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

RESPONSES TO SGX QUERIES

The Board of Directors (the "**Board**" or "**Directors**") of CapAllianz Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 14 July 2026 in relation to the proposed acquisition of the Body-Mind Wellness Program (the "**Announcement**").

Unless otherwise defined, all capitalized terms used and not defined herein shall have the same meanings ascribed to them in the Announcement.

The Board wishes to announce the Company's responses to the queries received from the Singapore Exchange Securities Trading Limited ("**SGX**") on 21 July 2026 and 30 July 2026 as set out below.

SGX Query 1

Please explain the basis upon which the Board determined that the Purchase Price of S$3.8 million is fair and reasonable notwithstanding the Target's relatively short operating history, nil net tangible assets, unaudited financial information and dependence on key individuals. Please also disclose the principal valuation methodology, key assumptions and financial projections relied upon by the Board in assessing the acquisition.

Company Response

As set out in the announcement, the Purchase Price was negotiated between the parties on a willing-buyer willing-seller basis, and in determining that the Purchase Price is fair and reasonable, the Board reviewed and considered, among other things, internal assessment such as the historical performance of the Program, its expected financial returns and future earnings potential, growth prospects, strategic fit with the Group's proposed education/wellness direction, key commercial risks, the Trainer and Employment Service Agreements, the Non-Compete Restrictions, and the Earn-Out structure which aligns part of the consideration with future performance. Further details of this internal assessment are set out below:

a) Management had prepared a financial analysis and projections of the Target based on financial information provided by the Target, such as actual past revenue from the Target, and the direct imputed costs required to operate the Program. These include trainer costs, course delivery costs, administrative support, marketing and other relevant operating expenses.

b) The principal methodology applied was the Discounted Cash Flow ("DCF") methodology, which estimates the present value of the expected future cash flows of the Target. The key business assumptions and financial projections underlying the DCF analysis, included projected student enrolment growth, programme pricing, revenue growth, EBITDA margins and operating cash flows. The Company's finance team performed financial due diligence procedures over the historical financial information to satisfy Management that the information provided was reasonable. Such procedures included sample verification of student enrolment records against supporting documentation, verification of cash receipts and offsets against outstanding balances, review of revenue recognition and cut-off procedures, verification of deferred income relating to programme fees received but not yet recognised as revenue, and a review of the assumptions adopted in preparing the historical financial information.

c) Management also considered the potential growth of the Target given the following identified strength that the Target operates an education-based business under an asset-light model. Its commercial value is principally derived from its proprietary curriculum, training methodology, practitioner network, customer relationships and ability to generate future earnings and cash flows, rather than from significant tangible assets. Management's strategy following the acquisition is to transform the currently traditional business operating model to a digital platform-based model which would be more scalable and accessible to a wider market.

d) The Company engaged a third-party professional firm to assist the Board to review Management's financial projections, underlying business assumptions, and the reasonableness of the key assumptions supporting the financial projections and applied recognised financial analytical methodologies. As additional reasonableness cross-checks, market-based benchmark analyses were also performed using comparable transactions and comparable publicly listed companies provided by the professional firm.

e) The Company conducted a ACRA people profile search on the Trainer. The Company also engaged a legal advisor to conduct 3 year litigation searches on the Trainer.

f) In deciding on this acquisition, the Board also considered the Group's current financial position and the willingness of the Vendor to accept a significant portion of Purchase Price in the Company's shares at a premium, with the balance contingent upon the achievement of agreed EBITDA performance targets over FY2027 to FY2029.

SGX Query 2

Please clarify the specific assets, rights and business components comprising the Program being acquired and explain the extent to which the continued operation and profitability of the Program depends on Mr Zhang Jiahui ("ZJH") and other key individuals. Please also disclose the material terms of the Earn-Out and Trainer Service Agreement (including the remuneration payable under the Trainer Service Agreement) and explain the basis upon which the Board concluded that such arrangements do not constitute, in whole or in part, additional consideration for the acquisition.

