

ALPHA DX GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

PROPOSED SCHEME OF ARRANGEMENT

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as the Previous Announcements (as defined below) and clause 1 under Definitions and Interpretation, of the Scheme of Arrangement document dated 2 September 2022, attached as Appendix I to this announcement.

INTRODUCTION

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 the Company’s announcements dated 10 March 2022, 11 April 2022, 25 April 2022 and 29 April 2022 (“**Previous Announcements**”) and wishes to provide the following update on the proposed scheme of arrangement for the moratorium under Section 64 of the Insolvency Restructuring and Dissolution Act 2018 (“**IRDA**”).

PROPOSED “PREPACKED” SCHEME OF ARRANGEMENT

The Company has proposed to enter into a “pre-packaged” scheme of arrangement with its creditors pursuant to Section 210 of the Companies Act 1967 (“**CA**”) read together with Section 71 of the IRDA. The Scheme Document dated 2 September 2022 together with the explanatory statement, ballot form and proof of debt form has been sent to the Company’s list of creditors (recorded as at 31 May 2022) on 2 September 2022, a copy of which is attached as Appendix I to this Announcement.

Where the Scheme is approved by a majority in number (over 50%) and representing three-fourths (that is, 75%) in value of Scheme Creditors casting their votes through the Ballot Forms, an application will be made by the Company to the High Court of the Republic of Singapore under Section 71 of the IRDA to sanction the Scheme without a meeting of creditors. This expedited scheme approval procedure obviates the need to apply to Court to convene a meeting of creditors to consider and if thought fit, approve the proposed scheme.

SALIENT TERMS OF THE SCHEME

Please refer to the Scheme Document which is attached as Appendix I of this announcement for full details of the Scheme.

1. RATIONALE

The Scheme is proposed as part of the Company’s broader effort to restructure its existing debts and liabilities to strengthen the Company’s cash flow position, as well as to facilitate the possibility of obtaining further investments into the Company. Following entry into and sanction of the Scheme, the Company will be able to continue operating sustainably as a going concern, and will accordingly be seeking a resumption of trading of its shares on the Catalist of the SGX-ST.

2. SCHEME OVERVIEW

2.1 The Scheme comprises the complete settlement of the Scheme Debt such that creditors under the scheme will receive a return in full (i.e. 100% recovery) on their Approved Claims. It will exclude the debt of Excluded Creditors (*Please refer to the Scheme Document in Appendix I for the definition of Excluded Creditors*).

- 2.2 Scheme Creditors will be given the option to convert no less than 70% of their Approved Claims into shares of the Company (the “**Scheme Shares**”), with the intended conversion percentage of no less than 70% either (a) anytime between the Scheme Effective Date and the date the Company resumes trading on SGX-ST (“**Exercise Date Before ROT**”) or (b) on the 15th full market day after the date the Company resumes trading on SGX-ST (“**Exercise Date After ROT**”). The Scheme Shares will be subject to a restriction on trading on the open market for a period of six (6) months from the date of issuance. The balance of the Scheme Debt which is not converted into Scheme Shares shall be repaid according to the repayment plan set out in the Scheme.
- 2.3 The total quantum of Scheme Debt to be restructured under the Scheme is approximately SGD5.1million.

3. DISTRIBUTION UNDER THE SCHEME

The Scheme Creditors will agree to compromise their Scheme Debts under the Scheme in consideration for receiving the following cash distribution on a *pari passu* basis (the “**Cash Distribution**”) in the following tranches:

- (a) **Tranche 1 Distribution:** The payment of 20% of Scheme Debts by 15 November 2022 (“**Tranche 1**”).
- (b) **Tranche 2 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 2 calendar months after the payment of Tranche 1, but no later than 31 December 2022.
- (c) **Tranche 3 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 4 calendar months after the payment of Tranche 1.
- (d) **Tranche 4 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 6 calendar months after the payment of Tranche 1.
- (e) **Tranche 5 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 8 calendar months after the payment of Tranche 1.
- (f) Interest shall accrue on the Scheme Debts based on the 3-month compounded Singapore Overnight Rate Average (“**SORA**”) commencing from date of the Tranche 1 payment. For the avoidance of doubt, interest will accrue on the remaining balance after each Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 Distribution, as the case may be.
- (g) The distributions of cash to the Scheme Creditors above will be by way of interbank transfer to each Scheme Creditor’s nominated bank account.

4. CONDITIONS PRECEDENT

The Scheme is subject to the following conditions precedent being met:

- (a) The Court-ordered moratorium remains in place until 14 September 2022 and any subsequent application for the extension of the said moratorium is approved by the Court;
- (b) Approval of the Scheme by a majority in number representing three-fourths in value of Approved Claims of Scheme Creditors casting their votes through the Ballot Forms;
- (c) The confirmation by the Court pursuant to Section 71 of the IRDA and a copy of the Court Order sanctioning the Scheme being lodged with the Registry of Companies pursuant to Section 71(10) of the IRDA;

- (d) such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

5. RESTRAINT OF PROCEEDINGS DURING SCHEME PERIOD

- 5.1 During the Scheme Period, no Scheme Creditor shall, whether directly or indirectly, take any steps to initiate, commence, procure, or continue any legal or other proceedings against the Company and the Subsidiaries or any of their assets and properties in respect of the indebtedness of the Company and the Subsidiaries in any jurisdiction including, but not limited to, court action (including winding up proceedings, judicial management and any analogous proceedings in any other jurisdiction), arbitration, the appointment of a receiver or receiver and manager, and/or the enforcement of any judgment, court order or arbitral award.
- 5.2 The Scheme Creditors agree and accept that the full payment of the Cash Distribution and/or the issue of the Scheme Shares by the Company shall be in full satisfaction and complete discharge and extinguishment of all Approved Claims and all interest, costs, charges, fees and expenses incurred in connection therewith.
- 5.3 All claims for any interest (whether contractual, default, penalty or otherwise), costs, fees and expenses accruing after the Cut-Off Date arising from, in connection with or relating to any Claims shall not be payable by the Company, save for the interest that shall accrue on the Scheme Debt pursuant to the Scheme.
- 5.4 On Completion Date, all such claims for interest, costs, fees and expenses on the Approved Claims shall be waived by the Creditors and shall be deemed to be forever extinguished.
- 5.5 For the avoidance of doubt, nothing in the Scheme shall affect, fetter or limit the Company' rights that it may have at law in relation to any claims or legal proceedings against any Scheme Creditor and vice versa, the rights of any Scheme Creditor that it may have at law in relation to any claims or legal proceedings, and/or pursuant to any agreement related to the Scheme Debt, against the Company, in the event of any non-payment that is not remedied in accordance with the Scheme.
- 5.6 The Company warrants that until full repayment of all the Scheme Debts it shall prioritize expenditures in order to fulfil its repayment obligations of the Scheme Debts pursuant to the Scheme, over pursuing any investment or acquisition opportunities, including but not limited to advancing loans to and placing deposits with any third party or related party, and distributing dividends to its shareholders.

6. ISSUE OF SCHEME SHARES

- 6.1 Each Scheme Creditor is given the option to convert no less than 70% of their Approved Claims into shares of the Company (the "**Scheme Shares**"), with the intended conversion percentage of no less than 70%, either (a) anytime between the Scheme Effective Date and the date the Company resumes trading on SGX-ST ("**Exercise Date Before ROT**") or (b) on the 15th full market day after the date the Company resumes trading on SGX-ST ("**Exercise Date After ROT**"). The Scheme Shares will be issued under the existing general mandate of the Company. Any election by a Scheme Creditor to receive Scheme Shares that will cause a transfer of controlling interest in the Company (as defined in the Catalist Rules of the SGX-ST) will not be effective.

- 6.2 Within 28 Business Days of the Option Exercise Date, the Company shall, subject to requisite regulatory approvals having been obtained (including a listing and quotation notice from the SGX-ST in respect of the Scheme Shares), issue the Scheme Shares under its general mandate amounting to each Participating Creditor according to its elected entitlement under the Scheme.
- 6.3 The Scheme Shares will be ordinary shares of the Company and will rank *pari passu* in all respects with the other ordinary shares in the share capital of the Company. The conversion price of the Scheme Shares on Exercise Date Before ROT shall be SGD0.15 and the conversion price of the Scheme Shares on Exercise Date After ROT will be the higher of SGD0.25 and the 3-day closing average before the Option Exercise Date.
- 6.4 The Scheme Shares will be subject to a moratorium on the disposal of the Scheme Shares in the open market for a period of 6 months from issuance.
- 6.5 The balance of the Scheme Debt which is not converted into Scheme Shares shall be repaid pursuant to the Cash Distribution.
- 6.6 For the avoidance of doubt, the regulatory approval for the listing and quoting of Scheme Shares from SGX-ST is not a condition precedent to the Scheme's effectiveness.

7. SCHEME EFFECTIVENESS

The Scheme shall become effective upon the fulfilment of the Condition Precedent listed in the Scheme. The date of completion of the last Conditions Precedent will be the date of the Scheme Effective Date.

8. KEY DATES AND INDICATIVE TIMETABLE

Events	Indicative timeline
Issuance of Scheme Document including Explanatory Statement, Proof of Debt and Ballot Forms	2 September 2022
End of moratorium if not extended	14 September 2022
Lodgement Date (Proof of Debt Form and Ballot Form)	4.00 pm (Singapore time) on 16 September 2022
Creditors to be notified on the Adjudication of Proofs of Debt and the outcome of vote solicitation (if no objections or disputes)	30 September 2022
Application to Court to Sanction the Scheme pursuant to Section 71(1) of the IRDA	By 14 October 2022
Publish notice of application to Court for sanction of the Scheme in the Gazette and one English local daily newspaper	By 21 October 2022
Court hearing for the sanction of the Scheme under Section 71(1) of the IRDA	By 4 November 2022
Lodgment of the Order of Court with the Registrar of Companies	By 9 November 2022
End of moratorium if extended	By 9 November 2022

9. SCHEME MANAGER

Ellyn Tan Huixian and Luke Anthony Furler of Quantuma (Singapore) Pte. Limited shall be appointed as the managers for the Scheme (the “**Scheme Managers**”).

10. FURTHER ANNOUNCEMENTS

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. 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
2 September 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.

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:-

Name :Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)

Address :138 Robinson Road, Oxley Tower, #13-02, Singapore 068906 Tel :(65) 6241 6626

Appendix I: Scheme Document dated 2 September 2022

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

It contains important information and should be read in its entirety. If you are in any doubt about what action you should take, you should consult your professional adviser without delay.

Further copies of this document can be obtained from the office of the Scheme Managers, Quantuma (Singapore) Pte. Limited, at 137 Amoy Street, #02-03 Far East Square, Singapore 049965 or by email to the Scheme Managers at AlphaDX@quantuma.com during normal business hours (other than a Saturday, a Sunday or a public holiday).

