ALPHA DX

THE NEXT PHASE OF GROWTH

ANNUAL REPORT 2021

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ALPHA DX GROUP LIMITED

(formerly known as ALPHA ENERGY HOLDINGS LIMITED)
Annual Report 2021

This annual report has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this annual report.

The contact person for the Sponsor is Mr Jerry Chua, 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906, sponsor@evolvecapitalasia.com).

LETTER TO SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present to you the annual report for Alpha DX Group Limited (the "**Company**", or together with its subsidiaries, the "**Group**") in respect of the financial year ended 31 December 2021 ("**FY2021**").

MUSTANG PROJECT

The Group has successfully divested its Oil and Gas business under JK North Slope LLC and its subsidiary corporations, namely, Brooks Range Petroleum Corporation, Caracol Petroleum LLC and TP North Slope Development LLC in May 2021.

PROGRESSION OF THE NEW BUSINESSES

During the financial year ended 31 December 2021 ("**FY2021**"), the Group has faced numerous challenges due to the prolonging impacts of COVID-19 causing delays in some of the projects such as joint venture projects in Uzbekistan and other overseas projects. However, despite all odds and challenges as mentioned above, the Group has achieved some significant milestones in its business plan including:

1) $24,000,000 equity investment by DiDi Investments, Inc.
2) ZioNext Pte. Ltd. ("ZioNext") and its subsidiaries, under the new Management and the business plan lead by the Group, achieved a 40% increase in revenue compared to the previous year before the acquisition.
3) The Group has also successfully inked the agreement to, in partnership with Turin Polytechnic University Tashkent, build the first Joint Venture University in Uzbekistan by the end of 2022.

In the first quarter of the financial year ended 31 December 2022 ("**FY2022**"), the Company was faced with a legal dispute with the previous owner of ZioNext which has resulted in the voluntary suspension of trade and a scheme arrangement. This has caused the company to delay and postpone some major events such as financing scheduled in March and acquisitions scheduled before September.

Despite some setback caused by the legal dispute as stated above, the Group continues to progress its business plan in all the key areas and have achieved some major milestones such as:

1. The Strategic Global Partnership Agreement with Huawei to promote and sell ZioNext's learning solutions along with Huawei's cloud solutions.
2. The grant of substantial contracts to ZioNext by customers related to the Singapore Government.
3. The first Joint Venture University in Uzbekistan, Asnaro University of Science and Innovation, is now officially ready to start.
4. A Memorandum of Understanding signed concerning building and operation of the "Innovation Village" in Almaty, Kazahfstan. Innovation Village is a cluster of vertically integrated education institutions from preschool to university to be built and operated in conjunction with various international industry R&D centres with integrated business facilities to drive innovation in the region. All academic and business institutions in the Innovation Village will be integrated into the Eduvers by ZioNext.

In addition to some milestones achieved to this day, which has laid the foundation for explosive growth for the coming years, the Group is pursuing several more substantial contracts and projects to be executed in the international markets according to its business plan. The Group is now poised to bring in significant investments to accelerate its business plan moving forward.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to express our sincere appreciation to all our vendors, business partners and shareholders for their continued support. We would also like to thank the directors, management and staff for their dedicated work and commitment during the past year.

MR DAIJI YAMADA
Chief Executive Officer

OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

OPERATIONS REVIEW

During the financial year ended 31 December 2021 ("**FY2021**"), the Group completed the acquisition of Zionext Pte. Ltd. (formerly known as "**Kydon Learning Systems Institute Pte. Ltd.**") and its subsidiaries (collectively, "**Zionext Group**") on 22 January 2021 and Invictus Academy Inc. (formerly known as "**DiDi Academy Inc.**") ("**Invictus**") on 9 September 2021. Zionext Group is in the business of offering technology solutions and customised digital learning content, while Invictus is an asset-holding company with no active operations.

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

FINANCIAL HIGHLIGHTS

Financial Performance

Revenue, Cost of sales and Gross profit margin

The Group recognised revenue of S$9.71 million and a cost of sales of S$6.91 million in FY2021 arising from Zionext Group, which was acquired in FY2021 as compared to FY2020 which registered no revenue and cost of sales from the Oil and Gas business. Zionext Group contributed a gross profit margin of 28.82% in FY2021.

Other income

During FY2021, the increase in other income by S$0.25 million as compared to FY2020 is mainly due to (i) gain on forgiveness of debts arising from debt settlement agreements of S$0.18 million and (ii) government grants for Job Support Scheme and Career Support Programme by S$0.04 million due to the acquisition of the Zionext Group.

General and administrative expenses

During FY2021, the increase in general and administrative expenses by S$5.49 million as compared to FY2020 was mainly due to (i) an increase in professional fees of S$1.89 million mainly incurred for the Group's corporate actions including the proposed acquisition of ERC Institute Pte. Ltd. which has since been postponed, proposed capital investment by DiDi Investments, Inc., and restructuring of the Group's business; (ii) increases in expenses due to inclusion of newly acquired subsidiaries, mainly S$1.02 million increase in salaries cost, S$1.01 million increase in depreciation and amortization, and S$0.45 million increase in management fees.

Other expenses

During FY2021, the increase in other expenses by S$0.16 million as compared to FY2020 was mainly due to (i) impairment loss on investment property of S$0.62 million, (ii) write-off of intangible assets of S$0.14 million; offset with changes in foreign exchange effects by S$0.61 million.

Finance income and finance costs

During FY2021, the decrease in finance income by S$0.04 million compared to FY2020 was mainly due to the settlement of the amount due from a former director in April 2020.

During FY2021, the increase in finance costs by S$0.52 million compared to FY2020 was mainly due to loan interests of S$0.51 million arising from the convertible loan, late payment interests of S$0.17 million and bank loan interests of S$0.06 million arising from the consolidation of Zionext Group, this is offset by the absence of finance costs from the short-term loan in FY2020.

As a result of the above, the Group generated a net loss from continuing operations of S$6.21 million for FY2021 compared to a net loss of S$3.14 million in FY2020.

OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

Discontinued operations

During FY2021, the increase in profit from discontinued operations by S$139.86 million as compared to FY2020 was mainly due to (i) gain on disposal of subsidiary corporations of S$129.83 million and (ii) gain on forgiveness of debts of S$0.66 million arising from waiver of loan obtained. In addition, minimum costs were incurred for the Oil and Gas business in FY2021 compared to expenses incurred for the gradual shutdown of the facilities and keeping the facility in a safe and secure condition in FY2020. Expenses in FY2021 mainly comprise finance costs of S$1.92 million and staff costs of S$0.14 million.

During FY2020, the loss from discontinued operations was largely due to:

(i) finance costs amounting to S$15.98 million, mainly for interest expense incurred on AIDEA loan and ING loan;
(ii) maintenance expenses incurred of S$5.59 million for the gradual shutdown of the facilities and keeping the facility in a safe and secure condition;
(iii) bad debts written off amounting to S$4.59 million;
(iv) other losses of S$1.40 million; and
(v) staff cost of S$1.28 million.

This is offset by the following other income in FY2020:

(i) reversal of impairment on exploration and evaluation assets amounted to S$7.21 million was made following the completion of the Public Auctions;
(ii) reversal of provision for restoration costs of S$3.42 million following the Public Auctions;
(iii) gain on disposal of the subsidiary, Mustang Operations Center 1, LLC of S$1.13 million; and
(iv) gain on forgiveness of debts of S$5.97 million.

Other comprehensive loss

This related to currency translation arising from the consolidation of financial statements of foreign operations. In FY2021, there was a total other comprehensive loss of S$0.58 million as compared to a total comprehensive income of S$2.49 million in FY2020 due to translation effects offset by the absence of fair value loss of S$0.23 million in FY2020 for the Group's investment in Badami classified as equity investments designated at FVOCI.

Financial Position

Non-current assets

With the completed acquisition of Zionext Group and Invictus, the related assets and liabilities have been consolidated into the Group's result.

The increase in investment property by S$0.79 million was mainly due to the acquisition of assets of Invictus.

The increase in plant and equipment by S$0.66 million was mainly due to the addition of Zionext Group's assets, offset by the depreciation of plant and equipment in FY2021.

The increase in intangible assets by S$11.32 million was mainly due to the goodwill from the acquisition of the Zionext Group and the addition of Zionext Group's other intangible assets, offset against amortisation.

OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

Current assets

The increase in trade and other receivables was mainly due to the addition of Zionext Group's assets of S$3.07 million. The increase in deposits by S$1.69 million is mainly due to payment for an exclusive perpetual territorial license of S$1.10 million and a refundable deposit for the potential acquisition of S$0.51 million. The recognition of contract assets of S$0.86 million resulted from Zionext Group's operations.

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

Non-current liabilities

The increase in borrowings relating to lease liabilities was mainly due to the addition of Zionext Group's liabilities.

The increase in deferred tax liabilities arose from the acquisition of Zionext Group.

Current liabilities

The increase in trade and other payables of S$2.28 million was due to (a) addition of Zionext Group's liabilities of S$1.21 million and (b) the outstanding consideration payable of S$1.90 million which arise from the acquisition of Zionext Group, offset with repayment of S$0.30 million relating to the professional fees incurred from the corporate restructuring and acquisition of Zionext Group and repayment of S$0.72 million relating to the accrued operating expenses.

