Proposed Placement").

As disclosed elsewhere in the financial statements, the placement consideration will be settled by way of offsetting against the loans and interest payables due to the Placees by the Group as the date of Placement Agreements. Consequently, the Company does not anticipate any cash inflows upon completion of the Proposed Placement.

The Proposed Placement was completed on 5 August 2024.

32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) and Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

32. New or revised accounting standards and interpretations (continued)

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) and Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024) (continued)

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount if the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The Group does not expect any significant impact arising from applying these amendments

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of CapAllianz Holdings Limited on 14 October 2024.

STATISTICS OF SHAREHOLDINGS

As at 30 September 2024

SHARE CAPITAL

Issued and fully paid-up capital	: S\$174,725,389.63
Number of issued shares	: 9,203,398,760
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of treasury shares and subsidiary holdings	: Nil

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 99	7	0.24	194	0.00
100 - 1,000	808	27.43	779,521	0.01
1,001 - 10,000	319	10.83	2,052,600	0.02
10,001 - 1,000,000	1,428	48.47	389,635,002	4.23
1,000,001 AND ABOVE	384	13.03	8,810,931,443	95.74
TOTAL	2,946	100.00	9,203,398,760	100.00

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 30 September 2024 and to the best knowledge of the Directors of the Company, approximately **76%** of the issued ordinary shares of the Company was held by the public as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). Accordingly, Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public is complied with.

STATISTICS OF SHAREHOLDINGS

As at 30 September 2024

TWENTY LARGEST SHAREHOLDERS

NO	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	UOB KAY HIAN PTE LTD	893,640,739	9.71
2	ZHANG JIAHUI	500,000,000	5.43
3	SAW GEOK CHING @ DONGYU TAISHANG	475,186,971	5.16
4	CITIBANK NOMINEES SINGAPORE PTE LTD	456,654,600	4.96
5	GUOZAI ENVIRONMENTAL TECHNOLOGY PTE LTD	396,061,075	4.30
6	CHRISTINE TAN WAN ZHEN	348,112,770	3.78
7	PHILLIP SECURITIES PTE LTD	314,298,400	3.42
8	TAN KIM GUAN	283,833,333	3.08
9	MAYBANK SECURITIES PTE. LTD.	252,979,700	2.75
10	OCBC SECURITIES PRIVATE LTD	244,112,385	2.65
11	YONG YIAM WOON (XIONG NIANWEN)	241,772,500	2.63
12	DBS NOMINEES PTE LTD	240,317,111	2.61
13	SUN JIA	225,980,861	2.46
14	LIM HWEE YONG NANA	183,927,844	2.00
15	AUSTRALIA HONGSHAN CAPITAL PTY LTD	171,743,167	1.87
16	CAPITAL INVESTMENT TRAVEL(SG) PTE. LTD.	155,375,222	1.69
17	LIU, HAO	150,764,750	1.64
18	HUANG CHUNLAN	133,333,333	1.45
19	YEO HOCK HUAT	120,000,000	1.30
20	TAN YEN KEOW	105,555,556	1.15
TOTAL		5,893,650,317	64.04

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Company's Register of Substantial Shareholders)

NO	NAME OF SHAREHOLDERS	DIRECT INTEREST NO. OF SHARES	% OF SHARES	DEEMED INTEREST NO. OF SHARES	% OF SHARES
1.	Huang Shi Hao ^(a)	-	-	925,925,925	10.06
2.	Australia Hongshan Capital Pty Ltd ^(b)	925,925,925	10.06	-	-
3.	Zhang Jiahui ^(c)	650,000,000	7.06	-	-
4.	Chen Jingxian ^(d)	-	-	482,982,151	5.25
5.	Capital Investment Travel(SG) Pte. Ltd. ^(e)	482,982,151	5.25	-	-

Notes:

