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

ANNUAL GENERAL MEETING TO BE HELD ON 28 OCTOBER 2026
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS
RECEIVED FROM SHAREHOLDERS

The Board of Directors (the "**Board**") of CapAllianz Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's Annual Report for the financial year ended 30 June 2026 and the Notice of Annual General Meeting ("**AGM**") dated 6 October 2026 in relation to the AGM to be convened and held at 10 Ubi Crescent, Ubi Techpark, Lobby A, #02-05 , Singapore 408564 on Wednesday, 28 October 2026 at 10:00 a.m., both of which were issued by the Company on 6 October 2026.

The Company wishes to thank all shareholders who have submitted their questions ahead of the AGM. Please refer to the Appendix which sets out the Company's response to substantial and relevant questions relating to the AGM resolutions received from shareholders.

BY ORDER OF THE BOARD

Liu Qiang
Executive Director and Chief Executive Officer
22 October 2026

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue #10-01 UE Square Singapore 239920, telephone: +65 6590 6881.

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Appendix

Question 1 & 2:

- **(Q1) Given the Company's continued operating cash outflows and the decline in FY2026 revenue, what is the Company's current cash burn rate and estimated cash runway based on its latest available cash balance, operating cash flow and financial obligations?**

- **(Q1) What measures are being taken to ensure that the Company can sustain its operations without relying on repeated capital raising?**

- **(Q2) Although the reported loss has narrowed, the Company continues to face challenges in generating sustainable revenue and positive operating cash flow. What specific financial targets has management set for FY2027 in terms of revenue, operating cash flow and profitability, and within what timeframe does it expect to achieve these targets?**

- **(Q2) How will the Board monitor progress and address any shortfall?**

Despite the decline in revenue in FY2026, the Group's net loss attributable to shareholders narrowed to US$2.41 million from US$5.04 million in FY2025, partly due to lower oil production volumes and non-cash impairment losses.

Management will continue to exercise cost discipline, monitor cash flows and financial obligations, reduce liabilities through debt capitalisation and explore opportunities to generate sustainable, recurring income.

The Company acknowledges shareholders' concerns regarding the Group's financial position. The relevant matters are set out in the FY2026 financial statements and the accompanying Independent Auditor's Report, on which the auditors issued an unqualified audit opinion.

With regard to the Group's future financial targets, the Company is not in a position to provide a forward-looking projection that have not been publicly announced and will make the necessary announcements as and when any material developments arise.

Question 3:

- **Following the October 2025 placement and the September 2026 placement announcement, could the Board clarify the status of the respective capital-raising exercises, the total proceeds received or expected to be received, and how the funds have been or will be allocated?**

- **What measurable business outcomes have resulted, or are expected to result, from these exercises?**

The Company has completed share placements in October 2025 and October 2026 as part of its efforts to strengthen the Group's capital position, reduce its liabilities, improve its financial stability and support its working capital requirements.

The October 2025 placement raised approximately S$3.3 million, comprising S$2.4 million raised in cash and S$0.9 million applied toward the settlement of liabilities. The October 2026 placement amounted to S$2.1 million, comprising S$0.6 million raised in cash and S$1.5 million used to settle liabilities.

The Company disclosed the utilisation of proceeds from the October 2025 placement in its FY2026 Annual Report and will continue to provide updates on the utilisation of proceeds from the placements until such proceeds are fully utilised.

Question 4 & Question 5

- **(Q4) The Company announced a share placement at S$0.0011 per share. Given the low issue price and the resulting dilution to existing shareholders, could the Board explain the basis for determining this price and why a higher issue price was not achievable?**

- **(Q4) What factors were considered when assessing the fairness of the placement price, including the Company's financial position, prevailing market price, fundraising requirements and the interests of existing shareholders? How did the Board ensure that the pricing was fair and that the placees were not receiving shares on terms that gave them an undue advantage over existing shareholders?**

- **(Q4) Would the Board consider alternative fundraising structures or pricing mechanisms in future capital raisings to reduce dilution and better protect existing shareholders' interests?**

- **(Q5) Given the Company's history of share issuance and its continuing financial challenges, does the Board anticipate the need for further equity fundraising within the next 12 months?**

- **(Q5) What alternatives to further share dilution are being considered, and what safeguards will the Board apply to ensure that any future fundraising is necessary, appropriately priced and in the best interests of existing shareholders?**

The placement price of S$0.0011 per share was determined with reference to the prevailing market price of the Company's shares at the time of the announcement and represented a premium of approximately 10% to the volume-weighted average price ("VWAP") of the shares on the relevant market day immediately preceding the announcement.