Company Response

The specific assets, rights and business components comprising the Program being acquired means the Body-Mind Wellness Program (or "BMWP"), training materials, the customer databases, participant records, and outlines of course syllabus etc currently carried on in Singapore by the Vendor. The Program is designed to provide participants with structured training in holistic wellness practices that integrate physical and mental well-being through therapeutic techniques and approaches.

As mentioned above, Management's strategy following the acquisition is to transform the currently traditional business operating model to a digital platform-based model which would be more scalable and accessible to a wider market. Management also intends to develop the business from a founder-led training model into a broader education platform supported by additional qualified trainers and practitioners over time, thereby reducing reliance on any single individual as the business expands. Pending this transition, the proposed acquisition includes contractual arrangements designed to facilitate business continuity and protect the Group's commercial interests, including the Employment Service Agreement, Master Trainer Agreement and the Non-Compete Restrictions.

Material terms of the Earn-Out

- S$1,380,000 in cash in the Company to be paid to ZJH on earn-out basis.
- The earn-out will be based on 50% EBITDA payable.
- EBITDA means earnings before interest, tax, depreciation and amortisation.
- The earn-out will be computed based on the audited financial statements of the relevant subsidiary/business unit for the applicable period.
- Period for earn-out is maximum 3 years and maximum amount of earn-out is S$1,380,000.

- Earn-Out Period with Year 1: from Completion Date – 30 June 2027, Year 2: 1 July 2027 – 30 June 2028, Year 3: 1 July 2028 – 30 June 2029.
- In the event the Program make higher EBITDA in year 2, the earn-out will be shorter than 3 years.
- There shall be no earn-out after year 3.

Material terms of the Trainer Service Agreement
- Duration – 5 years from the Completion Date
- Trainer's Obligations – Provide training, facilitation, certification of attendance, and related services exclusively for the Company in relation to the Program to the Company and devote such of its time attention and abilities to the Company's business as may be necessary for the proper performance of his duties.
- Trainer Fee – S$15,540 per annum for 6 classes of 7 days each.
- Standard Confidentiality, Intellectual Property, Non-Conflict and Non-Competition clauses.

The Trainer Service Agreement was entered to secure Mr Zhang Jiahui's services as a trainer for the delivery of the Body-Mind Wellness Program following Completion and thus represents payment for actual training services rendered after Completion and constitutes an operating expense incurred in the ordinary course of operating the Program. Therefore, the Board is of the view that such arrangements do not constitute, in whole or in part, additional consideration for the acquisition.

SGX Query 3

Please disclose how the Vendor and Mr ZJH were introduced to the Company and explain the circumstances leading to the proposed acquisition, including whether there were any past or present business, advisory, employment or other material relationships between the Company (including its directors and management), the Vendor, Mr ZJH, the Designated Recipients and Appleton Global prior to the commencement of acquisition discussions.

Company Response

Mr ZJH became a substantial shareholder of the Company following a placement in July 2021. In July 2025, the Company entered into a consultancy agreement with Mr ZJH to appoint him as Chief Advisor to assist in identifying and introducing new business opportunities to the Group. Through Mr. Zhang's introduction, the Company entered into a memorandum of understanding ("MOU") with OOSS Global Pte. Ltd. in October 2025 to explore potential collaboration opportunities in relation to a project in Bhutan. The proposed collaboration sought to leverage OOSS Global's expertise in mindfulness education together with the Company's capabilities in financing and management.

During the course of its engagements with Mr ZJH, the Company became aware of the Body-Mind Wellness Program operated by the Vendor, in which Mr ZJH is a major shareholder. Consistent with the Group's corporate strategy of identifying and acquiring cash flow-generating businesses, the Company subsequently approached Mr ZJH to explore potential collaboration opportunities, including a possible acquisition of the Body-Mind Wellness Program business. Following internal assessments and evaluation of the strategic and commercial merits of the Proposed Acquisition, the Board has assessed that the Proposed Acquisition is aligned with the Group's business strategy and has decided to proceed with the transaction.

Mr ZJH's son, Mr Zhang Zihao, was a non-executive, non-independent director of the Company from 9 June 2025 to 23 December 2025.

