



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

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2021

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

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	6 months ended Note 30 June 2021 (Unaudited) S\$	6 months ended 30 June 2020 (Represented) (Unaudited) ⁽¹⁾⁽²⁾ S\$	Increase/ (decrease) %
Continuing operations			
Revenue	4,393,086	-	100.0
Cost of sales	(3,282,466)	-	100.0
Gross results	1,110,620	-	100.0
Other income	117,561,525	19,285	N.M
General and administrative expenses	(4,974,236)	(524,502)	>100.0
Other expenses	(3,950,306)	49,642	N.M
Results from operating activities	6 109,747,603	(455,575)	N.M
Finance income	618	46,708	(98.7)
Finance cost	(599,607)	(209,892)	>100.0
Net finance cost	(598,989)	(163,184)	>100.0
Profit/(loss) before income tax	109,148,614	(618,759)	N.M
Income tax expense	7 (12,292)	-	100.0
Profit/(loss) from continuing operations	109,136,322	(618,759)	N.M
Discontinued operations			
Loss from discontinued operations (net of tax)	15 (1,487,202)	(11,531,899)	(87.1)
Total profit/(loss) for the financial period	107,649,120	(12,150,658)	N.M
Total profit/(loss) attributable to:			
- Equity holders of the Company	107,661,428	(11,924,866)	N.M
- Non-controlling interests	(12,308)	(225,792)	(94.5)
	107,649,120	(12,150,658)	N.M
Total profit/(loss) attributable to equity holders of the Company relates to:			
- Profit/(Loss) from continuing operations	109,136,321	(618,759)	N.M
- Loss from discontinued operations	(1,474,893)	(11,306,107)	(87.0)
	107,661,428	(11,924,866)	N.M

N.M: Not meaningful

Note

(1) *Discontinued operations arise from Oil and Gas business which results have been re-presented in accordance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations. Refer to Note 15 for details.*

(2) *The Company changed its functional currency from United States Dollars ("US\$") to Singapore Dollars ("S\$") on 1 January 2021. Refer to Note 2 for details.*

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

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

For the six months ended 30 June 2021

	6 months ended Note 30 June 2021 (Unaudited) S\$	6 months ended 30 June 2020 (Represented) (Unaudited) ⁽¹⁾⁽²⁾ S\$	Increase/ (decrease) %
Total profit/(loss) for the financial period	107,649,120	(12,150,658)	N.M
Other comprehensive income/(loss) Item that may be reclassified subsequently to profit or loss:			
Currency translation arising from consolidation of financial statements of foreign operations	(9,158)	11,657	N.M
Item that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net change in fair value	-	(62,079)	(100.0)
Other comprehensive loss for the financial year, net of tax	(9,158)	(50,422)	(81.8)
Total comprehensive profit/(loss) for the financial period	107,639,962	(12,201,079)	N.M
Total comprehensive profit/(loss) attributable to:			
- Equity holders of the Company	107,652,270	(11,975,287)	N.M
- Non-controlling interests	(12,308)	(225,792)	(94.5)
	107,639,962	(12,201,079)	N.M

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

Note	30 June	Group	31 December	30 June	Company	31 December
	2021	31 December	2019	2021	31 December	2019
	S\$	(Represented)	(Represented)	S\$	(Represented)	(Represented)
	(Unaudited)	S\$	S\$	(Unaudited)	S\$	S\$
		(Unaudited) ⁽¹⁾⁽²⁾	(Unaudited) ⁽²⁾		(Unaudited) ⁽¹⁾⁽²⁾	(Unaudited) ⁽²⁾
Non-current assets						
Exploration and evaluation assets	-	-	97,843,136	-	-	-
Plant and equipment	261,378	3,299	35,426	23,748	3,299	-
Investments in subsidiary corporations	-	-	-	12,000,100	-	-
Intangible assets	11,822,022	-	-	-	-	-
Other receivables	-	-	38,561,582	-	-	-
	<u>12,083,400</u>	<u>3,299</u>	<u>136,440,144</u>	<u>12,023,848</u>	<u>3,299</u>	<u>-</u>
Current assets						
Other investments	-	-	2,392	-	-	2,392
Trade and other receivables	3,906,793	88,729	3,517,842	258,269	88,729	1,876,404
Cash and cash equivalents	8,823,493	226,842	3,084,748	8,109,040	226,842	36,589
	<u>12,730,286</u>	<u>315,571</u>	<u>6,604,982</u>	<u>8,367,309</u>	<u>315,571</u>	<u>1,915,385</u>
Non-current assets held for sale	-	-	6,544,395	-	-	-
Assets of disposal group classified as held for sale	-	22,982,656	-	-	-	-
	<u>12,730,286</u>	<u>23,298,227</u>	<u>13,149,377</u>	<u>8,367,309</u>	<u>315,571</u>	<u>1,915,385</u>
Total assets	24,813,686	23,301,526	149,589,521	20,391,157	318,870	1,915,385
Equity						
Share capital	177,259,513	152,599,513	152,599,513	177,259,513	152,599,513	152,599,513
Perpetual securities	2,529,237	2,529,237	2,529,237	2,529,237	2,529,237	2,529,237
Reserves	2,589,018	(656,341)	(1,003,290)	2,633,153	2,633,153	2,633,153
Accumulated losses	(167,334,900)	(281,086,650)	(266,544,534)	(167,626,163)	(163,036,513)	(159,945,036)
Attributable to equity holders of the Company	15,042,868	(126,614,241)	(112,419,074)	14,795,740	(5,274,610)	(2,183,133)
Non-controlling interests	(12,308)	(831,026)	(654,992)	-	-	-
Total equity	15,030,560	(127,445,267)	(113,074,066)	14,795,740	(5,274,610)	(2,183,133)
Non-current liabilities						
Provision for restoration costs	-	-	3,278,808	-	-	-
Trade and other payables	-	-	1,110,869	-	-	-
Deferred income tax liabilities	7,408	-	-	-	-	-
Borrowings	-	-	26,421,969	-	-	-
	<u>7,408</u>	<u>-</u>	<u>30,811,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities						
Trade and other payables	6,732,142	4,625,709	107,774,026	5,595,417	4,579,546	2,457,414
Current income tax liabilities	43,576	-	-	-	-	-
Borrowings	3,000,000	1,013,934	124,077,915	-	1,013,934	1,641,104
	<u>9,775,718</u>	<u>5,639,643</u>	<u>231,851,941</u>	<u>5,595,417</u>	<u>5,593,480</u>	<u>4,098,518</u>
Liabilities directly associated with disposal group classified as held for sale	-	145,107,150	-	-	-	-
	<u>9,775,718</u>	<u>150,746,793</u>	<u>231,851,941</u>	<u>5,595,417</u>	<u>5,593,480</u>	<u>4,098,518</u>
Total liabilities	9,783,126	150,746,793	262,663,587	5,595,417	5,593,480	4,098,518
Total equity and liabilities	24,813,686	23,301,526	149,589,521	20,391,157	318,870	1,915,385

