

RESPONSE TO NOTICE OF COMPLIANCE

1. INTRODUCTION

1.1 The board of directors (the “**Directors**” or the “**Board**”) of Alpha DX Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the Company’s announcement dated 28 February 2022 in relation to the resignation of Mr. Chang Chi Hsung (“**Mr. Chang**”) as independent director of the Company;
- (b) the Company’s announcement dated 28 February 2022 in relation to the resignation of Mr. Ng Chee Weng@Max Ng Chee Weng (“**Mr. Ng**”) as an independent director of the Company;
- (c) the Company’s announcement dated 9 March 2022 in relation to the resignation of Ms. Chew Yean Nee (“**Ms. Chew**”) as an independent director of the Company;
- (d) the Company’s announcement dated 9 March 2022 in relation to the resignation of Mr. Fabian Sven Bahadur Scheler (“**Mr. Scheler**”) as a non-independent non-executive director of the Company;
- (e) the notice of compliance issued by the Singapore Exchange Regulation (“**SGX RegCo**”) on 10 March 2022 (“**Notice of Compliance**”); and
- (f) the Company’s announcement dated 16 March 2022 in relation to the extension of time to comply with the Notice of Compliance

(collectively, the “**Announcements**”). Unless otherwise defined or the context requires, all terms used herein shall have the same meaning as defined in the Notice of Compliance and the Announcements.

1.2 Pursuant to paragraph 5.2(b) of the Notice of Compliance, the Company is required to obtain and disclose explanations from each of Mr. Chang, Mr. Ng, Ms. Chew and Mr. Scheler (collectively, the “**Former Directors**”), disclosing reasons for each of their resignation, including (i) providing detailed reasons for their resignation; (ii) whether there are any other material reason / concerns leading to his/her resignation; (iii) actions taken by each of the Former IDs in relation to areas of concerns that resulted in their resignations; and (iv) why he/she consider it proper and appropriate to resign at this juncture in view of these concerns, and given that the Company is in the midst of responding to SGX RegCo’s queries and the Board is assessing the Group’s ability to operate as a going concern.

2. EXPLANATIONS FROM FORMER DIRECTORS

2.1 As at the date of this announcement, the Company has obtained further explanations from Mr. Chang, Mr. Ng, Ms. Chew and Mr. Scheler on their resignations, details of which are set out in **Appendix I, Appendix II, Appendix III** and **Appendix IV** to this announcement respectively.

3. CAUTIONARY STATEMENT

The Company will make further announcements to update shareholders on material developments, as and when necessary. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully.

Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
ALPHA DX GROUP LIMITED

Daiji Yamada
Executive Director and Chief Executive Officer
25 March 2022

This Announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

APPENDIX I – EXPLANATIONS FROM MR. CHANG

Obtain and disclose via SGXNet by Wednesday, 16 March 2022, detailed explanations from each of Mr Chang, Mr Ng, Ms Chew and Mr Fabian (collectively, the “Former IDs”) as to the reason(s) for each of the Former ID’s

i. providing detailed reasons for their resignation;

Apart from the explanation provided as per the cessation announcement dated 28th February 2022, the following are the further reasons that Mr. Chang has shared with SGX on the tele-conference dated 14th March 2022:

- a) Multiple occasion on short notice provided for the review of announcement materials
- b) Letter of Demand from Kydon and PPCF, that the management did not inform and update the board promptly for discussion of next course of action
- c) Reallocation of Use Of Proceeds (“UOP”) and Utilization of UOP without preapproval from the board

ii. whether there are any other material reason / concerns leading to his/her resignation;

Save for those disclosed above, there are no other material reason/concerns leading to my resignation

iii. actions taken by each of the Former IDs in relation to areas of concerns that resulted in their resignations; and

For reason a) stated above, when there is not sufficient time provided for the board members to review the announcement materials, Mr Chang has taken initiatives to engage with the Management and other independent directors and had at multiple occasions reminded the Management to give sufficient notice so the board can allocate sufficient time for Mr Chang to go through the materials. Unfortunately, the Management continued to provide insufficient time for Mr Chang’s review of the materials.

