



**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**
(Incorporated in the Republic of Singapore)
(Registration Number: 200310813H)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the second quarter and six months ended 30 June 2022

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM FINANCIAL STATEMENTS

For the second quarter and six months ended 30 June 2022

Table of Contents

	Page	
A	Condensed Interim Consolidated Statement of Profit or Loss	3
B	Condensed Interim Consolidated Statement of Comprehensive Income	4
C	Condensed Interim Statements of Financial Position	5
D	Condensed Interim Statements of Changes in Equity	6
E	Condensed Interim Consolidated Statement of Cash Flows	10
F	Notes to the Condensed Interim Consolidated Financial Statements	12
G	Other Information required by Catalist Rules Appendix 7C	32

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the second quarter and six months ended 30 June 2022

	Note	Second quarter 3 months ended		Incr/ (Decr)	Cumulative quarter 6 months ended		Incr/ (Decr)
		30.06.2022	30.06.2021		30.06.2022	30.06.2021	
		(Unaudited) S\$	(Unaudited) S\$	%	(Unaudited) S\$	(Unaudited) ⁽¹⁾ S\$	%
Continuing operations							
Revenue	4	1,632,009	2,173,085	(24.9)	3,721,452	4,393,086	(15.3)
Cost of sales		(1,433,002)	(1,670,572)	(14.2)	(3,232,042)	(3,282,466)	(1.5)
Gross profit		<u>199,007</u>	<u>502,513</u>	(60.4)	<u>489,410</u>	<u>1,110,620</u>	(55.9)
Other income		23,382	117,458,667	(100.0)	69,808	117,561,525	(99.9)
General and administrative expenses		(1,262,354)	(3,762,641)	(66.5)	(2,811,793)	(4,974,236)	(43.5)
Other expenses		(6,123,483)	(5,266,261)	16.3	(6,022,562)	(3,950,306)	52.5
Results from operating activities	6	<u>(7,163,448)</u>	<u>108,932,278</u>	N.M	<u>(8,275,137)</u>	<u>109,747,603</u>	N.M
Finance income		1,504	618	>100.0	2,997	618	>100.0
Finance cost		(3,448)	(268,594)	(98.7)	(18,347)	(599,607)	(96.9)
Net finance cost		<u>(1,944)</u>	<u>(267,976)</u>	(99.3)	<u>(15,350)</u>	<u>(598,989)</u>	(97.4)
(Loss)/profit before income tax		<u>(7,165,392)</u>	<u>108,664,302</u>	N.M	<u>(8,290,487)</u>	<u>109,148,614</u>	N.M
Income tax expense	7	(2,191)	(10)	>100.0	(13,238)	(12,292)	7.7
(Loss)/profit from continuing operations		<u>(7,167,583)</u>	<u>108,664,292</u>	N.M	<u>(8,303,725)</u>	<u>109,136,322</u>	N.M
Discontinued operations							
Loss from discontinued operations (net of tax)		-	(833,368)	(100.0)	-	(1,487,202)	(100.0)
Total (loss)/profit for the financial period		<u>(7,167,583)</u>	<u>107,830,924</u>	N.M	<u>(8,303,725)</u>	<u>107,649,120</u>	N.M
Total (loss)/profit attributable to:							
- Equity holders of the Company		(7,167,583)	107,839,852	N.M	(8,303,725)	107,661,428	N.M
- Non-controlling interests		-	(8,928)	(100.0)	-	(12,308)	(100.0)
		<u>(7,167,583)</u>	<u>107,830,924</u>	N.M	<u>(8,303,725)</u>	<u>107,649,120</u>	N.M
Total loss attributable to equity holders of the Company relates to:							
- (Loss)/profit from continuing operations		(7,167,583)	108,664,291	N.M	(8,303,725)	109,136,321	N.M
- (Loss)/profit from discontinued operations		-	(824,439)	(100.0)	-	(1,474,893)	(100.0)
		<u>(7,167,583)</u>	<u>107,839,852</u>	N.M	<u>(8,303,725)</u>	<u>107,661,428</u>	N.M

N.M: Not meaningful

Note

(1) *Discontinued operations arise from Oil and Gas business which results have been re-presented in accordance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations. Refer to Note 4 for details.*

The accompanying notes form an integral part of these financial statements.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

For the six months ended 30 June 2021

	Note	Second quarter 3 months ended		Incr/ (Decr) %	Cumulative quarter 6 months ended		Incr/ (Decr) %
		30.06.2022 (Unaudited) S\$	30.06.2021 (Represented) (Unaudited) S\$		30.06.2022 (Unaudited) S\$	30.06.2021 (Represented) (Unaudited) ⁽¹⁾ S\$	
Total profit/(loss) for the financial period		(7,167,583)	107,830,924	N.M	(8,303,725)	107,649,120	N.M
Other comprehensive (loss)/income Item that may be reclassified subsequently to profit or loss:							
Currency translation arising from consolidation of financial statements of foreign operations		<u>(2,107,976)</u>	<u>4,086,317</u>	N.M	<u>(2,253,510)</u>	<u>(9,158)</u>	>100.0
Other comprehensive loss for the financial year, net of tax		<u>(2,107,976)</u>	<u>4,086,317</u>	N.M	<u>(2,253,510)</u>	<u>(9,158)</u>	>100.0
Total comprehensive (loss)/profit for the financial period		<u>(9,275,559)</u>	<u>111,917,241</u>	N.M	<u>(10,557,235)</u>	<u>107,639,962</u>	N.M
Total comprehensive (loss)/profit attributable to:							
- Equity holders of the Company		(9,275,559)	111,926,169	N.M	(10,557,235)	107,652,270	N.M
- Non-controlling interests		-	(8,928)	(100.0)	-	(12,308)	(100.0)
		<u>(9,275,559)</u>	<u>111,917,241</u>	N.M	<u>(10,557,235)</u>	<u>107,639,962</u>	N.M

The accompanying notes form an integral part of these financial statements

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the second quarter and six months ended 30 June 2022

	Note	<u>Group</u>		<u>Company</u>	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		S\$ (Unaudited)	S\$ (Audited)	S\$ (Unaudited)	S\$ (Audited)
Non-current assets					
Investment property	10	712,212	785,673	-	-
Property, plant and equipment	11	467,709	668,035	52,296	118,073
Intangible assets and goodwill	12	3,556,579	11,320,416	-	-
Investments in subsidiary corporations	15	-	-	2,874,247	14,998,995
		<u>4,736,500</u>	<u>12,774,124</u>	<u>2,926,543</u>	<u>15,117,068</u>
Current assets					
Trade and other receivables	16	5,315,741	4,567,424	3,275,302	3,239,033
Cash and cash equivalents		<u>2,219,974</u>	<u>4,499,453</u>	<u>1,546,657</u>	<u>2,565,619</u>
		<u>7,535,715</u>	<u>9,066,877</u>	<u>4,821,959</u>	<u>5,804,652</u>
Total assets		<u>12,272,215</u>	<u>21,841,001</u>	<u>7,748,502</u>	<u>20,921,720</u>
Equity					
Share capital	17	178,672,533	178,672,533	178,672,533	178,672,533
Perpetual securities		2,529,237	2,529,237	2,529,237	2,529,237
Reserves		(4,280,567)	(2,027,057)	2,560,037	2,560,037
Accumulated losses		<u>(173,197,907)</u>	<u>(164,852,937)</u>	<u>(181,807,306)</u>	<u>(168,647,037)</u>
Attributable to equity holders of the Company/ Total equity		<u>3,723,296</u>	<u>14,321,776</u>	<u>1,954,501</u>	<u>15,114,770</u>
Non-current liabilities					
Borrowings	18	24,226	135,167	9,361	19,166
Deferred income tax liabilities		<u>189,318</u>	<u>189,058</u>	<u>-</u>	<u>-</u>
		<u>213,544</u>	<u>324,225</u>	<u>9,361</u>	<u>19,166</u>
Current liabilities					
Trade and other payables	19	8,137,413	6,908,856	5,757,113	5,707,174
Borrowings	18	177,525	267,452	27,527	80,610
Current income tax liabilities		<u>20,437</u>	<u>18,692</u>	<u>-</u>	<u>-</u>
		<u>8,335,375</u>	<u>7,195,000</u>	<u>5,784,640</u>	<u>5,787,784</u>
Total liabilities		<u>8,548,919</u>	<u>7,519,225</u>	<u>5,794,001</u>	<u>5,806,950</u>
Total equity and liabilities		<u>12,272,215</u>	<u>21,841,001</u>	<u>7,748,502</u>	<u>20,921,720</u>

The accompanying notes form an integral part of these financial statements.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the second quarter and six months ended 30 June 2022