Unless otherwise defined, the distributed terms used throughout this document (the “**Explanatory Statement**”) shall bear the same meanings as defined in the Scheme of Arrangement dated 2 September 2022 enclosed herein at **Appendix A**.

EXPLANATORY STATEMENT

To

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967 (READ WITH SECTION 71 OF THE
INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018)**

Between

ALPHA DX GROUP LIMITED
(UEN No. 200310813H)

And

ITS SCHEME CREDITORS
(as defined in the Scheme)

The action that the Scheme Creditors should take is set out in this Explanatory Statement. As a Scheme Creditor, you are requested to complete and return the Proof of Debt Form and Ballot Form enclosed with this document in accordance with the instructions and notes contained therein.

Dated this 2nd day of September 2022

IMPORTANT NOTICE

Explanatory Statement pursuant to Section 211 of the Companies Act 1967 and Section 71(6) of the Insolvency, Restructuring and Dissolution Act 2018 (the “**IRDA**”) explaining the effects of the Scheme of Arrangement (“**Scheme**”) proposed by Alpha DX Group Limited (the “**Company**” or “**ADX**”).

1. This Explanatory Statement is being distributed to all Scheme Creditors (as defined in the Scheme dated 2 September 2022 enclosed herein at **Appendix A**) of the Company solely for purposes of the Scheme.
2. Nothing in this Explanatory Statement or any other document issued with or appended to it should be relied on for any purpose other than to make a decision with respect to the Scheme.
3. The information contained in this Explanatory Statement has been prepared based upon information available to the Company as of the date of the Scheme. The Company has taken reasonable steps to ensure that this Explanatory Statement contains the information reasonably necessary to enable the Scheme Creditors to make an informed decision about the effect of the Scheme on them.
4. Nothing contained in this Explanatory Statement shall be deemed to be a forecast, projection or estimate of the Company’s future financial performance or that of the Company and its subsidiaries (the “**Group**”).
5. Except as provided below, this Explanatory Statement is for the exclusive use of the persons to whom it is addressed and their advisers and shall not be copied, reproduced or distributed to any other person without the prior written consent of the Company and/or the Scheme Managers. The information contained in this Explanatory Statement is confidential and provided solely for the purposes mentioned above. Recipients of this Explanatory Statement are required to keep this information confidential and use it only for the purposes of consideration of the Scheme.
6. This Explanatory Statement contains extensive and detailed information and should be read in its entirety. If you are in doubt about this document or as to the action which you should take, you should consult your financial or investment adviser, bank manager, solicitor or other professional advisers immediately. You should note that the Explanatory Statement is not intended to constitute professional advice and that you should seek your own professional advice in relation to the Scheme.
7. The actions required to be taken by Scheme Creditors are set out in this Explanatory Statement. You are asked to complete and return as soon as possible the Proof of Debt Form and the Ballot Form (copies of which are enclosed in **Annex 1 and Annex 2 of the Scheme** respectively) in accordance with the instructions set out herein. Failure to take action could have consequences in respect of your rights against the Company.
8. While the Company and/or the Scheme Managers have taken reasonable care in the preparation of the information provided herein, no representation or warranty is made that the information contained herein in the Explanatory Statement and the Scheme is accurate or complete.

9. The Explanatory Statement and the Scheme are to be taken as mutually explanatory of one another but in the event of any conflict or inconsistency between the Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.
10. **SCHEME CREDITORS' ATTENTION IS DRAWN TO CERTAIN RISKS ASSOCIATED WITH THE SCHEME AND THE RESTRUCTURING THAT ARE SET OUT IN SECTION 7 (THE EXPLANATORY STATEMENT) OF THE SCHEME DOCUMENT**
11. **Important Information:**
 - (a) **Date and time for lodgment of the Proof of Debt Form and Ballot Form: 16 September 2022, by no later than 4:00 p.m (Singapore time).**
 - (b) **Place to submit Proof of Debt Form and Ballot Form: 137 Amoy Street, #02-03 Far East Square, Singapore 049965 or by email to the Scheme Managers at AlphaDX@quantuma.com**

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CONTACT DETAILS

The Company or ADX	ALPHA DX GROUP LIMITED
Specified Address	229 Mountbatten Road, #01-11 Mountbatten Square, Singapore 398007
Contact Details	Email: James.d.yamada@alpha-dx.com.sg; Hing.lk@alpha-dx.com.sg
Contact Persons	Daiji Yamada / Hing Lai Kuen

Scheme Managers	Ellyn Tan Huixian and Luke Anthony Furler
Scheme Managers' Specified Address	137 Amoy Street, #02-03 Far East Square, Singapore 049965
Contact Details	AlphaDX@quantuma.com
Contact Persons	Ellyn Tan / Joffrey Tan

Legal Advisers	Morgan Lewis Stamford LLC
Specified Address	10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Contact Details	Jonathan.tang@morganlewis.com
Contact Person	Jonathan Tang

EXPECTED TIMETABLE

Action	Time / Date
Last day for lodgment of the Proof of Debt Form and Ballot Form (" Lodgment Date ")	16 September 2022, not later than 4:00 p.m. (Singapore time)
Notification of Adjudication of Proofs of Debt	30 September 2022
Notification of Outcome of Vote Solicitation	30 September 2022
Court Hearing to sanction the Scheme	To be announced
Scheme Effective Date	To be announced
End of Moratorium	14 September 2022 or as extended from time to time

SUMMARY OF ACTIONS TO BE TAKEN

Detailed instructions on the actions to be taken by Scheme Creditors are set out in this Scheme Document (including the Ballot Form) and are summarised below.

Summary of actions to be taken

Detailed instructions on the actions to be taken by Scheme Creditors are set out in Section 5 of the Scheme Documents, Annex 1 (*Proof of Debt Form*) and Annex 2 (*Ballot Form*) of this Scheme Document and are summarised below:

1. Read this document as a whole, in conjunction with the documents that accompany it (including the Ballot Form).
2. If you are a Scheme Creditor and wish to vote in respect of the Scheme, you must complete the Ballot Form set out in Annex 2 (*Ballot Form*) of this Scheme Document as well as the Proof of Debt Form set out in Annex 1 (*Proof of Debt Form*). Please return the completed Proof of Debt Form and Ballot Form as soon as possible to 137 Amoy Street, #02-03 Far East Square, Singapore 049965 or by email to the Scheme Managers at AlphaDX@quantuma.com (marked for the attention of Elyn Tan/Luke Furler) and in any event, so as to be received by 4:00 p.m. (Singapore time) on 16 September 2022.
3. Before the Scheme can become effective and binding on the Company and its Scheme Creditors, the Scheme must be approved by a majority in number representing three-fourths in value of Approved Claims of Scheme Creditors casting their votes through the Ballot Forms.
4. For the avoidance of any doubt, there will not be any Scheme Meeting(s) convened.

If you are in any doubt as to what action you should take in connection with this Scheme Document, the proposals contained in it or the documents that accompany it, you are recommended to seek professional advice immediately from your financial and/or legal adviser.

EXPLANATORY STATEMENT

(In compliance with Section 211 of the Companies Act, Chapter 50 of Singapore
(the “**Companies Act**”))

To: The Scheme Creditors

Dear Sir/Madam,

1. INTRODUCTION

- 1.1 Capitalised terms used herein shall unless otherwise defined have the same meaning attributed to them under the Scheme.
- 1.2 This Explanatory Statement is issued pursuant to Section 211 of the Companies Act and Section 71(6) of the Insolvency, Restructuring and Dissolution Act 2018 (the “**IRDA**”). The purpose of this Explanatory Statement is to explain the background and effect of the Scheme to seek the approval of the Court.
- 1.3 Please note that this Explanatory Statement does not form the basis of the legal contract between the Company and the Scheme Creditors. The legally binding contract between the Company and the Scheme Creditors in the event the proposed scheme of arrangement is approved is the Scheme. This Explanatory Statement has been prepared on a best efforts basis, without any warranty as to the accuracy or completeness of the information provided herein. The Scheme Managers reserve the right to amend or supplement this Explanatory Statement and/or the information contained herein.
- 1.4 This Explanatory Statement is for the exclusive use of the Scheme Creditors to whom it is addressed and their advisers and shall not be copied, reproduced or distributed to any other person without the prior written consent of the Company. The information contained in the Explanatory Statement is confidential and provided solely for the purposes mentioned above. Recipients of this Explanatory Statement are required to keep this information confidential and use it only for the purposes of considering the Scheme.

2. GENERAL BACKGROUND

2.1 What is a “pre-packaged” Scheme of Arrangement?

Under Singapore law, a “pre-packaged” scheme of arrangement of the kind proposed here is an arrangement provided for under Section 210 of the Companies Act read together with Section 71 of the IRDA to take effect between a company and its creditors. This is an expedited scheme approval procedure which obviates the need for a scheme proponent to apply to Court to convene a meeting of creditors to consider and if thought fit, approve the proposed scheme.

A “pre-packaged” scheme of arrangement becomes legally binding on all creditors to whom it is intended to apply if:

- 2.1.1 the Court is satisfied that had a meeting of each class of creditors been summoned, a majority in number (over 50%) and representing three-fourths (that is, 75%) in value of each class of creditors, voting in person or by proxy, would have voted in favour of the scheme of arrangement;

- 2.1.2 the Court subsequently approves the scheme of arrangement; and
- 2.1.3 a sealed copy of the order of Court sanctioning the scheme of arrangement is lodged with the Registrar of Companies.

2.2 **What are Scheme Creditors required to do?**

- 2.2.1 As this is a “pre-packaged” scheme of arrangement, there will not be any meeting of creditors convened. Instead, Scheme Creditors will vote on the Scheme through the submission of the Ballot Forms, provided the Scheme Creditor also submits a Proof of Debt Form.
- 2.2.2 If you are a Scheme Creditor, you are entitled to cast your vote through the Ballot Form enclosed in **Annex 2 of the Scheme**. If you are a Scheme Creditor, you should complete and sign the Ballot Form and submit the completed Ballot Form to the Scheme Managers at the Scheme Managers’ Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com by the Lodgement Date (that is, not later than 4:00 p.m. (Singapore time) on 16 September 2022). The Ballot Form should be completed in accordance with the instructions provided with it.
- 2.2.3 If a Scheme Creditor fails to lodge a Proof of Debt Form and Ballot Form at the Scheme Managers’ Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com by the stipulated deadline, his or her vote shall not be counted for the purposes of the Vote Solicitation.
- 2.2.4 There is enclosed in **Annex 1 of the Scheme** a Proof of Debt Form to be submitted to the Scheme Managers at the Scheme Managers’ Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com in respect of a Scheme Creditor’s Claim.
- 2.2.5 Please also note that if a Scheme Creditor wishes to submit a Ballot Form, such Scheme Creditor must also complete and return the Proof of Debt Form to the Scheme Managers at the Scheme Managers’ Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com and in any event not later than the Lodgment Date (that is, not later than 4:00 p.m. (Singapore time) on 16 September 2022).
- 2.2.6 Please note that failure to return the Proof of Debt Form by the Lodgment Date will result in the Creditor being deemed to have irrevocably, unconditionally and permanently waived (i) its right to vote on the Scheme; and (ii) its right to any distribution, payment or benefits under this Scheme. Any Claim of a Creditor against the Company which is not lodged by the Creditor on or before the Lodgment Date shall be forever waived, released, discharged and extinguished and the Creditor shall not have any rights, interests and claims whatsoever against the Company in respect of such Claim.

