

CAPALLIANZ HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

MINUTES OF 2024 ANNUAL GENERAL MEETING

Date and Time : Wednesday, 30 October 2024 at 2.30 p.m.
Place of Meeting : 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095
Present : Please refer to the attached Attendance List

Mr Yu Jinfeng (“**Chairman**”) presided over the Company’s Annual General Meeting (“**AGM**” or “**Meeting**”) and he called the Meeting to order at 2:30 p.m. after ascertaining that a quorum was present.

Chairman welcomed the shareholders of the Company (“**Shareholders**”) to the Meeting. He informed the Meeting that a copy of the Company’s Notice of AGM dated 15 October 2024 together with the Annual Report for the financial year ended 30 June 2024 (“**FY2024**”) had been circulated to Shareholders. The Notice of the AGM, with the consent of Shareholders, was taken as read.

Ms Catherine Lim Siok Ching, Company Secretary, was requested by the Chairman to assist with the proceeding of the Meeting.

The Company Secretary informed Shareholders on the following:-

1. The Company would be conducting real time voting. The Shareholders would be presented with a video clip on electronic voting followed by a trial run.
2. The Company did not receive any substantial and relevant questions from Shareholders relating to the resolutions to be tabled at the AGM as at 23 October 2024, 2:30 p.m..
3. In line with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) and the Company’s Constitution, all resolutions to be tabled at the Meeting would be voted by way of poll.
4. The Company had appointed Complete Corporate Services Pte. Ltd. as the polling agent and CACS Corporate Advisory Pte. Ltd. as the scrutineer for the poll. The Polling Agent had checked and verified the validity of the proxy forms received. The Scrutineer will verify the votes cast by the Shareholders during the AGM.

ORDINARY BUSINESS

RESOLUTION 1 – TO RECEIVE AND ADOPT THE DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS

With the consent of Shareholders, the Directors’ Statement and Audited Financial Statements of the Company for FY2024 together with the Auditor’s Report were taken as read.

The following questions were raised by the Shareholders.

Question 1

It was noted that the outstanding accounts receivables (“**AR**”) of the Company for financial year ended 30 June 2024 (“**FY2024**”) amounted to US\$1.18 million which is deemed substantial compared to the revenue of US\$1.35 million.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 2 of 10

What are the Company's policies and actions taken to manage and address this outstanding amount, particularly given the Company's cash flow constraints? What is the responsibility of the board of directors and what actions have been taken to recover this AR? Why were no actions taken when the outstanding amount reached US\$450,000 after three months and has allowed the amount to be outstanding for one year, as reported in the annual report? Did the Company encounter any difficulty in getting payment?

Is it necessary to make provision for doubtful debts? According to accounting principles, debts exceeding 180 days should be treated as bad debt.

Is the operating model of the AI business continue to be a viable model?

Company's response

The Company has ventured into artificial intelligence ("AI") business, operating a language-based model that provides answers to users' queries. The Company provides technical development services to a Singapore company, GPT Desk Pte Ltd ("**GPT Desk**"), which in turn sells the product. This business will provide the Company a monthly service fee of US\$90,000, which amounted to a yearly income of about US\$1 million.

GPT Desk is a new startup company in the AI industry. The clients of GPT Desk are mainly in China. Due to the currency restriction in China, the clients of GPT Desk have been facing difficulties in remitting the payment to GPT Desk. This slowness in receiving payment by GPT Desk has affected its payment to the Company.

In order to expedite the receipt of payment from GPT Desk, the Company is looking into setting up a subsidiary in China. This new subsidiary would receive payments in China in RMB from GPT Desk. By establishing a local presence in China, the Company aims to mitigate the risks of doing business in a foreign market and to ensure a more stable and predictable income stream.

However, the setup of a subsidiary in China has been delayed due to changes in China's policy, which now requires the issued share capital of the new subsidiary to be fully paid up. This requires the Company to have available capital on hand to setup the subsidiary and thus resulting in a delay in the setup process. Additionally, being a foreign entity operating in the high-tech sector in China, the Company must consider the relevant policies and incentive schemes in China, which require planning, due consideration and communication with the relevant authorities.