The decrease in borrowings relates to the repayment bank loans offset by the increase in lease liabilities.

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

Working capital and net assets

As at 31 December 2021, the Group reported a net current asset position of S$1.87 million and net asset position of S$14.32 million.

Cashflow

Net cash used in operating activities of approximately S$2.30 million in FY2021 was due to changes in working capital and an 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$12.49 million in FY2021 was mainly arising from the acquisition of subsidiary corporations, additions of investment property, intangible assets, and plant and equipment and deposits placed for an exclusive perpetual territorial license and for potential acquisition of subsidiary corporations.

Net cash provided by financing activities of approximately S$18.81 million in FY2021 was mainly due to proceeds from convertible loan received by the Group amounting to S$24.00 million offset by repayment of loans of S$4.17 million and payment of interest expense of S$0.61 million.

BOARD OF DIRECTORS

Mr YOSHIYASU NARUSE

Chairman and Non-Independent Non-Executive Director

Mr Yoshiyasu Naruse was appointed to our Board on 21 January 2021 and is presently the Executive Director and Chief Executive Officer of DiDi Investments, Inc. Mr Naruse also served as the Senior Vice President of C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation), a non-profit organisation involved in the education business in Japan. He has extensive experience in the education business and more than 25 years of experience in the financial and capital market sector. He previously worked in several banks, namely Deutsche Bank, HSBC and Fuji Bank. Mr Naruse graduated with a Bachelor of Commerce Degree from Keio University.

Mr DAIJI YAMADA

Executive Director and Chief Executive Officer

Mr. Daiji Yamada was appointed to our Board on 14 May 2020. As Executive Director and Chief Executive Officer, he is responsible for the overall success of the Group's business from day-to-day operation to its strategy and its execution including fund raising, business development, negotiation and synergy creation among group companies and partners alike. He has over 30 years of track record in cross culture M&A, PMI, business development as well as managing both private and public enterprises in various countries including Canada, U.S.A and Japan in diverse industries such as education, corporate training, management and IT consulting, technologies and others. Mr. Yamada graduated from Japan Air Force Academy and studied at University of British Columbia with Master of Business Administration from Almeda University.

Ms MICHIKO KOYANO

Independent Non-Executive Director

Ms Michiko Koyano was appointed to our Board on 22 March 2021. She has more than 25 years of experience in private treasury and capital market sales within the financial industry. She was with Deutsche Bank from 2005 to 2014 and her last position was a Director in capital market sales. Ms Koyano holds a General Business Degree from the Hitotsubashi School of Business.

BOARD OF DIRECTORS

Mr CHAN KAM LOON

Independent Non-Executive Director

Mr. Chan Kam Loon was appointed as an Independent Director of the Company on 12 August 2022. He has many years of experience in accounting and audit with KPMG London and PWC Singapore, investment banking with Morgan Grenfell Asia and HG Asia Securities and was a director of private equity investments at Suez Asia Holdings. Mr. Chan was head of the Listings Function of Markets Group at the Singapore Exchange for 3 years. Mr. Chan has also served on the Singapore's Accounting Standards Committee, Singapore. He also served as independent director of several other SGX listed companies.

Mr. Chan holds a degree in Accounting and Finance from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales.

Mr POON JOE KEEN

Independent Non-Executive Director

Mr. Poon Joe Keen was appointed as an Independent Director of the Company on 12 August 2022 and is presently the founding member and Vice-Chairman of Smart Nation Chapter, SG Tech. He has many years of experience in mergers and acquisitions. Mr. Poon was the Kaplan Singapore President and Managing Director for Surbana Jurong.

Mr. Poon graduated with a Bachelor degree in Biomedical Science and Physiotherapy (Honours) from the King's College, London. Mr. Poon also has a Masters in Healthcare Management from the University of Wales and Master in Business Administration from the Imperial College, London. He is a member of Governing Council, Chairman of Professional Development Committee, Singapore Institute of Directors and a Member, Executive Committee, Association of AI Professionals.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Yoshiyasu Naruse
Mr Daiji Yamada
Ms Michiko Koyano
Mr Chan Kam Loon
Mr Poon Joe Keen

AUDIT COMMITTEE

Mr Chan Kam Loon (Chairman)
Mr Poon Joe Keen
Ms Michiko Koyano

REMUNERATION COMMITTEE

Mr Poon Joe Keen (Chairman)
Ms Michiko Koyano
Mr Yoshiyasu Naruse

NOMINATING COMMITTEE

Ms Michiko Koyano (Chairman)
Mr Chan Kam Loon
Mr Yoshiyasu Naruse

COMPANY SECRETARY

Mr Lim Kok Meng

REGISTERED OFFICE

29 Tai Seng Avenue, #07-07 Natural Cool Lifestyle Hub. Singapore 534119
Tel : (65) 6512 4255
Fax : (65) 6349 2726
Website : https://alpha-dx.com.sg
Email : enquiries@alpha-dx.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00, Singapore 068898

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
80 Robinson Road #25-00
Singapore 068898
Partner-in-charge: Ms Meriana Ang Mei Ling
(Appointed since financial year ended
31 December 2019)

SPONSOR

Evolve Capital Advisory Private Limited
138 Robinson Road,
Oxley Tower, #13-02,
Singapore 068906
Registered Professional: Mr Jerry Chua

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Alpha DX Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") recognises the importance of corporate governance to shareholders and is committed to maintaining a high level of corporate governance to promote greater transparency and safeguard the interests of shareholders, employees, and other stakeholders as well as to promote investors' confidence.

In accordance with Rule 710 of the Listing Manual – Section B: Rules of the Catalist (the "**Catalist Rules**"), this Corporate Governance report (the "**Report**") outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2021 ("**FY2021**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the Practice Guidance, to protect and enhance the interests and values of its shareholders.

The Company believes it has largely complied substantially with the principles and guidelines of the Code. Where there are deviations from the recommendations of the Code, the Company has provided the reasons and explanations in relation to the Company's practices, where appropriate.

Principle 1: The Board's Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

As at the date of this Annual Report, the Board comprises Mr Yoshiyasu Naruse (Chairman of the Board, Non-Independent Non-Executive Director), Mr Daiji Yamada (Executive Director and CEO), Ms Michiko Koyano (Non-Executive Independent Director), Mr Chan Kam Loon (Non-Executive Independent Director) and Mr Poon Joe Keen (Non-Executive Independent Director). As at 31 December 2021, the Board comprised Mr Yoshiyasu Naruse (Chairman of the Board, Non-Independent Non-Executive Director), Mr Daiji Yamada (Executive Director and CEO), Mr Fabian Sven Bahadur Scheler (Non-Independent Non-Executive Director), Mr Max Ng Chee Weng (Non-Executive Independent Director), Mr Chang Chi Hsung (Non-Executive Independent Director), Ms Michiko Koyano (Non-Executive Independent Director) and Ms Chew Yean Nee (Non-Executive Independent Director).

The Board oversees the management of the Group. It reviews strategies, policies and financial performance and assesses key risks provided by Management as well as the adequacy of internal controls and risk management of the Group. The Board works closely with Management to ensure that their duties and responsibilities stipulated under the Companies Act and applicable rules and regulations are complied with and their obligations towards shareholders and other stakeholders are met. The Board holds Management accountable for performance. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture, and ensures proper accountability within the Group. Directors who face a conflict of interest recuse themselves from discussion and decision-making involving the issue of conflict.

Provision 1.1. of the Code

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("**AC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**") (collectively, the "**Committees**"). The Committees however, will not relieve the Board of its responsibilities. The Board accepts that while these Committees have the authority to examine particular issues and to report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the entire Board. Each of the Committees has its own clearly defined and written terms of references ("TOR") and functional procedures, which are reviewed on a regular basis by the Board. Each of these Board Committees reports its activities regularly to the Board. Further details of each of the AC, NC and RC are set out in Principles 10, 4 and 6 below respectively.

Provision 1.4 of the Code

CORPORATE GOVERNANCE REPORT

Provision 1.5 of the Code

The Board held three (3) scheduled meetings in FY2021. Ad-hoc meetings are convened as warranted by circumstances. Dates of Board meetings, Board Committees meetings and shareholders meetings are scheduled in advance in consultation with the Directors to assist them in planning their attendance. A Director who is unable to attend a Board or any of the Board Committees meeting physically may participate via telephone conference or other electronic and telegraphic means which is permissible under the Constitution of the Company ("**Constitution**"). In addition, matters requiring decisions of the Board are to be approved by way of written resolutions of the Board. Directors with multiple board representations have ensured that sufficient time and attention were given to the affairs of the Company in FY2021.

Due to the COVID-19 situation, the Board and Board Committees as well as shareholders meetings were conducted using video conference.

During the financial year ended 31 December 2021, the Board held three (3) Board meetings, three (3) AC meetings, one (1) NC meeting and one (1) RC meeting.