2.3 **Background**

- 2.3.1 The Company is a company listed on the Catalist Board of the SGX-ST (“**SGX**”). Its principal activity is that of an investment holding company. The registered office of the Company is 229 Mountbatten Road, #01-11 Mountbatten Square, Singapore 398007.

2.3.2 The Company's business is organized into the following three main business segments:

2.3.2.1 Digital Transformation in Learning and Education, where the Group offers learning technology solutions and customized digital learning content;

2.3.2.2 Education, where the Group offers various education and learning certification programmes to students through various educational institutions;

2.3.2.3 Investment holdings through investment holding companies.

2.3.3 One of ADX's key operating subsidiaries is Zionext Pte Ltd (formerly known as Kydon Learning Systems Institute Pte Ltd) ("**Zionext**"). Zionext was acquired in January 2021 by ADX as part of its diversification into the digital learning technology market. Zionext is principally engaged in the business of designing customised digital content and deploying courses for clients on online or mobile platforms in the digital learning sector, so as to enable them to create impactful personal and team learning opportunities and positive business outcomes.

2.3.4 The Company's total issued share capital is SGD179,319,513 comprising 242,955,916 shares (excluding treasury shares).

Financial position of the Group and the Company

2.3.5 The unaudited financial position of the Group and the Company as at 31 December 2021 is as follows:

	Group 31.12.2021 S\$	Company 31.12.2021 S\$
Non-current assets		
Investment property	1,036,843	-
Plant and equipment	649,229	118,212
Investments in subsidiary corporations	-	15,225,458
Intangible assets	11,352,272	-
	<u>13,038,344</u>	<u>15,343,670</u>
Current assets		
Trade and other receivables	5,199,191	3,227,033
Cash and cash equivalents	4,496,502	2,565,619
	<u>9,695,693</u>	<u>5,792,652</u>
Total assets	<u>22,734,037</u>	<u>21,136,322</u>
Equity		
Share capital	179,319,513	179,319,513
Perpetual securities	2,529,237	2,529,237
Reserves	1,916,750	2,633,153
Accumulated losses	(168,728,857)	(169,237,487)
Attributable to equity holders of the Company	<u>15,036,643</u>	<u>15,244,416</u>
Non-controlling interests	-	-
Total equity	<u>15,036,643</u>	<u>15,244,416</u>

Non-current liabilities		
Deferred income tax liabilities	189,058	-
Borrowings	140,209	19,166
	<u>329,267</u>	<u>19,166</u>
Current liabilities		
Trade and other payables	7,074,065	5,792,130
Current income tax liabilities	23,407	-
Borrowings	270,655	80,610
	<u>7,368,127</u>	<u>5,872,740</u>
Total liabilities	<u>7,697,394</u>	<u>5,891,906</u>
Total equity and liabilities	<u>22,734,037</u>	<u>21,136,322</u>

2.3.6 The list of Creditors whose debts will be restructured under the Proposed Scheme (the “**Scheme Debt**”), to the best knowledge of the Company, is as follows:

No.	Name	Amount (\$)
1	Kydon Holdings Pte Ltd	1,900,000.00
2	RSM Corporate Advisory Pte Ltd	901,014.31
3	PrimePartners Corporate Finance Pte Ltd	654,920.76
4	Morgan Lewis Stamford LLC	525,457.53
5	KPMG LLP	356,612.38
6	Focus Law Asia LLC	183,606.16
7	Cushman & Wakefield VHS Pte Ltd	119,305.00
8	Boardroom Corporate & Advisory Services Pte Ltd	55,270.63
9	Ezion Holdings Limited (in Liquidation)	63,728.50
10	Ravinder Singh Grewal s/o Sarbjit Singh	59,315.00
11	W Capital Markets Pte Ltd	54,283.57
12	Baker Tilly Consultancy (Singapore) Pte Ltd	29,977.87
13	Yang Lee & Associates	28,361.42
14	Ser Ko Tan	26,000.00
15	Ang Yew Jin Eugene	23,222.00
16	CFA Services Pte Ltd	17,120.00
17	Xandar Capital Pte Ltd	16,524.55
18	Max Ng	15,342.00
19	Christopher Lee Sek Leong	12,077.00
20	8PR Asia Pte Ltd	12,000.00
21	Fabian Scheler	10,214.88
22	Majid Jourabchi	10,086.96
	Total	5,074,440.52

The above are amounts outstanding as at 31 May 2022 and exclude any accrued interest, if any.

3. SALIENT TERMS OF THE SCHEME

3.1 Scheme Overview

- 3.1.1 The Scheme comprises the complete settlement of the Scheme Debt such that creditors under the scheme will receive a return in full (i.e. 100% recovery) on their Approved Claims. It will exclude the debt of Excluded Creditors (Please refer to Section 3.6 of the Explanatory Statement for the definition of Excluded Creditors).
- 3.1.2 Scheme Creditors will be given the option to convert no less than 70% of their Approved Claims into shares of the Company (the “**Scheme Shares**”), with the intended conversion percentage of no less than 70% either (a) anytime between the Scheme Effective Date and the date the Company resumes trading on SGX-ST (“**Exercise Date Before ROT**”) or (b) on the 15th full market day after the date the Company resumes trading on SGX-ST (“**Exercise Date After ROT**”). The Scheme Shares will be subject to a restriction on trading and are issued subject to the terms of Clause 8.4 of the Scheme herein. The balance of the Scheme Debt which is not converted into Scheme Shares shall be repaid according to the repayment plan set out in the Scheme.
- 3.1.3 The total quantum of Scheme Debt to be restructured under the Scheme is approximately SGD5.1million.

3.2 Creditors and Scheme Creditors

- 3.2.1 The Scheme shall apply to all Creditors. However, only Scheme Creditors shall be entitled to receive payment under the terms of the Scheme.
- 3.2.2 A “Creditor” is defined as a creditor of the Company. A “Scheme Creditor” is defined as a Creditor with an Approved Claim.

3.3 Claims

- 3.3.1 A “Claim” is defined as a claim of a Creditor against the Company or any portion thereof arising from or relating to contracts or transactions entered into with the Company as at 31 May 2022 (“**Cut-off Date**”) (whether the claim is present or contingent or whether liquidated or sounding only in damages), including any contractual and default interest but excluding any penalties, costs, fees and expenses accruing on such claims as at the Cut-Off Date.
- 3.3.2 An “Approved Claim” is defined as the Claim of a Creditor against the Company to the extent admitted by the Scheme Managers pursuant to Clause 5.3 of the Scheme, or established by the Creditor in proceedings in accordance with Clause 5.3.3 of the Scheme.

3.4 Conditions Precedent

The Scheme is subject to the following conditions precedent being met:

- 3.4.1 The Court-ordered moratorium remains in place until 9 September 2022 and any subsequent application for the extension of the said moratorium is approved by the

Court;

- 3.4.2 Approval of the Scheme by a majority in number representing three-fourths in value of Approved Claims of Scheme Creditors casting their votes through the Ballot Forms;
- 3.4.3 The confirmation by the Court pursuant to Section 71 of the IRDA and a copy of the Court Order sanctioning the Scheme being lodged with the Registry of Companies pursuant to Section 71(10) of the IRDA; and
- 3.4.4 Such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company in respect of the Scheme and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

3.5 **Classification of Creditors in the Scheme**

All the Scheme Creditors will be voting in one class.

3.6 **Excluded Creditors**

The following Creditors of the Company will be excluded from the Scheme:

- 3.6.1 Creditors whose Claims are less than SGD10,000;
- 3.6.2 Holders of perpetual securities in the Company;
- 3.6.3 Professional fees incurred in relation to the restructuring process;
- 3.6.4 Directors' fees for financial year ended 31 December 2022; and
- 3.6.5 the Company's on-going service providers.

3.7 **Distribution under the Scheme**

The Scheme Creditors will agree to compromise their Scheme Debts under the Scheme in consideration for receiving the following cash distribution on a *pari passu* basis (the "**Cash Distribution**") in the following tranches:

- 3.7.1 **Tranche 1 Distribution:** The payment of 20% of Scheme Debts by 15 November 2022 ("**Tranche 1**").
- 3.7.2 **Tranche 2 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 2 calendar months after the payment of Tranche 1, but no later than 31 December 2022.
- 3.7.3 **Tranche 3 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 4 calendar months after the payment of Tranche 1.
- 3.7.4 **Tranche 4 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 6 calendar months after the payment of Tranche 1.

- 3.7.5 **Tranche 5 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 8 calendar months after the payment of Tranche 1.
- 3.7.6 Interest shall accrue on the Scheme Debts based on the 3-month compounded Singapore Overnight Rate Average (“**SORA**”) commencing from date of the Tranche 1 payment. For the avoidance of doubt, interest will accrue on the remaining balance after each Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 Distribution, as the case may be.
- 3.7.7 The distributions of cash to the Scheme Creditors above will be by way of interbank transfer to each Scheme Creditor’s nominated bank account.

3.8 **Key Timelines for the Scheme**

- 3.8.1 **Cut-Off Date:** 31 May 2022
- 3.8.2 **Lodgment Date (Proof of Debt Form and Ballot Form):** 16 September 2022 not later than 4:00 pm (Singapore time).
- 3.8.3 **Deadline for Vote Solicitation:** The Lodgment Date
- 3.8.4 **Notification of Adjudication of Proofs of Debt:** Within 14 days of the Lodgment Date, the Scheme Managers shall notify each Creditor of its decision or determination of the Creditor’s Claim. At this time, the Scheme Managers shall also inform each Creditor of the outcome of the Vote Solicitation.
- 3.8.5 **Court hearing for sanction of Scheme:** To be announced.
- 3.8.6 **Tranche 1 Distribution:** by 15 November 2022.
- 3.8.7 **Tranche 2 Distribution:** 2 calendar months after the payment of Tranche 1, but no later than 31 December 2022.
- 3.8.8 **Tranche 3 Distribution:** 4 calendar months after the payment of Tranche 1
- 3.8.9 **Tranche 4 Distribution:** 6 calendar months after the payment of Tranche 1
- 3.8.10 **Tranche 5 Distribution:** 8 calendar months after the payment of Tranche 1

3.9 **Discharge and Extinguishment of Claims**

- 3.9.1 Unless otherwise expressly provided for in the Scheme, the Scheme Creditors shall accept the payments and benefits under this Scheme given to them in full satisfaction and complete discharge of all Scheme Debts and all interest, costs, charges, fees and expenses incurred in connection therewith.
- 3.9.2 Upon receiving the Cash Distribution and issuance of the Scheme Shares (as the case may be) (“**Completion**”), all Scheme Debts from the Scheme Creditors shall forever be waived, released, discharged and extinguished.