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

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2021

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

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

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the six months ended 30 June 2021

	Attributable to equity holders of the Company							Total S\$	Non- controlling interests S\$	Total equity S\$	
	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Fair value reserve S\$	Perpetual securities S\$	Other reserve S\$				Accumulated losses S\$
Group											
At 1 January 2020	152,599,513	(25,055)	2,675,004	(15,552)	(8,813,924)	2,529,237	(16,796)	(266,544,534)	(117,612,107)	(654,992)	(118,267,099)
Effect of change in presentation currency	-	-	-	5,193,033	-	-	-	-	5,193,033	-	5,193,033
At 1 January 2020, as represented	152,599,513	(25,055)	2,675,004	5,177,481	(8,813,924)	2,529,237	(16,796)	(266,544,534)	(112,419,074)	(654,992)	(113,074,066)
Total comprehensive loss for the financial period											
Total loss for the financial period	-	-	-	-	-	-	-	(11,924,866)	(11,924,866)	(225,792)	(12,150,658)
Other comprehensive loss											
Currency translation differences arising from consolidation of financial statements of foreign operations	-	-	-	11,657	-	-	-	-	11,657	-	11,657
Equity investments at FVOCI – net change in fair value	-	-	-	-	(62,079)	-	-	-	(62,079)	-	(62,079)
Total comprehensive loss for the financial period	-	-	-	11,657	(62,079)	-	-	(11,924,866)	(11,975,288)	(225,792)	(12,201,080)
Transactions with owners, recognised directly in equity											
Contributions by and distribution to owners											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(41,721)	(41,721)	-	(41,721)
Total transactions with owners	-	-	-	-	-	-	-	(41,721)	(41,721)	-	(41,721)
At 30 June 2020	152,599,513	(25,055)	2,675,004	5,189,138	(8,876,003)	2,529,237	(16,796)	(278,511,121)	(124,436,083)	(880,784)	(125,316,867)

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

**ALPHA DX GROUP LIMITED
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the six months ended 30 June 2021

	Share capital S\$	Treasury shares S\$	Share option reserve S\$	Other reserve S\$	Perpetual securities S\$	Accumulated losses S\$	Total equity S\$
Company							
At 1 January 2021	152,599,513	(25,055)	2,675,004	(16,796)	2,529,237	(163,036,513)	(5,274,610)
Total comprehensive loss for the financial period							
Total profit/(loss) for the financial period	-	-	-	-	-	(4,549,480)	(4,549,480)
Transactions with owners, recognised directly in equity							
Contributions by and distribution to owners							
Issuance of ordinary shares pursuant to convertible loan agreement	22,000,000	-	-	-	-	-	22,000,000
Issuance of ordinary shares as part purchase considerations for acquisition of subsidiary corporations	2,000,000	-	-	-	-	-	2,000,000
Issuance of shares for introducer fee	660,000	-	-	-	-	-	660,000
Accrued perpetual securities distributions	-	-	-	-	-	(40,170)	(40,170)
Total transactions with owners	24,660,000	-	-	-	-	(40,170)	24,619,830
At 30 June 2021	177,259,513	(25,055)	2,675,004	(16,796)	2,529,237	(167,626,163)	(14,795,740)
Company							
At 1 January 2020	152,599,513	(25,055)	2,675,004	(16,796)	2,529,237	(159,945,036)	(2,183,133)
Total comprehensive loss for the financial period							
Total profit/(loss) for the financial period	-	-	-	-	-	(524,488)	(524,488)
Transactions with owners, recognised directly in equity							
Contributions by and distribution to owners							
Accrued perpetual securities distributions	-	-	-	-	-	(41,721)	(41,721)
Total transactions with owners	-	-	-	-	-	(41,721)	(41,721)
At 30 June 2020	152,599,513	(25,055)	2,675,004	(16,796)	2,529,237	(160,511,245)	(2,749,342)

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

**ALPHA DX GROUP LIMITED
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	6 months ended 30 June 2021 S\$	6 months ended 30 June 2020 S\$
Cash flows from operating activities			
Total profit/(loss) for the financial period		107,649,120	(12,150,658)
Adjustments for:			
– Bad debt written off	6	83,512	-
– Change in fair value of equity investment – at FVPL	6	(2,190)	-
– Depreciation of plant and equipment	10	17,923	36,905
– Amortisation of intangible assets	11	43,037	-
– Finance income		(618)	(46,708)
– Finance cost		599,607	2,980,216
– Gain on disposal of subsidiary corporations	6	(117,304,457)	-
– Waiver of debts	6	(872,029)	-
– Income tax expense	7	(12,292)	-
– Unrealised currency translation losses		3,938,202	3,898
Operating cash flows before changes in working capital		<u>(5,860,185)</u>	<u>(9,176,348)</u>
Changes in working capital, net of effects from acquisition and disposal of subsidiary corporations:			
– Trade and other receivables		(116,924)	1,257,199
– Trade and other payables		4,204,760	5,218,682
Net cash used in operating activities		<u>(1,772,349)</u>	<u>(2,700,467)</u>
Cash flows from investing activities			
Acquisition of subsidiary corporations, net of cash acquired	12(b)	(9,664,650)	-
Proceeds from disposal of plant and equipment	10	79,483	-
Additions to intangible assets	11	(136,112)	-
Proceeds from assets held for sale		-	3,443,250
Additions of equity investment – at FVOCI		-	(62,079)
Proceeds from disposal of subsidiary corporations	15	1	-
Purchase of plant and equipment	10	(198,070)	-
Net cash (used in)/provided by investing activities		<u>(9,919,348)</u>	<u>3,381,171</u>
Cash flows from financing activities			
Interest paid		(567,192)	(711,012)
Interest received		8	-
Proceeds from loans from a non-related party		-	2,929,883
Proceeds from loans from a related party		22,000,000	-
Repayment of loans from a non-related party		(1,203,712)	(3,094,658)
Net cash provided by/(used in) financing activities		<u>20,229,104</u>	<u>(875,787)</u>
Net change in cash and cash equivalents		8,537,407	(195,082)
Cash and cash equivalents at beginning of financial period		226,842	257,484
Effects of exchange rate changes on cash and cash equivalents		59,244	19,009
Cash and cash equivalents at end of financial period		<u>8,823,493</u>	<u>81,411</u>

