

## CAPALLIANZ HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905693M)

### PROPOSED PLACEMENT OF 1,000,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.00274 PER SHARE

#### 1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of CapAllianz Holdings Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that the Company had, on 28 July 2022, entered into a placement agreement (“**Placement Agreement**”) with Mr. Duan Lei (the “**Placee**”), details as set out in paragraph 1.3 below.
- 1.2 Subject to and upon the terms of the Placement Agreement, the Company has agreed to allot and issue, and the Placee has agreed to subscribe and pay for, 1,000,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”) at S\$0.00274 per Placement Share (“**Placement Price**”), amounting to an aggregate placement consideration of S\$2.74 million (equivalent to approximately US\$1.97 million<sup>1</sup>) (the “**Proposed Placement**”).
- 1.3 Details of the Proposed Placement as well as the Placee’s shareholding in the Company before and after the Proposed Placement are set out below.

Name of Placee <sup>(1)</sup>	Number of Placement Shares subscribed for	Placement consideration payable (S\$)	% shareholding in the Company <sup>(2)</sup>	
			As at date of Placement Agreement and before completion of the Proposed Placement <sup>(3)</sup>	After completion of the Proposed Placement <sup>(4)</sup>
Duan Lei	1,000,000,000	2,740,000	0%	10.47%

#### Notes:

- (1) Please refer to section 3 of this announcement for further information on the Placee.
- (2) Including deemed interests (if any).
- (3) Based on Existing Share Capital (as defined herein) of 8,552,536,455 Shares (as defined herein).
- (4) Based on Enlarged Share Capital (as defined herein) of 9,552,536,455 Shares.
- 1.4 The Placement Shares shall be issued as fully paid and free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company (“**Shares**”), save that the Placement Shares will not be entitled to any dividend, rights, allotments and/or other distributions, the record date of which falls on or before the date of allotment and issuance of the Placement Shares.
- 1.5 As at the date of this announcement, (i) the Company has an existing issued and paid-up share capital of 8,552,536,455 Shares (“**Existing Share Capital**”); (ii) the Company

<sup>1</sup> Based on an exchange rate of US\$1.39 : S\$1.00.

has no treasury shares or subsidiary holdings; and (iii) the Company has 487,502,256 outstanding warrants, of which no adjustments to the terms of these outstanding warrants are required pursuant to the deed poll of the warrants as a result of the Proposed Placement. Upon completion of the Proposed Placement (and assuming no further allotment and issuance of new Shares by the Company), the Company's issued and paid-up share capital will increase to 9,552,536,455 Shares ("**Enlarged Share Capital**"). The Placement Shares represent approximately 11.69% of the Existing Share Capital, and approximately 10.47% of the Enlarged Share Capital.

- 1.6 The Company will be making an application through its sponsor to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Placement Shares on the Catalist Board of the SGX-ST ("**Catalist**"). The Company will make the necessary announcement when the listing and quotation notice has been granted by the SGX-ST.
- 1.7 The Proposed Placement will be undertaken pursuant to the private placement exemption under Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Placement.
- 1.8 The Placement Shares will not be issued to transfer a controlling interest in the Company pursuant to Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and none of the Placement Shares will be placed to any of the persons set out as restricted persons under Rule 812 of the Catalist Rules.
- 1.9 No placement agent has been appointed in respect of the Proposed Placement.
- 1.10 There is no moratorium imposed on the Placement Shares. No share borrowing arrangement has been entered into to facilitate the Proposed Placement.

## **2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT**

### **2.1 Placement Price**

The Placement Price of S\$0.00274 represents a premium of 37.0% to the volume weighted average price of S\$0.0020 per Share, based on the trades done on the SGX-ST on 26 July 2022, being the last full market day on which the Shares were traded prior to the signing of the Placement Agreement on 28 July 2022 (after SGX-ST's trading hours).

The Placement Price was commercially agreed between the Company and the Placee after arm's length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.

### **2.2 General Mandate**

The Placement Shares will be allotted and issued pursuant to the general share issue mandate approved by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 29 October 2021 (the "**General Mandate**").

Pursuant to the General Mandate, the Directors are authorised to, *inter alia*, allot and issue new Shares not exceeding 100.0% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings of the Company) as at 29 October 2021, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities; (b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of the resolution, provided that such 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, of which the aggregate number of new Shares to be issued other than on a *pro-rata* basis to existing Shareholders shall not exceed 50.0% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings of the Company) as at 29 October 2021 after adjustment.

As at 29 October 2021, being the date the General Mandate was approved by Shareholders, the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings of the Company) was 7,567,914,879 Shares. Accordingly, the total number of new Shares that may be issued by the Company pursuant to the General Mandate is 7,567,914,879 new Shares, of which the maximum number of new Shares that may be issued by the Company other than on a *pro-rata* basis is 3,783,957,439 new Shares.