The Company has implemented proactive measures to address the significant outstanding receivables from GPT Desk. The Company has received a payment of approximately US\$60,000 from GPT Desk after consistent follow up actions and communication efforts. Letters of demand have also been issued to GPT Desk, with partial repayments expected to be received.

Although GPT Desk has a progressive payment schedule, the Company is exploring alternative business models, including assessing the possibility to cease providing services to GPT Desk or establishing alternative arrangements to maximise cash flow.

Question 2

Based on the terms of the contract, the Company was to receive a monthly service fee of US\$150,000 which was not received. Is it acceptable to the Company if the debtor repays US\$10,000 monthly instead of US\$150,000 which was contractually agreed? Is this not indirectly financing GPT Desk?

As an investment holding company, it is essential to pursue acquisitions that would create value for Shareholders. Acquiring loss-making companies can be detrimental to Shareholder's value. The Company should focus on acquiring profitable entities with a proven track record (3-5 years) of generating cash flows.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 3 of 10

Company's response

Management has taken steps to mitigate the risks associated with GPT Desk, including suspending services if payment is not made. After assessing the situation, Management has decided to continue services for the time being, considering the partial payment of US\$60,000 received in October 2024. The Company is open to exploring alternative solutions, such as selling off its oil and gas business partially, to improve its financial position. Management is willing to consider Shareholders' suggestions and advice in order to find a solution to the financial challenges faced by the Company.

Management noted the suggestion from a Shareholder that the Company should prioritise and manage cash flow to mitigate the risk of accumulating substantial accounts receivables (US\$1.3m) and protect the Company's financial resources.

Question 3

Who were the contracting parties in the contract with GPT Desk? Was there any legal advice provided to the Company in relation to this contract? Why was the monthly service fee reduced from US\$150,000 to US\$90,000? What were the reason(s) for the accounts receivable to be outstanding for 12 months?

Company's response

The contract with GPT Desk was signed between the Company and GPT Desk, a Singapore entity. The contract sum should be US\$150,000 per month, and not US\$90,000 as earlier mentioned in the Company's response to Question 1. Additionally, apart from the contract entered into with GPT Desk, there was a second contract entered into between the Company's subsidiary Future AI Tech Pte Ltd ("**Future AI**") and Shenzhen Shoutou Industrial Co., Ltd. ("**SSI**") in relation to the AI business, which the contract sum is approximately US\$90,000 per month.

The priority is to expedite the setup of the China subsidiary in order to mitigate the collection risks and to streamline the operations. Management has also been evaluating the possibility of a merger and acquisition with GPT Desk. At present, Management is not considering writing off accounts receivable. This option may be revisited in the future, subject to further consideration and the situation then.

Question 4

Did the Company perform any evaluation of its financial position and on GPT Desk before signing the contract? What was the structure of the contract with GPT Desk?

Company's response

The Company's primary concern is the financial viability of GPT Desk. A financial check revealed that GPT Desk's sales performance has been unsatisfactory, prompting Management to stop the evaluation of the possibility of a merger and acquisition with GPT Desk. The Company is also cautious about the risks associated with the proposed merger and acquisition with GPT Desk, citing unstable revenue as a major concern.

Considering these concerns, the Company will closely monitor GPT Desk's financial position and may cease providing technical support and consulting services if payment is not received. While acknowledging GPT Desk's innovative efforts and risk-taking in building channels and customer service, the Company's primary concern is to recover the debt. Management and the board of directors of the Company (the "**Board**") will discuss this matter and continue to monitor the situation closely to determine the next best course of action.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 4 of 10

Question 5

Why did the Company cease the risk assessment of GPT Desk? What was the decision-making process and who was involved in the decision process?

Company's response

The Company, being a listed entity, operates under the oversight of the Board, while the day-to-day operations are executed by the executive director, Mr Liu Qiang, along with the financial controller and the technical officer.

In line with the Company's Constitution and regulations under Singapore Stock Exchange, certain matters require the approval of the Board and/or the Shareholders. This includes decisions on significant operational matters.