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

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

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

For the six months ended 30 June 2021

1. Corporate information

Alpha DX Group Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

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

The principal activities of the Group are offering learning technology solutions and customised digital learning content, including but not limited to (a) learning solutions consultancy services; (b) content digitalisation solutions; (c) enterprise learning management system (“LMS”) solutions; (d) programme management; (e) operations and support; and (f) specialist manpower deployment services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with the SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

2.1 New and amended standards adopted by the Group

On the completion of the disposal of the US-based Oil and Gas business on 25 May 2021 and the Company’s focus on the Digital Transformation in Learning and Education (“DTLE”) business which the majority of the Group’s business and operating environment will be denominated in Singapore dollars (S\$). As a result of this change, the Company changed its functional currency from United States dollars (US\$) to S\$ with effective from 1 January 2021. In line with the change in the functional currency, the presentation currency of the Company was also changed to S\$. The comparative information has been re-presented to S\$ to conform to current year’s presentation.

Save as disclosed above, the HY2021 financial results had been prepared using the same accounting policies and methods of computation as presented in the Group’s most recently audited financial statements for the FY2020.

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

**ALPHA DX GROUP LIMITED
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the six months ended 30 June 2021

2. Basis of preparation (Cont'd)

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

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

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

- Note 11 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- Note 12 – business combination: the fair value of the consideration transferred (including contingent consideration) and the fair value of the assets acquired and liabilities assumed, measured on a provisional basis

2.3 Significant accounting policies

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation, by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Manpower service income

Service income relating to manpower services provided to customers will be recognised when the performance obligation has been satisfied.

Services rendered

Revenue from the provision of services is recognised in the period in which the services are rendered. The services are fixed-price and short-term contracts with customers and revenue recognised when services being delivered to customers (i.e. point in time).

**ALPHA DX GROUP LIMITED
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
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For the six months ended 30 June 2021

2. Basis of preparation (Cont'd)

2.3 Significant accounting policies (Cont'd)

Plant and equipment

Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers	3 years
Furniture and fittings	5 years
Leasehold improvements	3 to 5 years
Motor vehicle	10 years
Office equipment	3 to 5 years
Signboard	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Intangible assets

(a) Goodwill

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

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

(b) Licence and intellectual property

Licence and intellectual property are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Intellectual property represents an in-house development of the software known as "Virtual Classroom Management System (VCMS)", an e-learning software. These costs are amortised to profit or loss using the straight-line method over 4 to 5 years.

(c) Software in progress

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

Software under construction included in intangible assets are not depreciated as these assets are not yet available for use.

**ALPHA DX GROUP LIMITED
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

For the six months ended 30 June 2021

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:

Digital Transformation in Learning and Education ("DTLE")	:	Offering learning technology solutions and customised digital learning content
Investment holdings	:	Investment holding companies
Exploration and production	:	Exploration and production operating segment in United States. It was disposed effective from 25 May 2021. Information about discontinued segment is provided in Note 15.

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

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4. Segment and revenue information (Cont'd)

4.1 Reportable segments

	DTLE	Investment holdings	Exploration and production (Discontinued operations)	Consolidated
	S\$	S\$	S\$	S\$
1 January 2021 to 30 June 2021				
Total segment revenue	5,162,841	60,000	-	5,222,841
Inter-segment revenue	(769,755)	(60,000)	-	(829,755)
Revenue from external parties	4,393,086	-	-	4,393,086
Gain on disposal of subsidiary corporations	-	117,304,457	-	117,304,457
Gain on forgiveness of debts	-	184,153	687,876	872,029
Government grants	40,371	6,440	-	46,811
Fair value gain on equity investments at FVPL	2,190	-	-	2,190
Miscellaneous income	10,722	13,192	-	23,914
Total other income	53,283	117,508,242	687,876	118,249,401
Total revenue and other income	4,446,369	117,508,242	687,876	122,642,488
Amortisation of intangible assets	(43,037)	-	-	(43,037)
Depreciation	(16,392)	(1,530)	-	(17,922)
Finance income	610	8	-	618
Finance expense	(50,244)	(549,363)	(1,989,240)	(2,588,847)
Segment profit/(loss)	77,839	109,070,785	(1,487,202)	107,661,412
Unallocated expenses	-	-	-	-
Share of profit of associated company	-	-	-	-
Profit before taxation	-	-	-	107,661,412
Taxation	-	-	-	(12,292)
Earnings for the interim period	-	-	-	107,649,120
Segment assets	5,488,655	19,325,031	-	24,813,686
Deferred income tax assets	-	-	-	-
Total assets per statement of financial position	-	-	-	24,813,686
Expenditures for segment non-current assets	-	-	-	-
- Additions to PPE	176,090	21,979	-	198,069
Segment liabilities	4,084,756	5,647,386	-	9,732,142
Current income tax liabilities	-	-	-	43,576
Deferred income tax liabilities	-	-	-	7,408
Total liabilities per statement of financial position	-	-	-	9,783,126

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4. Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

	Investment holdings	Exploration and production (Discontinued operations)	Consolidated
	S\$	S\$	S\$
1 January 2020 to 30 June 2020			
Total segment revenue	59,021	-	59,021
Inter-segment revenue	(59,021)	-	(59,021)
Revenue from external parties	-	-	-
Government grants	14,677	-	14,677
Miscellaneous income	4,608	-	4,608
Total other income	19,285	-	19,285
Total revenue and other income	19,285	-	19,285
Depreciation	-	(36,904)	(36,904)
Finance income	46,708	-	46,708
Finance expense	(209,893)	(2,770,322)	(2,980,215)
Segment profit/(loss)	(618,759)	(11,531,899)	(12,150,658)
Unallocated expenses			-
Share of profit of associated company	-	-	-
Loss before taxation			(12,150,658)
Taxation			-
Earnings for the interim period			(12,150,658)
Segment assets	80,258	146,876,494	146,956,752
Deferred income tax assets			-
Total assets per statement of financial position			146,956,752
Expenditures for segment non-current assets			
- Additions to PPE	-	-	-
Segment liabilities	2,871,713	268,911,232	271,782,945
Current income tax liabilities			-
Deferred income tax liabilities			-
Total liabilities per statement of financial position			271,782,945