Appleton Global has been engaged by the Company since 25 June 2025 to provide general business consultancy services, including assisting with operational and financial matters, supporting the implementation of strategic initiatives approved by the Board, and facilitating discussions with stakeholders where appropriate. Its engagement was broad-based and was not specifically for sourcing or introducing the Vendor, Mr ZJH or the Proposed Acquisition. Appleton Global was also subsequently engaged by the Vendor for the Proposed Acquisition, which was disclosed to the Company.

Save for the above, Mr ZJH, the Vendor and the Designated Recipients do not have any other relationship with the Company, its directors or controlling shareholders.

SGX Query 4

The Company disclosed that the Vendor will transfer the cash relating to the Advance Prepayments within 90 days after Completion. Please explain:

a) why the transfer of such cash will not occur on Completion;
b) the safeguards in place to ensure that the Company receives the full amount of the Advance Prepayments;
c) whether the Company assumes responsibility for delivering the relevant courses from Completion notwithstanding that the cash may remain with the Vendor for up to 90 days thereafter; and
d) the treatment of any refunds, cancellations or customer claims arising before the cash is transferred to the Company.

Company Response

a) The Advance Prepayments represent course fees collected in advance for programmes yet to be delivered. As the balance will continue to change between 30 June 2026 and the Completion Date due to new enrolments, course deliveries and other normal business activities, the parties have agreed on a period of up to 90 days after Completion to reconcile and determine the final amount of Advance Prepayments as at Completion before the cash is transferred. As at 30 June 2026, the Advance Prepayments amounted to approximately S$317,000.

b) The Company is satisfied that appropriate safeguards are in place as:
   i. the Vendor's obligation to transfer the final reconciled amount of the Advance Prepayments within 90 days after Completion is a contractual obligation under the SPA;
   ii. the final amount will be determined based on customer enrolment records, accounting records, cash receipts and other supporting documents, which will be reviewed and verified by the Company;
   iii. the Company retains its contractual rights under the SPA to enforce the Vendor's obligations, if necessary; and
   iv. a substantial portion of the purchase consideration remains subject to the earn-out mechanism under the SPA, which provides the Vendor with an ongoing commercial incentive to comply with its post-Completion obligations, including the transfer of the Advance Prepayments.

c) Yes. Upon Completion, the Company will assume responsibility for operating the business, including delivering the relevant courses to customers. The deferred transfer of the Advance Prepayments is solely to facilitate the reconciliation of the final amount as at Completion and does not affect the transfer of the business operations.

d) The 90-day reconciliation period is intended to determine the final Advance Prepayments balance as at Completion after taking into account any new enrolments, course deliveries and other normal business activities and other adjustments relating to prepayments collected before Completion. Accordingly, the amount transferred by the Vendor will reflect the final reconciled amount attributable to the outstanding customer obligations assumed by the Company

SGX Query 5

Given that the Consideration Shares will be allotted to a number of individuals and entities identified by the Vendor, please explain the basis upon which the Company and Sponsor satisfied themselves that the Proposed Acquisition will not result in any person or group of persons acquiring control or significant influence over the Company. In particular, please disclose whether there are any arrangements, understandings or agreements among Mr Zhang Jiahui, the Vendor, the Designated Recipients and Appleton Global relating to the ownership or voting of shares in the Company following Completion.

Company / Sponsor Response

The Company and Sponsor is of the view that the Proposed Acquisition will not result in any person or group of persons acquiring control or significant influence over the Company on the following basis:

a) Each of the Vendor's Designated Recipients and Vendor's Consultant, warrants to the Company, amongst others, that he/she/it/its nominee is receiving the Consideration Shares as principal and for his/her/it/its nominee own benefit and they are not deemed interested in the shares of the other Vendor's Designated Recipients.

b) Post Acquisition, none of the Designated Recipients would hold more than 5% shareholdings of the Company.

c) Mr Zhang Jiahui, the Vendor, and the Designated Recipients, has no arrangement, understanding or agreement relating to ownership or voting of shares following Completion.

d) Appleton Global has no arrangement, understanding or agreement relating to ownership or voting of shares following Completion.