As at the date of this announcement, the Company has issued an aggregate of 984,621,576 new Shares pursuant to the General Mandate, details as follows:

- (i) On 10 February 2022, the Company issued 925,925,925 new Shares at S\$0.0027 per new Share pursuant to an earlier placement exercise completed on 10 February 2022 ("**Feb 2022 Placement**"). Pursuant to the Feb 2022 Placement, the Company raised net proceeds amounting to approximately S\$2.475 million for the purposes of (i) funding of the Group's investment and trading business segment; and (ii) general working capital of the Group. For more information regarding the Feb 2022 Placement, please refer to the Company's announcements dated 6 December 2021, 21 January 2022, 9 February 2022 and 10 February 2022. For information on the use of net proceeds raised from the Feb 2022 Placement, please refer to the Company's announcements dated 12 May 2022 and 28 July 2022.
- (ii) On 18 February 2022, the Company issued 58,695,651 new Shares to certain directors and employees of the Company pursuant to the vesting of the share awards under the CapAllianz Holdings Limited Performance Share Plan ("**Share Awards 2022**"). For more information regarding the Share Awards 2022, please refer to the Company's announcements dated 14 February 2022 and 18 February 2022.

Subsequent to the Feb 2022 Placement and Shares Awards 2022, the maximum remaining number of new Shares that may be issued by the Company other than on a *pro-rata* basis is 2,799,335,863 new Shares.

Accordingly, the proposed allotment and issuance of the 1,000,000,000 Placement Shares pursuant to the Proposed Placement will fall within the maximum remaining number of new Shares that may be issued by the Company pursuant to the General Mandate, and as such, prior approval of Shareholders is not required for the allotment and issuance of the Placement Shares under the Proposed Placement.

### **2.3 Conditions Precedent**

Pursuant to the terms and conditions of the Placement Agreement, the Proposed Placement and the completion of the Proposed Placement are conditional upon, *inter alia*, the following being fulfilled on or before the long-stop date (being 2 September 2022):

- (a) the Placee having effected payment in S\$ for the placement consideration payable (as stated in section 1.3 of this announcement above) in freely-transferable and immediately available funds to the Company no later than four (4) weeks from the date of the Placement Agreement (or such other date as the parties to the Placement Agreement may agree in writing), by way of telegraphic transfer to the bank account designated by the Company (or such other bank account as may be notified by the Company) or by way of banker's

draft or cashier's order made out in favour of the Company or in any other manner as otherwise notified by the Company to the Placee in writing;

- (b) approval in-principle being obtained from the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST and not having been amended, withdrawn, revoked, rescinded or cancelled and, where such approval is subject to conditions and to the extent that such conditions for the listing and quotation of the Placement Shares on the Official List of the SGX-ST are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (c) the receipt by the Company and the Placee of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Placee under any and all applicable laws (including any corporate approvals and authorisations of the Company and the Placee) and third parties, for or in respect of the Proposed Placement;
- (d) the allotment and issue of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and
- (e) the representations and warranties in the Placement Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the relevant party to the Placement Agreement having performed in all material respects all of its obligations herein to be performed on or before the Completion Date.

## 2.4 Completion

Pursuant to the terms and conditions of the Placement Agreement, completion of the Proposed Placement shall take place on 26 August 2022 (or such other date as the parties to the Placement Agreement may agree in writing) (the "**Completion Date**"), and in any event before 2 September 2022 (the "**Long-Stop Date**").

## 3. INFORMATION ON THE PLACEE

3.1 Mr. Duan Lei ("**Mr. Duan**") is a private businessman and an experienced private investor who does various forms of investments. Mr. Duan was previously introduced to the Company by a third party introducer where he participated as one of the placees in an earlier placement exercise of the Company, which was completed on 29 March 2021. As at the date of this announcement, Mr. Duan no longer holds any Shares in the Company. Mr. Duan was re-introduced to the Company by the aforementioned third party introducer to participate in the Proposed Placement. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Placement. Mr. Duan has expressed interest to re-invest in the Company and subscribe for the Placement Shares for investment purposes.

3.2 The Placee has represented and warranted to the Company, *inter alia*, that:

- (a) the Placee does not fall within the categories to whom the Company is prohibited from issuing Shares to, as set out in Rule 812(1) of the Catalist Rules;
- (b) the Placee is not related to any of the Directors or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act 1967 of Singapore ("**Companies Act**"));