The Management reports to the Board on matters requiring Board's approval and ensures compliance with all regulatory requirements. An email channel was also established for Shareholders' reporting suggestions, actions and feedback to the Company. The Board reviews and approves key matters as well as establishes procedures and observes all regulatory guidelines.

Question 6

Did the Company charge interest on delayed payments by GPT Desk? What is the reason(s) that the Company has to depend on the downstream partners for repayment? What are the potential risks associated with repayment?

What is the actionable timeline including cessation of services in the event of non-payment?

Company's response

The Company does not charge interest on outstanding amounts. The contract allows for service termination in the event of non-payment. However, the Company exercises caution in considering this option, as it would reduce income streams. The Company recognized that its dependence on SSI's downstream partners for repayment carries an element of risk similar to GPT Desk. To mitigate this risk, the Company employs diligent management oversight and regular reviews. The Company has been carefully reviewing the situation, and in consultation with legal, financial, and/or other relevant professional advisors, to decide on the appropriate course of actions to take, including setting a clear timeline to either cease services or taking further steps to recover the outstanding amount.

Shareholder's Comment

Despite the efforts made by the Company to collect outstanding payments, it remains unclear how successful the Company has been in reducing the overall amount of receivables. Shareholders would benefit from clearer insights into the current status of receivables and the effectiveness of the actions taken to address this issue.

Additionally, given the Company's ongoing operating losses, it is essential that the Board exercises prudence when entering into significant business deals. The Board should provide greater transparency about the process of reviewing such deals and how payment schedules are implemented as part of risk mitigation strategies.

It would also be useful to understand how the Board and the Management collaborate to address these challenges effectively, particularly regarding financial difficulties and payment collection.

Finally, Shareholders must be assured that any questions raised at the AGM will be adequately addressed and communicated to the Shareholders.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 5 of 10

Question 7

What actions have the Company took to seek new clients instead of relying on one single client?

Company's response

The Company has been providing services to its clients through GPT Desk and SSI, which in turn, will work with smaller companies downstream. This 2B2C approach enables the Company to diversify its customer base and mitigate risks associated with relying on a single client.

The Company's consideration of future mergers and acquisition activities may involve evaluating the potential acquisition of GPT Desk, which would improve competitive technology bases. This would require internal discussion and approval from the board, with a focus on enhancing the Company's future growth and development prospects.

Question 8

The MOU signed between Future AI and SSI is non-legally binding MOU. What steps will the Company be taking to establish a legally binding agreement with SSI? Without a legally binding agreement, the Company would lack the legal recourse to sue the other party, if required.

The repayment dependency on SSI's downstream partners is a concern, highlighting the potential risk that if SSI's downstream partners fail to pay SSI, SSI would not be able to pay Future AI. This is a repeat of the same risk identified for GPT Desk.

Company's response

To mitigate this risk, SSI has been asked to provide proof of payment receipts from its customers. However, Management has noted that SSI's collection has not met expectations. Discussions have been held with the auditor of the Company, and the Board is considering appropriate measures to recover the outstanding payments. Management is evaluating to discontinue the services if repayment issues with SSI continue.

[After meeting note:

Future AI had on 26 May 2024 entered into a technical service agreement with SSI. For more information, please refer to the Company's announcement dated 27 May 2024.]

There being no further questions, the following motion having been duly proposed, and seconded, was put to the vote.

The results of the votes were announced, and accordingly, the Resolution was declared as passed.

	No. of shares	Percentage
Votes in favour of the Resolution	4,359,382,581	94.29%
Votes against the Resolution	264,098,756	5.71%

It was resolved that the Directors' Statement and Audited Financial Statements of the Company for FY2024 together with the Auditor's Report thereon be and are hereby received and adopted.

RESOLUTION 2 – TO RE-ELECT MR YU JINFENG AS A DIRECTOR OF THE COMPANY

The Meeting was informed that Mr Yu Jinfeng, a Director of the Company, would retire pursuant to Regulation 107 of the Company's Constitution, and being eligible, he had offered himself for re-election.

The following motion having been duly proposed, and seconded, was put to the vote.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 6 of 10

The results of the votes were announced, and accordingly, the Resolution was declared as passed.