In determining the placement price, the Company considered the prevailing market price, the Group's financial position , funding requirements, and the need to strengthen its capital base and reduce its liabilities.

The Company explored debt capitalisation arrangements with creditors who are willing to accept shares at a premium to the prevailing market price, thereby reducing the Group's cash repayment obligations.

The Company acknowledges shareholders' concerns regarding the dilutive effect of further share issuances on existing shareholders. At this stage, the Company is unable to determine whether further equity fundraising will be required within the next 12 months. Any future fundraising requirements will be evaluated in light of the Group's financial position, business needs, available funding alternatives, pricing and terms, and applicable regulatory requirements, with the objective of ensuring that it is necessary and in the best interests of the Company and its shareholders.

The Company will make the necessary announcement as and when any material developments arise.

Question 6:

- **The Company has been involved in different business activities, including oil and gas, technical services and newer business initiatives. Which business segments will be the principal drivers of revenue and profitability over the next three years?**

- **How will management priorities the allocation of capital and resources to ensure that the Company's limited financial resources are directed towards businesses with credible prospects of sustainable returns?**

The Group's current principal business activities comprise oil and gas operations in Thailand, wholesale trading businesses and its newly acquired holistic health and wellness businesses. The Group has ceased its technical services business.

The oil and gas business currently remains the Group's core business, while the acquisition of Body-Mind Wellness aims to diversify the Group into the education and wellness sector and develop complementary revenue streams over time.

The Board will adopt a prudent approach to capital allocation, assessing each business performance, funding requirement and prospects against the Group's financial position and available resources, with a focus on long-term sustainability and financial performance.

Question 7:

- **Despite the changes in commodity and energy prices over the years, the Company has continued to face difficulties in achieving sustainable profitability. What are the principal factors preventing the Company from translating its business activities and market conditions into consistent profits?**

- **When does management realistically expect the Company to achieve sustainable profitability and positive operating cash flow? Could the Board provide a specific timeframe, measurable financial targets and the key operational improvements required to achieve these objectives, rather than general assurances of a future turnaround?**

- **If the Company is unable to meet these targets within the stated timeframe, what further strategic or operational measures will the Board consider?**

The Group's profitability continues to be affected by the evolving operating environment in the oil and gas sector. In particular, declining production volumes from the Group's oil fields and rising operating costs and non-cash impairment losses. Notwithstanding these challenges, the Group's oil and gas assets remain an important part of its asset base.

To improve operational performance, the Group relies on the Thailand operator cum partner to manage its 20% interest in the oil and gas concession and Mr. C.W. Charlie Chapman as the independent qualified person providing specialised expertise and advice. The Group will continue to monitor the oil and gas segment performance.

At this moment, the Company is unable to provide a specific timeframe or measurable financial targets for achieving sustainable profitability and positive operating cash flow, as these depend on various operational and market factors. The Board will continue to review the Group's financial and operational performance, assess business opportunities and evaluate strategic options for the Group's existing assets, taking into account their commercial prospects, capital requirements and the interests of the Company and its shareholders.

Question 8:

- **Following the expiry of the production concession in July 2026, what is the current operational status of the relevant oil and gas assets and production activities?**

- **Does the Company have an approved extension, replacement concession or alternative arrangement, and what impact does the current position have on expected revenue, cash flow and the future viability of this business?**

The Group currently has two oil fields having production concessions that are due to expire in 2032. Revenue from the oil and gas business has been declining due to decreasing production volumes.

The Group is relying on its operator cum partner to assess potential new wells developments and to provide recommendations on the way forward. The Group will evaluate the feasibility of these opportunities, taking into account the potential impact on production, operating costs and future cash flow arising from the potential new well developments.

The Company will make the necessary announcement as and when any material developments arise.