For reason b), Mr. Chang informed the Management at once when the LOD from Kydon were sent to his office on 23th February 2022, Mr. Chang was not able to take any action for the LOD from PPCF as it was only shared during the Audit Committee meeting held on 24th February 2022.

For reason c), Mr. Chang was not able to take any action as it was only shared during the Audit Committee meeting held on 24th February 2022.

iv. why he/she consider it proper and appropriate to resign at this juncture in view of these concerns, and given that the Company is in the midst of responding to SGX RegCo’s queries and the Board is assessing the Group’s ability to operate as a going concern.

As an Independent Non-Executive Director, I understand that I am expected to be familiar with the business and stay informed of the activities of the company. That said, with the lapses in communication and reasons stated above, I found it difficult to work with the Management of Alpha DX to discharge my duties as the Independent Director, although I tried. And my resignation on 25th February was before: (a) SGX RegCo’s queries on 2 March, (b) PCCF’s notice of termination as continuing Sponsor and the company’s receipt of PCCF’s Writ of Summons on 1 March; (c) the company’s receipt of Kydon Holding’s statutory demand on 4 March; and (d) SGX RegCo’s Notice of Compliance on 10 March.

At the time of my resignation, I did not and could not have known of these negative developments. I confirm that I have no intention to compromise the company’s abilities (in any way) to look into these areas of concern.

APPENDIX II – EXPLANATIONS FROM MR. NG

Mr. Ng has informed the Company on 15 March 2022 that he has no further details to provide apart from what was already shared by him to the Company, details of which are provided below:

“Mr. Ng notes the views of Mr. Chang that the management did not inform the Board of Directors in a timely manner in relation to the letters of demand from solicitors acting for Kydon Holdings Pte. Ltd. and PrimePartners Corporate Finance Pte. Ltd. The reason for the delay was subsequently explained in an announcement dated 2 March 2022 in relation to responses to SGX Regco’s queries.

Mr. Ng also notes the views of Mr Chang that the management did not obtain the Board’s approval of the reallocation of use of proceeds from the convertible loan from DiDi Investments, Inc prior to its utilisation”.

In relation to paragraph 5.2(b)(iv) of the Notice of Compliance, Mr. Ng has the following statement to add:

“At the time of my resignation the Company still had 4 Directors on the Board (2 IDs and 1 Non-ED), although I understand that the situation now has changed.”.

Mr. Ng thereafter informed the Sponsor on 23 March 2022 of the following:

“... let me elaborate that in the period prior to my resignation and as mentioned, my work commitments had increased. Further and as mentioned by some of the other Directors, unfortunately the Management had conducted itself in a manner which did not always give the Directors much time to review and approve matters. The company was also looking to hire an in-house legal counsel which I fully encouraged, and I had also tried to reach out to my friends and contacts at that time to see if I could assist the company to hire one.

In view of the different working style of the current management of Alpha, coupled with my increase in workload and commitments, I therefore had decided to step down some time around 28 January 2022, but I was out of the country at that time. I had wanted to step down so that another ID could be found who had the time and ability to undertake the role of an ID for Alpha. I also did note that there were still sufficient number of other IDs on the Board at that time.

Unfortunately my decision to resign coincided with the unexpected and sudden resignation of the Audit Committee chairperson on 25 February 2022. I note the reasons provided by Alan, which are of concern and need looking into.

I also note the subsequent sudden resignations of the other ID and Fabian, which again are a cause for concern and which came as a surprise to me. I also note the recent Court application filed by Alpha’s lawyers on 9 March 2022 pursuant to Section 64(3)(b) of the IRDA, which again was something I did not see coming at the time I had intended to resign back in January 2022.”