	No. of shares	Percentage
Votes in favour of the Resolution	2,513,568,534	51.20%
Votes against the Resolution	2,396,100,937	48.80%

It was resolved that Mr Yu Jinfeng be and is hereby re-elected as a Director of the Company pursuant to Regulation 107 of the Company's Constitution.

Mr Yu Jinfeng, who was re-elected as a Director of the Company at the AGM, remains as the Chairman of the 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. The Board considers Mr Yu Jinfeng to be independent pursuant to Rule 704(7) of the Catalist Rules.

RESOLUTION 3 – TO RE-ELECT MR LIU QIANG AS A DIRECTOR OF THE COMPANY

The Meeting was informed that Mr Liu Qiang, a Director of the Company, would retire pursuant to Regulation 107 of the Company's Constitution, and being eligible, he had offered himself for re-election.

The following motion having been duly proposed, and seconded, was put to the vote.

The results of the votes were announced, and accordingly, the Resolution was declared as passed.

	No. of shares	Percentage
Votes in favour of the Resolution	3,563,581,881	92.52%
Votes against the Resolution	288,177,100	7.48%

It was resolved that Mr Liu Qiang be and is hereby re-elected as a Director of the Company pursuant to Regulation 107 of the Company's Constitution.

Mr Liu Qiang, who was re-elected as a Director of the Company at the AGM, remains as an Executive Director and Chief Executive Officer of the Company.

RESOLUTION 4 – TO RE-APPOINT AUDITORS

The Meeting was informed that this agenda item was to re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

A question was raised in relation to the resolution.

Question by Shareholder

Why was the audit fee charged at US\$100,000?

Company's response

Ms Sandy Hock, the engagement auditor for the Group, explained that the audit fee for the current year was set at US\$100,000 due to several factors. It was necessary to send audit instructions to the component auditors in Thailand and to review their files. Given that a significant portion of the financials is derived from the Thailand operations, extensive discussions with the Thailand auditors were required to ensure the accuracy of their reported figures.

Additionally, the Company has ventured into AI-related business, which required considerable time spent understanding the new revenue streams. This involved a thorough review of all contracts and internal controls to ensure the accurate recognition of revenue. The auditor has highlighted several internal weaknesses that the Company should address and improve in the upcoming year.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 7 of 10

As there were no further questions, the following motion having been duly proposed, and seconded, was put to the vote.

The results of the votes were announced, and accordingly, the Resolution was declared as passed.

	No. of shares	Percentage
Votes in favour of the Resolution	4,137,936,764	83.98%
Votes against the Resolution	789,355,100	16.02%

It was resolved that Messrs CLA Global TS Public Accounting Corporation be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby authorised to fix their remuneration.

SPECIAL BUSINESS**RESOLUTION 5 – AUTHORITY TO ALLOT AND ISSUE SHARES**

Pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Catalist Rules, Shareholders' approval is required for the Directors to issue further new shares in the Company. The proposed Ordinary Resolution 5 was to seek Shareholders' approval to authorise the allotment and issuance of such number of new shares.

Ordinary Resolution 5 referred to in the Notice of AGM dated 15 October 2024 was taken as read.

The following questions were raised by the Shareholders.

Question 1

The Company has been incurring losses over the past few years and has been issuing new shares to raise capital. This recurring practice has raised concern as the interests of Shareholders have been diluted and no profitable revenue stream has been generated.

What is the reason for proposing a resolution to approve the issuance of new shares, considering the lack of effectiveness of past capital injection through share placements in generating new income?

What is the Board's strategy for raising capital, when the issuance of new shares is below the Company's NTA value, which may dilute Shareholders' interests? The Shareholder urged the Board to consider raising funds for value-adding initiatives, such as mergers and acquisition or high-return projects, rather than for operational expenses.

While acknowledging that this mandate is typical for listed companies, Shareholder has advised the Board to reconsider.

Company's response

The general mandate is consistent with the past year's practices. This authority would provide the Company with an option to raise capital by issuing new shares when required.