Question 9:

- **The FY2026 financial statements recognised a substantial impairment relating to oil and gas assets. What were the key assumptions used in determining the impairment, and what circumstances could result in further impairment or additional financial obligations?**

- **Has the Board assessed any material costs associated with cessation of production, asset maintenance, restoration or other commitments arising from the concession's expiry?**

The impairment loss recognised in FY2026 was assessed based on a valuation of the Group's interest in the oil and gas reserves prepared by an independent valuer using the discounted cash flow methodology covering period of 15 to 17 years, including expected renewals of 10 years each at the end of respective concession periods.

The impairment loss was higher in FY2026 following the expiry in one of the concessions and the valuation assessment of the remaining producing wells. The key assumptions and estimates applied in the impairment assessment are disclosed on page 89 - 90 of the FY2026 Annual Report.

Further impairment may arise if there are adverse changes in the assumptions underlying the valuation, including those relating to forecasted production volumes, oil and gas prices, operating costs and projected cash flows.

Question 10:

- **The Company announced the acquisition of the Body-Mind Wellness business in August 2026, with stated consideration comprising S$2.42 million in shares and potential additional cash payments linked to future EBITDA. What were the acquired business's historical revenue, EBITDA, net profit and cash flow before the acquisition?**

- **What financial and operational due diligence was undertaken, and what revenue, profitability and cash flow targets does the Board expect the business to achieve over the next three financial years?**

The acquisition of the Body-Mind Wellness business was undertaken as part of the Group's strategy to diversify its business portfolio, with a focus on the wellness and education sectors, and develop additional revenue streams.

The consideration structure was designed to limit upfront cash outlay, with the consideration comprising shares and potential cash earn-out linked to the acquired business's future EBITDA performance. This earn-out arrangement allows the Group to pay the relevant additional consideration based on the business's future financial performance.

The Company is unable to provide the financial forecasts or targets for the future performance of the acquired business beyond what was publicly announced. However, the Group will monitor the acquired business's financial and operational performance and report its results in the subsequent financial reporting periods.

Question 11:

- **With regard to the Company's IT and AI initiatives, what products or services are currently commercially available, who are the paying customers, and how much revenue and operating profit have these activities generated to date?**

- **If these initiatives have yet to achieve meaningful commercial returns, how much further investment is expected, what milestones must be met, and how will the Board determine whether continued investment is justified?**

The Group has ceased its IT and AI-related business activities and is looking to exit this business. While certain initiatives were explored previously, these did not progress as anticipated and have not developed into a sustainable business.

Moving forward, the Group is focusing its resources on developing its holistic wellness and education business, as part of its strategy to diversify its business portfolio and explore opportunities for sustainable revenue and cash generation.

Question 12:

- **In view of the changes in Board composition over recent years, how does the Board ensure continuity in business strategy, financial oversight and internal controls?**

- **Were any of the departures associated with differences concerning business strategy, fundraising, financial reporting or corporate governance?**

- **If so, could the Board clarify the circumstances to the extent appropriate for disclosure?**

The Board places importance on maintaining continuity in the Group's business strategy, financial oversight and internal controls. Since last year, the Group has undertaken a Board renewal process. The Group will continue to ensure that the Board has an appropriate mix of experience, skills and expertise to support the Group's business and strategic direction.

The Board will continue to place emphasis on effective financial oversight, sound corporate governance and the adequacy of internal controls, while overseeing the implementation of new business initiatives and evaluating potential business opportunities to support the Group's long-term sustainability.

Question 13:

- **The Company proposed settling outstanding directors' fees through the issuance of 67,146,345 shares at S$0.0011 per share. Why was share-based settlement preferred over cash payment, and how did the Board assess the resulting dilution and its impact on existing shareholders?**

- **What safeguards are in place to ensure that future directors' remuneration and share-based arrangements remain appropriate and aligned with shareholders' long-term interests?**

The issue price of S$0.0011 per share was determined with reference to the prevailing market price of the Company's shares at the time of the announcement. The issue price represented a premium of approximately 10% to the volume-weighted average price ("VWAP") of the shares on the relevant market day immediately preceding the announcement.

In this regard, the Directors' willingness to accept shares in lieu of cash remuneration reflects their confidence in the Company's long-term prospects and commitment to its future growth and success. This arrangement helps to conserve the Group's cash resources for operating requirements and new business opportunities, while aligning the Directors' interests with those of the Company and its shareholders.

The proposed issuance of shares in lieu of cash for their remuneration is subject to shareholders' approval at the forthcoming AGM.