3.10 Interest

3.10.1 All claims for any interest (whether contractual, default, penalty or otherwise), costs, fees and expenses accruing after the Cut-Off Date arising from, in connection with or relating to any Claims shall not be payable by the Company, save for the interest that shall accrue on the Scheme Debt set out in Clause 3.8.4 of the Scheme.

3.11 Termination of the Scheme

3.11.1 The Scheme shall terminate immediately and absolutely upon any events set out in Clause 11 of the Scheme.

3.11.2 Unless expressly stated otherwise in the Scheme, in the event of any breach or non-compliance of any terms of the Scheme, the Company shall rectify such breach or non-compliance within thirty (30) Business Days from the date of such breach or non-compliance. No breach of the Scheme shall be regarded as having occurred if rectified within such time period.

4. RATIONALE FOR THE SCHEME

4.1 The Scheme is proposed as part of the Company's broader effort to restructure all its existing liabilities.

4.2 The entry into and sanction of the Scheme will facilitate the Company's resumption of trading proposal and allow it to resume trading in its shares.

4.3 The completion of the Scheme will reassure the market's confidence in the Company's securities and move forward in securing new investments and future projects for the Company's and its shareholders' benefit.

5. ACTIONS TO BE TAKEN IN IMPLEMENTING THE SCHEME

5.1 Voting on the Scheme

5.1.1 As the Scheme is to be effected pursuant to Section 210 of the Companies Act read with Section 71 of the IRDA, there will be no meeting of creditors convened. Instead, Scheme Creditors will vote for or against the Scheme by submitting the Ballot Forms together with their Proof of Debt Form to the Scheme Managers on or before the Lodgment Date.

5.2 Proof of Debt

5.2.1 Scheme Creditors who wish to vote and participate in the Scheme must submit the Proof of Debt Form in respect of their Claims to the Scheme Managers at the Scheme Managers' Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com **by the Lodgment Date, that is, not later than 4:00 p.m. (Singapore time) on 16 September 2022.**

5.2.2 **Any Creditor who fails to submit a Proof of Debt Form on or before the Lodgment Date shall not be entitled to vote and shall be deemed to have their Claim against the Company as waived or extinguished.**

5.3 Adjudication of Proofs of Debt

5.3.1 The Proofs of Debt shall be adjudicated by the Scheme Managers for the purposes of determining the Approved Claims. The adjudication shall be carried out as follows:

5.3.1.1 The Scheme Managers shall be entitled to have regard to all relevant information whether supplied by the Creditor or otherwise made available to the Scheme Managers, and where applicable, be entitled to set-off any mutual credits, mutual debits or other mutual dealings between the Company and any Creditor such that only the balance shall be used for the purposes of calculating and determining the value of such Creditor's Claim and/or Approved Claim (if any).

5.3.1.2 Within 14 days of the Lodgment Date, the Scheme Managers shall notify each Creditor of its decision or determination on the Creditor's Claim.

5.3.1.3 Any Disputing Creditor objecting to the decision of the Scheme Managers as regards its Claim or the value of its Approved Claim (if any):

5.3.1.3.1 shall within 7 days after service on it by the Scheme Managers of such decision or determination, send a written request to the Scheme Managers at the Scheme Managers' Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com seeking agreement for the appointment of an Independent Assessor;

5.3.1.3.2 shall make an application to the Court for the appointment of an Independent Assessor pursuant to Section 68(9)(b) of the IRDA within 14 days after service on it of an agreement by the Scheme Managers to such appointment;

5.3.1.3.3 shall comply with such determination on costs or order for costs in respect of all costs and expenses incurred and determined to be payable by that Creditor in relation to, pursuant to or arising from such dispute resolution proceedings or application to the Court to determine the dispute;

5.3.1.3.4 agrees that any amount of costs and expenses payable by the Company pursuant to a determination of or an order for costs in relation to or arising from such dispute resolution proceedings or application to the Court to determine the dispute, shall be added to the Approved Claim of the Scheme Creditor to be dealt with in accordance with the terms of the Scheme; and

5.3.1.3.5 agrees that the Scheme Managers shall not be liable to that Scheme Creditor for any and all costs, fees and expenses incurred by that Scheme Creditor in disputing such decision or determination and in relation to or arising from its commencement of dispute resolution proceedings or application to the Court.

5.3.2 Any Scheme Creditor who does not comply with the above provisions shall be deemed to have accepted the decision or determination of the Scheme Managers as regards its Claim in its Proof of Debt Form and the amount(s) of its Approved Claim.

5.3.3 Each Creditor shall promptly provide the Scheme Managers with all such information and documents requested by the Scheme Managers (as the case may be) which are relevant to its Claim in its Proof of Deb Form, or to the determination of the amount of its Approved Claim (if any).

5.4 **Voting Solicitation**

5.4.1 For the purposes of determining whether the statutory thresholds have been achieved (or would have been achieved at a meeting of the Company's creditors called under Section 210(1) of the Companies Act 1967), the Scheme Managers shall only take into account the Ballot Forms lodged by Scheme Creditors together with its Proof of Debt Form. For the avoidance of doubt, Scheme Creditors who do not submit a Ballot Form shall be deemed to have abstained from voting.

5.5 **Approval by the Court**

5.5.1 Provided that the Scheme is approved by the requisite majority of Scheme Creditors representing three-fourths in value of the Approved claims of Scheme Creditors who have casted their votes through the Ballot Forms, Scheme Creditors are also entitled to attend the hearing(s) of the application to the Court to sanction the Scheme.

5.5.2 Scheme Creditors will be informed of the hearing(s) of the application to the Court to sanction the Scheme and will be provided with the relevant court papers upon request.

5.5.3 The Company may consent to any modification of or addition to the Scheme of any condition which the Court may think fit to approve or impose.

5.5.4 When the Scheme becomes effective and binding on the date on which the Scheme is to be implemented following the fulfillment of the Conditions Precedent listed in the Scheme, it will be binding on all Scheme Creditors whether or not a Scheme Creditor voted through the Ballot Form in favour or against, or abstained from the vote to approve the Scheme.

6. **DIRECTORS AND THE EFFECTS OF THE SCHEME ON THEIR INTERESTS**

6.1 The interests of the officeholders (whether as directors or as members or as creditors of the Company or otherwise) and the effect of those interests on the Proposed Scheme, insofar as they are different from the effect on the like interests of other persons, are set out at **Appendix B** of this Explanatory Statement.

7. **RISK FACTORS**

7.1 In considering whether to vote in favour of the Scheme, each Creditor should carefully consider all the information contained in this document in particular the matters set out herein. This summary of risk factors is not exhaustive and Creditors should also consider all other risks relevant in the circumstances.

- 7.2 Even if the appropriate level of support is obtained from the Scheme Creditors (which cannot be assured), approval of the Scheme is at the discretion of the Court. Whilst the Company believe that the relevant statutory formalities have been complied with, the Court could determine that the information contained in the Scheme document is inadequate, that the solicitation of votes was improper due to the inadequacy of disclosure or for other reasons, and/or could determine that the Scheme fails to meet various other requirements, and require amendments or modifications which might not be acceptable to the Company or the Scheme Creditors or may not be accomplished in a timely manner. The Court could also differ from the selection and/or classification of creditors of the Company as Scheme Creditors.
- 7.3 Further, appeals or requests for other reviews in respect of the Scheme and appeals against the Order of Court sanctioning the Scheme could delay the commencement of the Scheme.
- 7.4 The success of the Scheme is also subject to the conditions precedent referenced in paragraph 3.4 herein being met.

8. CONCLUSION AND RECOMMENDATION

- 8.1 The proposed Scheme, if approved and implemented, will allow the Scheme Creditors to obtain full recovery as set out in the Scheme, and would result in a better recovery for the Company's creditors than should the Company be wound up.
- 8.2 Accordingly, the Company and the Scheme Managers recommend that the Scheme Creditors vote in favour of the Scheme.

Dated this 2nd day of September 2022

Yours faithfully,

Alpha DX Group Limited

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APPENDIX A
SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967 (READ WITH SECTION 71 OF THE
INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018)**

Between

ALPHA DX GROUP LIMITED
(UEN No. 200310813H)

And

ITS SCHEME CREDITORS
(as defined in the Scheme)

2 September 2022

1. Definitions

- 1.1 In this Scheme, except where the context or subject matter otherwise indicates or requires, words shall have the same meaning attributed to them by the Companies Act (Cap. 50) (the “Act”) and/or the Insolvency, Restructuring and Dissolution Act 2018 (where applicable) (the “IRDA”).
- 1.2 Words denoting the singular number only shall, where applicable, include the plural number and *vice versa*, and words denoting persons only shall, where applicable, include firms and corporations.
- 1.3 Words importing any gender shall, where applicable, include the other gender and references to any person shall, where applicable, include that person’s successor and permitted assigns.
- 1.4 Any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof as may from time to time be modified or re-enacted whether before or after the date of this Scheme.
- 1.5 Any reference in this Scheme to a time of day shall be a reference to Singapore time, unless otherwise stated.
- 1.6 The following words and phrases in this Scheme (as defined below) shall have the meanings set out opposite them:

Word/Phrase	Definition
“ACRA”	The Accounting and Corporate Regulatory Authority of Singapore.
“Act”	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
“Approved Claim “	The Claim of a Creditor against the Company to the extent admitted by the Scheme Managers pursuant to Clause 5.3 of the Scheme, or established by the Creditor in proceedings in accordance with Clause 5.3.3 of the Scheme.
“Cut-Off Date”	31 May 2022
“Ballot Form”	The ballot form contained in Annex 2 of the Scheme .
“Business Day”	A day (other than a Saturday or Sunday or public holiday) on which commercial banks are open for business in Singapore.
“Cash Distribution”	The cash to be distributed to the Company’s Scheme Creditors in settlement of their Scheme Debt under this Scheme.
“Claim”	The claim of a Creditor against the Company or any portion as at Cut-Off Date thereof arising from or relating to contracts or transactions entered into with the Company (whether the claim is present or contingent or whether liquidated or sounding only in damages), including any contractual and default interest but excluding any penalties, costs, fees and expenses accruing on such claims as at the Cut-Off Date.