- (c) the Placee is not acting in concert with and/or in accordance with the instructions of any Directors and/or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act);
- (d) the Placee is not subscribing for the Placement Shares as an agent for or otherwise on behalf of any other persons or entity and is subscribing for the Placement Shares solely for his own beneficial account and not with a view to another person acquiring an investment (as defined in Section 4(1) of the Securities and Futures Act 2001 of Singapore) in the Placement Shares;
- (e) the Placee does not, directly or indirectly, holds any Shares in the Company as at the date of the Placement Agreement;
- (f) the Placee has no existing connection (including business relationships) with the Company, the Directors and substantial Shareholders of the Company (as defined in Section 81 of the Companies Act);
- (g) the Placee has no representations on the Board and there has been no discussion or plan to-date for the Placee to be involved in the Company's business, or to take up any director or management role in the Company;
- (h) the Placee will not be holding the Placement Shares in trust or as a nominee;
- (i) the subscription of the Placement Shares or its part thereof by the Placee will not trigger the requirement under Rule 14 of The Singapore Code on Mergers and Takeovers for the Placee and/or any parties acting in concert with the Placee to make a mandatory general offer to acquire all the issued Shares; and
- (j) the Placee is not subscribing for the Placement Shares with a view of such Placement Shares being subsequently offered for sale to another person.

#### 4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

4.1 The Proposed Placement is undertaken by the Company to raise funds and strengthen the Group's financial position. The Proposed Placement will improve the Group's cash flows 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 Directors are also of the view that the Proposed Placement is necessary and beneficial to the Group in view of continuing global uncertainties, including the impact of the coronavirus pandemic. Should the global situation continue to deteriorate and further affect the market sentiment, the Company may not be able to raise funds when required.

4.2 The estimated net proceeds raised by the Company from the Proposed Placement (after deducting professional fees and related expenses of approximately S\$23,000 (equivalent to approximately US\$16,000<sup>1</sup>)) will amount to approximately S\$2,717,000 (equivalent to approximately US\$1,955,000<sup>1</sup>) (the "**Net Proceeds**").

4.3 The Company intends to utilise the Net Proceeds for the following purposes:

Use of Net Proceeds	Percentage of Net Proceeds
Funding of the Group's businesses	0% to 30%
General working capital of the Group	70% to 100%

4.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the stated use and in accordance with the percentage allocated as

announced, and will provide a status report on the utilisation of such Net Proceeds in its interim and full year financial statements announcement(s) and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and annual report(s). Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 4.5 Pending the deployment of the Net Proceeds, such Net Proceeds may be placed as deposits with banks and/or financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

## 5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The *pro forma* financial effects of the Proposed Placement as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following completion of the Proposed Placement. The *pro forma* financial effects have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 30 June 2021 (“FY2021”) subject to the following assumptions:

- (a) the financial effect of the Proposed Placement on the consolidated net asset value (“NAV”) per Share is computed assuming that the Proposed Placement had been completed on 30 June 2021;
- (b) the financial effect of the Proposed Placement on the loss per Share (“LPS”) is computed assuming that the Proposed Placement had been completed on 1 July 2020; and
- (c) the expenses to be incurred in respect of the Proposed Placement amounted to approximately US\$16,000.

For the avoidance of doubt, the *pro forma* financial effects of the Proposed Placement as set out below have not taken into account the financial effects of the issuance of new Shares pursuant to the Feb 2022 Placement and the Share Awards 2022.

### 5.1 Issued Share Capital

As at 30 June 2021	Before the Proposed Placement	After the Proposed Placement
Number of issued Shares	6,867,914,879	7,867,914,879
Issued and paid-up share capital (US\$'000)	146,784	148,739

### 5.2 NAV per Share

As at 30 June 2021	Before the Proposed Placement	After the Proposed Placement
NAV attributable to Shareholders (US\$'000)	19,065	21,020
Number of issued Shares	6,867,914,879	7,867,914,879
NAV per Share (US cents)	0.28	0.27

### 5.3 LPS

<b>FY2021</b>	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
Net loss attributable to Shareholders (US\$'000)	(4,731)	(4,731)
Weighted average number of Shares	5,388,858,466	6,388,858,466
LPS (US cents)	(0.09)	(0.07)

### 6. CONFIRMATION BY THE BOARD

The Directors are of the opinion that, as at the date of this announcement, after taking into consideration:

- (a) the Group's present bank facilities and shareholder's loan, the working capital available to the Group is sufficient to meet its present requirements. Please refer to section 4 of this announcement for the rationale for the Proposed Placement; and
- (b) the Group's present bank facilities and shareholder's loan, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

### 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 7.1 None of the Directors and substantial Shareholders or their respective associates has any interest, whether direct or indirect, in the Proposed Placement (other than through their respective direct and indirect shareholdings and/or directorships in the Company).
- 7.2 None of the Directors, and to the best of the knowledge of the Directors, none of the substantial Shareholders, has any connections (including business relationships) with the Placee.

### 8. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update Shareholders on the Proposed Placement as and when appropriate.

### 9. DOCUMENT(S) AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Placement Agreement is available for inspection during normal business hours at the Company's registered office at 8 Wilkie Road, Wilkie Edge, #03-01, Singapore 228095 for a period of three (3) months from the date of this announcement.

### 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the

Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 11. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Proposed Placement will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Placement and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

## BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey  
Vice Chairman and Executive Director  
28 July 2022

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

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

*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.*