APPENDIX III – EXPLANATIONS FROM MS. CHEW

15 March 2022

Alpha DX Group Limited
229 Mountbatten Road,
#01-11, Mountbatten Square,
Singapore 398007

Singapore Exchange Regulation Pte Ltd
11 North Buona Vista Drive #06-07 |
Singapore 138589

Dear Sirs,

ALPHA DX LIMITED
RESPONSE TO SGX REGCO NOTICE OF COMPLIANCE

1. I am a former Independent Director ("Former ID") of AlphaDX Group Limited (the "Company"). I am also a former member of the Nominating Committee ("NC").
2. With reference to SGX RegCo's Notice of Compliance ("SGX NOC") dated 10 March 2022 sent by SGX-ST to Alpha DX Group Limited ("Company"), Paragraph 5.2b of the Notice directed the Company to obtain and disclose via SGXNet by Wednesday 16 March 2022, detailed explanations from each of Mr Chang, Mr Ng, Ms Chew and Mr Fabian (collectively, the "Former IDs") as to the reason(s) for each of the Former IDs resignation, including:
 - I. providing detailed reasons for their resignation;
 - II. whether there are any other material reason / concerns leading to his/her resignation;
 - III. actions taken by each of the Former IDs in relation to areas of concerns that resulted in their resignations; and
 - IV. why he/she consider it proper and appropriate to resign at this juncture in view of these concerns, and given that the Company is in the midst of responding to SGX RegCo's queries and the Board is assessing the Company's ability to operate as a going concern.
3. I respectfully believe that there were grounds for me to consider it "proper and appropriate" to resign as Independent Director because I no longer saw any possibility of effectively discharging my duties as an Independent Director of Alpha DX.

A. PRELIMINARY POINTS

For a start, I wish to state the following preliminary points.

- i) As of today, there are three other remaining directors on the board. They are Executive Director and Chief Executive Director Mr. James D. Yamada ("Mr. Yamada"), Chairman and Non-Independent Director Mr Yoshizasu Naruse ("Mr Naruse"), Non- Executive Independent Director Ms Michiko Koyano ("Ms Koyana"). With Mr. Naruse being the representative of the majority shareholder ("DiDi").
- ii) Collectively, "the Management" is formed by Mr Yamada with one Financial Controller, Ms Hing under him.
- iii) Given the increase in my other professional executive role work scope and responsibilities as of 1 Jan 2022, I tendered my resignation on 25 February but was requested to stay on to support the Management, to which I agreed. On 8 March, I decided to confirm my resignation given the continued challenges still not being addressed by the Management with respect to providing timely updates, certain disclosure and announcements of matters to shareholders, which are important for me to discharge my role as an Independent Director. It was difficult for me to

manage where the Board was asked to familiarize itself with materials on a very short notice because complete information was not shared in a timely manner, especially given my increased other professional executive work scope and responsibilities. Hence, I can relate to the reasons for resignation given by the former independent directors who previously left the Board.

- iv) I note that Board of Directors must be mindful of the importance of their dual obligations - Performance & Conformance. In order to enact my duties, I believe the Management should ensure that all Board members receive the same information at the same time. As per provision 1.6 of the Code of Corporate Governance, the Board should be provided with “complete, adequate and timely information” it needs, in order to make informed decisions. Herein, I undertake my responsibility to speak openly and candidly, whilst acknowledging that as an Independent Director I have no claims to ownership over the entity.
- v) Paragraph 4 of the SGX NOC dated 10 March 2022 notes that “The Company requested for a trading halt on 7 March 2022”. Further action was driven by Mr Fabian and I with the Management and the Board, based on the new information obtained on 4th March 2022.

I now provide my detailed explanations.

B. REASONS FOR MY RESIGNATION

Coincidentally, due to expansion of my other professional executive work scope and responsibilities, I had to prioritize my other professional executive job commitments. Hence, I tendered my resignation on 25 February 2022. I agreed to stay to support upon request by the Management and would have stayed on further if the Management was able to make the changes required in their administration and improve upon timeliness of certain disclosure and responding to questions or additional information. However, there were several key considerations which ultimately led to my decision to properly resign on 8 Mar 2022.