	Attributable to equity holders of the Company								Total equity S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Fair value reserve S\$	Perpetual securities S\$	Other reserve S\$	Accumulated losses S\$			
Group											
At 1 January 2022	178,672,533	(24,516)	2,601,213	(4,587,094)	-	2,529,237	(16,660)	(164,852,937)	14,321,776	-	14,321,776
Total comprehensive loss for the financial period											
Total loss for the financial period	-	-	-	-	-	-	-	(8,303,725)	(8,303,725)	-	(8,303,725)
Other comprehensive loss											
Currency translation differences arising from consolidation of financial statements of foreign operations	-	-	-	(2,253,510)	-	-	-	-	(2,253,510)	-	(2,253,510)
Total comprehensive loss for the financial period	-	-	-	(2,253,510)	-	-	-	(8,303,725)	(10,557,235)	-	(10,557,235)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(41,245)	(41,245)	-	(41,245)
Total transactions with owners	-	-	-	-	-	-	-	(41,245)	(41,245)	-	(41,245)
At 30 June 2022	178,672,533	(24,516)	2,601,213	(6,840,604)	-	2,529,237	(16,660)	(173,197,907)	3,723,296	-	3,723,296

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**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the second quarter and six months ended 30 June 2022

	Attributable to equity holders of the Company								Total S\$	Non- controlling interests S\$	Total equity S\$
	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Fair value reserve S\$	Perpetual securities S\$	Other reserve S\$	Accumulated losses S\$			
Group											
At 1 January 2021	152,599,513	(25,055)	2,675,004	(35,699)	(9,037,254)	2,529,237	(16,796)	(281,086,650)	(132,397,700)	(831,026)	(133,228,726)
Effect of change in presentation currency	-	-	-	5,783,459	-	-	-	-	5,783,459	-	5,783,459
At 1 January 2021, as represented	152,599,513	(25,055)	2,675,004	5,747,760	(9,037,254)	2,529,237	(16,796)	(281,086,650)	(126,614,241)	(831,026)	(127,445,267)
Total comprehensive loss for the financial period											
Total profit/(loss) for the financial period	-	-	-	-	-	-	-	107,661,428	107,661,428	(12,308)	107,649,120
Other comprehensive loss											
Transfer of fair value reserve to retained earnings upon disposal of investments	-	-	-	-	9,037,254	-	-	-	9,037,254	-	9,037,254
Disposal of controlling interests in subsidiary corporation	-	-	-	347,755	-	-	-	-	347,755	831,026	1,178,781
Currency translation differences arising from consolidation of financial statements of foreign operations	-	-	-	(9,158)	-	-	-	-	(9,158)	-	(9,158)
Total comprehensive loss for the financial period	-	-	-	338,597	9,037,254	-	-	107,661,428	117,037,279	818,718	117,855,997
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Issuance of ordinary shares pursuant to convertible loan agreement	22,000,000	-	-	-	-	-	-	-	22,000,000	-	22,000,000
Issuance of ordinary shares as part purchase considerations for acquisition of subsidiary corporations	2,000,000	-	-	-	-	-	-	-	2,000,000	-	2,000,000
Issuance of shares for introducer fee	660,000	-	-	-	-	-	-	-	660,000	-	660,000
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(40,170)	(40,170)	-	(40,170)
Total transactions with owners	24,660,000	-	-	-	-	-	-	(40,170)	24,619,830	-	24,619,830
Effect of change in functional currency	-	-	-	(6,130,491)	-	-	-	6,130,491	-	-	-
At 30 June 2021	177,259,513	(25,055)	2,675,004	(44,134)	-	2,529,237	(16,796)	(167,334,901)	15,042,868	(12,308)	15,030,560

The accompanying notes form an integral part of these financial statements.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the second quarter and six months ended 30 June 2022

	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Other reserve S\$	Perpetual securities S\$	Accumulated losses S\$	Total equity S\$
Company							
At 1 January 2022	178,672,533	(24,516)	2,601,213	(16,660)	2,529,237	(168,647,037)	15,114,770
Total comprehensive loss for the financial period							
Net loss for the financial period	-	-	-	-	-	(13,119,024)	(13,119,024)
Transactions with owners, recognised directly in equity							
Contributions by and distribution to owners							
Accrued perpetual securities distributions	-	-	-	-	-	(41,245)	(41,245)
Total transactions with owners	-	-	-	-	-	(41,245)	(41,245)
At 30 June 2022	178,672,533	(24,516)	2,601,213	(16,660)	2,529,237	(181,807,306)	1,954,501

The accompanying notes form an integral part of these financial statements.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the second quarter and six months ended 30 June 2022

	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Other reserve S\$	Perpetual securities S\$	Accumulated losses S\$	Total equity S\$
Company							
At 1 January 2021	152,599,513	(25,055)	2,675,004	(16,796)	2,529,237	(163,036,513)	(5,274,610)
Total comprehensive loss for the financial period							
Total loss for the financial period	-	-	-	-	-	(4,549,480)	(4,549,480)
Transactions with owners, recognised directly in equity							
Contributions by and distribution to owners							
Issuance of ordinary shares pursuant to convertible loan agreement	22,000,000	-	-	-	-	-	22,000,000
Issuance of ordinary shares as part purchase considerations for acquisition of subsidiary corporations	2,000,000	-	-	-	-	-	2,000,000
Issuance of shares for introducer fee	660,000	-	-	-	-	-	660,000
Accrued perpetual securities distributions	-	-	-	-	-	(40,170)	(40,170)
Total transactions with owners	24,660,000	-	-	-	-	(40,170)	24,619,830
At 30 June 2021	177,259,513	(25,055)	2,675,004	(16,796)	2,529,237	(167,626,163)	(14,795,740)

The accompanying notes form an integral part of these financial statements.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and six months ended 30 June 2022

	Note	Second quarter 3 months ended		Cumulative quarter 6 months ended	
		30.06.2022 S\$	30.06.2021 S\$	30.06.2022 S\$	30.06.2021 S\$
Cash flows from operating activities					
Total (loss)/profit for the financial period		(7,167,583)	107,830,924	(8,303,725)	107,649,120
Adjustments for:					
- Bad debt written off	6	-	7,136	-	83,512
- Change in fair value of equity investment – at FVPL	6	-	-	-	(2,190)
- Depreciation of plant and equipment	6	65,382	8,963	188,964	17,923
- Amortisation of intangible assets	6	188,964	21,519	377,929	43,037
- Fixed assets written off	6	1,055	-	1,055	-
- Finance income		(1,504)	(618)	(2,997)	(618)
- Finance cost		3,448	(779,221)	18,347	599,607
- Gain on lease modification		-	-	(807)	-
- Gain on disposal of subsidiary corporations	6	-	(117,304,457)	-	(117,304,457)
- Waiver of debts	6	-	(816,790)	-	(872,029)
- Impairment loss on intangible assets	6	7,620,422	-	7,620,422	-
- Impairment loss on trade and other receivables	6	510,000	-	510,000	-
- Income tax expense		2,191	1,488	13,238	12,292
- Unrealised currency translation losses		(2,065,577)	8,032,550	(2,180,896)	3,938,202
Operating cash flows before changes in working capital		(843,202)	(2,998,506)	(1,758,470)	(5,835,601)
Changes in working capital, net of effects from acquisition and disposal of subsidiary corporations:					
- Trade and other receivables		130,925	(438,025)	(1,271,469)	(116,924)
- Trade and other payables		406,482	2,711,464	1,168,701	4,180,176
Net cash used in operating activities		(305,795)	(725,067)	(1,861,238)	(1,772,349)
Cash flows from investing activities					
Interest received		-	8	11	8
Acquisition of subsidiary corporations, net of cash acquired		-	(2,163,625)	-	(9,664,650)
Proceeds from disposal of plant and equipment		-	(219)	-	79,483
Additions to intangible assets	12	(126,220)	(59,083)	(234,514)	(136,112)
Proceeds from disposal of subsidiary corporations		-	1	-	1
Purchase of plant and equipment	11	(11,962)	(194,011)	(64,498)	(198,070)
Net cash used in investing activities		(138,182)	(2,416,929)	(299,001)	(9,919,340)
Cash flows from financing activities					
Interest paid		(3,447)	(524,384)	(8,874)	(567,192)
Proceeds from loans from a related party		-	-	-	22,000,000
Repayment of loans from a non-related party		-	(1,167,860)	-	(1,203,712)
Repayment of loans from a related party		-	1,000,000	-	-
Principal payment of lease liability		(49,256)	-	(110,366)	-
Net cash (used in)/provided by financing activities		(52,703)	(692,244)	(119,240)	20,229,096

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

	Note	Second quarter 3 months ended		Cumulative quarter 6 months ended	
		30.06.2022 S\$	30.06.2021 S\$	30.06.2022 S\$	30.06.2021 S\$
Net change in cash and cash equivalents		(496,680)	(3,834,240)	(2,279,479)	8,537,407
Cash and cash equivalents at beginning of financial period		-	-	4,249,453	226,842
Effects of exchange rate changes on cash and cash equivalents		-	59,244	-	59,244
Cash and cash equivalents at end of financial period		(496,680)	(3,774,996)	1,969,974	8,823,493
<u>Additional information:</u>					
Cash and cash equivalents in the consolidated statement of financial position		(496,680)	(3,774,996)	2,219,974	8,823,493
Less: Restricted cash		-	-	(250,000)	-
Total cash and cash equivalents as per consolidated statement of cash flows		(496,680)	(3,774,996)	1,969,974	8,823,493

The accompanying notes form an integral part of these financial statements

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

1. Corporate information

Alpha DX Group Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange. These condensed interim financial statements as at and for the second quarter and six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of an investment holding.