SGX Query 6

The Company has stated that the Proposed Acquisition is aligned with the Group's education and wellness direction. Please explain how the Program complements the Group's existing business activities and the basis upon which the Board concluded that the Group possesses the requisite expertise, resources and operational capabilities to operate and grow the Program business following Completion. In this regard, please also clarify whether the Board considers the Program business to fall within the Group's existing principal business activities and the basis for such assessment.

Company Response

The Board believes that the Proposed Acquisition is aligned with the Group's strategic direction to broaden its business into the education and wellness sectors. The Program complements the Group's existing business by providing the Group with an established education platform with an operational track record, recurring student enrolments, structured course delivery processes and an experienced management team. The Board believes that the education sector presents attractive long-term growth opportunities and broadens the Group's business portfolio by adding a complementary business with recurring income and growth potential.

In assessing the Group's ability to operate and develop the Program following Completion, the Board considered, among others:

a) The retention of the existing operational team responsible for the delivery and day-to-day management of the Program following Completion, including the Trainer Agreement and Employment Service Agreement entered into with the key personnel, thereby providing continuity of operations and facilitating an orderly transition.

b) The financial and operational due diligence performed by the Group's finance team, including its review of the Program's historical financial information, underlying student enrolment record. cash receipts, advance prepayments and key operating assumptions, which provided the Board with a reasonable understanding of the Program's operations and financial performance.

c) The Group's existing corporate infrastructure as a listed company, including its finance, corporate governance, compliance, risk management and administrative functions, which will support the operation of the Program following Completion.

d) The implementation of appropriate governance, financial reporting and internal control processes by the Board to oversee the Program following Completion, while leveraging on the retained operational team for the day-to-day management and delivery of the Program during the transition period.

e) As mentioned above, Management's strategy following the acquisition is to transform the currently traditional business operating model to a digital platform-based model which would be more scalable and accessible to a wider market. Management also intends to develop the business from a founder-led training model into a broader education platform supported by additional qualified trainers and practitioners over time, thereby reducing reliance on any single individual as the business expands. Pending this transition, the proposed acquisition includes contractual arrangements designed to facilitate business continuity and protect the Group's commercial interests, including the Employment Service Agreement, Master Trainer Agreement and the Non-Compete Restrictions.

Accordingly, the Board is satisfied that, together with the retained operational team and the transition arrangements put in place, the Group possesses the requisite resources and operational capabilities to operate and further develop the Program following Completion.

The Board acknowledges that the Proposed Acquisition introduces the Group at the early stages of the education sector. However, having considered the nature, scale and impact of the Proposed Acquisition in the context of the Group's existing operations, the Board is of the view that the Proposed Acquisition, by itself, does not constitute a change to the Group's principal business activities. Following Completion, the Group will continue to operate its existing businesses alongside the Program, which will constitute one of the Group's operating businesses.

SGX Query 7

Please explain which part of the responses addresses our second query, requesting for the Company to "explain the extent to which the continued operation and profitability of the Program depends on Mr Zhang Jiahui ("ZJH") and other key individuals". If the response does not address this query, please provide the Company's explanation.

Company Response

The Company recognises that the current continued operation and profitability of the Program depends significantly on ZJH. However, as explained, management's strategy following the acquisition is to transform the currently traditional business operating model to a digital platform-based model which would be more scalable and accessible to a wider market.

Management also intends to develop the business from a founder-led training model into a broader education platform supported by additional qualified trainers and practitioners over time, thereby reducing reliance on any single individual as the business expands. Pending this transition, the proposed acquisition includes contractual arrangements designed to facilitate business continuity and protect the Group's commercial interests, including the Employment Service Agreement, Master Trainer Agreement with ZJH and the Non-Compete Restrictions.

In addition, a portion of the Purchase Price is contingent upon the achievement of agreed EBITDA performance targets over FY2027 to FY2029. The Board considers that this performance-based earn-out structure appropriately aligns the interests of the vendors with those of the Company and mitigates execution risk by linking a substantial portion of the consideration to the future operating performance of the Training BU.