1. Incidences showing signs that despite current and previous ID’s requests to provide timely updates, certain disclosures and communication, it still remains a challenge for the Management in establishing and providing timely communication. The Board received latest written email commitment dated 26 February 2022 from Mr Yamada recognizing the criticalness of closer communication and sharing of important developments with the Board. Unfortunately, two most recent examples demonstrated that this still remains a major challenge for the Management, which negatively affects my ability to effectively discharge my duty as an Independent Director.
 - a. On 17 Nov 2021 at 21:37 SG time zone, The Board received an email requesting for acquisition of license and ratification resolution approval, required on same day for 18 Nov 2021 announcement. Unfortunately, the very short notice does not allow me to familiarise with the materials.
 - b. On 26 Feb 2022, an email addressed only to Ms Koyano and Mr Fabian titled “Sequent of events” was not copied to me by Mr Yamada. I was copied later in the email exchanges via Mr Fabian. On 3 Mar 2022, I asked two follow-up questions: i) Whether the current Russian situation will hinder the Uzbekistan project; ii) On Zionext’s performance projections. Neither question received any response.
 - c. On 3 Mar 2022, an email titled “Ratification of Appendix A” for further questions or clarification was not circulated to me. On 4 Mar 2022, Mr Fabian copied me in his reply. I had posted further questions on the same date requiring Management response, and reminded the Management again to include all the Board of Directors in future communications, as I believe questions/clarifications like these should be

shared with the Board in its entirety. No reply was received from the Management in this instance either. This prompted a request for a Board Meeting without the presence of the Management, held on 4 Mar 2022.

2. Actions on the Management's required responsiveness and differences in strategic approach that I considered appropriate were neither backed by the majority of the Board nor the controlling shareholder.
 - a. The Board meeting comprising Mr Naruse, Ms Koyana, Mr Fabian and I, dated 4 Mar 2022, which Mr Fabian and I organized, resulted in consensus approval to halt trading by 7 Mar 2022 due to new information. The outcome of this meeting was communicated to the Management on the same day via email. Further action was required by Mr Fabian and I with the Management, post responses via WhatsApp messages to the email on halt decision.
 - b. During meeting of the Board on 7 Mar 2022 with Mr Naruse, Ms Koyana, Mr Fabian and I to assess and address the current CEO's capacity and capability to manage the complexity of the situation. Next steps were captured by Mr Fabian in an e-mail dated 7 Mar 2022 to the Board and Management, on the need for a restructuring consultant and asked the Management for a quote. However, the following day, the recommendation of a restructuring consultant did not receive subsequent backing from the Board majority or the Controlling Shareholder. As per Paragraph 121 of the Memorandum and Articles of Association of the Company, whereby in the case of an equality of votes the Chairman shall have the second or casting vote.

For the above reasons, I no longer believe that I could effectively exercise my duties as an Independent Board of Director of Alpha DX. Hence, my resignation.

C. MATERIAL REASON/CONCERNS LEADING TO THE RESIGNATION

1. Expansion of my other professional executive role work scope and responsibility that makes it very tough for me, when faced with continued differences with the management on the administration, short lead time given when asking for approvals and the timeliness of certain disclosures and announcement of matters to shareholders.
2. Management's responsiveness and majority board's reluctance to appoint a restructuring consultant given the complexity of the situation.

D. ACTIONS TAKEN IN RELATION TO AREAS OF CONCERNS THAT RESULTED IN THE RESIGNATION

Based on my experience throughout the period of my agreement to continue to stay till 8 Mar 2022, I do not foresee that I can further continue in this position due to the expanded work scope of my other professional executive role. Furthermore, challenges have still not been addressed by the Management in terms of providing timely updates, certain disclosures and announcements of matters to shareholders which are important for me to discharge my role as an Independent Director. This is despite continuously reminded the Management that all Board members should receive the same information at the same time, and in a "right" and "timely" manner, so that we are able to make informed decisions. Hence, this confirmation of my resignation.