Without the general mandate being obtained from Shareholders, the Company is required to call for an extraordinary general meeting which would incur additional time and costs to approve any issuance of shares which may happen when Company is contemplating fundraising exercise. The ability to raise funds through equity or obtaining loans provides valuable options for generating cash flow to support the Company's growth and development.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 8 of 10

Question 2

The Company's share price has been underperforming as compared to local indexes. Has the Board considered other avenues of raising capital?

Company's response

Raising capital through equity has been more feasible than obtaining a bank loan. Although the Company previously had a loan with OCBC that was restructured and subsequently waived, this might pose challenges in securing future loans from banks. Currently, only the Company's Thailand subsidiary has obtained bank loan while the Singapore entities do have no outstanding loans. The Board would consider taking bank loans and other available options, but equity fundraising would remain as the main option.

Question 3

A well-defined strategy is important to ensure resources are allocated effectively to achieve profit. Without a clear strategy, the Company would run a risk of developing technology that may not meet market demands, resulting in wasted resources.

What is the Company's business model and strategy?

Company's response

The Company's strategy is not fully defined at this stage as it is still undergoing transformation. The Management, including key members who has experience in internet and technology, has been focusing on leveraging its competitive advantage to guide the Company towards the internet and AI industries. The tech team has been working to position the Company for growth in these fields, while also generating some cashflow to support the ongoing operations. Additionally, the Company has been exploring the possibility of divesting its oil and gas assets, a transaction that would require the Shareholders and the Board to approve. The Board also highlighted potential business opportunities in Southeast Asia, particularly in the development of an AI-powered platform that integrates social media and media services tailored for consumers.

Question 4

Does the AI business, which currently has two customers, have the potential for further expansion or is the Company going to change its focus towards developing new initiatives in this area?

Are the current projects sustainable?

Company's response

The existing AI business will not be expanding. The Company is exploring new fields, and if fund-raising opportunities arise, the focus will be on the new business ventures that offer development potential. Management is exploring the possibility of divesting its oil and gas assets in order to receive cash. However, this transaction will be subject to Shareholders' approval.

The Company is also exploring business opportunities in South East Asia for the internet and AI related business.

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 9 of 10

Question 5

What are the views of the other Board members and the Chairman, other than Mr Liu Qiang who has been addressing the questions raised during the meeting?

Considering the Company's results, a Shareholder suggested a change in Chairman which might provide opportunity for new ideas and strategies.

Company's response

The other Board members are independent directors. As the executive director and CEO, it is more appropriate for Mr Liu Qiang to address the enquiries related to the Company's business.

There being no further questions, the following motion having been duly proposed, and seconded, was put to the vote.

The results of the votes were announced, and accordingly, the Resolution was declared as passed.

	No. of shares	Percentage
Votes in favour of the Resolution	2,513,464,534	51.26%
Votes against the Resolution	2,389,604,937	48.74%

It was resolved 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 options or 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;

CAPALLIANZ HOLDINGS LIMITED

Minutes of AGM held on 30 October 2024

Page 10 of 10

- (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.

CLOSE OF MEETING

There being no other business, the Meeting ended at 4.27 p.m. with a vote of thanks to the Chairman.

CONFIRMED AS A TRUE RECORD OF MINUTES

YU JINFENG
Chairman

ATTENDANCE LIST

Management

Mr Liu Qiang - Executive Director and Chief Executive Officer

Board of Directors (other than Management)

Mr Yu Jinfeng – Non-Executive Independent Director and Chairman of the Board

Mr Zhao JiAn – Non-Executive Independent Director

Ms Lim Hwee Yong Nana – Non-Executive Independent Director

Ms Huang Lin – Non-Executive Independent Director

Company Secretary

Ms Catherine Lim Siok Ching

Professionals

Sponsor - ZICO Capital Pte. Ltd.

Independent Auditor – CLA Global TS Public Accounting Corporation

Share registrar - B.A.C.S. Private Limited

Polling agent – Complete Corporate Services Pte. Ltd.

Scrutineer - CACS Corporate Advisory Pte. Ltd.

Shareholders

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of Shareholders and professionals who participated in the AGM will not be published in this set of minutes.