SGX Query 8

We note that:

(i) paragraph 6.2 discloses that the pro forma net asset value attributable to Shareholders increases from approximately US$33.350 million to US$35.507 million upon completion of the Proposed Acquisition, an uplift of approximately US$2.157 million;

(ii) paragraph 2.5(c) states that the net tangible asset value of the Program as at 30 June 2026 was nil; and

(iii) note (d) to paragraph 6 states that goodwill of approximately US$1.886 million will be recognised in respect of the Proposed Acquisition.

Please:

(a) reconcile the pro forma NAV uplift of approximately US$2.157 million with the disclosed nil net tangible asset value of the Program, identifying how much of the uplift is attributable to (i) identifiable net assets acquired and (ii) goodwill or other intangible assets recognised; and

(b) state the standalone net asset value of the Program (being total assets less total liabilities, as defined in Rule 1002(3)(a)), as distinct from the net tangible asset value disclosed in paragraph 2.5(c).

Company Response

2(a) The Company wishes to clarify that the increase in the pro forma net asset value ("NAV") attributable to Shareholders from approximately US$33.350 million to approximately US$35.507 million, being an uplift of approximately US$2.157 million, does not represent the standalone NAV or net tangible asset value ("NTA") of the Program.

The pro forma NAV uplift has been computed as follows:

Component	**US$ million**
Goodwill arising from the Proposed Acquisition	1.886
Assumed pro forma net profit contribution from the Program	0.325
Less: professional and other acquisition-related costs charged to profit or loss	(0.043)
Less: share issue expenses charged against equity	(0.011)
Net increase in pro forma NAV	**2.157**

The goodwill of approximately US$1.886 million was derived from the value of the 2,200,000,000 Consideration Shares to be issued at S$0.0011 per Consideration Share, amounting to S$2.420 million, translated into United States dollars using the exchange rate adopted for the pro forma computation.

For the purposes of the pro forma financial effects, the Company has assumed that the fair value of the identifiable net assets acquired is nil. Accordingly, the value of the Consideration Shares of approximately US$1.886 million has been provisionally recognised as goodwill arising upon consolidation.

The Company has not presently recognised any separately identifiable intangible asset in the pro forma computation. Accordingly, the portion of the pro forma NAV uplift attributable to the assets arising directly from the acquisition accounting is presently broken down as follows:

(a) identifiable net assets acquired: nil;

(b) separately identifiable intangible assets recognised: nil; and

(c) goodwill arising upon consolidation: approximately US$1.886 million.

The remaining approximately US$0.271 million of the NAV uplift represents the assumed pro forma net profit contribution from the Program of approximately US$0.325 million, less professional, acquisition-related and share issue expenses of approximately US$0.054 million. These amounts do not form part of the identifiable net assets acquired at Completion.

2(b) The net asset value of the Program (being total assets less total liabilities, as defined in Rule 1002(3)(a) as at 30 June 2026 was nil because the cash for the Advance Prepayments to be acquired is off-set by the corresponding accrual for the unearned revenue. The Program had no other assets or liabilities as at 30 June 2026.

The financial effects set out in the announcement had been reviewed and discussed with the Company's auditors.

SGX Query 9

Please clarify whether the Earn-Out of up to S$1.38 million is contingent upon the Program achieving specified EBITDA targets. If the Program's EBITDA during the Earn-Out Period is insufficient to generate the maximum Earn-Out amount, please confirm whether the unpaid balance of the S$1.38 million will lapse, or whether Mr ZJH remains entitled to receive such balance through any other mechanism.

Company Response

The Company confirms that the Earn-Out of up to S$1.38 million is contingent upon the Program achieving EBITDA during the Earn-Out Period and is calculated based on 50% of the Program's EBITDA, subject to a maximum Earn-Out of S$1.38 million.

If the Program's EBITDA during the Earn-Out Period is insufficient to generate the maximum Earn-Out amount of S$1.38 million, the unpaid balance will lapse. The Company confirms that Mr Zhang Jiahui will not be entitled to receive such unpaid balance through any other mechanism.

BY ORDER OF THE BOARD

Liu Qiang
Executive Director and Chief Executive Officer
3 August 2026

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*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.*

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