E. WHY I CONSIDER IT PROPER AND APPROPRIATE TO RESIGN AT THIS JUNCTURE IN VIEW OF THESE CONCERNS, AND GIVEN THAT THE COMPANY IS IN THE MIDST OF RESPONDING TO SGX REGCO'S QUERIES AND THE BOARD IS ASSESSING THE COMPANY'S ABILITY TO OPERATE AS A GOING CONCERN.

After much consideration, I believe it appropriate to resign at this juncture as I no longer see any possibility of effectively discharging my duties as an Independent Director of Alpha DX in the future, in view of the above reasons stated in paragraph B of this response.

F. SUMMARY

I would like to take this opportunity to emphasize the following points: -

- a. I did stay and try to help, with the benefit of the doubt that the problems related to administration and timeliness of disclosures and announcements of matters to shareholders were primarily due to lack of current Management "bandwidth" and right processes in place.
- b. I decided to confirm my resignation when I no longer believed that I could discharge my duty as an Independent Board of Director of Alpha DX:-
 - i. Expansion of my other professional executive work scope and responsibilities make it very tough for me when faced with continued differences with the management on the administration, short lead time given when asking for approvals and the timeliness of certain disclosures and announcement of matters to shareholders.
 - ii. Requests to provide timely updates, certain disclosures and communication continues to remain a challenge for the Management team to deliver despite several commitments made to change for the better, the latest being on 3 Mar 2022.
 - iii. Management's required responsiveness and the reluctance to appoint a restructuring consultant given the complexity of the situation.

Chew Yean Nee
Former Independent Board Director
Former Member, Nominating Committee

APPENDIX IV – EXPLANATIONS FROM MR. SCHELER

15 March 2022

Alpha DX Limited
229 Mountbatten Road
#01-11 Mountbatten Square
Singapore 398007

Singapore Exchange Regulation Pte Ltd
11 North Buona Vista Drive #06-07 |
Singapore 138589

Dear Sirs,

ALPHA DX LIMITED
RESPONSE TO SGX REGCO NOTICE OF COMPLIANCE

1. I am a former non-executive non-independent director of Alpha DX Limited (the "Company"). I am also a former member of the Audit Committee ("AC").
2. I refer to SGX RegCo's Notice of Compliance dated 10 March 2022 (the "SGX Notice"). Paragraph 5.2 of the Notice directed the Company to obtain and disclose via SGXNet by Wednesday 16 March 2022, "detailed explanations from each of Mr. Chang, Mr. Ng, Ms. Chew, and Mr. Fabian (collectively, the "Former IDs") as to the reason(s) for each of the Former ID's resignation including:
 - I. providing detailed reasons for their resignation;
 - II. whether there are any other material reasons/concerns leading to his/her resignation;
 - III. actions, taken by each of the Former IDs in relation to areas of concern that resulted in their resignations; and
 - IV. why he/she consider it proper and appropriate to resign at this juncture in view of these concerns and given that the Company is in the midst of responding to SGX RegCo's queries and the Board is assessing the Company's ability to operate as a going concern.
3. I respectfully believe that there were grounds for me to consider it "proper and appropriate" to resign, because of material differences in direction with the CEO and two out of four non-executive members of the board including the Chairman and representative of the controlling shareholder.
In this context, I would like to highlight that according to Paragraph 121 of the Memorandum and Articles of Association of the Company, "... in the case of an equality of votes the Chairman shall have the second or casting vote".
4. Before providing my detailed reasons, I would also like to refer to SGX Notice Paragraph 4 and rectify the statement in Paragraph 4, section h.
 - a. I tendered my resignation on the 8th of March 2022 due to material differences in direction with the CEO and most of the board (in terms of voting rights) including the representative of the controlling shareholder. This means, unlike described in

Paragraph 4 of the SGX Notice, my letter of resignation and the subsequent announcement did not provide “similar reasons as the earlier resignations”.

