

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

COMPLETION OF THE ACQUISITION OF KYDON LEARNING SYSTEMS INSTITUTE PTE. LTD. (“KLSI”) AND DISBURSEMENT UNDER THE CONVERTIBLE LOAN

Unless otherwise defined, all capitalised terms shall bear the same meanings as the circular released by Alpha Energy Holdings Limited on 24 September 2020 (the “Project Coca Circular”) and announcement dated 28 December 2020.

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of Alpha Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce:

- (a) the completion of the acquisition of all the issued and fully-paid shares in the capital of KLSI, as a discloseable transaction under Chapter 10 of the Catalist Rules (“**Proposed Acquisition**”); and
- (b) the disbursement of S\$22,000,000 under the Convertible Loan Agreement.

For the avoidance of doubt, other than the Proposed Acquisition, none of the Proposed Transactions have been completed.

2. COMPLETION OF THE PROPOSED ACQUISITION

2.1 Completion of the Proposed Acquisition

On 22 January 2021, S\$8,000,000 of the First Consideration (comprising S\$8,000,000 to be fulfilled in cash and S\$2,000,000 to be fulfilled through the allotment and issuance of the Consideration Shares) has been paid in cash by the Company to the Vendor and 100% equity interest in KLSI has been transferred to the Company. Accordingly the KLSI Group, consisting of KLSI and its subsidiaries, being KM, MQ and MQI, are now a wholly-owned subsidiaries of the Company. As disclosed in paragraph 3.6.1(b) of the Project Coca Circular, the Balance Consideration of S\$2,000,000 will be paid out by the Company on the earlier of the end of the month in which the Completion confirms the achievement of the Promised Assets Increase, or 31 August 2021.

2.2 Deferment of the allotment and issuance of Consideration Shares

Pursuant to the terms and conditions of the SPA, the parties thereto are entitled and have agreed via a letter of waiver dated 22 January 2021 to proceed to completion notwithstanding that the Consideration Shares have not been issued in order to proceed to Completion. The Company is working towards to satisfy the Resumption of Trading Conditions as stated in the announcement dated 28 December 2020. The Company will make such announcements as may be necessary or appropriate, on the fulfilment of the conditions for resumption of trading, and to update its shareholders as and when there are any material updates. The Consideration Shares will be issued on or around the date of resumption of trading of the Company’s securities on the Catalist of the SGX-ST.

2.3 Rationale for Deferment of the allotment and issuance of Consideration Shares

With reference to announcement dated 28 December 2020, the Vendor has agreed to waive the requirement to receive the Consideration Shares on the Completion Date in order complete the Proposed Acquisition.

2.4 Waiver of Conditions Precedents by the Company

The following condition precedents have been waived by the Company upon completion of the Proposed Acquisition:

- (a) with reference to paragraphs 2(iii) and 2(iv) of Appendix I to the Project Coca Circular:
 - “2. *the execution of the following agreements, in form and substance reasonably satisfactory to the Purchaser (collectively, the “**Administrative Service Agreements**”)*
 - (iii) *KM as the service provider and the Vendor as the service recipient; and*
 - (v) *KM as the service provider and ZillLearn as the service recipient”;* and
- (b) with reference to paragraphs 10(c) and 10(e) of Appendix I to the Project Coca Circular:
 - “10. *the delivery to the Purchaser of written consents, approvals, waivers and/or notifications (in terms of reasonably satisfactory to the Purchaser) from and/or to the counterparties in respect of any agreements entered into by the Vendor or any member of the KLSI Group to the effect that the counterparties consent to the transactions contemplated under the SPA and agree not to exercise any right of termination arising by reason of such transactions, and such consents, approvals, waivers not having been amended or revoked before Completion including but not limited to:*
 - (c) *agreements between United Overseas Bank Limited and KLSI in respect of hire purchase, premium financing loan, bank factoring, bank overdraft; or otherwise a written confirmation or consent of the termination of these agreements; and”*
 - (e) *loan agreements between United Overseas Bank Limited and KLSI in respect of the TBL”.*

2.5 Rationale for Waiver of Conditions Precedents by the Company

With reference to paragraph 2.4(a) above, the Board understands that the administrative services to be provided by KM are no longer required by the Vendor or ZillLearn following the resignations of relevant personnel from KM. With reference to paragraph 2.4(b) above, the Board understands that United Overseas Bank (“**Bank**”) will not be able to provide the written consents, approvals, waivers and/or notifications required prior to the Completion. However, the Vendor has agreed via a letter dated 13 November 2020 to the Company to provide full cooperation to obtain such consents, approvals, waivers and/or notifications from the Bank and assist, if necessary, to replace the current temporary bridging loan with similar financial facilities with alternative financial institutions subsequent to the Completion.

The waivers are not expected to have a material impact on the Group or the Proposed Acquisition.

3. DISBURSEMENT UNDER THE CONVERTIBLE LOAN

3.1 Disbursement under the Convertible Loan

On 21 January 2021, S\$22,000,000 has been disbursed under the Convertible Loan to the Company. As an earlier loan of S\$1,000,000 from the Investor had been set off at the point of disbursement, net proceeds received by the Company under the Convertible Loan is S\$21,000,000.

3.2 No Conversion of the Convertible Loan into Conversion Shares

With reference to paragraph 2.1(a) and 2.1(c) of the Company's announcement dated 8 December 2020, in order to rely on Whitewash Waiver, no Conversion Shares can be issued before a majority of holders of voting rights of the Company who are independent of the Investor ("**Independent Shareholders**") approve at a general meeting, a resolution (the "**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from the Investor, and the Investor as well as parties not independent of them abstain from voting on the Whitewash Resolution.

Accordingly, no Conversion Shares will be issued until Independent Shareholders' approval for the Whitewash Resolution is obtained in an EGM to be convened by the Company.

4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
ALPHA ENERGY HOLDINGS LIMITED

Tan Wee Sin
Company Secretary
22 January 2021

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

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