The attendance of the Directors at meetings of the Board and Committees during FY2021 were as follows:

					Board Committees	
Type of Meetings	**AGM#**	**EGM***	**Board**	**AC**	**NC**	**RC**
Number of meetings held	1	5	3	3	1	1
Name of Director				Number of meetings attended		
Mr. Daiji Yamada (1)	1	5	3	3	1	1
Mr. Yoshiyasu Naruse (2)	1	4	3	3	1	1
Ms. Michiko Koyano (3)	1	3	2	2	N.A.	N.A.
Mr. Chang Chi Hsung (4)	1	3	2	2	N.A.	N.A.
Mr. Tan Ser Ko (5)	1	4	1	1	1	1
Mr. Fabian Sven Bahadur Scheler (6)	1	5	3	3	1	1
Mr. Max Ng Chee Weng (7)	1	5	3	3	1	1
Ms. Chew Yean Nee (8)	N.A.	2	2	2	N.A.	N.A.
Mr. Chan Kam Loon (9)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Poon Joe Keen (10)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

\# Annual General Meeting   * Extraordinary General Meeting

Notes:

(1) Mr. Daiji Yamada attended the AC, NC and RC meetings held during FY2021 by invitation.

(2) Mr. Yoshiyasu Naruse was appointed as Non-Independent Non-Executive Director w.e.f. 21 January 2021, and appointed as Chairman of the Board and as a member of the RC on 18 February 2022. He attended the AC and NC meetings held during FY2021 by invitation.

(3) Ms. Michiko Koyano was appointed as Independent Non-Executive Director and as Chairman of the NC w.e.f. 22 March 2021.

(4) Mr. Chang Chi Hsung was appointed as Independent Non-Executive Director, Chairman of the AC and member of the RC w.e.f. 22 March 2021. He resigned as an Independent Non-Executive Director, Chairman of the AC and member of the RC w.e.f. 25 February 2022.

(5) Mr. Tan Ser Ko resigned as a Non-Independent Non-Executive Director and as a member of the RC and NC w.e.f. 8 June 2021. He attended the AC meeting held during FY2021 by invitation.

(6) Mr. Fabian Sven Bahadur Scheler resigned as an Independent Non-Executive Director and member of the AC w.e.f. 8 March 2022. He attended the NC and RC meetings held during FY2021 by invitation.

(7) Mr. Max Ng Chee Weng resigned as an Independent Non-Executive Director, Chairman of the RC and member of the AC and NC w.e.f. 25 February 2022.

(8) Ms. Chew Yean Nee was appointed as Independent Non-Executive Director and member of the NC w.e.f. 3 May 2021. She resigned as an Independent Non-Executive Director and member of the NC w.e.f. 8 March 2022.

(9) Mr. Chan Kam Loon was appointed as an Independent Non-Executive Director w.e.f. 12 August 2022, and therefore did not attend any meetings held during FY2021.

(10) Mr. Poon Joe Keen was appointed as an Independent Non-Executive Director w.e.f. 12 August 2022, and therefore did not attend any meetings held during FY2021.

CORPORATE GOVERNANCE REPORT

Save for Mr Chan Kam Loon, the current Board members generally do not have directorships in other listed companies. Accordingly, the NC is satisfied that currently the Directors have been able to devote sufficient time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

The Board's role is to:

(i) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its long-term objectives;

(ii) establish and maintain a sound risk management framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(iii) review the performance and approve the remuneration of key management personnel;

(iv) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(v) review and appoint CEO and Directors as well as Board Committees;

(vi) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(vii) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation; and

(viii) generally managing the affairs of the Group.

Provision 1.3 of the Code

The Board had previously approved and adopted internal control procedures and guidelines for the Company. Under such procedures and guidelines, matters which specifically require the Board's decision or approval are those involving:

(i) corporate strategies and business plans;

(ii) investment and divestment proposals;

(iii) funding decisions of the Group;

(iv) nomination of Directors and appointment of key executives;

(v) half-year and full-year results announcements, the annual report and financial statements;

(vi) material acquisitions and disposals of assets;

(vii) matters in relation to the overall strategic and management of the Group; and

(viii) matters which require approval as specified under the SGX-ST Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**"), Companies Act 1967 (the "**Companies Act**") and other relevant laws and regulations.

CORPORATE GOVERNANCE REPORT

The Board ensures that newly appointed Directors will undergo an orientation program introducing them to the Group's business strategies, operations and governance practices to facilitate the effective discharge of their duties. The Company also provides training for first-time Directors in areas such as accounting, legal and industry-specific knowledge as appropriate. In addition, as required under the Catalist Rules, a new Director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one (1) year from the date of the appointment. Directors are informed of and encouraged to attend relevant training programmes organised by the Singapore Institute of Directors ("**SID**") and seminars to develop the necessary skills in facilitating the discharge of their duties and responsibilities as Directors, the funding of which will be provided by the Company.

Provision 1.2 of the Code

There were four (4) Directors appointed in FY2021, namely Mr. Yoshiyasu Naruse, Ms. Michiko Koyano, Mr. Chang Chi Hsung and Ms. Chew Yean Nee, of which all, save for Mr. Chang Chi Hsung, do not have prior experience as a director of a company listed on the SGX-ST. Mr Chan Kam Loon and Mr Poon Joe Keen were appointed as Directors on 12 August 2022. Mr Chan Kam Loon has prior experience as a director of a company listed on the SGX-ST and Mr Poon Joe Keen has obtained prior training in relation thereto. The newly-appointed directors without such prior experience or training had attended the seminars and/or courses conducted by the SID on the roles and responsibilities of a director of a listed company as required under Rule 406(3)(a) of the Catalist Rules. All of the newly-appointed directors had also been briefed on the roles and responsibilities of a director of a listed company, as well as the Group's business and operations. Mr. Chang Chi Hsung and Ms. Chew Yean Nee have since resigned with effect from 25 February 2022 and 8 March 2022 respectively.

Directors are provided with regular updates on changes to the Catalist Rules, relevant laws, regulations and accounting standards. Directors are also provided with regular insights into the Group's operational facilities and periodically meet with the Management to gain a better understanding of the Group's business operations. The Board, as a whole, is updated regularly on the Company's risk management initiatives and key changes in the relevant regulatory environment, which have an important bearing on the Company and the Directors' obligations to the Company.

During FY2021, changes or amendments to accounting standards which have a direct impact on financial statements were reported to and discussed with the AC at its meetings by the Company's auditors.

The Board has separate and independent access to the Company Secretary and the Management at all times. The role of the Company Secretary includes responsibility for ensuring the Board's procedures are followed and that the applicable rules and regulations are complied with. The Company Secretary attends and prepares minutes of meetings of the Board, Board Committees and shareholders and assists the Board in ensuring that the Company complies with the relevant statutory requirements. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Provision 1.7 of the Code

Each member of the Board has direct access to the Group's independent professional advisors as and when necessary to enable each member to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this report, the Board comprises five (5) directors, one (1) of whom is executive. Three (3) of the non-executive directors are independent. The Non-Executive Directors make up a majority of the Board.

The composition of the Board and Board Committees is as follows:

Name of Director	Board (Designation)	Audit Committee	Nominating Committee	Remuneration Committee
Mr Yoshiyasu Naruse	Chairman and Non-Independent Non-Executive Director	–	Member	Member
Mr Daiji Yamada	Executive Director and Chief Executive Officer	–	–	–
Ms Michiko Koyano	Non-Executive Independent Director	Member	Chairman	Member
Mr Chan Kam Loon	Non-Executive Independent Director	Chairman	Member	–
Mr Poon Joe Keen	Non-Executive Independent Director	Member	–	Chairman

Further information about the profiles of the Directors is set out in Section "Additional Information On Directors Seeking Re-Election" of this Annual Report.

The Board and NC consider a Director to be "independent" if he is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgement in the best interests of the Company. The Board and NC are of the opinion that the Independent Director satisfies these criteria. As of the date of this Annual Report, the Independent Director of the Company does not sit on the boards of the Company's subsidiaries.

Provision 2.1 of the Code

The Company currently has no Independent Director who has served on the Board beyond nine (9) years.

The Company endeavours to maintain a strong and independent element on the Board. The NC and the Board are cognisant of the Code's recommendation for independent directors to make up a majority of the Board where the Chairman is not independent.

Provision 2.2 of the Code

Mr Yoshiyasu Naruse, a Non-Independent Non-Executive Director, was appointed as Chairman of the Board on 3 May 2021. Since then, Mr Chan Kam Loon and Mr Poon Joe Keen have been appointed to the Board as Independent Non-Executive Directors, together with Ms Michiko Koyano, thus making up a majority of the Board.

Pursuant to a Notice of Compliance dated 10 March 2022 (the "**Notice of Compliance**") issued by the Singapore Exchange Regulation ("**SGX RegCo**"), the Company had been required by SGX RegCo to, amongst others, obtain the prior approval of the SGX-ST for the appointment of new independent directors to the Board of the Company, and to comply with Catalist Rule 704(7) to fill the vacancies within its AC. As at the date of this Report, in response to the Notice of Compliance, the Company had appointed two (2) new Independent Directors, namely Mr Chan Kam Loon and Mr Poon Joe Keen.

CORPORATE GOVERNANCE REPORT

Non-executive directors currently make up a majority of the Board.

Provision 2.3 of the Code

The Board, through the NC, reviews the size and composition of the Board to ensure that the size and composition of the Board is conducive for the purposes of effective discussion and decision-making. In addition, the Board, through the NC, also ascertains whether the Board has an appropriate mix of expertise, skill, knowledge, experience and gender diversity, and whether the Board collectively possesses the necessary core competencies required for the purposes of ensuring that it is able to function effectively and to make informed decisions for the Company.