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4. Segment and revenue information (Cont'd)

4.2 Disaggregation of Revenue

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

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	S\$	S\$
Types of goods or service:		
Rendering of services	4,393,086	-
Total revenue	4,393,086	-
Timing of revenue recognition:		
At point in time	2,185,845	-
Overtime	2,207,241	-
Total revenue	4,393,086	-
Geographical information:		
Singapore	4,391,522	-
Malaysia	1,564	-
Total revenue	4,393,086	-

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$	S\$	S\$	S\$
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	-	-	-	-
Cash and bank balances and trade and other receivables* (Amortised cost)	12,524,059	315,571	8,365,373	315,571
	12,524,059	315,571	8,365,373	315,571
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	9,775,718	5,639,643	5,595,417	5,593,480

* Excludes prepayments

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5. Financial assets and financial liabilities (Cont'd)

5.1 Financial assets at fair value through other comprehensive income

During the interim period, the Group disposed of its investments which had a fair value of approximately S\$1 at the date of disposal, with cumulative fair value loss of S\$9,037,254 reclassified from fair value reserve to retained profits.

5.2 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 : Unobservable inputs for the asset or liability

Financial assets carried at fair value:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<u>Group</u>				
30 June 2021				
Assets				
Financial assets, at FVPL*	12,524,059	-	-	12,524,059
31 December 2020				
Assets				
Financial assets, at FVPL*	315,571	-	-	315,571
<i>* Excludes prepayments</i>				
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<u>Company</u>				
30 June 2021				
Assets				
Financial assets, at FVPL*	8,365,373	-	-	8,365,373
31 December 2020				
Assets				
Financial assets, at FVPL*	315,571	-	-	315,571
<i>* Excludes prepayments</i>				

The above financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

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6. Profit before taxation

6.1 Significant items

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

	Group	
	6 months ended 30 June 2021 S\$	6 months ended 30 June 2020 S\$
Continuing operations:		
Amortisation of intangible assets	(17,923)	
Depreciation of plant and equipment	(43,037)	-
Gain on disposal of subsidiary corporations	117,304,457	-
Waiver of debts	184,153	-
Fair value gain of equity investment – at FVPL	2,190	-
Government grants	46,811	-
Foreign exchange gains/(loss), net	(3,950,306)	49,642
Finance income	618	46,708
Finance cost	(599,607)	(209,892)
Discontinued operations:		
Depreciation of plant and equipment	-	(36,904)
Waiver of debts	687,876	-
Bad debts written off	(83,512)	-
Finance income	1	-
Finance cost	(1,989,240)	(2,770,323)
Foreign exchange loss, net	-	(32)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements and Note 7 in Other Information required by Catalist Listing Manual Appendix 7C.

7. Taxation

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

	6 months ended 30 June 2021 S\$	6 months ended 30 June 2020 S\$
Continuing operations:		
Current income tax expense	12,292	-

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8. Earnings per share

	Group	
	6 months ended 30 June 2021 S\$	6 months ended 30 June 2020 S\$
Earnings per share ("EPS") for profit/(loss) from continuing and discontinued operations attributable to equity holders of the Company (cent per share)		
Basic EPS		
- From continuing operations	139.30	(1.10)*
- From discontinued operations	(1.88)	(20.05)*
	139.30	(1.10)*
	(1.88)	(20.05)*
Diluted EPS		
- From continuing operations	139.30	(1.10)*
- From discontinued operations	(1.88)	(20.05)*
	139.30	(1.10)*
	(1.88)	(20.05)*
Weighted average number of ordinary shares in issue during the respective financial period ⁽¹⁾		
(excluding share options and perpetual securities)	78,344,012	56,384,488

(1) The weighted average number of ordinary shares for HY2021 had taken into consideration of 171,857,141 shares issued during the period and are presented based on new number of shares as a result of share consolidation. Refer to Note 16 for details.

**With the completion of the share consolidation on 26 March 2021, profit/(loss) per share for the six months ended 30 June 2020 was adjusted in accordance with the requirement of SFRS(I)1-33 Earnings per share to reflect the change in number of ordinary shares as a result of share consolidation.*

9. Net Asset Value

	Group		Company	
	30 June 2021 S\$	31 December 2020 S\$	30 June 2021 S\$	31 December 2020 S\$
Net asset value per ordinary share (in cents)	6.59	(226.03)	6.48	(9.35)
Number of ordinary shares (excluding treasury shares)*	228,241,629	56,384,488	228,241,629	56,384,488

*The number of ordinary shares (excluding treasury shares) are presented based on new number of shares as a result of share consolidation. Refer to Note 16 for movement of number of ordinary shares (excluding treasury shares).

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10. Plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$198,070 (30 June 2020: S\$ Nil) and disposed of assets amounting to S\$79,483 (30 June 2020: S\$ Nil).

	Computer, Office Equipment S\$	Leasehold improvements S\$	Group Furniture and fittings S\$	Motor vehicles S\$	Total S\$
At 31 December 2020					
Cost	6,933	-	-	-	6,933
Accumulated depreciation	(3,634)	-	-	-	(3,634)
Net book amount	<u>3,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,299</u>
6 months ended 30 June 2021					
Opening net book amount	3,299	-	-	-	3,299
Additions	118,865	68,725	10,480	-	198,070
Acquisition of subsidiary	67,276	8,393	1,686	80,529	157,884
Depreciation charge for the interim period	(13,901)	(2,976)	-	(1,046)	(17,923)
Disposals	-	-	-	(79,483)	(79,483)
Currency translation differences	(227)	(142)	(100)	-	(469)
Closing net book amount	<u>175,312</u>	<u>74,000</u>	<u>12,066</u>	<u>-</u>	<u>261,378</u>
At 30 June 2021					
Cost	192,847	76,976	12,066	-	281,889
Accumulated depreciation	(17,535)	(2,976)	-	-	(20,511)
Net book amount	<u>175,312</u>	<u>74,000</u>	<u>12,066</u>	<u>-</u>	<u>261,378</u>