The principal activities of the Group are offering learning technology solutions and customised digital learning content, including but not limited to (a) learning solutions consultancy services; (b) content digitalisation solutions; (c) enterprise learning management system (“LMS”) solutions; (d) programme management; (e) operations and support; and (f) specialist manpower deployment services, with a strategic focus on integrating digital technology and education through collaborations with global education and learning institutions. The Group also offering various EduTrust certified academic and training programs and contents in Japan including various certificate programs, diploma programs, bachelors and masters degree programs as well as a wide range of professional training programmes. Refer to Note 15 for the principal activities of each subsidiary corporation.

2. Basis of preparation

The condensed interim financial statements for the second quarter and six months ended 30 June 2022 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2021 (“FY2021”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

In the assessment of the appropriateness of going concern assumption used in the preparation of the financial statements, the directors of the Company have considered the additional investment funds from the potential investors, as well as the expected cash flows from the Group’s continuing operations and selling of its asset.

- (a) The Company is in the midst of negotiation with potential investors to raise additional funds from private placements.
- (b) The Group has successfully diversified into new business in the education service industry through the acquisition of Zionext Group and it is expected that Zionext Group is able to contribute substantial revenue to the Group. The Company has projected that Zionext Group can generate sufficient cash flows from operations for its own operations purposes upon successful restructuring.
- (c) The Company’s subsidiary corporation, Invictus Academy, Inc. (“Invictus”) is in the process of selling its investment property, i.e. a freehold land located at Tokojimachi, Kofu-shi, Yamanashi, Japan. The proceed from such sale will be used by Invictus to repay part of its payable to the Company.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

2. Basis of preparation (Cont'd)

The going concern assumption in the preparation of the financial statements would be appropriate contingent upon the following:

- (a) completion of the investment funds from the potential investors;
- (b) settlement of scheme of arrangement ("Scheme") approved by the Court with its Scheme Creditors.
- (c) realisation of the forecasted operating cashflow from the Group's continuing businesses upon restructuring of the current business; and
- (d) the successful of selling of the Group's assets.

These conditions may affect the Group's ability to meet its debts obligations as and when they fall due, at least in the next 12 months from the reporting date. If for any reason the Group and Company are unable to continue as a going concern, it could have an impact on the Group's and Company's classification of assets and liabilities and the ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

In view of the above uncertainties faced by the Group, the Board and the Audit Committee is of the view that the Company's shares should remain suspended under Rule 1303(3)(c) of the Catalist Rules.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The financial results for the second quarter and six months ended 30 June 2022 had been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the FY2021.

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

2. Basis of preparation (Cont'd)

2.2 Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 4.2 – revenue recognition: basis of revenue recognition
- Note 12 – impairment on goodwill: key assumptions underlying recoverable amounts
- Note 16 – impairment on trade and other receivables: key assumptions underlying recoverable amounts

2.3 Significant accounting policies

Revenue recognition

Included in the platform/system services are the system implementation and enhancement, maintenance services, Software as a Services¹, and training support services.

The Group recognises revenue from system implementation and enhancement over time using output method, i.e. direct measurement of value to the customer of the goods or services transferred to-date by reference to the milestones reached or appraisals of results achieved, and revenue from maintenance services, Software as a Services, and training support services over time using time lapse method, in accordance with the accounting policy as stated below.

Significant assumptions are required in determining the stage of completion and significant judgment is required in the estimation of the physical proportion of the contract work completed for the contracts; and the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms and claims. In making these assumptions, the Group relies on past experience and the works of engineers.

¹ Software as a Services refers to hosting the application over the cloud, and the service provider manages the security, availability and performance of the system.

The Group's revenue is derived from:

(i) Dividend income

Dividend income is recognised in profit or loss when the shareholders' right to receive payment is established.

(ii) Media Services

These services relate to provision of content development service and courseware items. Revenue is recognised at a point in time when the Group has rendered the services to the customer, the customers have accepted the services and the customers have a present right to payment.

(iii) Managed Services

These services relate to provision of helpdesk support services for learning-tech, staff augmentation and outsourcing. These services are charged on a monthly basis and revenue recognised over time during the contractual period as the customers simultaneously receives and consumes the benefits provided by the Group as the Group performs.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

2. Basis of preparation (Cont'd)

2.3 Significant accounting policies (Cont'd)

(iv) Platform/System Services

These include System implementation and enhancement services and Maintenance and support services. For System implementation and enhancement services, the Group recognised revenue over time by reference to the Group's progress towards completing the systems implementation and enhancement projects. For Maintenance and support services, the Group recognised revenue over time during the contractual period as the customers simultaneously receives and consumes the benefits provided by the Group as the Group performs.

(v) Interest income

Interest income is recognised using the effective interest method.

Goodwill

Goodwill on acquisition of subsidiary corporations and business, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

Estimated impairment of goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. In performing the impairment assessment of the carrying amount of goodwill, in FY2021 the recoverable amounts of cash-generating units ("CGUs") in which the goodwill has been attributable to, is determined using value-in-use calculation which requires the entity to estimate the future cash flows and a suitable discount rate in order to calculate present value. The assessment process involves significant management estimate and is based on assumptions that are affected by future market and economic conditions. Management has assessed that the recoverable amount of the CGUs is more than the carrying values of the CGUs, and accordingly no impairment charge was recognised as at 31 December 2021. Further details of the impairment assessment are disclosed in the Group's most recently audited financial statements for the FY2021. From second quarter of FY2022, the Group changed the recoverable amount of the CGU determined based on net asset value of the CGU as the Group continues to face operations challenges and uncertainty financial performances in the business of the CGU.

Valuation of investments in subsidiary corporations

The Company determines whether there is impairment on the investments in subsidiary corporations where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities, and market estimates in order to calculate the present value of the future cash flows.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

2. Basis of preparation (Cont'd)

2.3 Significant accounting policies (Cont'd)

Valuation of investments in subsidiary corporations (Cont'd)

The valuation of the investments in subsidiary corporations are dependent on the outcome of these factors affecting management's forecasts of future cash flows. Actual events that result in deviations from management's estimation may result in higher impairment losses on the investments.

Impairment of trade and other receivables

Impairment loss are measured based on the loss pattern of the receivables and credit risk of the exposure.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

4. Segment and revenue information

The Group is organised into the following main business segments:

Digital Transformation in Learning and Education (“DTLE”)	:	Offering learning technology solutions and customised digital learning content
Education	:	Offering various education and learning certification programmes to students through various educational institutions
Investment holdings	:	Investment holding companies
Exploration and production	:	Exploration and production operating segment in United States. It was disposed effective from 25 May 2021. For further information about the discontinued operation please refer to Note 15 of the Group’s annual financial statements for FY2021.

These operating segments are reported in a manner consistent with internal management reports that are reviewed by the Group’s Chief Executive Officer for making decisions about resources to be allocated and for assessing performance.