“Companies Regulations”	The regulations promulgated under the Act.
“Company or ADX”	Alpha DX Group Limited
“Completion Date”	The date on which all of the Company’s liabilities and obligations in respect of all Approved Claims are fully discharged in accordance with the provisions of this Scheme and the requirements of Clause 11.1.1 of the Scheme are satisfied.
“Conditions Precedent”	As set out in the Scheme herein.
“Court”	The High Court of the Republic of Singapore.
“Court Order”	The order of Court sanctioning the Scheme under Section 71 of the IRDA.
“Creditor”	A creditor of a Company who has a Claim.
“Designated Email Address”	AlphaDX@quantuma.com
“Disputed Claim”	Any portion of a Claim stated in a Proof of Debt Form which is disputed by the Scheme Managers to be due or payable, whether in whole or in part.
“Disputing Creditor”	A Creditor who disputes the decision of the Scheme Managers as regards its Claim or the value of its Approved Claim.
“Excluded Creditors”	The creditors of the Company whose debts do not form part of this Scheme and are not Creditors and/or Scheme Creditors for the purpose of the Scheme.
“Group”	The Company and its subsidiaries.
“Independent Assessor”	An assessor appointed under Clause 5.3.5.
“IRDA”	The Insolvency, Restructuring and Dissolution Act 2018, as amended or modified from time to time.
“Lodgment Date”	4:00 p.m. (Singapore time) on 16 September 2022.
“Notice of Disagreement”	The notice issued by a Disputing Creditor to contest the decision of an Independent Assessor.
“Ordinary Resolution”	A resolution passed at any Creditors’ Meeting with the support of a majority in number of the Scheme Creditors present and voting (either in person or by proxy) on the resolution and whose Approved Claims at that time in aggregate constitute more than fifty percent (50%) of the total Approved Claims of all Scheme Creditors present and voting (either in person or by proxy) on the resolution.
“Proof of Debt”	A proof of debt of a Creditor in respect of its Claim as at the Cut-Off Date in the form annexed at Annex 1 of the Scheme or in such other form as may be acceptable to the Scheme Managers.
“Scheme”	This scheme of arrangement dated 2 September 2022 (or as amended from time to time) proposed in accordance with Section 210 of the Companies Act.
“Scheme Creditor”	A Creditor who has an Approved Claim.
“Scheme Debt”	The total cumulative amount of Approved Claims to be repaid under the Scheme.
“Scheme Effective Date”	The date on which the Scheme is to be implemented following the fulfilment of the Conditions Precedent listed in the Scheme. The date of completion of the last Conditions Precedent will be the date of the Scheme

	Effective Date.
“Scheme Interest”	Interest to accrue on Scheme Debt based on 3-month compounded SORA commencing from Tranche 1 Distribution.
“Scheme Managers”	Ellyn Tan Huixian and Luke Anthony Furler c/o Quantuma (Singapore) Pte Limited
“Scheme Managers’ Specified Address”	137 Amoy Street, #02-03 Far East Square, Singapore 049965
“Scheme Period”	The period of time between Effective Date and Completion Date or Termination Date as the case may be.
“Scheme Shares”	Shares to be issued under the Scheme
“Shares”	The ordinary shares in the share capital of the Company.
“SORA”	Singapore Overnight Rate Average as published by the Monetary Authority of Singapore
“Termination Date”	The date on which the Scheme is terminated pursuant to Clause 11 of the Scheme.
“Tranche 1 Distribution”	The payment of 20% of Scheme Debt by 15 November 2022
“Tranche 2 Distribution”	The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 2 calendar months after the Tranche 1 Distribution, but no later than 31 December 2022.
“Tranche 3 Distribution”	The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 4 calendar months after the Tranche 1 Distribution.
“Tranche 4 Distribution”	The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 6 calendar months after the Tranche 1 Distribution.
“Tranche 5 Distribution”	The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 8 calendar months after the Tranche 1 Distribution.
“Vote Solicitation”	The process of Vote Solicitation as set out at Clause 7 herein.
Currencies, Units and Others	Definition
“%”	Per centum or percentage
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore.
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America.

2. Preamble

2.1 The Company is a company listed on the Catalist Board of the SGX-ST (“SGX”). Its principal activity is that of an investment holding company. The registered office of the Company is 229 Mountbatten Road, #01-11 Mountbatten Square, Singapore 398007.

2.2 The Company’s business is organized into the following three main business segments:

2.2.1 Digital Transformation in Learning and Education, where the Group offers learning

technology solutions and customized digital learning content;

2.2.2 Education, where the Group offers various education and learning certification programmes to students through various educational institutions;

2.2.3 Investment holdings through investment holding companies

2.3 One of ADX's key operating subsidiaries is Zionext Pte Ltd (formerly known as Kydon Learning Systems Institute Pte Ltd) ("**Zionext**"). Zionext was acquired in January 2021 by ADX as part of its diversification into the digital learning technology market. Zionext is principally engaged in the business of designing customised digital content and deploying courses for clients on online or mobile platforms in the digital learning sector, so as to enable them to create impactful personal and team learning opportunities and positive business outcomes.

2.4 The Company's total issued share capital is SGD179,319,513 comprising 242,955,916 shares (excluding treasury shares).

Financial position of the Company

2.5 The unaudited financial position of the Group and the Company as at 31 December 2021 is as follows:

	Group 31.12.2021 S\$	Company 31.12.2021 S\$
Non-current assets		
Investment property	1,036,843	-
Plant and equipment	649,229	118,212
Investments in subsidiary corporations	-	15,225,458
Intangible assets	11,352,272	-
	<u>13,038,344</u>	<u>15,343,670</u>
Current assets		
Trade and other receivables	5,199,191	3,227,033
Cash and cash equivalents	4,496,502	2,565,619
	<u>9,695,693</u>	<u>5,792,652</u>
Total assets	<u>22,734,037</u>	<u>21,136,322</u>
Equity		
Share capital	179,319,513	179,319,513
Perpetual securities	2,529,237	2,529,237
Reserves	1,916,750	2,633,153
Accumulated losses	(168,728,857)	(169,237,487)
Attributable to equity holders of the Company	15,036,643	15,244,416
Non-controlling interests	-	-
Total equity	<u>15,036,643</u>	<u>15,244,416</u>
Non-current liabilities		
Deferred income tax liabilities	189,058	-
Borrowings	140,209	19,166
	<u>329,267</u>	<u>19,166</u>
Current liabilities		
Trade and other payables	7,074,065	5,792,130
Current income tax liabilities	23,407	-
Borrowings	270,655	80,610
	<u>7,368,127</u>	<u>5,872,740</u>

Total liabilities	7,697,394	5,891,906
Total equity and liabilities	22,734,037	21,136,322

- 2.6 The list of Creditors whose debts will be restructured under the Proposed Scheme (the “**Scheme Debt**”), to the best knowledge of the Company, is as follows:

No.	Name	Amount (S\$)
1	Kydon Holdings Pte Ltd	1,900,000.00
2	RSM Corporate Advisory Pte Ltd	901,014.31
3	PrimePartners Corporate Finance Pte Ltd	654,920.76
4	Morgan Lewis Stamford LLC	525,457.53
5	KPMG LLP	356,612.38
6	Focus Law Asia LLC	183,606.16
7	Cushman & Wakefield VHS Pte Ltd	119,305.00
8	Boardroom Corporate & Advisory Services Pte Ltd	55,270.63
9	Ezion Holdings Limited (in Liquidation)	63,728.50
10	Ravinder Singh Grewal s/o Sarbjit Singh	59,315.00
11	W Capital Markets Pte Ltd	54,283.57
12	Baker Tilly Consultancy (Singapore) Pte Ltd	29,977.87
13	Yang Lee & Associates	28,361.42
14	Ser Ko Tan	26,000.00
15	Ang Yew Jin Eugene	23,222.00
16	CFA Services Pte Ltd	17,120.00
17	Xandar Capital Pte Ltd	16,524.55
18	Max Ng	15,342.00
19	Christopher Lee Sek Leong	12,077.00
20	8PR Asia Pte Ltd	12,000.00
21	Fabian Scheler	10,214.88
22	Majid Jourabchi	10,086.96
	Total	5,074,440.52

The above are amounts outstanding as at 31 May 2022 and exclude any accrued interest, if any.

3. Scheme Overview

- 3.1 The Scheme comprises the complete settlement of the Scheme Debt such that creditors under the scheme will receive a return in full (i.e. 100% recovery) on their Approved Claims. It will exclude the debt of Excluded Creditors.
- 3.2 Scheme Creditors will be given the option to convert no less than 70% of their Approved Claims into shares of the Company (the “**Scheme Shares**”), with the intended conversion percentage of no less than 70% either (a) anytime between the Scheme Effective Date and the date the Company resumes trading on SGX-ST (“**Exercise Date Before ROT**”) or (b) on the 15th full market day after the date the Company resumes trading on SGX-ST (“**Exercise Date After ROT**”). The Scheme Shares will be subject to a restriction on trading and are issued subject to the terms of Clause 8.4 of the Scheme herein. The balance of the Scheme Debt which is not converted into Scheme Shares shall be repaid according to the repayment plan set out in the Scheme.
- 3.3 The total quantum of debt to be restructured under the Scheme is approximately SGD5.1million.

- 3.4 There will only be one class of creditors voting in this Scheme. All the Scheme Creditors are unsecured and voting in the same class.
- 3.5 The Scheme Creditors agree to receive the following cash distribution under the Scheme (the “**Cash Distribution**”) in the following tranches:
- 3.5.1 **Tranche 1 Distribution:** The payment of 20% of Scheme Debts by 15 November 2022 (“**Tranche 1**”).
- 3.5.2 **Tranche 2 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 2 calendar months after the payment of Tranche 1, but no later than 31 December 2022.
- 3.5.3 **Tranche 3 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 4 calendar months after the payment of Tranche 1.
- 3.5.4 **Tranche 4 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 6 calendar months after the payment of Tranche 1.
- 3.5.5 **Tranche 5 Distribution:** The payment of 20% of Scheme Debts as well as Scheme Interest thereon to be paid 8 calendar months after the payment of Tranche 1.
- 3.5.6 The distributions of cash to the Scheme Creditors above will be by way of interbank transfer to each Scheme Creditor’s nominated account.
- 3.6 The Company shall therefore be paying each Scheme Creditor in accordance with their entitlement under the Scheme and in 5 separate tranches (being the Tranche 1 Distribution, the Tranche 2 Distribution, the Tranche 3 Distribution, the Tranche 4 Distribution and the Tranche 5 Distribution as described above).
- 3.7 In total, the Scheme Creditors will expect to receive full realization of their Scheme Debt(s).
- 3.8 Following the Court sanction of the Scheme, the Scheme Creditors of the Company agree as follows:
- 3.8.1 The Scheme Creditors shall accept the payments and benefits under this Scheme given to them in full satisfaction and complete discharge of all Claims and all interest, costs, charges, fees and expenses incurred in connection therewith.
- 3.8.2 All Claims from the Scheme Creditors shall forever be waived, released, discharged and extinguished upon completion.
- 3.8.3 All claims for any interest (whether contractual, default, penalty or otherwise), costs, fees and expenses accruing after the Cut-Off Date arising from, in connection with or relating to any Claims shall not be payable by the Company, save for Scheme Interest (as defined below) to be accrued on the Scheme Debt.
- 3.8.4 Interest shall accrue on the Scheme Debts based on the 3-month compounded Singapore Overnight Rate Average (“**SORA**”) commencing from date of the Tranche 1 payment (“**Scheme Interest**”). For the avoidance of doubt, interest will accrue on the remaining balance after each Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 Distribution, as the case may be.