- (a) To the best of the knowledge of the Company, Mr Huang Shi Hao holds 81% shares in Australia Hongshan Capital Pty Ltd (“**Australia Hongshan**”) and accordingly, Mr Huang Shi Hao is deemed interested in all the shares of the Company held by Australia Hongshan by virtue of Section 7 of the Companies Act 1967 of Singapore.
- (b) As per the Register of Members of the Company as at 30 September 2024, the number of shares of the Company held by Australia Hongshan is 171,743,167.
- (c) As per the Register of Members of the Company as at 30 September 2024, the number of shares of the Company held by Mr Zhang Jiahui is 500,000,000 and to the best of the knowledge of the Company, Mr Zhang Jiahui holds 150,000,000 shares of the Company through a nominee account with Phillip Securities Pte Ltd.
- (d) To the best of the knowledge of the Company, Chen Jingxian is the sole shareholder of Capital Investment Travel(SG) Pte. Ltd. (“**Capital Investment**”) and accordingly, Chen Jingxian is deemed interested in all the shares of the Company held by Capital Investment by virtue of Section 7 of the Companies Act 1967 of Singapore.
- (e) As per the Register of Members of the Company as at 30 September 2024, the number of shares of the Company held by Capital Investment is 155,375,222.

NOTICE OF ANNUAL GENERAL MEETING

CAPALLIANZ HOLDINGS LIMITED

(Company Registration No. 199905693M)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 2024 Annual General Meeting (“**AGM**”) of CapAllianz Holdings Limited (the “**Company**”) will be held at the following venue, date and time for the following purposes:

Venue: 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095

Date: Wednesday, 30 October 2024

Time: 2.30 p.m.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2024, together with the Auditors’ Report thereon. Resolution 1
2. To re-elect Mr Yu Jinfeng, a Director of the Company retiring in accordance with Regulation 107 of the Company’s Constitution and who, being eligible, offer himself for re-election, as a Director of the Company. Resolution 2

[See Explanatory Note (i)]
3. To re-elect Mr Liu Qiang, a Director of the Company retiring in accordance with Regulation 107 of the Company’s Constitution and who, being eligible, offer himself for re-election, as a Director of the Company. Resolution 3

[See Explanatory Note (ii)]
4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. Resolution 4

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as ordinary resolution, with or without any modifications:

5. Authority to allot and issue shares

Resolution 5

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to allot and issue shares and/or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit provided that:

- (i) the aggregate number of shares and/or convertible securities to be issued pursuant to this Resolution must not be more than one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders of the Company must not be more than fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance with sub-paragraph (ii)(a) or (ii)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and

(iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

6. To transact any other business which may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD

Catherine Lim Siok Ching

Company Secretary

Date: 15 October 2024

Explanatory Notes:

- (i) Mr Yu Jinfeng shall, upon re-election as a Director of the Company, remain as the Chairman of the Board of Directors of the Company ("**Board**"), a Non-Executive Independent Director of the Company, Chairman of the Remuneration Committee, as well as a member of the Audit Committee and the Nominating Committee. Mr Yu Jinfeng is considered independent by the Board for the purpose of Rule 704(7) of the Catalist Rules.
- (ii) Mr Liu Qiang shall, upon re-election as a Director of the Company, remain as an Executive Director and Chief Executive Officer of the Company.

Detailed information (including information as set out in Appendix 7F to the Catalist Rules) on the aforesaid Directors of the Company can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report of the Company for the financial year ended 30 June 2024 ("Annual Report 2024").

- (iii) Resolution 5 above, if passed, will empower the Directors of the Company from the date of the 2024 AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or the date such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to allot and issue shares and/or convertible securities in the capital of the Company. The number of shares and convertible securities, which the Directors of the Company may allot and issue under this Resolution shall not exceed one hundred per cent (100%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time of passing this Resolution. For allotment and issuance of shares and/or convertible securities other than on a *pro-rata* basis to existing shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time of passing this Resolution.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company will be calculated based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or the exercise of share options or the vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