4.1 Reportable segments

	DTLE	Education	Investment holdings	Consolidated
	S\$	S\$	S\$	S\$
1 January 2022 to 30 June 2022				
Total segment revenue	7,231,831	-	60,000	7,291,831
Inter-segment revenue	(3,510,379)	-	(60,000)	(3,570,379)
Revenue from external parties	3,721,452	-	-	3,721,452
Government grants	55,488	-	7,500	62,988
Miscellaneous income	6,012	-	808	6,820
Total other income	61,500	-	8,308	69,808
Total revenue and other income	3,782,952	-	8,308	3,791,260
Amortisation of intangible assets	(377,929)	-	-	(377,929)
Depreciation of plant and equipment	(156,278)	-	(32,686)	(188,964)
Impairment loss on intangible assets	-	-	(7,620,422)	(7,620,422)
Impairment loss on trade and other receivables	(510,000)	-	-	(510,000)
Finance income	-	2,985	12	2,997
Finance expense	(7,270)	-	(11,077)	(18,347)
Segment loss	(1,148,692)	(246,975)	(6,894,820)	(8,290,487)
Loss before income tax				(8,290,487)
Income tax expense				(13,238)
Losses for the financial period				(8,303,725)

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

4. Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

	DTLE	Education	Investment holdings	Consolidated
	S\$	S\$	S\$	S\$
As at 30 June 2022				
Segment assets	5,926,099	1,691,808	4,654,308	12,272,215
Deferred income tax assets				-
Total assets per statement of financial position				<u>12,272,215</u>
Expenditures for segment non-current assets				
- Additions to plant and equipment	64,498	-	-	64,498
- Additions to intangible assets	234,514	-	-	234,514
Segment liabilities	2,483,644	30,714	5,824,806	8,339,164
Current income tax liabilities				20,437
Deferred income tax liabilities				189,318
Total liabilities per statement of financial position				<u>8,548,919</u>

	DTLE	Investment holdings	Exploration and production (Discontinued operations)	Consolidated
	S\$	S\$	S\$	S\$
1 January 2021 to 30 June 2021				
Total segment revenue	5,162,841	60,000	-	5,222,841
Inter-segment revenue	(769,755)	(60,000)	-	(829,755)
Revenue from external parties	4,393,086	-	-	4,393,086
Gain on disposal of subsidiary corporations	-	117,304,457	-	117,304,457
Gain on forgiveness of debts	-	184,153	687,876	872,029
Government grants	40,371	6,440	-	46,811
Fair value gain on equity investments at FVPL	2,190	-	-	2,190
Miscellaneous income	10,722	13,192	-	23,914
Total other income	53,283	117,508,242	687,876	118,249,401
Total revenue and other income	4,446,369	117,508,242	687,876	122,642,487
Amortisation of intangible assets	(43,037)	-	-	(43,037)
Depreciation	(16,392)	(1,530)	-	(17,922)
Finance income	610	8	-	618
Finance expense	(50,244)	(549,363)	(1,989,240)	(2,588,847)
Segment profit/(loss)	77,839	109,070,785	(1,487,202)	107,661,412
Unallocated expenses				-
Share of profit of associated company	-	-	-	-
Profit before taxation				107,661,412
Taxation				(12,292)
Earnings for the interim period				<u>107,649,120</u>

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

4. Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

	DTLE	Investment holdings	Exploration and production (Discontinued operations)	Consolidated
	S\$	S\$	S\$	S\$
As at 30 June 2021				
Segment assets	5,488,655	19,325,031	-	24,813,686
Deferred income tax assets				-
Total assets per statement of financial position				<u>24,813,686</u>
Expenditures for segment non- current assets				
- Additions to PPE	176,090	21,979	-	198,069
Segment liabilities	4,084,756	5,647,386	-	9,732,142
Current income tax liabilities				43,576
Deferred income tax liabilities				7,408
Total liabilities per statement of financial position				<u>9,783,126</u>

Geographical segments

The businesses of the Group operated in four principal geographical areas, namely Singapore, Malaysia, India and Japan. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets are based on the geographical location where the assets are recognised.

	Singapore S\$	Malaysia S\$	India S\$	Japan S\$	Total S\$
6 months ended 30 June 2022					
Revenue	3,721,452	-	-	-	3,721,452
30 June 2022					
Non-current assets ⁽¹⁾	3,952,628	48,709	22,951	712,213	4,736,500
6 months ended 30 June 2021					
Revenue	4,391,522	1,564	-	-	4,393,086
31 December 2021					
Non-current assets ⁽¹⁾	11,861,331	65,550	16,020	831,223	12,774,124

¹ Non-current assets presented consist of investment property, property, plant and equipment, intangible assets and goodwill.

Segment non-current assets (excluding deferred tax asset) are based on the geographical location of the assets.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

4. Segment and revenue information (Cont'd)

4.2 Disaggregation of Revenue

In the following table, revenue is disaggregated by primary types of goods or services, timing of revenue recognition and geographical information. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4.1).

Group	At a point in time S\$	Over time S\$	Total S\$
6 months ended 30 June 2022			
Media Services	81,954	-	81,954
Managed Services	-	678,867	678,867
Platform/System Services	-	2,960,631	2,960,631
	<u>81,954</u>	<u>3,639,498</u>	<u>3,721,452</u>
6 months ended 30 June 2021			
Media Services	635,385	-	635,385
Managed Services	-	1,925,581	1,925,581
Platform/System Services	-	1,832,120	1,832,120
	<u>635,385</u>	<u>3,757,701</u>	<u>4,393,086</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$	S\$	S\$	S\$
Financial assets not measured at fair value				
Trade and other receivables ¹	3,298,784	3,621,760	3,218,637	3,224,653
Cash and cash equivalents	2,219,974	4,499,453	1,546,657	2,565,619
	<u>5,518,758</u>	<u>8,121,213</u>	<u>4,765,294</u>	<u>5,790,272</u>
Financial liabilities not measured at fair value				
Borrowings	(201,751)	(402,619)	(36,888)	(99,776)
Trade and other payables ²	(7,324,136)	(6,712,796)	(5,757,113)	(5,707,174)
	<u>(7,525,887)</u>	<u>(7,115,415)</u>	<u>(5,794,001)</u>	<u>(5,806,950)</u>

¹ Excludes prepayments and contract assets

² Excludes contract liabilities

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

6. Profit before income tax

6.1 Significant items

The following items have been included in arriving at loss before income tax of continuing operations:

	<u>Group</u> Second quarter 3 months ended		<u>Group</u> Cumulative quarter 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	S\$	S\$	S\$	S\$
Continuing operations:				
Income				
Government grants	22,174	10,258	62,988	46,811
Fair value gain of equity investment – at FVPL	-	-	-	2,190
Finance income	1,504	618	2,997	618
Gain on disposal of subsidiary corporations	-	117,304,457	-	117,304,457
Waiver of debts	-	128,914	-	184,153
Foreign exchange gains/(loss), net	2,211,839	(2,634,351)	2,109,863	(3,950,306)
Expenses				
Amortisation of intangible assets	(188,964)	(21,519)	(377,929)	(43,037)
Depreciation of plant and equipment	(65,382)	(8,963)	(188,964)	(17,923)
Finance cost	(3,448)	(268,594)	(18,347)	(599,607)
Written-off of plant and equipment	(1,055)	-	(1,055)	-
Impairment loss on intangible assets	(7,620,422)	-	(7,620,422)	-
Impairment loss on trade and other receivables	(510,000)	-	(510,000)	-
Discontinued operations:				
Waiver of debts	-	687,876	-	687,876
Bad debts written off	-	(7,136)	-	(83,512)
Finance cost	-	(941,424)	-	(1,989,240)
Foreign exchange loss, net	-	(476,105)	-	(476,105)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements and Note 11 in Other Information required by Catalyst Listing Manual Appendix 7C, the following transactions took place between the Group and related parties at terms agreed between the parties:

	<u>Group</u> Second quarter 3 months ended		<u>Group</u> Cumulative quarter 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	S\$	S\$	S\$	S\$
Interest expense for convertible loan	-	499,068	-	499,068
Financial and business development advisory services fee ⁽¹⁾	-	168,000	-	260,000

Note:

(1) These agreements were entered by the Group before DiDi Investments, Inc became a controlling shareholder of the Company on 7 June 2021.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

7. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	Second quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	S\$	S\$	S\$	S\$
Continuing operations:				
Current income tax expense	2,191	10	13,238	12,292
Current deferred tax expense	-	-	-	-
	<u>2,191</u>	<u>10</u>	<u>13,238</u>	<u>12,292</u>

8. Earnings per share

	Group		Group	
	Second quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	S\$	S\$	S\$	S\$
Earnings per share ("EPS") for (loss)/profit from continuing and discontinued operations attributable to equity holders of the Company (cent per share)				
Basic EPS				
- From continuing operations	(2.95)	138.70	(3.42)	139.30
- From discontinued operations	-	(1.05)	-	(1.90)
	<u>(2.95)</u>	<u>138.70</u>	<u>(3.42)</u>	<u>139.30</u>
Diluted EPS				
- From continuing operations	(2.95)	138.70	(3.42)	139.30
- From discontinued operations	-	(1.05)	-	(1.90)
	<u>(2.95)</u>	<u>138.70</u>	<u>(3.42)</u>	<u>139.30</u>
Weighted average number of ordinary shares in issue during the respective financial period ⁽¹⁾ (excluding share options and perpetual securities)	<u>242,955,916</u>	<u>78,344,012</u>	<u>242,955,916</u>	<u>78,344,012</u>

The basic and diluted earnings per share for the period/year ended 30 June 2022 and 31 December 2021 are the same as the outstanding share options and convertibles capital securities are anti-dilutive.

