

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

(I) **INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY; AND**
(II) **ENTRY INTO A TECHNICAL SERVICE AGREEMENT**

*All capitalized terms used and not defined herein shall have the same meanings ascribed to them in the announcement dated 3 May 2024 (the “**Announcement**”) issued by CapAllianz Holdings Limited (the “**Company**”).*

(I) INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY

The board of directors (the “**Board**” or the “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) refers to the Announcement in relation to the entry into a non-binding memorandum of understanding with Shenzhen Shoutou Industrial Co., Ltd. (“**SSI**”) for the provision of artificial intelligence technical services (the “**Proposed Transaction**”).

The Board wishes to announce that, in connection with the Proposed Transaction, the Company had on 3 May 2024 incorporated a wholly-owned subsidiary, Future AI Tech Pte. Ltd. (“**Future AI**”) in Singapore (“**Incorporation**”).

Future AI has an issued and paid-up capital of S\$100,000 comprising 100,000 ordinary shares, and its principal activities are the development of software and applications and information technology consultancy. The Incorporation of Future AI was funded through internal resources of the Group and is not expected to have a material impact on the net tangible assets per share and the earnings per share of the Company and the Group for the current financial year ending 30 June 2024.

(II) ENTRY INTO A TECHNICAL SERVICE AGREEMENT

Further to the Announcement and subsequent to the Incorporation, the Board wishes to announce that, Future AI had on 26 May 2024, entered into a technical service agreement (the “**Agreement**”) with SSI (together with Future AI, shall individually be known as a “**Party**” and collectively, the “**Parties**”) for the Proposed Transaction.

The salient terms of the Agreement, including the scope of services to be provided by Future AI, are similar to those as set out in the MOU. For more information, please refer to the Announcement.

Pursuant to the Agreement, the payment terms for the provision of services to be rendered by Future AI are as follows:

- (i) Future AI shall be paid S\$1,000,000 (inclusive of all taxes) in aggregate for the provision of its services during the term of the Agreement as disclosed below;
- (ii) prior to the signing of the Agreement, SSI has received a prepayment of service fees equivalent to S\$380,000 from its downstream partners; and by 30 June 2024, SSI will also receive a prepayment of service fees equivalent to S\$620,000 from its downstream partners;
- (iii) SSI shall pay Future AI within the first week of the following month after receiving service fees from SSI’s downstream partners, and shall pay the balance of the total service fees

collected from its downstream partners to Future AI before the end of the following month; and

- (iv) the service fees received by SSI from its downstream partners shall not be used for any other purposes except for payment to Future AI.

The term of the Agreement shall be from 27 May 2024 to 27 May 2025, unless otherwise agreed to in writing by the Parties. The Agreement may be terminated by mutual written consent or by a failure of either Party to rectify a material breach of the Agreement within 30 days after receiving written notice of such breach from the defaulting Party.

The Agreement is governed by the laws of Singapore.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Incorporation, the Agreement and/or the Proposed Transaction (other than through their respective shareholdings and/or directorships in the Company and/or Future AI as the case may be).

By order of the Board

Liu Qiang
Executive Director and Chief Executive Officer
27 May 2024

*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 (the “**Catalist Rules**”).*

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.