Provision 2.4 of the Code

As a result of the Company's concern as to going issue, the Company's shares were halted from trading on 7 March 2022 and suspended on 10 March 2022. On or around this time, three (3) of the Company's Independent Directors, being Mr Chang Chi Hsung, Mr Max Ng Chee Weng and Ms Chew Yean Nee, and one (1) Non-Independent Non-Executive Director, being Mr Fabian Sven Bahadur Scheler, had resigned, leaving the Company without a well-constituted Board and without a sufficient number of Independent Directors.

As abovementioned, further to the Notice of Compliance, the Company has appointed two (2) new Independent Directors on 12 August 2022, being Mr Chan Kam Loon and Mr Poon Joe Keen. Details of the current Directors' qualifications and experience are presented in this Annual Report under the heading "Board of Directors" and in this Report.

The Company does not have a written policy on Board Diversity. The Company recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on Board. As the Company is in the midst of restructuring its operations and undertaking business diversification, the Board would consider adopting a formal diversity policy once it has completed its corporate restructuring exercise.

Notwithstanding the above, the Board has taken the following steps to maintain and to enhance its balance and diversity:

(i) Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(ii) Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The Non-Executive Directors:

(a) constructively challenge and help develop proposals on strategy; and

(b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

CORPORATE GOVERNANCE REPORT

The Non-Executive Directors constructively challenge and assist in the formulation of strategy, and assist the Board in reviewing Management's performance in meeting goals and long-term objectives. The Non-Executive Directors also monitor the Management's performance. Provision 2.5 of the Code

The Non-Executive Directors are scheduled to meet at least once annually, and as warranted, without the presence of Management to discuss concerns or matters such as the effectiveness of the Management. The chairman of such meeting(s) provides feedback to the Board and/or Chairman as appropriate. During FY2021, the Non-Executive Directors met and communicated among themselves once in the absence of the Management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one has unfettered powers of decision-making.

The Chairman of the Board as at the date of this report is Mr Yoshiyasu Naruse, a Non-Independent Non-Executive Director, and the CEO is Mr Daiji Yamada, the Executive Director. The role of the Chairman has been separate from that of the CEO, and there is a clear division of responsibilities between the Chairman and the CEO. This is to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. Provision 3.1 of the Code

The Chairman of the Board is responsible for the Group's overall management, including overseeing our operations, setting directions for new growth areas and developing business strategies. In addition, he is responsible for the effective function of the Board as set out below.

The Chairman's role includes promoting high standards of corporate governance, promoting a culture of openness and debate at the Board, facilitating the effective contribution of all directors, scheduling meetings that enable the Board to perform its duties, establishing the agenda for the Board meetings in consultation with the CEO and ensuring that the Board reviews and approves the Group's key strategies and policies. The Chairman also participates in communicating with key stakeholders, including shareholders and senior management employees. Provision 3.2 of the Code

The CEO is in charge of the management and day-to-day operations of the Group. He is also responsible for developing the overall strategic direction of the Group, as well as the business strategies and policies of the Group.

The Board does not currently have a lead independent director. The current Independent Directors of the Company are Ms Michiko Koyano (appointed on 22 March 2021), Mr Chan Kam Loon (appointed on 12 August 2022), and Mr Poon Joe Keen (appointed on 12 August 2022). The Independent Directors are available to shareholders during the general meetings (when circumstances permit) or via email to whistleblow@alpha-dx.com.sg where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate. Provision 3.3 of the Code

CORPORATE GOVERNANCE REPORT

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board, taking into account the need for progressive renewal of the Board.

The NC currently comprises Ms Michiko Koyano (Chairman), Mr Chan Kam Loon, and Mr Yoshiyasu Naruse. As at 31 December 2021, the members of the NC comprised Ms. Michiko Koyano (Chairman), Mr Max Ng Chee Weng and Ms Chew Yean Nee.

Provision 4.2 of the Code

The NC has written terms of reference clearly defining its membership, administration and duties. The NC meets at least once a year. The NC is responsible for, and its key terms of reference include, the following:

Provision 4.1 of the Code

The duties of the NC include the following:

(a) to make recommendations to the Board on all Board appointments, including re-appointments, having regard to a Director's contribution and performance (i.e., attendance, preparedness, participation and candour) including, if applicable, as an Independent Director. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;

(b) to determine annually, and as and when circumstances require, whether or not a Director is independent (bearing in mind the guidelines of the Code and the Catalist Rules, and any other salient factors);

(c) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards (it should be noted that to address the competing time commitments that are faced when Directors serve on multiple boards, the NC has reviewed and the Board has determined that the maximum number of listed company board representations which any Director may hold is six (6));

(d) to review and approve any new employment of related persons and the proposed terms of their employment;

(e) to recommend process and procedures for assessing the effectiveness of the Board as a whole, its Board Committees and each of the individual Director, and propose objective performance criteria, subject to Board's approval, which address how the Board enhances long-term shareholders' value; and

(f) to review succession plans for Directors and CEO, in particular the appointment and/or replacement of Chairman, the CEO and key management personnel as well as review the training and professional development programs for the Board.

Each of the member of the NC will abstain, and had in FY2021 abstained, from reviewing and voting on any resolution relating to the assessment of his performance or his re-election as Director, or in any matter where he has an interest.

CORPORATE GOVERNANCE REPORT

Details of the appointment of the Company's current (as at the date of report) directors including date of initial appointment and directorships in other listed companies, both current and for the preceding three years, are set out below:

Provision 4.5 of the Code

Name of Director	Date of Initial Appointment	Date of Last Re-election	Present Directorship in other Listed Companies	Past Directorship in other Listed Companies in the past three years	Other Principal Commitments
Mr Yoshiyasu Naruse	21 January 2021	30 April 2021	Nil	Nil	- Didi Investments Inc. - C2C Global Education Japan
Mr Daiji Yamada	14 May 2020	23 October 2020	Nil	Nil	Nil
Ms Michiko Koyano	22 March 2021	30 April 2021	Nil	Nil	Nil
Mr Chan Kam Loon	12 August 2022	N.A.	- Uni-Asia Group Limited - Megachem Limited - Jiutian Chemical Group Limited	- Hupsteel Limited - DLF Holdings Limited - Sarine Technologies Limited	Nil
Mr Poon Joe Keen	12 August 2022	N.A.	Nil	Nil	Nil

The NC ensured that new Directors were aware of their duties and obligations. The NC also reviewed whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. Having assessed the capacity of the Directors based on factors disclosed below in this report, the Board is of the view that Directors with multiple board representation and other principal commitments would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, ultimately benefitting the Company. As mentioned above, the Board has determined that the maximum number of listed company board representations which any Director may hold is six (6).

Provision 4.5 of the Code

The NC is satisfied that for FY2021, where a Director had other principal commitments and/or multiple Board representations, the Director was able to adequately carry out his duties as a Director, based on the attendance of the Directors and his contributions at meetings of the Board and Board Committees and his time commitment to the affairs of the Company.

CORPORATE GOVERNANCE REPORT

In assessing the capacity of Directors, the NC has considered, amongst others, the following:

(i) expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;

(ii) geographical location of Directors;

(iii) size and composition of the Board;

(iv) nature and scope of the Group's operations and size; and

(v) capacity, complexity and expectations of the other listed directorships and principle commitments held.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:

- declarations by individual Directors of their directorships in other listed companies and principal commitments;
- attention to the Company's affairs, having regard to his/her other commitments; and
- assessment of the individual Directors' performance based on the performance criteria set.

Provision 4.4 of the Code

The NC had reviewed the declaration of independence provided by each of the Independent Directors in accordance with the Code and Catalist Rules. The NC and Board consider a Director as independent if he has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Company. Under the Catalist Rules, a director will not be independent if (i) he is employed or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the Company.

The NC, taking into consideration the above, determined that in FY2021 Ms. Michiko Koyano and Ms. Chew Yean Nee are independent according to the Code and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code and Catalist Rules.

There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent.

None of the Independent Directors have served on the Board for a period exceeding nine (9) years since the date of their first appointment.

CORPORATE GOVERNANCE REPORT

The NC will ensure that there is a formal and transparent process for all appointments to the Board. For new appointments, the NC will determine if a candidate's background, experience and knowledge will bolster the core competencies of the Board. The selected candidate must also be a person of integrity and be prepared to commit time and attention to the Company's affairs, especially if he is serving on multiple boards.

Provision 4.3 of the Code

Where a vacancy arises under any circumstances, or where it is considered that the Board will benefit from the services of a new Director with particular skills, the NC will determine the selection criteria and selects candidates with the appropriate expertise and experience for the position. The NC will then make recommendations for the Board's approval in relation to the shortlisted candidates. The process for the selection and appointment of new Directors is as follows:

(i) the NC evaluates the balance of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(ii) the NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and where necessary, the NC may seek help and suggestions from external parties to source for potential candidates;

(iii) the NC meets with shortlisted candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the commitment required of them; and

(iv) the NC makes the recommendations to the Board for consideration and approval.