4. Conditions Precedent

- 4.1 The Scheme is proposed to the Creditors of the Company whose Approved Claims comprise the Scheme Debt and is subject to the following conditions precedent:
- 4.1.1 The Court-ordered moratorium remains in place until 14 September 2022 and any subsequent application for the extension of the said moratorium is approved by the Court;
 - 4.1.2 Approval of the Scheme by a majority in number representing three-fourths in value of Approved Claims of Scheme Creditors casting their votes through the Ballot Forms;
 - 4.1.3 The confirmation by the Court pursuant to Section 71 of the IRDA and a copy of the Court Order sanctioning the Scheme being lodged with the Registry of Companies pursuant to Section 71(10) of the IRDA;
 - 4.1.4 such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

5. Proof of Debt; Determination of Entitlement for Voting and Approved Claims

- 5.1 Each Creditor of the Company shall lodge a Proof of Debt Form in respect of its Claim and a Ballot Form by the Lodgment Date.
- 5.2 Creditors who have not submitted a Proof of Debt Form and a Ballot Form on or before the Lodgment Date shall not be entitled to vote, or to any distribution, payments or benefits under this Scheme. Any Claim of a Creditor against the Company which is not lodged by the Creditor through the submission of a Proof of Debt Form on or before the Lodgment Date shall be forever waived, released, discharged and extinguished, and that Creditor shall not have any rights, interests and claims whatsoever against the Company in respect of such Claim.
- 5.3 The Proofs of Debt shall be adjudicated by the Scheme Managers for the purposes of determining the Approved Claims. The adjudication shall be carried out as follows:
- 5.3.1 The Scheme Managers shall be entitled to have regard to all relevant information whether supplied by the Creditor or otherwise made available to the Scheme Managers, and where applicable, be entitled to set-off any mutual credits, mutual debits or other mutual dealings between the Company and any Creditor such that only the balance shall be used for the purposes of calculating and determining the value of such Creditor's Claim and/or Approved Claim (if any).
 - 5.3.2 Within 14 days of the Lodgment Date, the Scheme Managers shall notify each Creditor of its decision or determination on the Creditor's Claim.
 - 5.3.3 Any Disputing Creditor objecting to the decision of the Scheme Managers as regards its Claim or the value of its Approved Claim (if any) (the "**Dispute**"):

- 5.3.3.1 shall within 7 days after service on it by the Scheme Managers of such decision or determination, send a written request to the Scheme Managers at the Specified Address or by email to the Scheme Managers at AlphaDX@quantuma.com seeking agreement for the appointment of an Independent Assessor; or
 - 5.3.3.2 shall make an application to the Court for the appointment of an Independent Assessor pursuant to Section 68(9)(b) of the IRDA within 14 days after service on it of an agreement by the Scheme Managers to such appointment; and
 - 5.3.3.3 shall comply with such determination on costs or order for costs in respect of all costs and expenses incurred and determined to be payable by that Creditor in relation to, pursuant to or arising from such dispute resolution proceedings or application to the Court to determine the dispute;
 - 5.3.3.4 agrees that any amount of costs and expenses payable by the Company pursuant to a determination of or an order for costs in relation to or arising from such dispute resolution proceedings or application to the Court to determine the dispute, shall be added to the Approved Claim of the Creditor to be dealt with in accordance with the terms of the Scheme; and
 - 5.3.3.5 agrees that unless it is due to the Scheme Managers' negligence, fraud or wilful default, the Scheme Managers shall not be liable to that Creditor for any and all costs, fees and expenses incurred by that Creditor in disputing such decision or determination and in relation to or arising from its commencement of dispute resolution proceedings or application to the Court.
- 5.3.4 The written request mentioned in Clause 5.3.3.1 must nominate a person to be appointed as the Independent Assessor and state the Dispute that the Independent Assessor (if appointed) is to adjudicate.
- 5.3.5 The Independent Assessor shall be appointed:
- 5.3.5.1 By the agreement in writing by all parties to the Dispute; or
 - 5.3.5.2 If no such agreement can be reached, by the Court on the application of:
 - (i) any party to the Dispute; or
 - (ii) the Scheme Managers.
- 5.3.6 The Scheme Managers must, as soon as practicable after the appointment of an Independent Assessor provide the relevant Proof of Debt to the Independent Assessor.
- 5.3.7 The Independent Assessor, shall, not later than 7 days after being provided with the relevant Proof of Debt Form
- 5.3.7.1 make a decision on the Dispute that the Independent Assessor was appointed to adjudicate; and
 - 5.3.7.2 send a written notice of the decision, together with the reasons for the decision, to the Scheme Managers and the Disputing Creditor(s).

- 5.3.8 Where a Disputing Creditor, the Company or the Scheme Managers disagree with any decision of an Independent Assessor on the Dispute that the Independent Assessor was appointed to adjudicate, the Scheme Managers or the Disputing Creditor may file a Notice of Disagreement regarding that decision, together with a statement of the reason(s) for the disagreement, for consideration by the Court when the Court hears an application for the Court's approval under Section 210(4) of the Companies Act of the Scheme.
- 5.3.9 The party who files the Notice of Disagreement must send the Notice of Disagreement and the accompanying statement to the Company and the Scheme Managers, unless the Notice of Disagreement is filed by the Scheme Managers together with:
- 5.3.9.1 the agreement of all Disputing Creditors (where the Independent Assessor is appointed by the agreement of those Disputing Creditors); or
- 5.3.9.2 the Court (where the independent Assessor is appointed by the Court).
- 5.3.10 The remuneration of the Independent Assessor is to be:
- 5.3.10.1 fixed by:
- (i) the agreement of all parties to the Dispute (where the Independent Assessor is appointed by the agreement of those parties); or
- (ii) the Court (where the Independent Assessor is appointed by the Court); and
- 5.3.10.2 unless the Court otherwise orders, borne by the Disputing Creditor in relation to the Dispute.
- 5.3.11 Any Creditor who does comply with the above provisions shall be deemed to have admitted and accepted the decision or determination of the Scheme Managers as regards its Claim in its Proof of Debt Form and the amount(s) of its Approved Claim.
- 5.3.12 Each Creditor shall promptly provide the Scheme Managers with all such information and documents requested by the Scheme Managers (as the case may be) which are relevant to its Claim in its Proof of Debt Form, or to the determination of the amount of its Approved Claim (if any).

6. Vote Solicitation

- 6.1 For the purposes of determining whether the statutory thresholds have been achieved (or would have been achieved at a meeting of the Company's creditors called under Section 210(1) of the Companies Act 1967, the Scheme Managers shall only take into account the Ballot Forms lodged by Scheme Creditors together with its Proof of Debt Form. For the avoidance of doubt, Scheme Creditors who do not submit a Ballot Form shall be deemed to have abstained from voting.

7. Cash Distribution

- 7.1 The distribution of the cash under the scheme to the Participating Creditors shall be in the Tranche 1, Tranche 2, Tranche 3, Tranche 4 and Tranche 5 Distributions as defined in the Scheme at Clause 3.4 above.
- 7.2 Payment of the Cash Distribution by the Company under this Scheme shall be made by interbank transfer to a bank account designated by the Scheme Creditor. Each party shall bear the fees and expenses incurred in connection with such interbank transfer.
- 7.3 If for any reason whatsoever, any payment made to a Scheme Creditor pursuant to this Scheme is not received by that Scheme Creditor and such non-receipt of payment is not the result of any fault on the part of the Company, such Scheme Creditor shall be deemed to have waived all its rights in relation to that payment upon the expiry of six (6) months from the date of such payment being made.

8. Issue of Scheme Shares

- 8.1 Each Scheme Creditor is given the option to convert no less than 70% of their Approved Claims into shares of the Company (the “**Scheme Shares**”), with the intended conversion percentage of no less than 70%, either (a) anytime between the Scheme Effective Date and the date the Company resumes trading on SGX-ST (“**Exercise Date Before ROT**”) or (b) on the 15th full market day after the date the Company resumes trading on SGX-ST (“**Exercise Date After ROT**”) (each an “**Option Exercise Date**”). Scheme Shares will be issued under the existing general mandate of the Company. Any election by a Scheme Creditor to receive Scheme Shares that will cause a transfer of controlling interest in the Company (as defined in the Catalyst Rules of the SGX-ST) will not be effective.
- 8.2 Within 28 Business Days of the Option Exercise Date, the Company shall, subject to requisite regulatory approvals having been obtained (including a listing and quotation notice from the SGX-ST in respect of the Scheme Shares), issue the Scheme Shares under its general mandate amounting to each Participating Creditor according to its elected entitlement under the Scheme.
- 8.3 The Scheme Shares will be ordinary shares of the Company and will rank *pari passu* in all respects with the other ordinary shares in the share capital of the Company. The conversion price of the Scheme Shares on Exercise Date Before ROT shall be SGD0.15 and the conversion price of the Scheme Shares on Exercise Date After ROT will be the higher of SGD0.25 and the 3-day closing average before the Option Exercise Date.
- 8.4 The Scheme Shares will be subject to a moratorium on the disposal of the Scheme Shares in the open market for a period of 6 months from issuance.
- 8.5 The balance of the Scheme Debt which is not converted into Scheme Shares shall be repaid pursuant to the Cash Distribution.
- 8.6 For the avoidance of doubt, the regulatory approval for the listing and quoting of Scheme Shares from SGX-ST is not a condition precedent to the Scheme’s effectiveness.