(1) The weighted average number of ordinary shares for the year ended 31 December 2021 had taken into consideration of 171,857,141 shares issued on 7 June 2021 and 14,714,287 shares issued on 30 September 2021 and are presented based on new number of shares as a result of share consolidation. Refer to Note 17 for details.

**With the completion of the share consolidation on 26 March 2021, profit/(loss) per share for the year ended 31 December 2020 was adjusted in accordance with the requirement of SFRS(I)1-33 Earnings per share to reflect the change in number of ordinary shares as a result of share consolidation.*

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	30.06.2022 S\$	31.12.2021 S\$	30.06.2022 S\$	31.12.2021 S\$
Net asset value per ordinary share (in cents)	1.53	5.89	(0.80)	6.22
Number of ordinary shares (excluding treasury shares)*	242,955,916	242,955,916	242,955,916	242,955,916

*The number of ordinary shares (excluding treasury shares) are presented based on new number of shares as a result of share consolidation. Refer to Note 17 for movement of number of ordinary shares (excluding treasury shares).

10. Investment property

	<u>Group</u>	
	30.06.2022 S\$	31.12.2021 S\$
<i>Cost</i>		
Beginning of financial period	1,411,616	-
Acquisition of subsidiary corporation (Note 14)	-	1,434,830
Currency translation differences	(73,461)	(23,214)
End of financial period	1,338,155	1,411,616
<i>Accumulated impairment losses</i>		
Beginning of financial period	625,943	-
Impairment charge	-	625,943
End of financial period	625,943	625,943
<i>Net book value</i>		
As at financial period	712,212	785,673
At fair value:		
Freehold property	785,673	785,673

At 30 June 2022, the details of the Group's investment property is as follows:

<u>Location</u>	<u>Description/existing use</u>	<u>Tenure</u>
Tokojimachi, Kofu-shi, Yamanashi	Land	Freehold

Impairment

The fair value of the Group's investment property is determined based on significant other observable inputs and is categorised under Level 2 of the fair value measurement hierarchy. Level 2 fair value has been derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square metre.

At the 31 December 2021, the Group reviews whether there is any objective evidence or indication that the investment property may be impaired. For the purpose of impairment testing, the recoverable amount of the investment property is determined based on the fair value less cost to sell.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

11. Plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$64,498 (31 December 2022: S\$ 817,452) and depreciation amounting to S\$188,964 (31 December 2022: S\$224,473).

Group	Computer, Office Equipment S\$	Leasehold improvements S\$	Furniture and fittings S\$	ROU S\$	Total S\$
30 June 2022					
Cost					
Beginning of financial period	219,873	87,531	22,969	537,952	868,325
Additions	58,998	4,800	700	-	64,498
Disposals	-	-	-	(205,474)	(205,474)
Write-off	-	(164)	-	(3,847)	(4,011)
Currency translation differences	(3,403)	(152)	(765)	(251)	(4,571)
End of financial period	275,468	92,015	22,904	328,380	718,767
Accumulated depreciation					
Beginning of financial period	50,271	7,406	1,323	141,290	200,290
Depreciation charge	37,333	24,749	2,250	124,632	188,964
Disposals	(255)	-	-	(132,807)	(133,062)
Write-off	-	-	-	(2,956)	(2,956)
Currency translation differences	(1,924)	(9)	6	(251)	(2,178)
End of financial period	85,425	32,146	3,579	129,908	251,058
Net book value					
End of financial period	190,043	59,869	19,325	198,472	467,709

Group	Computer, Office Equipment S\$	Leasehold improvements S\$	Furniture and fittings S\$	Motor vehicles S\$	ROU S\$	Total S\$
31 December 2021						
Cost						
Beginning of financial year	6,717	-	-	-	-	6,717
Acquisition of subsidiary corporations	66,824	8,393	2,138	80,530	-	157,885
Additions	154,608	103,069	21,753	-	538,022	817,452
Disposals	-	-	-	(80,530)	-	(80,530)
Write-off	(6,245)	(23,582)	(924)	-	-	(30,751)
Currency translation differences	(2,031)	(349)	2	-	(70)	(2,448)
End of financial year	219,873	87,531	22,969	-	537,952	868,325
Accumulated depreciation						
Beginning of financial year	3,556	-	-	-	-	3,556
Depreciation charge	52,809	26,787	1,957	1,046	141,874	224,473
Disposals	-	-	-	(1,046)	-	(1,046)
Write-off	(5,021)	(19,205)	(632)	-	-	(24,858)
Currency translation differences	(1,073)	(176)	(2)	-	(584)	(1,835)
End of financial year	50,271	7,406	1,323	-	141,290	200,290
Net book value						
End of financial year	169,602	80,125	21,646	-	396,662	668,035

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

11. Plant and equipment (Cont'd)

	Office equipment S\$	Leasehold improvements S\$	Lease premises S\$	Total S\$
Company				
<u>30 June 2022</u>				
Cost				
Beginning of financial period	21,825	7,635	161,799	191,259
Write-off	-	-	(36,047)	(36,047)
End of financial period	<u>21,825</u>	<u>7,635</u>	<u>125,752</u>	<u>155,212</u>
Accumulated depreciation				
Beginning of financial period	6,312	2,536	64,338	73,186
Depreciation charge	1,872	1,909	28,905	32,686
Write-off	-	-	(2,956)	(2,956)
End of financial period	<u>8,184</u>	<u>4,445</u>	<u>90,287</u>	<u>102,916</u>
Net book value				
End of financial period	<u>13,641</u>	<u>3,190</u>	<u>35,465</u>	<u>52,296</u>

	Office equipment S\$	Leasehold improvements S\$	Lease premises S\$	Total S\$
Company				
<u>31 December 2021</u>				
Cost				
Beginning of financial year	6,717	-	-	6,717
Additions	15,108	7,635	161,799	184,542
End of financial year	<u>21,825</u>	<u>7,635</u>	<u>161,799</u>	<u>191,259</u>
Accumulated depreciation				
Beginning of financial year	3,556	-	-	3,556
Depreciation charge	2,756	2,536	64,338	69,630
End of financial year	<u>6,312</u>	<u>2,536</u>	<u>64,338</u>	<u>73,186</u>
Net book value				
End of financial year	<u>15,513</u>	<u>5,099</u>	<u>97,461</u>	<u>118,073</u>

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

12. Intangible assets

During the six months ended 30 June 2022, the intangible assets held by the Group decreased primarily due to impairment charge during the interim period.

	Goodwill on consolidatio n	License, Intellectual Property	Group Software work in progress	Customer contracts & relationship s	Total
	S\$	S\$	S\$	S\$	S\$
At 31 December 2021					
Cost	-	-	-	-	-
Additions	-	-	344,117	-	344,117
Acquisition of subsidiary corporations (Note 13)	9,447,731	231,746	468,207	1,753,231	11,900,915
Write-off	-	(187,891)	-	-	(187,891)
Amortisation charge	-	(43,855)	-	(692,870)	(736,725)
Closing net book amount	<u>9,447,731</u>	<u>-</u>	<u>812,324</u>	<u>1,060,361</u>	<u>11,320,416</u>
6 months ended 30 June 2022					
Opening net book amount	9,447,731	-	812,324	1,060,361	11,320,416
Additions	-	-	234,514	-	234,514
Amortisation charge	-	-	-	(377,929)	(377,929)
Impairment charge	(6,573,584)	-	(1,046,838)	-	(7,620,422)
Closing net book amount	<u>2,874,147</u>	<u>-</u>	<u>-</u>	<u>682,432</u>	<u>3,556,579</u>
At 30 June 2022					
Cost	9,447,731	43,855	812,324	1,753,231	12,057,141
Additions	-	-	234,514	-	234,514
Accumulated amortisation and impairment	-	(43,855)	-	(1,070,799)	(1,114,654)
Impairment charge	(6,573,584)	-	(1,046,838)	-	(7,620,422)
Net book amount	<u>2,874,147</u>	<u>-</u>	<u>-</u>	<u>682,432</u>	<u>3,556,579</u>

Impairment tests for intangible assets

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. The Group performed impairment test of goodwill at the end of the financial year by comparing the carrying value of the cash-generating unit ("CGU") against the higher of fair value less costs of disposal and value in use. The Group changed the recoverable amount of the CGU determined based on net asset value of the CGU as the Group continues to face operations challenges and uncertainty financial performances in the business of the CGU. As the recoverable amount exceeds the carrying amount of the CGU of goodwill, accordingly, impairment charge of S\$6,573,584 was recognised for goodwill during the six months ended 30 June 2022. The Group recognised impairment charge of S\$1,046,838 for Software work in progress as it is no longer probable that the computer software will be completed due to its cashflow position.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

13. Business combination

On 22 January 2021, the Company acquired 100% of the issued share capital in Zionext Pte. Ltd. and its subsidiary corporations ("Zionext Group"), business that is offering learning technology solutions and customised digital learning content, for consideration of S\$11,773,537. The Group determined that the assets acquired and liabilities assumed (fair value of net assets: S\$2,325,806) constitute a business, therefore accounted the transaction as a business combination using acquisition method in accordance with SFRS(I) 3. Goodwill of S\$9,447,731 arising from the acquisition is attributable to the synergies expected to arise from the future economic benefit from operating the Digital Transformation in Learning and Education business in Singapore and it has been allocated to the DTLE segment. Further details of the business combination are disclosed in the Group's most recently audited financial statements for the FY2021.