Regulation 104 of the Constitution requires one-third of the Directors to retire from office at the AGM of the Company every year provided always that all Directors shall retire from office at least once every three (3) years and are, subject to the Companies Act. Such retiring directors are eligible to offer themselves for re-election. Regulation 105 of the Constitution provides that the Directors to retire in every year shall be those who have been longest in office since their last election.

In addition to the foregoing, Regulation 114 of the Constitution provides that a newly appointed Director shall hold office only until the next AGM of the Company, and shall be eligible for re-election.

Pursuant to Regulation 104 of the Company's Constitution, Mr. Daiji Yamada and Mr Yoshiyasu Naruse will retire at the forthcoming AGM. Pursuant to Regulation 114 of the Company's Constitution, Mr. Chan Kam Loon and Mr. Poon Joe Keen will retire at the forthcoming AGM. Being eligible, Mr. Daiji Yamada, Mr Yoshiyasu Naruse, Mr. Chan Kam Loon and Mr. Poon Joe Keen (the "**Retiring Directors**") have offered themselves for re-election.

The NC has recommended that the Retiring Directors be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered and is satisfied with each Director's overall contributions and performance. The Board has assessed and concurred with the NC's recommendation.

Information regarding the Directors seeking for re-election, including the information required under Appendix 7F of the Catalist Rules is set out under the "Additional Information on Directors Seeking Re-election" section of the Annual Report.

CORPORATE GOVERNANCE REPORT

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC had adopted processes for the evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and contribution of each of the individual Directors based on performance criteria set by the Board.

Provisions 5.1 and 5.2 of the Code

For the evaluation of the Board's performance, the criteria for the evaluation are in respect of Board composition, procedures, training, strategy and performance. The NC also undertook an evaluation of the Board Committees based on, amongst others, the size, training in accounting as well as education industry knowledge and their performance in relation to discharging their responsibilities as set out in their respective terms of reference. For the evaluation of the performance of each of the individual Director, the criteria include, *inter alia*, attendance at Board meetings and related activities, participation in Board discussions, ability to make informed business decisions and performance in respect of specific delegated tasks.

The NC would review the criteria on a periodic basis to ensure that the criteria used is able to provide an accurate and effective performance assessment, taking into consideration factors such as industry standards and the industry operating environment, with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval. No changes were made to the criteria for FY2021 as the Group is still undergoing the corporate restructuring. The NC will review the criteria, where necessary, when the corporate restructuring completes.

The assessment process for the evaluation of the Board, Board Committees and each of the individual Director involves and includes the completion of a questionnaire by Board members annually, and applying the performance criteria determined by the NC and approved by the Board. This data is collated by the Company Secretary and reviewed by the Chairman of the NC, who presents a summary of the overall assessment to the NC for review and deliberation. Areas where performance and effectiveness could be enhanced and recommendations for improvements are then submitted to the Board for discussion and, where appropriate, approved for implementation.

The NC has conducted and reviewed its assessments of the Board as a whole, its Board Committees and each of the individual Director for FY2021. The Chairman of the NC confers with the Chairman of the Board on the findings and ensures appropriate follow-up actions are taken as necessary. The NC and Board is satisfied that the Directors have discharged their duties adequately and the Board has met it performance objectives in FY2021 and during the ongoing organisational restructuring exercise of the Group.

The NC, with Ms. Michiko Koyano as its Chairman, and Mr. Max Ng Chee Weng and Ms. Chew Yean Nee (during FY2021) as its members respectively during the period of these evaluations, has abstained from voting on any resolution and making any recommendations and/or participating in any deliberation in respect of their respective performance. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of their respective performance. The NC has reviewed the performance of Ms. Michiko Koyano and is of the view that the performance of Ms. Michiko Koyano as an Independent Director is satisfactory.

No external facilitator was used in the evaluation process in FY2021.

CORPORATE GOVERNANCE REPORT

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual directors. No director is involved in deciding his own remuneration.

The RC currently comprises Mr Poon Joe Keen (Chairman), Ms Michoko Koyano and Mr Yoshiyasu Naruse, who is a Non-Independent Non-Executive Director. As at 31 December 2021, the members of the RC comprised Mr. Max Ng Chee Weng (Chairman) and Mr Chang Chi Hsung.

Provision 6.2 of the Code

The primary function of the RC is to advise the Board on compensation matters. The RC establishes remuneration policies that are in line with the Group's business strategies and risk policies as well as long-term interests of the Group and its shareholders, with a view to ensuring that the remuneration packages are sufficiently competitive to attract, retain and motivate directors and the key management personnel with the appropriate experience and expertise.

The RC has written terms of reference clearly defining its membership, administration and duties. The RC is responsible for, and its key terms of reference include, reviewing and recommending to the Board a framework of remuneration for the Directors and key management personnel and determining specific remuneration packages for each Executive Director and key management personnel. The recommendations of the RC are made in consultation with the CEO and submitted for endorsement by the Board. The recommendations should cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

Provisions 6.1 and 6.3 of the Code

With a view to be fair and to avoid rewarding poor performance, the RC is also responsible for reviewing the Company's obligations arising in the event of the termination of a Director's and/or key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC also makes recommendations to the Board on long term incentive schemes, including share performance schemes, which may be set up from time to time. The RC will review and consider whether any Director should be eligible for benefits under such incentive schemes.

In addition, the RC will perform an annual review of the remuneration of employees related to the Company's Directors and substantial shareholders (if any) to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotion for these employees.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The members of the RC possess general knowledge in the field of executive compensation matters as they manage their own businesses and/or are holding other directorships, the RC has access to expert professional advice on remuneration matters, as and when necessary. The RC ensures that existing relationships, if any, between the Company and its appointed remuneration experts will not affect the independence and objectivity of the remuneration experts. The expenses of such services shall be borne by the Company.

Provision 6.4 of the Code

No remuneration consultants were engaged by the Company in FY2021.

CORPORATE GOVERNANCE REPORT

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The RC reviews and recommends to the Board a framework of remuneration for the directors and key management personnel and determines specific remuneration packages for the Executive Director(s). The recommendations of the RC are therefore submitted to the Board for its approval.

In setting remuneration packages, the RC will ensure that Directors and the key management personnel are adequately but not excessively remunerated, and that remuneration packages of the Directors and the key management personnel are in line with the industry and comparable companies, as well as the Group's relative performance and the performance of individual executive directors and key management personnel.

Provisions 7.1 and 7.3 of the Code

The remuneration framework for Directors and key management personnel is aligned with the interests of the shareholders and other relevant stakeholders and appropriate to attract, retain and motivate them to provide good stewardship of the Company for the long-term success of the Company. All remuneration packages for Directors and key management personnel are subject to review and approval by the Board. Directors' fees are further subject to the approval of shareholders at the Company's AGM as mentioned above.

Currently, the RC is of the view that it is unnecessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company due to availability of legal remedies as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel.

The Independent and Non-Executive Directors are paid directors' fees, taking into account factors such as effort and time spent, and their responsibilities. The Independent Directors and the Non-Executive Directors received a base directors' fees. Directors' fees are determined in accordance with a remuneration framework comprising basic fees and additional fees for serving on any of the Board Committees, having regard to the scope and extent of a Director's responsibilities and obligations, the prevailing market conditions and referencing Directors' fees against comparable benchmarks. The Independent Directors are not over-compensated to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval at the Company's AGM.

Provision 7.2 of the Code

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC reviews and recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate the Directors and key management personnel to run the Company successfully in order to maximise shareholders' value. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principles 6 and 7 above.

Provisions 8.1 and 8.3 of the Code

The recommendations of the RC on the remuneration of Directors and key management personnel have been submitted for endorsement by the Board. The members of the RC do not participate in any decisions concerning their own remuneration.

The remuneration packages for Executive Director and the key management personnel take into account the performance of the Group and each individual Executive Director and the key management personnel, giving due regard to the financial and commercial health and business needs of the Group. The remuneration of the Executive Director and key management personnel include a fixed monthly salary, an annual wage supplement and a variable incentive bonus which is designed to align the interests of such Director and key management personnel with those of the Company and shareholders. The RC has reviewed and is satisfied that the performance conditions were met for FY2021.

Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each Director and key management personnel in Annual Report and has instead disclosed the remuneration in bands of S$100,000. The Board is of the view that the disclosure based on the above remuneration band is appropriate.

Provisions 8.1 and 8.3 of the Code

For FY2021, there was only one (1) key management personnel in the Company (who is not also a Director or the CEO (or equivalent)).

CORPORATE GOVERNANCE REPORT

The breakdown, showing the level and mix of each individual Director's remuneration for FY2021, by percentage (%), are as follows:

Remuneration Band and Name	Base/Fixed Salary[(1)(2)] (%)	Directors' Fees (%)	Variable or performance benefits related income / Bonus [(2)] (%)	Share Plan Awards	Other Benefits [(3)] (%)	Total (%)
Below S$250,000						
Mr. Yoshiyasu Narasu [(4)]	–	100	–	–	–	100
Mr. Daiji Yamada	100	–	–	–	–	100
Ms. Michiko Koyano [(5)]	–	100	–	–	–	100
Mr. Chang Chi Hsung [(6)]	–	100	–	–	–	100
Ms. Chew Yean Nee [(7)]	–	100	–	–	–	100
Mr. Tan Ser Ko [(8)]	–	100	–	–	–	100
Mr. Fabian Sven Bahadur Scheler [(9)]	–	100	–	–	–	100
Mr. Max Ng Chee Weng [(10)]	–	100	–	–	–	100
Mr. Samuel Tan Choon Hwee [(11)]	100	–	–	–	–	100

Notes:

(1) Pertains to salary paid in respect of FY2021.