9. Restraint of Proceedings During the Scheme Period

- 9.1 During the Scheme Period, no Scheme Creditor shall, whether directly or indirectly, take any steps to initiate, commence, procure, or continue any legal or other proceedings against the Company and the Subsidiaries or any of their assets and properties in respect of the indebtedness of the Company and the Subsidiaries in any jurisdiction including, but not limited to, court action (including winding up proceedings, judicial management and any analogous proceedings in any other jurisdiction), arbitration, the appointment of a receiver or receiver and manager, and/or the enforcement of any judgment, court order or arbitral award.
- 9.2 The Scheme Creditors agree and accept that the full payment of the Cash Distribution and/or the issue of the Scheme Shares by the Company shall be in full satisfaction and complete discharge and extinguishment of all Approved Claims and all interest, costs, charges, fees and expenses incurred in connection therewith.
- 9.3 All claims for any interest (whether contractual, default, penalty or otherwise), costs, fees and expenses accruing after the Cut-Off Date arising from, in connection with or relating to any Claims shall not be payable by the Company, save for the interest that shall accrue on the Scheme Debt set out in Clause 3.8.4 of the Scheme.
- 9.4 On Completion Date, all such claims for interest, costs, fees and expenses on the Approved Claims shall be waived by the Creditors and shall be deemed to be forever extinguished.
- 9.5 For the avoidance of doubt, nothing in this Scheme shall affect, fetter or limit the Company' rights that it may have at law in relation to any claims or legal proceedings against any Scheme Creditor and vice versa, the rights of any Scheme Creditor that it may have at law in relation to any claims or legal proceedings, and/or pursuant to any agreement related to the Scheme Debt, against the Company, in the event of any non-payment that is not remedied in accordance with the Scheme.
- 9.6 The Company warrants that until full repayment of all the Scheme Debts, it shall prioritize expenditures in order to fulfil its repayment obligations of the Scheme Debts pursuant to the Scheme, over pursuing any investment or acquisition opportunities, including but not limited to advancing loans to and placing deposits with any third party or related party, and distributing dividends to its shareholders.

10. Scheme Managers

- 10.1 Ellyn Tan Huixian and Luke Anthony Furler of Quantuma (Singapore) Pte. Limited shall be appointed the Scheme Managers with the duties set out in this Clause 11 herein on and from the Commencement Date until the Termination Date.
- 10.2 The Scheme Managers may at any time and from time to time delegate their powers and functions under this Scheme to any natural person(s).
- 10.3 The Scheme Managers shall oversee the Company's implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as they may consider necessary or desirable towards that end, including without limitation:
- 10.3.1 the power to appoint an agent to carry out or to assist them in carrying out any of their functions;

- 10.3.2 the power to delegate the performance of any of their duties and the exercise of any of their powers to a suitably qualified person; and
- 10.3.3 the power to engage professional advisors including without limitation accountants, solicitors or counsel, whether practising within Singapore or outside Singapore.
- 10.4 Any natural person(s) to whom the Scheme Managers may delegate their powers under Clause 10.3.2 may likewise exercise the same powers of delegation as are vested in the Scheme Managers by this Clause 10.
- 10.5 In exercising their powers and carrying out their duties under this Scheme, the Scheme Managers shall at all times act independently of the Company and its stakeholders. Nothing in this Scheme shall at any time be construed as creating any obligation on the part of the Scheme Managers to act as agent for or on behalf of the Company or any of the Creditors.
- 10.6 The Company shall pay the professional fees and disbursements of the Scheme Managers and shall at all times indemnify and keep harmless the Scheme Managers and their delegate appointed under Clause 10.3.2 from and against any and all losses, damage, charges, costs and expenses of whatsoever nature which they may at any time and from time to time sustain, incur or suffer at any time, whether before or after the Termination Date, in connection with the exercise of their powers in the performance of their duties under this Scheme unless such losses, damage, charges, costs or expense arise out of the negligence, fraud or wilful default of the Scheme Managers.
- 10.7 To the extent that, in the Scheme Managers' reasonable opinion, there is any doubt as to whether the Scheme Managers may execute, perform or do any act, matter or thing under the powers conferred upon them under the Scheme, then that act, matter or thing may only be executed, performed or done with the authority of such Scheme Creditors at a meeting called pursuant to Clause 12 herein.
- 10.8 To the extent that, in the Scheme Managers' reasonable opinion, there is any doubt as to whether the execution, performance or action by the Scheme Managers under the powers conferred upon them give rise to a conflict or potential conflict of interest as between the Company and the Scheme Creditors, the Scheme Managers shall as soon as practicable inform the Directors and the Scheme Creditors of such conflict or potential conflict of interest and shall not be obliged to take any action until the conflict or potential conflict of interest is resolved between the Company (acting through the Directors) and the authority of such Scheme Creditors at a meeting called pursuant to Clause 12 herein.
- 10.9 The Scheme Managers may apply to Court for directions in relation to any particular matter arising in connection with the carrying out of their powers or functions under this Scheme or the interpretation of any specific provision of this Scheme and shall do all such things as the Court may direct.
- 10.10 A Scheme Manager may resign at any time after the Commencement Date if he gives at least 30 days' prior written notice to the Company. The resignation of the Scheme Manager shall not take effect unless and until a new scheme manager is appointed. The resigning Scheme Manager may appoint a successor scheme manager, who shall have the capacity and experience to undertake the duties undertaken by the Scheme Manager.

11. Termination of the Scheme

11.1 The Scheme shall terminate immediately and absolutely upon any of the following events:

11.1.1 The Cash Distribution has been effected to the Scheme Creditors in accordance with Clause 7 herein and the Scheme Shares have been issued to the Participating Creditors in accordance with Clause 8 herein, and the Scheme Managers (acting reasonably) have thereafter certified under hand that the above distributions have been duly made;

11.1.2 The Company obtains an order of the Court directing that the Scheme be terminated by performance; or

11.1.3 There has been any non-payment to Scheme Creditors in accordance with Clause 7 and Clause 8 of this Scheme, and such non-compliance has not been rectified in accordance with Clause 11.3 below or waived pursuant to a Special Resolution passed at a Creditors' Meeting within thirty (30) Business Days of the non-compliance. For the purposes of this sub-clause, "non-payment" includes both non-payment of the Cash Distribution as contemplated in Clause 7 and the issue of the Scheme Shares as contemplated in Clause 8 of the Scheme.

(Each referred to as the "End Date")

11.2 Upon the End Date:

11.2.1 The Scheme shall cease and terminate;

11.2.2 The Scheme Manager shall cease to have any further rights, obligations and liabilities under the Scheme; and

11.2.3 The Scheme Managers' obligations as set out at Clause 10 herein shall be discharged and come to an end.

11.3 Unless expressly stated otherwise in this Scheme, in the event of any breach or non-compliance of any terms of the Scheme, the Company shall rectify such breach or non-compliance within thirty (30) Business Days from the date of such breach or non-compliance. No breach of the Scheme shall be regarded as having occurred if rectified within such time period.

11.4 The Company shall have the option to terminate the Scheme should there be a breach or failure by any Scheme Creditor to comply with, adhere to and/or perform its obligations under Clause 9 of this Scheme.

11.5 In the event that the Scheme is terminated other than pursuant to Clause 11.1.1 above, the Scheme shall cease to be binding on the Creditors and each Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company as if this Scheme was never proposed but each Creditor in so exercising its rights, power and remedies as aforesaid shall give credit to the Company for all sums and shares received from the Company under this Scheme in reduction or discharge of that Creditor's Claim.

11.6 Clause 11.4 above shall survive the termination of the Scheme.

12. Creditors' Meetings

- 12.1 During the Scheme Period, the Company and/or the Scheme Managers may, whenever it thinks fit or appropriate, convene a Creditors' Meeting to propose an Ordinary Resolution or (if required by its Articles of Association and/or the Act and/or this Scheme) a Special Resolution as the Company and/or the Scheme Managers may in their sole discretion deem fit, in respect of any matters arising in connection with the terms and/or implementation of the Scheme.
- 12.2 During the Scheme Period, the Company shall convene a Creditors' Meeting upon the submission of a written request from any one or more Scheme Creditors whose Approved Claims subsisting at the relevant time in aggregate constitute not less than twenty percent (20%) of the total Approved Claims of its class of Creditors subsisting at such relevant time. In the event that the Company fails to convene and hold a Creditors' Meeting within thirty (30) days after the date of any request of such Creditors, then those requesting Scheme Creditors may convene a Creditors' Meeting.
- 12.3 Unless expressly stated that a Special Resolution is required, the Scheme Creditors shall have the power by Ordinary Resolution to approve any variation and/or decision to be taken regarding this Scheme.
- 12.4 The following provisions shall apply to any Creditors' Meeting:
- 12.4.1 Any accidental omission to give notice of meeting or the non-receipt of notice by any Scheme Creditor shall not invalidate any meeting or the proceedings thereat.
- 12.4.2 Any notice of meeting shall be accompanied by a proxy form to be issued by the Company and each Scheme Creditor shall, at least twenty-four (24) hours before the Creditors' Meeting, lodge the proxy form with the Scheme Managers at the Specified Address. If a Scheme Creditor fails to lodge a proxy form at least twenty four (24) hours before the Creditors' Meeting, that Scheme Creditor shall not be entitled to vote at the Creditors' Meeting unless so admitted to vote at the discretion of the chairman of the Creditors' Meeting.
- 12.4.3 Any Scheme Creditor which is not a natural person must appoint a proxy to attend and vote on its behalf at all Creditors' Meetings and any Scheme Creditor may appoint any natural person to be its proxy or attorney to attend and vote on its behalf at any or all Creditors' Meetings. No Scheme Creditor shall be entitled to appoint more than one (1) proxy or attorney to attend and vote at any Creditors' Meeting and the proxy or attorney shall not be allowed to attend and vote at any Creditors' Meeting except in the absence of its appointor. A Scheme Creditor may revoke the appointment of any person as its proxy or attorney by giving written notice thereof to the Scheme Managers.
- 12.4.4 At any such meeting, two (2) Scheme Creditors present in person or by proxy shall form a quorum for the transaction of business and no business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
- 12.4.5 The Scheme Managers shall be entitled to nominate the chairman of the meeting, but if no representative of the Scheme Managers is present within thirty (30) minutes of the time appointed for the holding of the meeting, the Scheme Creditors present in person or by proxy shall choose one of their number to be chairman.
- 12.4.6 If within half an hour from the time appointed for any meeting, a quorum of Scheme

Creditors is not present, the meeting shall stand adjourned to such place and time at the discretion of the chairman, and if at such adjourned meeting, a quorum is still not present, one (1) Scheme Creditor shall form a quorum and may transact any business which a Creditors' Meeting is competent to transact.

12.4.7 The chairman may, with consent of the Scheme Creditors present at the meeting, adjourn the meeting from time to time and from place to place, to a place and time determined by the Scheme Managers.

12.4.8 Any meeting at which it is proposed to: (i) pass an Ordinary Resolution shall be called by giving at least fourteen (14) Business Days' notice in writing to the Scheme Creditors; and/or (ii) pass a Special Resolution shall be called by giving at least twenty-one (21) Business Days' notice in writing to the Scheme Creditors.

13. Modifications or Amendments to the Scheme

13.1 All procedural amendments, including any extension or abridgment of time in connection with anything to be done under the Scheme (save in respect of any payment obligations of the Company under the Scheme), shall be approved by Ordinary Resolution passed by the Scheme Creditors at a Creditors' Meeting.