	Office Equipment S\$	Company Leasehold improvements S\$	Total S\$
At 31 December 2020			
Cost	6,933	-	6,933
Accumulated depreciation	(3,634)	-	(3,634)
Net book amount	<u>3,299</u>	<u>-</u>	<u>3,299</u>
6 months ended 30 June 2021			
Opening net book amount	3,299	-	3,299
Additions	14,344	7,635	21,979
Depreciation charge for the interim period	(903)	(627)	(1,530)
Closing net book amount	<u>16,740</u>	<u>7,008</u>	<u>23,748</u>
At 30 June 2021			
Cost	21,277	7,635	28,912
Accumulated depreciation	(4,537)	(627)	(5,164)
Net book amount	<u>16,740</u>	<u>7,008</u>	<u>23,748</u>

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11. Intangible assets

During the six months ended 30 June 2021, the intangible assets held by the Group increased primarily as a result of the acquisition of DTLE segment. Refer to Note 12 for details.

	Goodwill on consolidation	License, Intellectual Property	Group Software work in progress	Total
	S\$	S\$	S\$	S\$
At 31 December 2020				
Cost	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
Net book amount	-	-	-	-
6 months ended 30 June 2021				
Opening net book amount	-	-	-	-
Additions	-	-	136,112	136,112
Acquisition of subsidiary	10,997,605	263,135	468,207	11,728,947
Amortisation charge	-	(43,037)	-	(43,037)
Impairment charge	-	-	-	-
Closing net book amount	10,997,605	220,098	604,319	11,822,022
At 30 June 2021				
Cost	10,997,605	263,135	604,319	11,865,059
Accumulated amortisation and impairment	-	(43,037)	-	(43,037)
Net book amount	10,997,605	220,098	604,319	11,822,022

Impairment tests for goodwill

Goodwill is tested annually for impairment. The Group will perform impairment test of goodwill at the end of the financial year by comparing the carrying value of the cash-generating unit ("CGU") against the fair value less cost of disposal.

12. Business combination

On 22 January 2021, the Company acquired 100% of the issued share capital in Zionext Pte Ltd, business that is offering learning technology solutions and customised digital learning content, for consideration of S\$12,000,000. The acquisition is for the Group's diversification of business into Digital Transformation in Learning and Education ("DTLE").

(a) Purchase consideration

	S\$
Cash paid	10,000,000
Other consideration	2,000,000
	<u>12,000,000</u>

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12. Business combination (Cont'd)

(b) Effect on cash flows of the Group

	S\$
Cash paid (as above)	10,000,000
Less: Cash and cash equivalents in subsidiary corporations acquired	(335,350)
Cash inflow on acquisition	<u>9,664,650</u>

(c) Identifiable assets acquired and liabilities assumed

	Fair value
	S\$
Cash and cash equivalents	335,350
Plant and equipment	157,885
Intangible assets	731,342
Trade and other receivables	<u>3,837,278</u>
Total assets	<u>5,061,855</u>
Trade and other payables	850,063
Borrowings	3,201,959
Current income tax liabilities	52,430
Deferred tax liabilities	<u>7,438</u>
Total liabilities	<u>4,059,460</u>
Total identifiable net assets	1,002,395
Add: Goodwill (Note 10)	<u>10,997,605</u>
Consideration transferred for the business	<u>12,000,000</u>

(d) Acquisition-related costs

The Group incurred acquisition related costs of S\$848,429 relating to external legal fees and due diligence costs and these have been classified as 'general and administrative' expenses in the condensed consolidated statement of profit or loss.

(e) Goodwill

Goodwill of S\$10,997,605 arising from the acquisition is attributable to the synergies expected to arise from the future economic benefit from operating the Digital Transformation in Learning and Education business in Singapore. It has been allocated to the DTLE segment.

The goodwill on acquisition of subsidiary is provisional and subject to change after the purchase price allocation exercise is completed in accordance to SFRS(I) 3 *Business Combination*.

(f) Revenue and profit contribution

The acquired business contributed revenue of S\$4,393,086 and net profit of S\$65,538 to the Group for the period from 1 January 2021 to 30 June 2021.

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13. Investments in subsidiary corporations

During the six months ended 30 June 2021, the company acquired Zionnext Pte Ltd and its subsidiaries (“ZioNext Group”) and disposed of JK North Slope LLC and its subsidiaries (“Oil and Gas business”). Refer to Note 12 and Note 15 for details.

	Company	
	30 June	31
	2021	December
	S\$	2020
		S\$
<i>Unquoted equity shares, at cost</i>		
Beginning of the financial year	-	54,986,137
Addition	12,000,100	-
Disposal	-	(11,090,995)
Reclassified to disposal group	-	(43,895,142)
End of the financial period	<u>12,000,100</u>	<u>-</u>
<i>Impairment loss</i>		
Beginning of financial year	-	54,986,137
Impairment loss	-	-
Disposal	-	(11,090,995)
Reclassified to disposal group	-	(43,895,142)
End of financial period	<u>-</u>	<u>-</u>
End of financial period	<u>12,000,100</u>	<u>-</u>

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13. Investments in subsidiary corporations (Cont'd)

The details of the subsidiary corporations are as follows:

Name of subsidiary corporations	Principal activities	Principal place of business/Country of incorporation	Effective equity interest	
			2021 %	2020 %
Held by the Company				
JK E&P Group Pte Ltd	Investment holding	Singapore	100	100
Conquest Energy Pte Ltd	Investment holding	Singapore	100	100
Asnaro Enterprises Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	-
Zionext Pte Ltd (formerly known as Kydon Learning Systems Institute Pte. Ltd.)	Providing advanced learning technology solutions learning media development, learning systems integration, custom application development and managed services	Singapore	100	-
Held by Zionext Pte Ltd				
MQ Spectrum Pte. Ltd.	Providing integrated LMS solutions	Singapore	100	-
Zionext (Malaysia) Sdn. Bhd. (formerly known as Kydon Learning Systems Sdn. Bhd.)	Design and development of digital content and media	Malaysia	100	-
Held by MQ Spectrum Pte Ltd				
Zionext Technologies (India) Private Limited (formerly known as MQ Spectrum (India) Pvt Ltd)	Providing software development, maintenance and enhancement	India	100	-
Held by JK E&P Group Pte Ltd				
JK North Slope Group Inc Srl	Investment holding	Romania	100	100
Held by JK North Slope Group Inc Srl				
JK North Slope LLC	Investment holding	United States of America	-	100
Held by JK North Slope LLC				
Caracol Petroleum LLC	Oil and gas exploration through working interests	United States of America	-	100
Held by Caracol Petroleum LLC				
Brooks Range Petroleum Corporation	Operator of Mustang Project	United States of America	-	97.5
Mustang Operations Center 1, LLC	Disposed	United States of America	-	100
Mustang Road, LLC	Operator of the access road into Mustang Field and the Gravel Pad where the processing facility will be located.	United States of America	-	100
TP North Slope Development, LLC	Oil and gas exploration through working interests	United States of America	-	100