14. Asset acquisition

On 9 September 2021, the Group acquired 100% of the issued share capital in Invictus Academy Inc. ("Invictus"), a company incorporated in Japan, for consideration of S\$2,000,000. The Group determined that the assets acquired and liabilities assumed are not considered to be a business as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, therefore accounted the transaction as an asset acquisition. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

Details of the assets acquired and liabilities assumed are as follows:

	S\$
Cash and cash equivalents	23,580
Investment property (Note 10)	1,434,830
Trade and other receivables, current	606,115
Total assets	<u>2,064,525</u>
Trade and other payables, current	61,368
Income tax liabilities, current	3,157
Total liabilities	<u>64,525</u>

15. Investments in subsidiary corporations

	Company	
	30.06.2022	31.12.2021
	S\$	S\$
<i>Unquoted equity shares, at cost</i>		
Beginning of the interim period	14,998,996	1
Addition	-	14,998,995
Disposal	-	-
End of the interim period	<u>14,998,996</u>	<u>14,998,996</u>
<i>Impairment loss</i>		
Beginning of interim period	1	1
Impairment loss	12,124,748	-
End of interim period	<u>12,124,749</u>	<u>1</u>
<i>Carrying amount</i>		
End of interim period	<u>2,874,247</u>	<u>14,998,995</u>

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

15. Investments in subsidiary corporations (Cont'd)

The Company determines the recoverable amount of the subsidiary corporations determined based on net asset value. As the recoverable amount exceeds the carrying amount of the investments in subsidiary corporations, accordingly, impairment charge of S\$12,124,748 was recognised for investments in subsidiary corporation during the six months ended 30 June 2022.

The details of the subsidiary corporations are as follows:

Name of subsidiary corporations	Principal activities	Principal place of business/Country of incorporation	Effective equity interest	
			30.06.2022 %	31.12.2021 %
Held by the Company				
JK E&P Group Pte Ltd	Investment holding	Singapore	100	100
Conquest Energy Pte Ltd	Investment holding	Singapore	100	100
Asnaro Enterprises Pte Ltd ⁽¹⁾	Investment holding in education business segment	Singapore	100	100
Zionext Pte Ltd (formerly known as Kydon Learning Systems Institute Pte. Ltd.)	Providing advanced learning technology solutions learning media development, learning systems integration, custom application development and managed services	Singapore	100	100
Asnaro Ventures Limited ⁽²⁾	Providing consultation in the field of education	Republic of Uzbekistan	100	-
Held by Asnaro Enterprises Pte Ltd				
Invictus Academy Inc (formerly known as DiDi Academy Inc)	Providing various certified academic and training programs and contents in Japan	Japan	100	100
Held by Zionext Pte Ltd				
MQ Spectrum Pte. Ltd.	Providing integrated LMS solutions	Singapore	100	100
Zionext (Malaysia) Sdn. Bhd. (formerly known as Kydon Learning Systems Sdn. Bhd.)	Design and development of digital content and media	Malaysia	100	100
Held by MQ Spectrum Pte Ltd				
Zionext Technologies (India) Private Limited (formerly known as MQ Spectrum (India) Pvt Ltd)	Providing software development, maintenance and enhancement	India	100	100
Held by JK E&P Group Pte Ltd				
JK North Slope Group Inc Srl	Investment holding	Romania	100	100

(1) Asnaro Enterprises Pte Ltd was incorporated by the Company on 23 April 2021.

(2) Asnaro Ventures Limited was incorporated by the Company on 3 June 2022, no authorised and paid-up capital as at 30 June 2022.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

16. Trade and other receivables

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$	S\$	S\$	S\$
<u>Current</u>				
Trade receivables				
- Non-related parties	1,755,868	1,563,130	-	-
- Subsidiary corporations	-	-	42,840	12,840
	1,755,868	1,563,130	42,840	12,840
Non-trade amounts due from subsidiary corporations	-	-	75,223,855	75,143,766
Less: Loss allowance	-	-	(72,275,050)	(72,207,058)
	-	-	2,948,805	2,936,708
Other receivables	303,771	315,632	162,806	207,643
Contract assets	1,865,070	860,108	-	-
Deposits	1,239,145	1,742,998	64,186	67,462
Prepayments	151,887	85,556	56,665	14,380
Total	5,315,741	4,567,424	3,275,302	3,239,033

Trade receivables are non-interest bearing and are generally on 30-90 days credit terms.

The non-trade amounts due from subsidiary corporations are unsecured, interest-free and repayable on demand.

Included in the deposits of the Group as at 31 December 2021, is an amount of S\$510,000 paid to a non-related party pursuant to a Memorandum of Understanding ("MOU") entered on 10 May 2021. The MOU was on the proposed investment in a group of companies owned by the non-related party. The deposit will be refundable in full in the event that the parties cannot reach an agreement on the terms and conditions of the sales and purchase agreement within the stipulated timeline or the termination of the MOU. The amount of S\$510,000 was impaired due to lack of evidence of recoverability.

Also included in the deposits of the Group as at 31 December 2021 is S\$1,100,000 paid to a related party for a refundable deposit for exclusive perpetual territorial licence.

17. Share capital

	Group and Company	
	Number of Shares (excluding treasury shares)	Amount
		S\$
Movement during the Second quarter		
As at 31 December 2021 and 30 June 2022	242,955,916	178,672,533

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

17. Share capital (Cont'd)

During the six months ended 30 June 2022, there was no allotment and issuance of new ordinary shares.

There were 4,675 treasury shares as at 30 June 2022 and 31 December 2021. The percentage of the aggregate number of treasury shares held against the total number of shares outstanding in a class that is listed as at 30 June 2022 is approximately 0.002% (31 December 2021: 0.002%).

There were 1,148,293 outstanding share options convertible shares as at 30 June 2022 and 31 December 2021, representing 0.47% of the total number of issued shares as at 30 June 2022 and 31 December 2021. The breakdown of the 1,148,293 share options are as follows:

- ESOS: 120,000 share options at a revised exercise price of S\$2.68 per Consolidated Share and 12,000 at a revised exercise price of S\$3.12 per Consolidated Share
- AIDEA: 1,016,293 share options at a revised exercise price of S\$8.00 per Consolidated Share

The Company issued a S\$6,196,500 in aggregate principal amount of 1.35% convertible perpetual capital securities ("**Convertible Perps**") as part of the purchase consideration for the acquisition of Mustang Operations Center 1, LLC on 5 April 2019. The adjusted Convertible Perps is 730,719 shares at a revised exercise price of S\$8.48 per Consolidated Share as at 30 June 2022 and 31 December 2021.

Save as disclosed above, the Company does not have any other convertibles, subsidiary holdings as at 30 June 2022 and 31 December 2021.

18. Borrowings

	<u>Group</u>		<u>Company</u>	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$	S\$	S\$	S\$
Non-current				
Lease liabilities	24,226	135,167	9,361	19,166
Current				
Lease liabilities	177,525	267,452	27,527	80,610
Total borrowings	201,751	402,619	36,888	99,776

Lease liabilities

Lease liabilities representing the obligations to make lease payments. The Group's and Company's lease liabilities are measured at the present value of lease payments to be made over the lease term.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the second quarter and six months ended 30 June 2022

19. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2022</u>	<u>31.12.2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Trade payables – Non-related parties	260,563	16,607	-	-
Contract liabilities	813,277	196,060	-	-
Other payables – Non-related parties	5,052,048	5,140,146	5,035,381	4,976,766
Deposits received	18,487	21,312	-	-
Accrued operating expenses	1,993,038	1,534,731	721,732	730,408
Total	8,137,413	6,908,856	5,757,113	5,707,174

Transactions with subsidiary corporation and related parties were made on normal commercial terms and conditions. The outstanding balances are unsecured, interest-free and are payable on demand.