"**Subsidiary holdings**" has the meaning ascribed to it in the Catalist Rules.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Annual General Meeting of the Company (“AGM” or “Meeting”) is being convened, and will be held at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095 on Wednesday, 30 October 2024 at 2.30 p.m.. **There will be no option for shareholders to participate virtually.**
2. Printed copies of this Notice of AGM together with the accompanying instrument appointing a proxy or proxies (“Proxy Form”) and the request form for the Annual Report 2024 (“Request Form”) will be sent by post to members. These documents will also be published on the Company’s corporate website at the URL <https://www.capallianzholdings.com> and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
3. Printed copies of the Annual Report 2024 will only be sent to members upon request. For members of the Company who wish to receive a printed copy of the Annual Report 2024, please refer to the Request Form on how to make a request. The Annual Report 2024 is available by electronic means via publication on the Company’s corporate website at the URL <https://www.capallianzholdings.com> and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
4. Members of the Company (including Supplementary Retirement Scheme investors (“SRS Investors”)) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) submitting questions in advance of the AGM or raising questions at the AGM; and/or
 - (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies),details as set out in the paragraphs below.

Voting, or Submission of Proxy Form to Vote, at the AGM

5. A member of the Company entitled to attend, speak and vote at the AGM (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead at the AGM. Where such member’s Proxy Form appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
6. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s Proxy Form appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

“Relevant intermediary” has the meaning ascribed to it in Section 181(6) of the Companies Act.

7. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under common seal or under the hand of its duly authorised officer or attorney.
8. A proxy need not be a member of the Company.
9. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. The Chairman of the Meeting, as proxy, need not be a member of the Company.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the Proxy Form, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

10. The Proxy Form, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy must be submitted to the Company in the following manner:
 - a. if submitted in person or by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - b. if submitted electronically, by sending a scanned pdf copy by email to enquiries@capallianzholdings.com,

in either case by 2.30 p.m. on 28 October 2024 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) and in default, the Proxy Form for the AGM shall not be treated as valid.

Members are strongly encouraged to submit completed Proxy Forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

11. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing, failing which the Proxy Form may be treated as invalid.
12. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
13. Completion and return of the Proxy Form shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. Any appointment of the proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
14. SRS Investors who wish to appoint the Chairman of the Meeting to act as their proxy should approach their respective agents, such as SRS Operators, to submit their votes to the Company by 5.30 p.m. on 18 October 2024, being at least seven (7) working days before the date of the AGM.
15. A depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time fixed for the AGM.

Submission of Questions

16. Members can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself. Members can also submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM by email to enquiries@capallianzholdings.com by 2.30 p.m. on 23 October 2024 ("**Cut-Off Time**").
17. Members who submit questions in advance of the AGM should provide their full name, address, contact number, email, shareholding type and number of shares held in the Company and the manner of which they hold such shares for verification purposes.
18. The Company will endeavour to address the substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from members before or at the AGM. Responses to substantial and relevant questions received from members by the Cut-Off Time will be published on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.capallianzholdings.com> by 2.30 p.m. on 26 October 2024 (being no later than forty-eight (48) hours prior to the closing date and time for the lodgment of the Proxy Forms). The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the Cut-Off Time which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
19. Persons who hold shares of the Company through relevant intermediaries (pursuant to Section 181(1C) read with Section 181(6) of the Companies Act), such as SRS Investors, should approach their respective agents, such as SRS Operators, sufficiently in advance so that their respective agents may submit their substantial and relevant questions related to the resolutions to be tabled for approval at the AGM by the Cut-Off Time and have their substantial and relevant questions addressed.
20. The Company will publish the minutes of the AGM (together with the responses to the substantial and relevant questions received from shareholders during the AGM, if any) on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.capallianzholdings.com> within one (1) month after the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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

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

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

This page has been intentionally left blank.

This page has been intentionally left blank.