As outlined in the letter of resignation, I was able to relate to the reasons for resignation given by the independent directors who previously left the board. However, at that point in time, I still gave management the benefit of the doubt and assumed that the problems related to administration and timeliness of disclosures and announcements of matters to shareholders were primarily a function of overburdening of management and could be resolved if appropriate processes were put in place. I, therefore, decided to stay on and try to help.

- b. In an attempt to ensure the functioning of the board, I told the company financial controller that I would be willing to serve as interim chair of the AC and asked her to check with the sponsor whether I could be classified as Independent Director given that the shareholder I represented had been diluted to an insignificant level when DiDi became the controlling shareholder.
- c. At the time of my resignation, I had served on the board of Alpha Energy and Alpha DX for almost 3 years. I had taken a very active role during the restructuring of Alpha Energy and was directly involved in its negotiations with creditors and potential investors. For me, it was not about the time or effort required and I certainly did not resign because I wanted to avoid dealing with the Company’s problems at this juncture.

A. PRELIMINARY POINTS

For a start, I wish to state the following preliminary points.

- a. First, as of today, there are three other directors on the board. They are Executive Director and Chief Executive Director Mr. James D. Yamada (“Mr. Yamada”), Chairman and Non-Independent Director Mr Yoshizasu Naruse (“Mr Naruse”) and Non-Executive Independent Director Ms Michiko Koyano.
- b. Mr. Naruse is also the representative of DiDi, the controlling shareholder.
- c. Mr. Yamada forms part of the Company’s management, which aside from him only includes one financial controller (collectively, “the Management”).
- d. I refer to Paragraph 4 of the SGX Notice which notes that “The Company requested for a trading halt on 7 March 2022”.

I wish to emphasize that the trading halt was requested based on my initiative and against initial resistance from management after I was the first member of the board to voice the need to halt in order to maintain an orderly market amid the various negotiations with numerous creditors. The decision to push for a halt was based on new information obtained on 4 March 2022 when I learned that negotiations with Kydon Holding had failed.

- e. In the midst of confirming the Company’s short-term asset position, I on 8th March 2022 instructed management to liaise with the External Auditor to send audit confirmation to the various parties holding cash deposits belonging to the Company as previous inquiries into the matter remained unanswered by management. The External Auditor then asked management to provide an assessment of the recoverability of these deposits. At the time of my resignation, I had not yet received any response from management on this matter.

- f. Ms. Chew and I also had to organize a Board meeting on 4th March 2022 asking management to provide an interpreter so that the Chairman could fully and clearly understand the situation of the Company.
- g. On the Board Call on the 4th of March 2022, I could not get a firm confirmation that DiDi is stepping in as the Controlling shareholder to support additional working capital, hence it was likely that the company had to rely on funding from internal resources. In my view, based on the FC's cashflow projections there was the chance that this could be sufficient if the Company took back the refundable deposits made for potential acquisitions and slashed expenses on the holding level.
- h. During a call with the company's external auditor on the 7th of March 2022, I also learned that the Company's CEO had sent out disrespectful e-mails to the professional party.
- i. I had repeatedly raised questions concerning the Company's and its subsidiaries' future funding requirements and asked management to provide more comprehensive models as I discovered contradictory or in my eyes unrealistic assumptions.

I now provide my detailed explanations.

B. REASONS FOR MY RESIGNATION

Over the days between the resignation of the first two independent directors, and the 8th of March, I among other things identified the following two major areas of concern that ultimately led to my resignation.

- 1) The strategic approach to the Company's restructuring taken by the majority of the board in terms of voting rights (as specified in paragraph 3 of this response) and the CEO.
 - a. During a board meeting without the presence of management on the 7th March 2022, I voiced my concerns related to the CEO's competence and his approach to the Company's restructuring.
Among other things, I pointed to the company's deposits with Jobforesight and ERCi and expressed the opinion that in view of the situation, the company should look into abandoning the transactions and recovering the cash so that it could be used to deal with the creditors.