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

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14. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$	S\$	S\$	S\$
Trade receivables	2,841,948	-	-	-
Non-trade amounts due from subsidiary corporations	-	-	70,542,008	95,505,280
Less: Loss allowance	-	-	(70,542,008)	(95,505,280)
	-	-	-	-
Other receivables	254,897	88,729	258,269	88,729
Deposits	603,719	-	-	-
Prepayments	206,229	-	-	-
	<u>1,064,845</u>	<u>88,729</u>	<u>258,269</u>	<u>88,729</u>
Total	<u>3,906,793</u>	<u>88,729</u>	<u>258,269</u>	<u>88,729</u>

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

15. Discontinued operation

On 9 March 2021, the Company's 100%-owned subsidiary corporation, JK North Slope Group Inc Srl ("JKNG") entered into a sale and purchase agreement ("SPA") for the disposal of the entire issued and paid up ordinary shares in the capital of JK North Slope LLC, and its subsidiary corporations, comprising Caracol Petroleum LLC, TP North Slope Development LLC and Brooks Range Petroleum Corporation (collectively known as "Oil and Gas business") for an aggregate consideration of S\$1.33 (US\$1.00).

In compliance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of the disposal group were classified as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" respectively on the Statement of Financial Position. Its financial results have been reclassified and presented separately as "Discontinued operations" for the current financial year, and the prior financial year's results had been restated in the Consolidated Statement of Profit or Loss.

The Company voluntarily dissolved its subsidiary corporation, Mustang Road LLC on 14 April 2021 and JKNG was sold on 25 May 2021 and is reported in the financial statements for the half-year ending 30 June 2021 as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out in Note 4.1 as part of segment reporting.

For further information about the discontinued operation please refer to Note 13 in the group's annual financial statements for the year ended 31 December 2020.

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15. Discontinued operation (Cont'd)

On 25 May 2021 (the “disposal date”), the Group disposed of its Oil and Gas business in United States. The effects of the disposal on the cash flows of the Group were:

	Group At the disposal date S\$
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and cash equivalents	2,948,710
Other receivables	20,471,236
Plant and equipment	6,722
Total assets	<u>23,426,668</u>
Borrowings	32,944,230
Trade and other payables	116,085,515
Total liabilities	<u>149,029,745</u>
Net liabilities derecognised	(125,603,077)
Less: Non-controlling interests	831,026
Net liabilities disposed of	<u>(124,772,051)</u>
Effect of disposal on cash flow:	
Net liabilities disposed of (as above)	(124,772,051)
Reclassification of currency translation reserve	(1,569,659)
Reclassification of fair value reserve	9,037,254
Total liabilities	<u>(117,304,456)</u>
Gain on disposal	117,304,457
Cash proceeds on disposal	1
Less: Cash and cash equivalents in subsidiary disposed of	-
Net cash inflow on disposal	<u>1</u>

The gain on disposal has been included in “Other Income” in continuing operations.

16. Share capital

	Group and Company	
	Number of Shares	Amount
	(excluding	
	treasury shares)	S\$
Movement during the half-year		
31 December 2020	2,255,387,331	152,599,513
Share consolidation	(2,199,002,843)	-
	<u>56,384,488</u>	<u>152,599,513</u>
Issuance of Shares	171,857,141	24,660,000
As at 30 June 2021	<u>228,241,629</u>	<u>177,259,513</u>

The Company had on 17 March 2021 announced that it has completed a share consolidation of every forty (40) existing ordinary shares in the share capital of the Company into one (1) consolidated ordinary share (“Consolidated Shares”) (“Share Consolidation Exercise”). Accordingly the number of ordinary shares (excluding treasury shares) of the Company had been adjusted to 56,384,488 Consolidated Shares as of 26 March 2021. The share capital at S\$152,599,513.

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16. Share capital (Cont'd)

On 7 June 2021, 157,142,856 Conversion Shares under the convertible loan agreement, 10,000,000 Consideration Shares for acquisition of Zionext Pte. Ltd. and 4,714,285 Introducer Shares ("Issuance of Shares") have been allotted and issued as of new ordinary shares.

Subsequent to the Share Consolidation Exercise, the number of treasury shares has been adjusted accordingly from 187,000 to 4,675 shares as at 30 June 2021 (30 June 2020: 187,000 shares). The percentage of the aggregate number of treasury shares held against the total number of shares outstanding as at 30 June 2021 is approximately 0.002% (30 June 2020: 0.008%).

Pursuant to the Share Consolidation Exercise, the number of convertible share options has been adjusted accordingly from 45,931,900 to 1,148,293 as at 30 June 2021 and 30 June 2020, representing 0.50% of the total number of issued shares as at 30 June 2021 (30 June 2020: 2.04%). The breakdown of the 1,148,293 share options are as follows:

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

The Company issued a S\$6,196,500 in aggregate principal amount of 1.35% convertible perpetual capital securities ("Convertible Perps") as part of the purchase consideration for the acquisition of Mustang Operations Center 1, LLC on 5 April 2019. Pursuant to the Share Consolidation Exercise, the Convertible Perps has been adjusted accordingly from 29,228,774 to 730,719 shares at a revised exercise price of S\$8.48 per Consolidated Share as at 30 June 2021, which took effect on 26 March 2021 (30 June 2020: 29,228,774 shares at exercise price of S\$0.21 per share).

Save as disclosed above, the Company does not have any other convertibles, subsidiary holdings as at 30 June 2021 and 30 June 2020.