CAPALLIANZ HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Registration No. 199905693M

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

1. The 2024 Annual General Meeting of the Company to be held on Wednesday, 30 October 2024 at 2.30 p.m. (the "AGM" or "Meeting") is being convened, and will be held at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095. There will be no option for members to participate virtually. Printed copies of the Company's Notice of AGM together with this accompanying proxy form and the request form for the Annual Report 2024 will be sent to members by post and by electronic means via publication on the Company's corporate website at the URL <https://www.capallianzholdings.com> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his/her vote(s) at the AGM in person. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes to the Company by 5.30 p.m. on 18 October 2024, being at least seven (7) working days before the date of the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

*I/We _____ (Name), NRIC/Passport/Co.Reg.No. _____
of _____ (Address)
being a member(s) of CapAllianz Holdings Limited (the "Company"), hereby appoint

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

*and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both persons referred to above, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the 2024 Annual General Meeting of the Company (the "AGM" or "Meeting") to be held at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095 on Wednesday, 30 October 2024 at 2.30 p.m. (Singapore time) and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to attend, speak and vote for or against or abstain from voting on the resolutions to be proposed at the Meeting as indicated below.

NO.	RESOLUTIONS RELATING	FOR	AGAINST	ABSTAIN
1	To adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2024, together with the Auditors' Report thereon			
2	To re-elect Mr Yu Jinfeng as a Director of the Company			
3	To re-elect Mr Liu Qiang as a Director of the Company			
4	To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
5	Authority to allot and issue shares			

Note: Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided. If you wish your proxy(ies) to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided. Alternatively, please indicate the number of shares that your proxy(ies) is directed to abstain from voting in the "Abstain" box provided. **In the absence of specific directions in respect of a resolution, your proxy(ies) (including the Chairman of the Meeting if *he/she/they is appointed by a Shareholder) will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM and at any adjournment thereof.**

Signed this _____ day of _____ 2024

Signature(s)/Common Seal of Shareholder(s)

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



Notes:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing proxy(ies) shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend, speak and vote at the Meeting is entitled to appoint one or two (2) proxies to attend, speak and vote in his/her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member who is a relevant intermediary* entitled to attend, speak and vote at the Meeting is entitled to appoint more than two (2) proxies to attend, speak and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
4. A proxy need not be a member of the Company.
5. The duly completed and executed proxy form must be submitted to the Company in the following manner:
 - a) if submitted in person or by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - b) if submitted electronically, by sending a scanned pdf copy by email to enquiries@capallianzholdings.com,

in either case by **2.30 p.m. on 28 October 2024** (being not less than forty-eight (48) hours before the time appointed for holding the AGM) and in default the proxy form shall not be treated as valid.

Members are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing proxy(ies) is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified true copy thereof must be lodged with the instrument.
 7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM of the Company, in accordance with Section 179 of the Companies Act 1967 of Singapore.
 8. The Company shall be entitled to reject the instrument appointing proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy(ies). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing proxy(ies) lodged if such members are not shown to have Shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM of the Company as certified by The Central Depository (Pte) Limited to the Company.
- * A Relevant Intermediary is:
- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 October 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yu Jinfeng

Chairman and Non-Executive Independent Director

Liu Qiang

Executive Director and Chief Executive Officer

Lim Hwee Yong Nana

Non-Executive Independent Director

Zhao JiAn

Non-Executive Independent Director

Huang Lin

Non-Executive Independent Director

SECRETARY

Catherine Lim Siok Ching

REGISTERED OFFICE

8 Wilkie Road

#03-01 Wilkie Edge

Singapore 228095

Tel: (65) 6826 2549

Website: capallianzholdings.com

Email: enquiries@capallianzholdings.com

SHARE REGISTRAR

B.A.C.S. Private Limited

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

AUDITORS

CLA Global TS Public Accounting Corporation

80 Robinson Road

#25-00

Singapore 068898

Director-In-Charge: Hock Xiu Min, Sandy

(with effect from the financial year ended 30 June 2024)

CONTINUING SPONSOR

ZICO Capital Pte. Ltd.

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

PRINCIPAL BANKER

Green Link Digital Bank Pte. Ltd.

20 Pasir Panjang Road

Mapletree Business City #07-25/28

Singapore 117439



8 Wilkie Road

#03-01 Wilkie Edge

Singapore 228095

Tel: (65) 6826 2549

Website: www.capallianzholdings.com

Investors and Media: enquiries@capallianzholdings.com