(2) The amounts for salary shown are inclusive of Singapore's Central Provident Funds.

(3) Other incentives include transport, benefits-in-kind, where applicable

(4) Mr. Yoshiyasu Naruse received remuneration from 21 January 2021 to 31 December 2021. Mr. Yoshiyasu Naruse was appointed as Non-Independent Non-Executive Director on 21 January 2021 and designated as Chairman of the Board of Directors on 3 May 2021.

(5) Ms. Michiko Koyano received remuneration from 22 March 2021 to 31 December 2021. Ms. Michiko Koyano was appointed as Non-Executive Independent Director on 22 March 2021.

(6) Mr. Chang Chi Hsung received remuneration from 22 March 2021 to 31 December 2021. Mr. Chang Chi Hsung resigned as Non-Executive Independent Director on 25 February 2022.

(7) Ms. Chew Yean Nee received remuneration from 3 May 2021 to 31 December 2021. Ms. Chew Yean Nee resigned as Non-Executive Independent Director on 8 March 2022.

(8) Mr. Tan Ser Ko received remuneration from 1 January 2021 to 8 June 2021. Mr. Tan Ser Ko resigned as Non-Independent Non-Executive Director on 8 June 2021.

(9) Mr. Fabian Sven Bahadur Scheler received remuneration from 1 January 2021 to 31 December 2021. Mr. Fabian Sven Bahadur Scheler resigned as Non-Independent Non-Executive Director on 25 February 2022.

(10) Mr. Max Ng Chee Weng received remuneration from 1 January 2021 to 31 December 2021. Mr. Max Ng Chee Weng resigned as Non-Executive Independent Director on 25 February 2022.

(11) Mr. Samuel Tan Choon Hwee is the key management personnel in the Company (who is not also a Director or the CEO (or equivalent)).

There were no employees who were immediate family members of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 in the Group's employment in FY2021. Provision 8.2 of the Code

The Company has in place an Alpha DX Group Performance Share Plan (the "**Performance Share Plan**"). The Performance Share Plan was being renamed to align with the special resolution relating to the change of Company's name passed by its shareholders on the extraordinary general meeting held on 5 March 2021. Under the terms of the Performance Share Plan, the Company is entitled to grant to eligible Group's employees and Directors ("**Participants**"), awards representing the right of a Participant to receive fully paid ordinary shares of the Company ("**Shares**") free of charge, upon the relevant Participant achieving prescribed performance targets upon expiry of the prescribed performance period ("**Awards**"). Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the achievement of prescribed performance targets. No Awards were granted in FY2021. Details of the Performance Share Plan can be found in the "Directors' Statement" as set out in this Annual Report.

CORPORATE GOVERNANCE REPORT

The RC is the committee administering the Alpha DX Group Employee Share Option Scheme ("**Scheme**"). The Scheme was being renamed to align with the special resolution relating to the change of company's name as highlighted above. The Scheme recognises the fact that the services of the Group's employees, including the Group's Executive and Non-Executive Directors are important to the success and continued well-being of the Group. By implementing the Scheme, the Company hopes to inculcate in all participants a stronger and more lasting sense of identification with the Group. Details on the Scheme can be found in the "Directors' Statement" as set out in this Annual Report.

There were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts in FY2021.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board is responsible for the effective design, implementation and monitoring of the Company's risk management strategy and internal controls.

Provision 9.1 of the Code

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls are maintained and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Company for effective risk governance.

The AC oversees risk governance which includes the following roles and responsibilities:

- proposes the risk governance approach and risk policies for the Group to the Board;
- reviews the risk management methodology adopted by the Group;
- reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by Management; and

reviews Management's assessment of risks and Management's action plans to mitigate such risks.

The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board, with the assistance of independent internal auditors and external auditors, has reviewed the adequacy and effectiveness of the Group's risk management and system of internal controls addressing key financial, operational, compliance and information technology risks.

The external auditors have, in the course of their audit, considered internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

CORPORATE GOVERNANCE REPORT

The directors have received and considered the representation letters from the Executive Director and Management in relation to the financial information for FY2021.

Provision 9.2 of the Code

The Board has received assurance from the CEO and the Financial Controller:

(a) that the financial records have been properly maintained and the financial statements for FY2021 reflect a true and fair view of the Company's operations and finances; and

(b) the Group's risk management and internal control systems are effective and adequate.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The AC currently comprises Mr Chan Kam Loon (Chairman), Mr Poon Joe Keen and Ms Michiko Koyano. As at 31 December 2021, the members of the AC comprised Mr Chang Chi Hsung (Chairman) and Mr Max Ng Chee Weng. The AC comprises three (3) Directors, the majority of whom, including the AC Chairman, are independent and at least two (2), including the AC Chairman, to have recent and relevant accounting or related financial management expertise or experience.

Provision 10.2 of the Code

The AC has written terms of reference clearly defining its membership, administration and duties, which include:

Provision 10.1 of the Code

(i) review with the external auditors and the internal auditors their audit plan, their evaluation of the system of internal accounting controls, their audit report, their management letter and the Management's response;

(ii) review the internal controls and procedures and ensure co-ordination between the external auditors and the Management, and review the co-operation and assistance given by the Management to the external auditors, and discuss issues and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);

(iii) ensure that the internal audit function is adequate and has appropriate standing within the Company, and review the scope and results of the internal audit procedures, including the effectiveness of the internal audit function;

(iv) review the significant financial reporting issues and judgement and ensure the integrity of the financial statements (including but not limited to the annual and/or periodic, consolidated financial statements, external auditors' report, the profit and loss statements, the balance sheets and such other information required by the Catalist Rules) of the Group before submission to the Board for approval, focusing in particular, on significant financial reporting issues, significant adjustments, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(v) review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls and risk management systems with the FC and the internal auditors and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(vi) review the assurance from the CEO and FC on the financial records and financial statements;

CORPORATE GOVERNANCE REPORT

(vii) commission and review and discuss with the external auditors and internal auditors, if necessary, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;

(viii) review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and cost effectiveness;

(ix) review the independence of the external auditors annually, and recommend to the Board the appointment, reappointment or removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;

(x) review the adequacy and supervision of the finance and accounting team on an annual basis;

(xi) review all interested person transactions, if any;

(xii) review and monitor the activities of the Company on a continuing basis for any potential conflicts of interests and to set out a framework to resolve or mitigate any potential conflicts of interest;

(xiii) approve internal control procedures and arrangements for all interested person transactions;

(xiv) review the procedures by which employees of the Company may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;

(xv) review and rectify transactions falling within the scope of the Catalist Rules, in particular, matters pertaining to Interested Person Transactions and Significant Transactions as laid down in Chapters 9 and 10 respectively;

(xvi) conduct periodic review of foreign exchange transactions and hedging policies (if any) undertaken by the Group;

(xvii) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(xviii) review at least annually the Group's key financial risk areas, with a view to provide an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports of the Company or, where the findings are material, to announce such material findings via SGXNET; and

(xix) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE REPORT

The AC also has explicit authority to investigate any matters within its terms of reference, full access to and obtained the co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings.

The AC had reviewed the Company's various announcements and all related disclosures, including the audited financial statements and unaudited half year and full year results announcements for FY2021, before submission to the Board for approval. The AC had also reviewed the audit plan and AC report presented by the external auditors, Nexia TS Public Accounting Corporation, an accounting firm registered with the ACRA. The AC also received from the external auditors regular updates on changes and amendments to accounting standards to enable the AC's members to keep abreast of such changes, and issues which have a direct impact on financial statements.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Nexia TS Public Accounting Corporation as the external auditors of the Company and its significant subsidiaries.

The AC reviews the independence of the external auditors annually. The Board, in place of the AC, has reviewed the scope and value of non-audit services provided by the external auditors in FY2021 and is satisfied that the nature and extent of such services would not affect the independence of the external auditors. Details of the amount of audit and non-audit fees paid to the external auditors in FY2021 can be found in this Annual Report. The Board has approved the nomination for Nexia TS Public Accounting Corporation be proposed for re-appointment as the Company's external auditors at the forthcoming AGM.

For FY2021 and as at the date of this Report, none of the AC members are former partners or directors of the Group's auditing firm within the last two (2) years and none of the AC members hold any financial interest in the external audit firm.

Provision 10.3 of the Code

The Group outsources its internal audit function to Baker Tilly Consultancy (Singapore) Pte Ltd ("**IA**"). Internal control weaknesses identified during the internal audit reviews and the implementation status of the recommended corrective actions are reported to the AC directly.

Provision 10.4 of the Code

The AC approves the hiring, removal, evaluation and compensation of the corporation to which the internal audit function is outsourced. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC has reviewed and confirmed that the IA is a suitable professional service firm to meet the Company's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement director, number and experience of supervisory and professional staff assigned to internal audits.