On the 8th of March 2022, the CEO clearly expressed that he did not wish to "rectify the process of each transaction and reverse the transactions" and the independent director, Ms. Koyano expressed her approval of his statements.
- 2) The CEO's inability to effectively deal with the restructuring situation including the resistance to appointing a restructuring consultant and the lack of satisfying and timely responses to questions raised by me such as my repeated interrogations about the status of the company's deposits.
 - a. From the current state of the Company, it is evident that the CEO is not sufficiently experienced as a CEO of a Singapore listed company and cannot manage the restructuring and deal with the creditors of the Company. For this reason, I suggested in a Board meeting on the 7th of March 2022 that the CEO should at least

step down from dealing with the company's restructuring and just focus on business development.

Despite apparent approval during the meeting, Mr. Naruse and Ms. Koyano demonstratively backed management in a Whatsapp Group Chat the following day, expressing the view that Mr. Yamada was improving already.

Also, on the evening of the 7th of March 2022, I stated that in my opinion, it was necessary to bring in a restructuring consultant at the earliest possible date. This initiative was immediately rebuked by Mr. Yamada on the morning of the 8th of March 2022, and in a separate message I was accused of "following my own agenda". Mr. Naruse and Ms. Koyano did not provide any comment on this initiative.

Based on the aforementioned events and statements, I concluded that the strategy I considered appropriate had neither the support of the majority of the board nor of the controlling shareholder or the CEO.

For these reasons, I no longer believed that I could be effective as a director of Alpha DX and tendered my immediate resignation.

C. MATERIAL REASON/CONCERNS LEADING TO THE RESIGNATION

The key concerns are:

1. The current direction adopted by Mr. Naruse, Mrs. Koanyo, and Mr. Yamada;
2. The competency of the current CEO and his reluctance to appoint a restructuring consultant.

D. ACTIONS TAKEN IN RELATION TO AREAS OF CONCERN THAT RESULTED IN THE RESIGNATION

As the Board and the CEO were not supportive of my approach and in order not to stifle the Company's approach, I hence tendered my resignation.

E. WHY I CONSIDERED IT PROPER AND APPROPRIATE TO RESIGN AT THIS JUNCTURE IN VIEW OF THESE CONCERNS, AND GIVEN THAT THE COMPANY IS IN THE MIDST OF RESPONDING TO SGX REGCO'S QUERIES AND THE BOARD IS ASSESSING THE COMPANY'S ABILITY TO OPERATE AS A GOING CONCERN.

I considered it appropriate to resign at this juncture as I no longer saw any possibility of discharging my duties as a director of Alpha DX in the future in view of the material differences in direction with the majority of the board and the CEO.

F. SUMMARY

I would like to use this opportunity to emphasize and reinstate the following points:

- I. I did not tender my resignation over minor or singular misalignments but only when I encountered material and, in my eyes, irresolvable differences in direction with the majority of the board and the CEO.
- II. I only tendered my resignation after I had ensured that the most urgent actions necessary to avert damage from the company and potential market disruption had been taken. I had

successfully pushed for a trading halt and was present during the first calls in which the moratorium filing was discussed and planned with the lawyers.

At the time of my resignation, management and the Company's lawyers were working on the affidavit and a voluntary suspension had been agreed upon.

- III. Prior to my resignation I diligently analyzed the Company's financial situation and repeatedly raised numerous concerns with management and the board like the halt of trading in the Company's shares in order not to create disorder in the midst of negotiations with creditors. I only tendered my resignation after I had voiced my most pressing concerns related to the company's approach in dealing with the creditors.

Fabian Scheler, CFA, FDP

Former Non-Executive Non-Independent Director

Former Member, Audit Committee

Alpha DX Limited