17. Borrowings

	Group		Company	
	30 June 2021 S\$	31 December 2019 S\$	30 June 2021 S\$	31 December 2019 S\$
Current				
Secured bank loan	3,000,000	-	-	-
Borrowing 1	-	1,013,934	-	1,013,934
Total	3,000,000	1,013,934	-	1,013,934

Secured bank loan

The Temporary Bridging Loan under Enterprise Financing Scheme at an interest rate of 3% per annum to finance the working capital requirement. The loan is repayable over 60 months from the date of the first drawdown in June 2020 and secured by personal and corporate guarantee from former holding and a former director of ZioNext Group. The Group was in discussion for the restructuring of the loan arising from change of holding company.

Subsequently during the third quarter of 2021, the Group repaid the bank loan of S\$2 million and the remaining of S\$1 million is repayable by end of August 2021. As a result, the loan was reclassified from non-current liabilities to current liabilities as at 30 June 2021.

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

For the six months ended 30 June 2021

17. Borrowings (Cont'd)

Borrowing 1

Borrowing 1 relates to a loan of S\$1 million from DiDi Investments, Inc. at an interest rate of 6% per annum to fund corporate expenses of the Company. The loan is fully repaid on 22 January 2021.

18. Trade and other payables

	Group		Company	
	30 June 2021 S\$	31 December 2020 S\$	30 June 2021 S\$	31 December 2020 S\$
Trade payables	951,424	-	-	-
Other payables	2,988,462	3,253,504	3,003,657	3,222,341
Other payables – related parties	63,556	62,502	63,556	62,502
Other payables – subsidiary corporation	-	-	-	316
Accrued operating expenses	2,700,595	1,309,703	2,528,204	1,294,387
Deferred income	28,105	-	-	-
Total	<u>6,732,142</u>	<u>4,625,709</u>	<u>5,595,417</u>	<u>4,579,546</u>

Transactions with subsidiary corporation and related parties were made on normal commercial terms and conditions.

19. Subsequent events

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

The financial effects of the above transaction have not been included in this condensed interim financial statements for the period ended 30 June 2021. The operating results and assets and liabilities of the company will be reflected in the second half 2021 financial statements and full year financial statements for 2021.

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Alpha DX Group Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

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

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

Not applicable as the Group's audit issue for the financial year ended 31 December 2020 ("FY2020") was a material uncertainty related to going concern.

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

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

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

Review of Group Performance

In HY2021, the Group completed the acquisition of Zionext Pte. Ltd. (formerly known as Kydon Learning Systems Institute Pte. Ltd.) and its subsidiaries ("**ZioNext Group**") on 22 January 2021.

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

Continuing Operations

Revenue increased by S\$4.4 million and cost of sales increased by S\$3.3 million due to the consolidation of the ZioNext Group from its acquisition in HY2021 (the "**Consolidation**") as compared to HY2020 which registered no revenue and cost of sales from the Oil and Gas business. ZioNext Group contributed a gross profit margin of 25.3% in HY2021.

The increase in other income mainly due to (i) gain on disposal of the Oil and Gas business of S\$117.30 million; (ii) gain on forgiveness of debts arising from debt settlement agreements of S\$0.18 million and (iii) government grants for Job Support Scheme and Career Support Programme by S\$0.03 million due to the Consolidation.

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Review of Group Performance (Cont'd)

Continuing Operations (Cont'd)

The increase in depreciation of plant and equipment and amortisation of intangible assets mainly due to acquisition of the ZioNext Group.

The increase in general and administrative expenses mainly due to (i) an increase in professional fees of S\$2.95 million mainly incurred for the Group's corporate actions including the proposed acquisition of ERC Institute Pte. Ltd. which has since been postponed, proposed capital investment by DiDi Investments, Inc. and restructuring of the Group's business; and (ii) S\$1.03 million arising from the Consolidation, mainly consist of salaries costs of S\$0.22 million and management fees of S\$0.46 million.

The increase in other expenses was mainly due to changes in foreign exchange effects arising from change in presentation currency.

The decrease in finance income of S\$0.05 million was due to settlement of amount due from a former director in HY2020.

The increase in finance costs mainly due to loan interests of S\$0.50 million arising from convertible loan this is offset by the absence of finance costs from short-term loan of S\$0.21 million in HY2020.

Discontinued operation

The decrease is due to minimum costs incurred for the Oil and Gas business in HY2021 compared to expenses incurred for the gradual shutdown of the facilities and keeping the facility in a safe and secure condition in HY2020.

Review of the Financial Position of the Group

Non-current assets

The increase in plant and equipment by S\$0.26 million was mainly due to the Consolidation, offset with depreciation of plant and equipment in HY2021.

The increase in intangible assets by S\$11.82 million was mainly due to the goodwill from acquisition of the ZioNext Group, offset with amortisation of intangible assets in HY2021.

Current assets

The increase in trade and other receivables were mainly due to the Consolidation of S\$3.65 million.

The increase in cash and cash equivalents was mainly due to the proceeds from the convertible loan of \$22 million, offset with the payment of consideration in relation to acquisition of ZioNext Group. Refer to Review of the Statement of Cash Flows for the Group for details.

The decrease in assets held for sale was due to disposal of Oil and Gas business.

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Review of the Financial Position of the Group (Cont'd)

Current liabilities

The increase in trade and other payables of S\$2.11 million was due to (a) the Consolidation amounting to S\$1.15 million and (b) S\$0.96 million increased by remaining consideration payable of S\$2 million in relation to acquisition of ZioNext Group, offset with repayment of S\$1.04 million mainly for the increase in professional fees relating to the corporate restructuring and acquisition of ZioNext Group.

The increase in borrowings was mainly due to the Consolidation amounting to S\$3 million, offset with repayment of Borrowing 1 of S\$1.01 million in HY2021. Refer to Note 17 for details.

The decrease in liabilities held for sale was due to disposal of Oil and Gas business.

Working capital and net assets

As at 30 June 2021, the Group reported a net current asset position of S\$2.95 million and net asset position of S\$15.03 million.

Review of the Statement of Cash Flows for the Group

Net cash used in operating activities of approximately S\$1.77 million in HY2021 was due to changes in working capital and increase in outstanding payables to the Group's vendors for purchases and services in relation to operations.

Net cash used in investing activities of approximately S\$9.92 million in HY2021 was mainly arising from the acquisition of subsidiary corporations.

Net cash provided by financing activities of approximately S\$20.23 million in HY2021 was mainly due to proceeds from convertible loan received by the Group amounting to S\$22 million offset with repayment of loans of S\$1.20 million and payment of interest expense of S\$0.57 million.