13.2 All substantive modifications and/or amendments to and decisions to be taken regarding the Scheme shall be approved by Special Resolution passed by the Scheme Creditors at a Creditors' Meeting. Any proposed modification, amendment and/or decision to be taken with respect to any payment obligations of the Company under the Scheme shall be regarded as a substantive modification and/or amendment to the Scheme.

13.3 Save as provided for under Clauses 13.1 and 13.2 above, any modifications and/or amendments to the terms of the Scheme and any decisions to be taken regarding the Scheme shall be approved by Ordinary Resolution passed by the Scheme Creditors at a Creditors' Meeting.

13.4 For the avoidance of doubt and subject to Clauses 13.1 and 13.2 above, the Scheme Managers shall determine whether a proposed modification, amendment and/or decision to be taken regarding the Scheme is procedural or substantive in nature or otherwise, and any such determination by the Scheme Managers shall be conclusive and binding on all parties to the Scheme.

14. Costs

14.1 Save as otherwise ordered by the Court, the Company shall pay in full all of its costs, charges, expenses and disbursements incurred in connection with the negotiation, preparation and implementation of the Scheme as and when they arise, including, but not limited to the cost of holding its respective Creditors' Meeting and obtaining the Court Order.

15. Performance of obligations on dates other than a Business Day

15.1 If any obligation is to be performed under the terms of the Scheme on a date other than a Business Day, the relevant obligation shall be performed on the next Business Day.

16. Notices

- 16.1 Every notice to be given to a Creditor under this Scheme shall be in writing and sent by normal post at the address of the Creditor last known to the Scheme Managers or by electronic mail to the Creditors for whom the Scheme Managers have an e-mail address in their records, which e-mail address the Scheme Managers understand to be the last known e-mail address(es) of that Creditor or any director, employee, agent, solicitor or authorized representative of that Creditor.
- 16.2 Any such notice shall be deemed to have been duly served (if given by electronic mail) immediately via the electronic mail, from the intended recipient (or if given by letter) seven (7) days after posting it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted regardless of whether the said notice be actually received and whether the said notice is returned to the Scheme Managers.

17. Severability

- 17.1 If any provision in this Scheme shall be held to be invalid, illegal or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification as necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intentions of the Scheme Creditors and the Company.
- 17.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 17.1 then such provision or part of it shall, to the extent that it is invalid, illegal or unenforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall, subject to any deletion or modification made under Clause 17.1, not be affected.

18. Proper Law and Jurisdiction

- 18.1 This Scheme shall be exclusively governed by the laws of the Republic of Singapore.
- 18.2 The parties to this Scheme (including the Company, the Scheme Managers and the Scheme Creditors) hereby irrevocably submit to the exclusive jurisdiction of the courts of Singapore in relation to any legal actions or proceedings arising out of or in connection with this Scheme.

19. Contracts (Rights of Third Parties) Act, Cap 53B

- 19.1 Save as expressly provided for in the Scheme, a person who is not a party to this Scheme has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of this Scheme.

20. Personal Data Protection Act 2012 (No. 26 of 2012)

- 20.1 Each Creditor represents, warrants and undertakes to the Company and the Scheme Managers that any personal data of any individual provided under and in connection with the Scheme has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his personal data by the Company and the Scheme Managers in accordance with the provisions of the Personal Data Protection Act 2012 (No. 26 of 2012).

20.2 Any consent given under the Scheme in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Scheme. For the purposes hereunder, "personal data" has the meaning ascribed to it in the Personal Data Protection Act 2012 (No. 26 of 2012).

ANNEX 1

INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018

PROOF OF DEBT FORM

1 Case Number

2 Name of Company

HC/OS 228/2022

ALPHA DX GROUP LIMITED

3 Particulars of Creditor Claiming Debt

Name of Creditor:

IC/Passport No./Company/Business Registration No.

Postal Address (Please see note a) :

Contact Nos. (Tel/Pager/HP):

Fax No.:

Email Address:

Creditor's Reference No. (Please see note b) :

4 Particulars of Debts

Date Debt Incurred	Details of Debt (Please see notes c, d & e)	Currency	Amount (\$)
Total Amount of Debt Claimed (In Figures):			
Total Amount of Debt Claimed (In Words):			

5 Particulars of Interest / Late Charge (Please indicate "NIL" if interest / late charge is not applicable)

Date Debt Incurred	Details of Interest / Late Charge (Please see note g)	Currency	Amount (\$)

6 Security Held (Please indicate "NIL" if no securities are held by creditor)

Brief Description & Value of Securities :

**7 Particulars of Person Authorised To Complete This Proof of Debt Form
(If same as in box 3 above, please indicate "see box 3 above")**

Name :

NRIC No./Passport No.:	
Relationship to Creditor: <i>(State whether director/employee/solicitors/accountant, etc)</i>	
Name of Company/Firm: <i>(Where applicable)</i>	
Contact Nos. (Tel/pager/HP):	
Fax No.:	Email Address:

8 Signature of Creditor/Person Authorised To Complete This Proof Of Debt Form

<p>8.1 I declare that to the best of my knowledge and belief, the company owes the creditor the amount claimed in box 4.</p> <p>8.2 I declare that I am duly authorised, by the creditor/under the seal of the creditor company, to complete this proof of debt form.</p> <p>Signature : _____ Date : / / <i>(Day)(Month)(Year)</i></p>

<p style="text-align: center;"><u>WARNING</u></p> <p>Lodging a false proof of debt is a criminal offence punishable with fine or imprisonment or both</p>

Notes:

- a) Please inform the Company of any changes in address.
- b) Please indicate the reference number that will be quoted in future correspondences with the Company
- c) Examples of Debts are:
 - Goods Supplied - Services Rendered - GST
 - Wages and Salaries - Personal Loan - Overdraft facilities
 - Income Tax - Property Tax - CPF - Others (please specify)
- d) Please attach copies of documents substantiating the debt. The onus is upon the creditor to prove the debt.
- e) For claims made by an authorised person on behalf of a group of workmen and others employed by the company, please provide a schedule reflecting the name, identification/passport no., address, debt description, period for which wages are due and amount due, for each individual workman/employee.
- f) Please state whether the amount claimed includes goods and services tax, and if so, the amount of the tax.
- g) Please provide a brief description on the terms of the interest / late charge and attach copies of documents substantiating the amount.

DISTRIBUTION UNDER THE SCHEME

Please provide the Scheme Managers with the following information for the purposes of the Cash Distribution:

CASH DISTRIBUTION ONLY

- a) The following details of the designated bank account for the Cash Distribution to be made by bank transfer:

Account Name:	
Account No:	
Beneficiary Bank:	
Bank Address:	
SWIFT Code	
Reference:	
FOR GIRO ONLY	
Account No:	
Bank Code	
Branch Code	

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EXERCISE NOTICE

Date: _____

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

Dear Sirs,

ALPHA DX GROUP LIMITED (THE "**COMPANY**") – EXERCISE NOTICE

I, _____, hereby exercise my right to convert S\$_____¹ of the Company's debt owing to me into new shares of the Company pursuant to Clause 8 of the Scheme Documents dated 2 September 2022 issued by the Company.

I request the Company to allot and issue the new Shares in my name/the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my securities account with CDP/sub-account with the Depository Agent specified below and I hereby agree to bear such fees or charges as may be imposed by CDP.

Name of Creditor : _____

Address of Creditor : _____

*Direct Securities Account No. : _____

*Sub-Account No. : _____

*Name of Depository Agent : _____

*Name and designation of representative : _____

* Please delete where inapplicable.

¹ Such amount must represent no less than 70% of the Company's debts to the relevant creditor.

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ANNEX 2

SCHEME OF ARRANGEMENT

PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967 (READ WITH SECTION 71 OF THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018)

Between

ALPHA DX GROUP LIMITED
(UEN No. 200310813H)

And

ITS SCHEME CREDITORS
(as defined in the Scheme)

BALLOT FORM

I/We,..... (*name of creditor*),
of.....
.....(*name of creditors' firm or company and address*)
claiming to be a Creditor (as defined in the Scheme) of the Company in the amount of
.....HEREBY CAST MY/OUR VOTE in respect to the said Scheme as hereunder
indicated.

FOR the said Scheme	AGAINST the said Scheme	ABSTAIN
(Signature)	(Signature)	(Signature)

IF A CREDITOR FAILS TO LODGE A BALLOT FORM AT THE SCHEME MANAGERS' SPECIFIED ADDRESS OR BY EMAIL TO THE SCHEME MANAGERS AT ALPHADX@QUANTUMA.COM BY 4:00PM (SINGAPORE TIME) ON 16 SEPTEMBER 2022, SUCH CREDITOR SHALL BE DEEMED TO HAVE ABSTAINED.

Dated this day of September 2022

Name:

Designation:

Signature of creditor or common seal/stamp:

IMPORTANT: PLEASE READ THE NOTES BELOW CAREFULLY BEFORE COMPLETING THE PROXY FORM

Notes:

1. Full name(s) of person, full name of Creditor, and address(es) are to be inserted in BLOCK CAPITALS.
2. **IMPORTANT:** If you wish to vote "for" the Scheme, sign in the box marked "FOR the said Scheme". If you wish to vote "against" the Scheme, sign in the box marked "AGAINST the said Scheme".
3. **IMPORTANT:** The value of your claim in this Ballot Form must be identical to the value indicated in the Proof of Debt submitted to the Company.
4. Any alteration made to this Ballot Form should be initialed by the person who signs it.
5. This Ballot Form must be deposited at 137 Amoy Street, #02-03 Far East Square, Singapore 049965 or by email to the Scheme Managers at AlphaDX@quantuma.com by no later than 16 September 2022.
6. This Ballot Form must be signed by a Creditor or by its or his duly authorised representative.
7. A Creditor which is a corporation may authorise by resolution of its directors or other governing organ such persons as it thinks fit to act as its representative in accordance with its corporate constitution.
8. The Scheme Managers shall be entitled to reject any Ballot Form if it is incomplete, illegible or fails to comply with these notes.

APPENDIX B

**DIRECTORS' INTERESTS AND
STATEMENT UNDER SECTION 71(6) OF THE IRDA**

1. Pursuant to Section 71(6) of the IRDA, the material interests of the directors of the Company (whether as directors or as members, creditors, or holders of units of shares of the Company or otherwise) and the effect that the Proposed Scheme has on those interests, insofar as that effect is different from the effect that the compromise or arrangement has on the like interests of other persons, are stated herein.
2. Save as disclosed in this paragraph 2 herein and the Proposed Scheme at Appendix A of the Explanatory Statement, none of the directors of the Company owns, controls or has agreed to acquire, or has any interest, direct or indirect, in the Company's securities:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Yoshiyasu Naruse			171,428,571	70.56
Michiko Koyano	100,000	0.04		