20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

- (a) The Company has, on 9 March 2022 made an application in the General Division of the High Court of Singapore (“Court”) for the grant of a moratorium under Section 64 of the Insolvency Restructuring and Dissolution Act 2018 (“IRDA”). The Court has, on 8 April 2022 granted a 6-month moratorium under IRDA which is effective from 9 March 2022 to 9 September 2022 or until further order of the Court (“Moratorium Period”). The Company had, on 24 August 2022, filed an application with the Court seeking, amongst others, that the moratorium be extended for a period of two months until 9 November 2022 (“Moratorium Extension Application”) as the Company takes step to finalise and enter into Scheme with its creditors. Following the Moratorium Extension Application hearing held on 14 September 2022, the Court has granted an extension of the moratorium to 9 November 2022 pursuant to Section 64(7) of the IRDA.
- (b) Further to the Moratorium Period granted by the Court, the Company has on 21 April 2022 appointed Mr Luke Furler and Ms Elly Tan from Quantuma (Singapore) Pte Ltd (“Scheme Manager”) as scheme manager to review and manage the implementation of a proposed scheme of arrangement (“Scheme”) of the Company. On 16 September 2022, the Scheme has been approved by the Scheme Creditors with the requisite majority in number and in value. On 23 September 2022, the Company filed an application pursuant to Section 71(1) of the IRDA for the Court to approve the Scheme. The Company has on 21 October 2022 lodged a copy of the Order of Court with the Registrar of Companies pursuant to Section 71 of the IRDA. As such, the Scheme takes effect and is binding on all Scheme Creditors on and from 21 October 2022.
- (c) Under the terms of the Scheme Document, the Company is obliged to make the Tranche 1 Distribution, which is the payment of 20% of Scheme Debts to the Scheme Creditors by 15 November 2022. The Company has on 15 November 2022 announce that the Company is unable to make the Tranche 1 Distribution, and has until 28 December 2022 to make the Tranche 1 Distribution. The Company hopes to be able to make the Tranche 1 Distribution to Scheme Creditors by 28 December 2022. The Company is currently in discussions with a few investors for potential capital injections through potential investments in the Company, and is seeking support from its Major Shareholder to alleviate any potential default of the terms of the Scheme Document.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Alpha DX Group Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second quarter and six-month period then ended and certain explanatory notes have not been audited or reviewed.

1a. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter)

These figures have not been audited nor been reviewed by the auditors.

1b. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relation to going concern.

Not applicable, as the Group's audit issue for the financial year ended 31 December 2021 ("FY2021") was with respect to material uncertainties related to going concern.

2. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Refer to Note 2 of the condensed interim financial statements for details.

3. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Refer to Note 2.1 of the condensed interim financial statements for details.

4. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Refer to Note 8 of the condensed interim financial statements for details.

5. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

(a) Current financial period reported on; and

(b) Immediately preceding financial year

Refer to Note 9 of the condensed interim financial statements for details.

6. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following;

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

ALPHA DX GROUP LIMITED AND ITS SUBSIDIARY CORPORATIONS

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

Review of Group Performance

During the financial year ended 31 December 2021 (“**FY2021**”), the Group completed the acquisition of Zionext Pte. Ltd. (formerly known as Kydon Learning Systems Institute Pte. Ltd.) and its subsidiaries (“**ZioNext Group**”) on 22 January 2021 and Invictus Academy Inc (formerly known as “**DiDi Academy Inc**”) on 9 September 2021.

The Group’s Oil and Gas business was disposed on 25 May 2021. As such, the financial results of the Oil and Gas business have been presented as discontinued operations. The financial results of the continuing operations reflect the operations of the Group’s Digital Transformation in Learning and Education (“**DTLE**”) business, Education business and investment holdings.

Continuing Operations

2Q 2022 vs 2Q 2021

The Group recognised revenue of S\$1.63 million and cost of sales of S\$1.43 million for the three months ended 30 June 2022 (“**2Q 2022**”) arising from Zionext Group, as compared to the corresponding three months ended 30 June 2021 (“**2Q 2021**”) which registered S\$2.17 million and cost of sales of S\$1.67 million. The decrease in revenue is mainly due to end of some contract for Managed Service and Media Service’s revenue sources during the period. ZioNext Group contributed a gross profit margin of 12% in 2Q 2022 compared to 23% in 2Q 2021, the decrease in gross profit margin mainly due to increase in staff costs.

The decrease in other income in 2Q 2022 by S\$117.44 million as compared to 2Q 2021 is mainly due to absence of gain on disposal of the Oil and Gas business of S\$117.30 million.

The decrease in general and administrative expenses in 2Q 2022 by S\$2.50 million as compared to 2Q 2021 was mainly due to absence of expenses incurred in 2Q 2021 relating to (i) professional fees of S\$2.48 million mainly incurred for the Group’s corporate actions including the proposed acquisition of ERC Institute Pte. Ltd. which has since been postponed, proposed capital investment by DiDi Investments, Inc. and restructuring of the Group’s business; (ii) management fees of S\$0.21 million. This is offset with increase of salaries costs of S\$0.13 million and increase in depreciation of plant and equipment and amortisation of intangible assets of S\$0.25 million.

The decrease in finance costs in 2Q 2022 by S\$0.27 million as compared to 2Q 2021 was mainly due to absence of loan interests of S\$0.25 million arising from convertible loan.

The increase in other expenses in 2Q 2022 by S\$0.86 million as compared to 2Q 2021 was mainly due to impairment charges of S\$8.13million offset with changes in foreign exchange effects.

6M 2022 vs 6M 2021

The Group recognised revenue of S\$3.72 million and cost of sales of S\$3.23 million for the six months ended 30 June 2022 (“**6M 2022**”) arising from Zionext Group, as compared to the corresponding six months ended 30 June 2021 (“**6M 2021**”) which registered S\$4.39 million and cost of sales of S\$3.28 million. The decrease in revenue is mainly due to end of some contract for Managed Service and Media Service’s revenue sources during the period. ZioNext Group contributed a gross profit margin of 13% in 2Q 2022 compared to 25% in 2Q 2021, the decrease in gross profit margin mainly due to increase in staff costs.

The decrease in other income in 6M 2022 by S\$117.49 million as compared to 6M 2021 is mainly due to absence of gain on disposal of the Oil and Gas business of S\$117.30 million.

ALPHA DX GROUP LIMITED AND ITS SUBSIDIARY CORPORATIONS

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

The decrease in general and administrative expenses in 6M 2022 by S\$2.16million as compared to 6M 2021 was mainly due to absence of expenses incurred in 6M 2021 relating to (i) professional fees of S\$2.56 million mainly incurred for the Group's corporate actions including the proposed acquisition of ERC Institute Pte. Ltd. which has since been postponed, proposed capital investment by DiDi Investments, Inc. and restructuring of the Group's business; (ii) management fees of S\$0.46 million. This is offset with increase of salaries costs of S\$0.47 million and increase in depreciation of plant and equipment and amortisation of intangible assets of S\$0.51 million.

The increase in other expenses in 6M 2022 by S\$2.07 million as compared to 6M 2021 was mainly due to impairment charges of S\$8.13million offset with changes in foreign exchange effects.

The decrease in finance costs in 6M 2022 by S\$0.58 million as compared to 6M 2021 was mainly due to absence of S\$0.50 million arising from convertible loan and S\$0.05 million arising from bank loan.

Discontinued operations

2Q 2022 vs 2Q 2021

There is no discontinued operations expenses in 2Q 2022 as the disposal of Oil and Gas business was completed on 25 May 2021. The expenses from discontinued operations in 2Q 2021 mainly comprise of loan interests of S\$0.94 million.

6M 2022 vs 6M 2021

There is no discontinued operations expenses in 6M 2022 as the disposal of Oil and Gas business was completed on 25 May 2021. The expenses from discontinued operations in 6M 2021 mainly comprise of loan interests of S\$1.99 million offset by waiver of debts of S\$0.69 million.

Review of the Financial Position of the Group

Non-current assets

Investment property relates to freehold land arising from the acquisition of Invictus Academy Inc. The decrease in investment property by S\$0.07 million was mainly due to currency translation differences from Japanese Yen to Singapore Dollar.

The decrease in plant and equipment by S\$0.20 million was mainly due to depreciation of plant and equipment during the six months period ended 30 June 2022, offset with addition of S\$0.06 million.

Intangible assets mainly relates to goodwill from acquisition of the ZioNext Group. The decrease in intangible assets by S\$7.76 million was mainly due to impairment charge of S\$7.62 million during the six months period ended 30 June 2022.