The AC reviews the adequacy of the internal audit function annually to ensure that the internal audits are performed effectively. The AC confirms that the internal audit function is independent, effective and adequately resourced.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

The IA completed one internal audit review in FY2021 in accordance with the internal audit plan approved by the AC. The findings and recommendations of the IA, Management's responses, and Management's implementation of the recommendations have been reviewed and approved by the AC.

Whistle-blowing Policy

The Company has put in place a whistle-blowing policy which has been communicated to all employees. The public can access the details of the whistle blowing policy via the Company's corporate website at https://alpha-dx.com.sg. This policy provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group directly to the AC Chairman or any of the Independent Non-Executive Directors, as appropriate. The AC oversees the administration of the policy and will ensure that arrangements are in place for the independent and timely investigation of such matters for appropriate follow-up action. No whistle blowing reports have been received during FY2021.

The AC also met with the external auditors and the internal auditors, without the presence of the Management once in FY2021.

Provision 10.5 of the Code

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board is mindful of its obligations to provide timely disclosure of material information to shareholders of the Group. Pertinent information will be disclosed to shareholders on a timely, accurate and comprehensive manner. The Company does not practice selective disclosure. Price sensitive information is first publicly released on SGXNET where required under the Catalist Rules before the Company meets with any group(s) of investors or analysts. The Company provides disclosure through the following channels:

(i) annual reports issued to all shareholders. Both shareholders and non-shareholders may access the SGX website for the Company's annual reports;

(ii) half-year and full-year announcements of its financial statements on the SGXNET;

(iii) other announcements on major developments and material information on the SGXNET;

(iv) press releases on major developments regarding the Group on the SGXNET; and

(v) the Company's website at https://alpha-dx.com.sg through which shareholders can access information on the Group.

CORPORATE GOVERNANCE REPORT

The Company is committed to provide regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company under the Catalist Rules. The Board also encourages shareholders' participation at general meetings of the Company.

Provision 11.1 of the Code

General meetings of the Company are the main forum for communication with shareholders. Annual reports and/or circulars including notices of the meetings are sent to all shareholders. They are also informed of the rules, including voting procedures that govern the general meetings.

The Company requires all Directors to be present at all general meetings, unless of exigencies. The members of the Board Committees, including the respective Chairman of the Board Committees, will be present at general meetings to answer questions relating to the work of these committees. The Management and the external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at general meetings or on an ad-hoc basis. The Board avail themselves after general meetings to solicit and understand the view of the shareholders.

Provision 11.3 of the Code

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and the minutes of general meetings are available to shareholders upon their request. The Company had published the minutes of the extraordinary general meetings held on 5 March 2021, 24 March 2021, 15 May 2021 and 8 September 2021 and AGM held on 30 April 2021 on the SGXNET. The minutes of the AGM for the financial year ended 31 December 2021 would be published on SGXNET and/or its corporate website within one month after the AGM.

Provision 11.5 of the Code

Separate resolutions are proposed for each substantially separate issues that is to be tabled at the general meeting. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

Provision 11.2 of the Code

The Company's Constitution allows a member of the Company to appoint not more than two (2) proxies to attend and vote at its general meetings. Currently, the Company's Constitution does not allow a shareholder to vote in absentia as the authentication of shareholder identity information and other related security issues still remain a concern.

Provision 11.4 of the Code

With the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, investors who hold the Company's shares through a nominee company or custodian bank may attend and vote at each general meeting.

An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures at the general meetings of the Company. All the resolutions are put to vote by poll and the voting results of all votes cast for, or against, each resolution and the respective percentages are announced at the general meeting and via SGXNET after the general meeting. As the number of shareholders who attend the general meetings are not large, it is not cost effective to have voting by electronic polling.

CORPORATE GOVERNANCE REPORT

The Company convened its shareholders meetings virtually in 2021 while adhering to the carious advisories and guidance issued by the authorities on holding meeting amid the COVID-19 outbreak. Provision 11.4 of the Code

As permitted under the COVID-19 (Temporary Measures) (Alternative Arrangements for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will convene its annual general meeting held in 2021 ("**2021 AGM**") by electronic means. Alternative arrangements relating to attendance at the 2021 AGM via electronic means include arrangements by which the meeting can be electronically accessed via live audio-video webcast or live audio-only stream, submission of questions to the Chairman of the meeting in advance of the meeting, addressing of substantial and relevant questions at, or prior to, the meeting and voting by appointing the Chairman of the meeting as proxy at the meeting, will be put in place for the 2021 AGM. The forthcoming AGM will similarly also be held by electronic means, pursuant to the Order.

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the shares will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. The Board has not declared or recommended dividend for FY2021, as the Company was not profitable for FY2021 and the Management is of the view that it can better utilise the cash for the Group's diversification into the education business segment. Provision 11.6 of the Code

Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNET. However, there can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Taking into consideration the difficult circumstances faced by the Company for FY2021, the Board, after much deliberation and consideration, has decided not to recommend to the Company to declare any dividends for FY2021.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board is mindful of its obligations to provide timely disclosure of material information to shareholders of the Group. Pertinent information will be disclosed to shareholders on a timely, accurate and comprehensive manner. The Company does not practice selective disclosure. Price sensitive information is first publicly released on SGXNET where required under the Catalist Rules before the Company meets with any group(s) of investors or analysts. The Company provides disclosure through the following channels: Provision 12.1 of the Code

(i) annual reports issued to all shareholders. Both shareholders and non-shareholders may access the SGX website for the Company's annual reports;

(ii) half-year and full-year announcements of its financial statements on the SGXNET;

(iii) other announcements on major developments and material information on the SGXNET;

(iv) press releases on major developments regarding the Group on the SGXNET; and

(v) the Company's website at https://alpha-dx.com.sg through which shareholders can access information on the Group.

CORPORATE GOVERNANCE REPORT

The Company's primary avenue to solicit and understand the views of shareholders is via general meetings.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not participated. Shareholders are provided with an update on the Group's performance position and prospects through the Company's annual report.

The Company's half-year and full-year results announcements, are issued via SGXNET. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders. Where there is inadvertent disclosure made to a selected group, the Company will endeavour to make same disclosure publicly promptly.

The Company does not have a formal investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Pertinent information is regularly disseminated to the shareholders through SGXNET and the Company's website. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises. In the absence of a dedicated investor relations team and investor relations policy, Ms Hing Lai Kuen, the Company's Financial Controller, is responsible for the Company's communication with shareholders. Shareholders and/or investors who have questions may reach out to Ms Hing at IR@alpha-dx.com.sg.

Provisions 12.2 and 12.3 of the Code

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, community, government and regulators and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Provision 13.1 of the Code

The Company's approach to shareholder engagement, materiality assessment and disclosures of its strategy and key areas of focus in relation to the management of stakeholder relationships can be found in the Company's Sustainability Report 2021 which will be published separately from the 2021 Annual Report.

Provision 13.2 of the Code

The Company maintains a current corporate website at https://www.alpha-dx.com.sg to communicate and engage with stakeholders.

Provision 13.3 of the Code

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Dealings in Securities

The Company adopts the following policies in compliance with Rule 1204(19) of the Catalist Rules of the SGX-ST in relation to dealings in its securities:

- officers and employees are not to deal in its securities during the period commencing one month before the announcement of the Company's financial statements for the half-year and full-year, and ending on the date of the announcement of the relevant results. When the Company commences quarterly reporting, the prohibition from dealing in the securities of the Company will also be applied during the period commencing two weeks before the announcement of the Company's quarterly results (for each of the first three quarters of its financial year) and ending on the date of announcement of the relevant results;

- officers and employees are not to deal in its securities on short-term considerations;

- in addition, the Company reminds its directors, officers and employees to observe the laws on insider trading at all times, even during the permitted trading period for them to deal in its securities;

- directors are required to report securities dealings to the Company Secretary who will assist in making the necessary public announcements.

Material Contracts

Save as set out below and for the service agreement between the Company and the Executive Director and CEO, there were no material contracts entered into between the Company and its subsidiaries involving the interests of any director or controlling shareholder either still subsisting as at 31 December 2021 or if not then subsisting, entered into since the end of the previous financial year:

(a) the conditional sale and purchase agreement entered into on 28 April 2021 between the Company, Asnaro Enterprises Pte. Ltd., a wholly-owned subsidiary of the Company, and DiDi Investments, Inc. in relation to the proposed acquisition by Asnaro Enterprises Pte. Ltd. of the entire issued and paid-up share capital in ERC Institute Pte. Ltd., and as terminated and postponed subsequently, as announced by the Company on 22 June 2021;

(b) the conditional sale and purchase agreement entered into on 17 August 2021 between the Company, Asnaro Enterprises Pte. Ltd., a wholly-owned subsidiary of the Company, and DiDi Investments, Inc. in relation to the proposed acquisition by Asnaro Enterprises Pte. Ltd. of the entire issued and paid-up share capital in DiDi Academy Inc.; and

(c) the addendum to a master license agreement entered into on 30 September 2021 between the Company's wholly-owned subsidiary, Invictus Academy Inc. (formerly known as DiDi Academy Inc.) and ERC Institute Pte. Ltd. in relation to the payment of an additional deposit of S$600,000, in connection with the acquisition of an exclusive perpetual territorial license.