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

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

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

The Group had completed the acquisition of ZioNext Group on 22 January 2021 and extended its revenue base and improve its growth prospects by leveraging on the potential growth prospect of the learning and education sector. After the acquisition of ZioNext Group and the divestment of its Oil and Gas business, the Group has focused on the new business segments and expands its customer base both domestically and globally, particularly in Asia and Central Asia. However, the persistent COVID-19 pandemic may continue to have an impact on the Group's aggressive business plan, particularly in the near term, due to the delays in regulatory processes and other logistical processes caused by COVID-19 pandemic.

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The Group will focus its effort on the current Digital Transformation in Learning and Education business and will aggressively pursue new business expansion opportunities which includes the proposed acquisition of ERC Institute Pte. Ltd and Didi Academy Inc. There are active efforts in the Group's exploration of seeking strategic partnerships, so that it could accelerate its business growth.

For the next 12 months, the Group expects to conclude the negotiations for several commercial partnerships and academic partnerships with entities in the United Kingdom, Japan, Uzbekistan, Australia, New Zealand, U.S.A and Canada. The Group is also considering acquisitions and joint ventures in Singapore, Uzbekistan, Japan and India, entering into joint academic research projects with a leading University in United Kingdom as well as launching a next generation ubiquitous learning platform. The Company will make timely announcements for all of these in due course and when it is able to.

The Group is also looking at various working capital funding options for its corporate actions.

5. Dividend Information

5a. Current Financial Period Reported on

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

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

5b. Corresponding Period of the Immediate Preceding Financial Year

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

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

5c. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for HY2021 as the Group will require cash for future investments and acquisition opportunities.

6. Changes in issuer's share capital

6a. Details of any changes in the company's share capital arising from the rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Refer to Note 16 in the condensed interim financial statements for details.

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6b. To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company has in issue a total of 228,241,629 ordinary shares (excluding treasury shares) as at 30 June 2021 (31 December 2020: 56,384,488 ordinary shares).

6c. A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are 4,675 treasury shares held by the Company as at 30 June 2021 and 31 December 2020.

6d. A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

7. Interested person transactions

The Group does not have a general mandate for recurring interested person transactions.

Name of interested	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		HY2021	HY2021
DiDi Investments, Inc.	The controlling shareholder of the Group and a company owned by Mr. Yoshiyasu Naruse, who is the Chairman and non-independent non-executive director of the Company.	(i) Interest expense amounting to S\$499,068 ⁽¹⁾ (ii) Financial and business development advisory services fee amounting to S\$352,000 ⁽²⁾	Nil

Note:

(1) Relates to interest payable on the loan extended by DiDi Investments, Inc. As at 30 June 2021, DiDi Investments, Inc. had provided a S\$22 million loan (the "Loan") to the Group which has since been converted into Shares on 7 June 2021. The Loan which bears effective interest rates of 6% which is unsecured.

(2) Relates to service agreements entered into for DiDi Investments, Inc. in relation to the financial and business development advisory services for entering into Japanese market.

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The above interested person transaction relates to the continuing operations.

8. Update on use of proceeds

As at the date of this announcement, the status of the utilisation of the net proceeds raised from the convertible loan which was disbursed on 21 January 2021 from DiDi Investments, Inc. is set out in the table below:

Use of Proceeds	Amount allocated	Amount utilised	Balance
	S\$	S\$	S\$
Payment of consideration to the Kydon Holdings Pte. Ltd. in relation to the Proposed Acquisition	10,000,000	(8,000,000)	2,000,000
Repayment of an earlier S\$1,000,000 short term loan from DiDi Investments, Inc.	1,000,000	(1,000,000)	-
Payment of professional fees and expenses incurred by the Company in relation to the convertible loan, the Proposed Acquisition and other associated costs	1,600,000	(892,463)	707,537
Payment of restructured debts of the Company (i.e. Alpha Energy Holdings Limited) which remain payable in cash	2,000,000	(1,140,572)	859,428
Retained in the Company for general working capital purposes and for future investments and acquisition opportunities	7,400,000	(5,449,976) ⁽¹⁾	1,950,024
Total	22,000,000	(16,483,011)	5,516,989

Note:

(1) General working capital utilised consisted of payments of administrative and corporate related expenses which consists of payment of staff costs and director fees of S\$538,681, operating costs of S\$609,815, payment of professional fees of S\$1,784,532 mainly for corporate restructuring and audit fees, advances to subsidiary of S\$2,000,000 for repayment of bank loan and interest on the convertible loan and borrowing of S\$516,948.

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

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

10 Disclosure pursuant to Rule 706A

Acquisition of equity Interests in Zionext Pte. Ltd.

The Company has on 14 July 2020 entered into a purchase agreement with Kydon Holdings Pte. Ltd. to acquire 100% of the membership interest in Zionext Pte. Ltd. (formerly known as "Kydon Learning Systems Institute Pte. Ltd."), including the equity ownership interests, voting rights, management rights, and capital account related thereto. On 22 January 2021, S\$8,000,000 of the first tranche of the sale 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 consideration shares) has been paid in cash by the Company to the Vendor and 100% equity interest in Zionext Pte. Ltd. has been transferred to the Company. The consideration shares has been issued on 7 June 2021.

Please refer to the circular dated 24 September 2020 and announcement released on 22 January 2021 and 7 June 2021 for more information.

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Incorporation of Asnaro Enterprises Pte Ltd

The Company has on 23 April 2021, incorporated a subsidiary corporation, Asnaro Enterprises Pte Ltd which has a total issued and paid-up share capital of S\$100 comprising 100 ordinary shares.

Sale of equity Interests in JK North Slope LLC.

The Company and its wholly owned subsidiary, JK North Slope Group Inc SRL had on 9 March 2021 entered into a sales and purchase agreement with Clover Infinity Pte. Ltd. to dispose 100% of the issued and fully-paid shares in the capital of JK North Slope LLC. The disposal was completed on 25 May 2021.

Please refer to the circular dated 9 March 2021 and announcement released on 25 May 2021 for more information.

11. Confirmation by the Board pursuant to Rule 705(5) of the SGX-ST Catalist Listing Manual

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months financial period ended 30 June 2021 and the above information provided to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Wee Sin
Company Secretary
13 August 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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