Current assets

The increase in trade and other receivables by S\$0.75 million was mainly due to the billings of S\$1.2 million during the six months period ended 30 June 2022 for services rendered but has yet to be collected due to its credit terms to customers, offset with impairment charges of S\$0.51 million for deposits.

For movement of cash and cash equivalents, refer to Review of the Statement of Cash Flows for the Group for details.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

Non-current liabilities

The decrease in borrowings of S\$0.11 million which was relates to lease liabilities was due to amortisation of contractual lease term.

The deferred tax liabilities was arise from acquisition of Zionext Pte. Ltd. There is no significant movement during the six months period ended 30 June 2022.

Current liabilities

The increase in trade and other payables of S\$1.23 million was mainly due to outstanding debt relating to vendors for service performed during the six months period ended 30 June 2022.

The decrease in borrowings of S\$0.09 million which was relates to lease liabilities was due to amortisation of contractual lease term.

The increase in current tax liabilities is due to estimated income tax payable for India.

Working capital and net assets

As at 30 June 2022, the Group reported a net current liabilities position of S\$0.80 million and net asset position of S\$3.72 million.

Review of the Statement of Cash Flows for the Group

2Q 2022

Net cash used in operating activities of approximately S\$0.31 million in 2Q 2022 was due to changes in working capital.

Net cash used in investing activities of approximately S\$0.14 million in 2Q 2022 was mainly arising from the additions of intangible assets for Software work in progress .

Net cash provided by financing activities of approximately S\$0.05 million in 2Q 2022 was mainly due to principal payment of lease liability .

6M 2022

Net cash used in operating activities of approximately S\$1.86 million in 6M 2022 was due to changes in working capital and increase in outstanding receivables from the Group's customers for billings of services in relation to operations.

Net cash used in investing activities of approximately S\$0.30 million in 6M 2022 was mainly arising from the additions of intangible assets for Software work in progress.

Net cash provided by financing activities of approximately S\$0.12 million in 6M 2022 was mainly due to principal payment of lease liability .

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

8. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The Group has been undertaking several projects and is exploring other project opportunities. Amongst others, this allows the Group to continue its presence and make an impact in the Education and Technology industry. However, such business projects require investment. As a result, even as the Company's subsidiary- ZioNext Group seeks to generate income, it has also at the same time faced challenges in achieving profitability and streamlining its cashflow in the short term. Amongst others, such projects are labour intensive and result in increased salary costs and tighter cashflow for the Group, in order for the Group to generate income from these projects. The Group has been undertaking cost reduction initiatives, including the restructuring of its business division with the intention of improving its profitability.

The Group is seeking to maintain the progress of its projects (including upcoming potential projects) in Singapore and overseas, whilst attempting to secure funds for its daily operations. At the same time, the Company is currently undertaking a payment scheme to its creditors as part of the scheme of arrangement, as well as continuously seeking investors for its business projects.

9. Dividend Information

9a. Current Financial Period Reported on

Any dividend declared (recommended) for the current financial period reported on?

No dividend has been declared or recommended for the current financial period.

9b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

9c. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 2Q2022 as the Group will require cash for future investments and acquisition opportunities.

10. Changes in issuer's share capital

10a. Details of any changes in the company's share capital arising from the rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Refer to Note 17 of the condensed interim financial statements for details.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

10b. To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company had in issue a total of 242,955,916 ordinary shares (excluding treasury shares) as at 30 June 2022 and 31 December 2021.

10c. A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

There are 4,675 treasury shares held by the Company as at 30 June 2022 and 31 December 2021.

10d. A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during, and at the end of the current financial period reported on.

11. Interested person transactions

There were no interested person transactions of S\$100,000 and above during the period under review. The Group does not have a general mandate for recurring interested person transactions.

Note:

In FY2021, there was a purchase consideration paid amounting to S\$2,000,000 in relation to the acquisition to DiDi Investments, Inc (The controlling shareholder of the Group and a company owned by Mr. Yoshiyasu Naruse, who is the Chairman and non-independent non-executive director of the Company). The Company has entered into an extension agreement with ERCI on 28 January 2022 to extend the purchase the License to 30 June 2022 for an aggregate consideration of S\$2,000,000 of which the Group had paid S\$1,100,000 as a deposit which is fully refundable should the Group choose not to proceed with the purchase of the License for any reason. As there is no intention to proceed with the agreement the deposit is now refundable. ERCI agreed to provide repayment by instalment plan upon expected business improving next year.

12. Update on use of proceeds

The Board of Directors of the Company wishes to update on the utilisation of the net proceeds raised from the convertible loan which was disbursed on 21 January 2021 and 10 September 2021 from DiDi Investments, Inc. (the “**Net Proceeds**”).

Further to announcements made by the Company on 27 February 2021, 15 April 2021, 13 August 2021, 13 November 2021, 2 March 2022, 14 March 2022 and 1 September 2022 (the “**Earlier Announcements**”) the Company has reallocated a sum of S\$1,100,000 from the category titled “Payment of consideration to the Kydon Holdings Pte. Ltd. in relation to the Proposed Acquisition” to the category titled “Retained in the Company for general working capital purposes and for future investments and acquisition opportunities”, in relation to the net proceeds raised from the Convertible Loan. Such reallocation is necessary to ensure that the Company has sufficient funds for its general working capital purposes to maintain its operations, as well as to make advances to subsidiary corporations of S\$630,000 for the subsidiary corporations’ general working capital purposes.

Following such reallocation, the following sets out the allocation of the net proceeds from the convertible loan, as well as the unutilised balance from each category.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

Use of Proceeds	Amount allocated on 24 Sep 2020	Amount after first reallocation on 13 Nov 2021	Amount after second reallocation on 28 Feb 2022	Amount after third reallocation on 14 Mar 2022	Amount after fourth reallocation on 1 Sep 2022	Amount utilised	Balance unutilised
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Payment of consideration to the Kydon Holdings Pte. Ltd. in relation to the Proposed Acquisition	10,000,000	10,000,000	10,000,000	9,200,000	8,100,000	(8,100,000)	-
Repayment of an earlier S\$1,000,000 short term loan from DiDi Investments, Inc.	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	(1,000,000)	-
Payment of professional fees and expenses incurred by the Company in relation to the convertible loan, the Proposed Acquisition and other associated costs	1,600,000	1,384,379	825,727	825,727	825,727	(825,727)	-
Payment of restructured debts of the Company (i.e. Alpha DX Group Limited) which remain payable in cash	2,000,000	1,741,716	1,275,331	1,275,331	1,275,331	(1,275,331)	-
Retained in the Company for general working capital purposes and for future investments and acquisition opportunities	9,400,000	9,873,905	10,898,942	11,698,942	12,798,942	(12,482,893) ⁽¹⁾	316,049
Total	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	(23,683,951)	316,049

Note:

(1) General working capital utilised consisted of payments of administrative and corporate related expenses which consists of payment of staff costs and director fees of S\$1,342,863, operating costs of S\$1,099,842, payment of professional fees of S\$2,797,048 mainly for corporate restructuring and associated costs for potential acquisitions, advances to subsidiary corporations of S\$938,231 for general working capital purposes, injection of capital to a subsidiary corporation of S\$3,160,000 for repayment of bank loan of S\$2,900,000 and payment of refundable deposit for a potential acquisition of S\$260,000, pursuant to a non-binding agreement, injection of capital to a newly incorporated subsidiary corporation of S\$21,748, interest on the convertible loan and borrowing of S\$523,161, payment of consideration to seller in relation to acquisition of Invictus Academy of S\$2,000,000 and S\$600,000 payment for a refundable deposit for exclusive perpetual territorial licence.

13. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

14. Additional information required for full year announcement

14a. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Refer to Note 4 of the condensed interim financial statements for details.

14b. In review of performance, the factors leading to any material changes in contributions of turnover and earnings by the business or geographical segments.

Refer to paragraph 6.

14c. A breakdown of financials.

Refer to Note 4.3 of the condensed interim financial statements for details.

14d. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for FY2021 or FY2020.

14e. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying a managerial position in the Group who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

15. Disclosure pursuant to Rule 706A

Incorporation of Asnaro Ventures Limited

The Company has on 3 June 2022, incorporated a subsidiary corporation, Asnaro Ventures Limited which has an authorized and paid-up capital of UZS 840,000,000, wherein the Company have 100% ownership of the Subsidiary.

16. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group for the period ended 30 June 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
ALPHA DX GROUP LIMITED

Masato Saiki
Chief Executive Officer
14 December 2022

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

**ALPHA DX GROUP LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

OTHER INFORMATION REQUIRED BY CATALIST RULES APPENDIX 7C

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 details of the contact person for the Sponsor are:-

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