Sustainability Management

The Group's Sustainability Report for FY2021 has been prepared in accordance with the GRI standards and in line with the Singapore Exchange requirements on sustainability reporting. The report will highlight the key economic, environmental, social and governance (ESG) factors such as workplace healthy and safety, the environment and our community. More details and information are in the Group's Sustainability Report, which will be published separately from the 2021 Annual Report.

Interested Person Transactions

The Group has established procedures to ensure that all transactions entered into with interested persons are properly documented and reported on a timely manner to the AC at least on a half yearly basis and that the transactions are conducted on an arm's length basis and are not prejudicial to the interest of the Company and its minority shareholders, in accordance with the internal controls set up by the Company on dealing with interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

CORPORATE GOVERNANCE REPORT

The Company does not have a general mandate from its shareholders for recurring interested person transactions.

During the financial year ended 31 December 2021, the following interested person transactions were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY2021	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) FY2021
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 S$6,904 (1) (ii) Financial and business development advisory service fee amounting to S$352,000 (2) (iii) Purchase consideration paid amounting to S$2,000,000 in relation to the acquisition (3)	Nil
ERC Institute Pte. Ltd.	A company fully owned by DiDi Investments Inc, a controlling shareholder of the Company holding 70.56% of the issued and paid-up share capital of the Company.	Additional Refundable Deposit for exclusive perpetual territorial license amounting to S$600,000	Nil

Notes:

(1) Relates to interest payable on the loan extended by DiDi Investments, Inc. On 10 September 2021, DiDi Investments, Inc. had disbursed the final tranche of S$2 million loan (the "Loan") to the Group which subsequently converted into Shares on 30 September 2021. The Loan which bears an effective interest rate of 6% per annum 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.

(3) Relates to the acquisition of the entire issued and paid-up ordinary shares in the capital of DiDi Academy Inc. (now renamed as Invictus Academy Inc.).

The above interested person transaction relates to continuing operations.

The Company has entered into an extension agreement with ERCI on 28 January 2022 to extend the purchase the License to 31 March 2022 for an aggregate consideration of S$2,000,000 of which the Group had paid S$1,100,000 as a deposit which is fully refundable should the Group choose not to proceed with the purchase of the License for any reason. The Company is currently in the process of finalising the preparation of circular for the Extraordinary General Meeting ("**EGM**") to be conducted to approve the value of the license as the license transaction falls under the category of IPT which requires shareholders' approval. The circular and

CORPORATE GOVERNANCE REPORT

the notice of EGM will be despatched to Shareholders of the Company in due course. Upon approval of the final value of the license, the whole amount of the deposit will become a part of the license fee approved by the shareholders.

Utilisation of Proceeds from Convertible Loan

The Company had on 17 September 2020 entered into a convertible loan agreement with DiDi Investments, Inc for a sum of up to S$24,000,000 (the "**Convertible Loan**"). The sum had been disbursed in full on 21 January 2021 and 10 September 2021.

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

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

Use of Proceeds	Amount allocated on 24 Sep 2020 S$	Amount after first reallocation on 13 Nov 2021 S$	Amount after second reallocation on 28 Feb 2022 S$	Amount after third reallocation on 14 Mar 2022 S$	Amount utilised S$	Fourth reallocation amount on 1 Sep 2022 S$	Unutilised balance S$
Payment of consideration to the Kydon Holdings Pte. Ltd. in relation to the Proposed Acquisition	10,000,000	10,000,000	10,000,000	9,200,000	(8,100,000)	(1,100,000)	–
Repayment of an earlier S$1,000,000 short term loan from DiDi Investments, Inc.	1,000,000	1,000,000	1,000,000	1,000,000	(1,000,000)	–	–
Payment of professional fees and expenses incurred by the Company in relation to the convertible loan, the Proposed Acquisition and other associated costs	1,600,000	1,384,379	825,727	825,727	(825,727)	–	–
Payment of restructured debts of the Company (i.e. Alpha DX Group Limited) which remain payable in cash	2,000,000	1,741,716	1,275,331	1,275,331	(1,275,331)	–	–
Retained in the Company for general working capital purposes and for future investments and acquisition opportunities	9,400,000	9,873,905	10,898,942	11,698,942	(11,496,042) (1)	1,100,000	1,302,900
Total	24,000,000	24,000,000	24,000,000	24,000,000	(22,697,100)	–	1,302,900

Note:

(1) General working capital utilised consisted of payments of administrative and corporate related expenses which consists of payment of staff costs and director fees of S$1,248,887, operating costs (which includes advertising, IT expenses and day to day business expenses) of S$1,061,258, payment of professional fees of S$2,594,505 mainly for corporate restructuring and associated costs for potential acquisitions, advances to a subsidiary corporation of S$308,231 for general working capital purposes, injection of capital to a subsidiary corporation of S$3,160,000 for (i) repayment of bank loan of S$2,900,000 and (ii) payment of refundable deposit for a potential acquisition of S$260,000 pursuant to a non-binding agreement, interest on the convertible loan and borrowing of S$523,161, payment of consideration to seller in relation to acquisition of Invictus Academy of S$2,000,000 and S$600,000 payment for a refundable deposit for exclusive perpetual territorial licence.

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The above utilisation of the net proceeds raised from the Convertible Loan is consistent with the intended use of net proceeds disclosed in the Company's circular dated 24 September 2020 in relation to the convertible loan agreement of S$24,000,000 and the Earlier Announcements.

Catalist Sponsor

In compliance with Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid/payable to the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021. However, PrimePartners Corporate Finance Pte. Ltd. had issued a credit note of $36,222 for fees invoiced in FY2019 in relation to non-sponsor fees.

With effect from 24 June 2022, the Company has appointed Evolve Capital Advisory Private Limited to act as its continuing sponsor in place of PrimePartners Corporate Finance Pte. Ltd., further to the notice of termination provided by PrimePartners Corporate Finance Pte. Ltd. to the Company.

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 49 to 132 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regards to the matters set out in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Daiji Yamada	(Appointed on 14 May 2020)
Yoshiyasu Naruse	(Appointed on 21 January 2021)
Michiko Koyano	(Appointed on 22 March 2021)
Chan Kam Loon	(Appointed on 12 August 2022)
Poon Joe Keen	(Appointed on 12 August 2022)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiary corporations) are as follows:

	Holdings at beginning of the financial year	Holdings at end of the financial year
Options granted by the Company		
Tan Ser Ko (Resigned on 8 June 2021)	480,000	12,000

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

Name of directors and corporations in which interests are held	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	At 1.1.2021, or date of appointment, if later	At 31.12.2021	At 1.1.2021, or date of appointment, if later	At 31.12.2021
Alpha DX Group Limited				
(No. of ordinary shares)				
Yoshiyasu Naruse	–	–	–	171,428,571
Michiko Koyano	–	100,000	–	–

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 14 October 2022.

Except as disclosed under the "Share Options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

Alpha DX Group Employee Share Option Scheme

The Alpha DX Group Employee Share Option Scheme (the "Scheme") was approved and adopted by its members at an Extraordinary General meeting held on 29 July 2016. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Poon Joe Keen, Michiko Koyano and Yoshiyasu Naruse.

Other information regarding the Scheme is set out below:

Option granted on 2 March 2017 ("Grant Date 1")

In 2017, the Company granted a total of 4,800,000 options pursuant to the Scheme. Following the share consolidation on 17 March 2021 (Note 16), this was adjusted to 120,000 effective 26 March 2021. Details are as follows:

- The exercise price of each option is fixed at S$2.68 (2020: S$0.067).
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 1.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.
- The options include 60,000 (2020: 2,400,000) share options granted to the former Executive Director, Dean Lloyd Gallegos and 12,000 (2020: 480,000) share options granted to each of the former directors, Tan Ser Ko, Lee Sek Leong Christopher, Yong Boon Chuan Leslie, Lim Yeok Hua and Ravinder Singh Grewal s/o Sarbjit Singh.

DIRECTORS' STATEMENT

SHARE OPTIONS (CONT'D)

Option granted on 5 May 2017 ("Grant Date 2")

In 2017, the Company granted a total of 480,000 options pursuant to the Scheme. Following the share consolidation on 17 March 2021 (Note 16), this was adjusted to 12,000 effective 26 March 2021. Details are as follows:

- The exercise price of each option is fixed at S$3.12(2020:S$0.078).
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 2.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.
- The options include 12,000 (2020: 480,000) share options granted to the former director, Ang Yew Jin Eugene.

Option granted on 1 March 2019 ("Grant Date 3")

In 2019, the Company granted a total of 10,500,000 options pursuant to the Scheme, details as follows:

- The exercise price of each option is fixed at S$0.070.
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 3.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.
- The options include 2,000,000 share options granted to the former director, Majid Alexander Jourabchi and have lapsed in 2019, as the share options are granted to Majid Alexander Jourachi in the capacity of an employee and not Director.
- With effect from 26 April 2020, Majid Alexander Jourabchi resigned as a Non-Independent Non-Executive Director of the Company.

There were no other share options granted to Participants who are controlling shareholders of the Company and their associates.

There were no other share options granted to Participants who receive 5% or more of the total Awards available under the share options.

Save as disclosed above, there were no other share options granted to Directors and employees of the parent company and its subsidiary corporations.

DIRECTORS' STATEMENT

PERFORMANCE SHARES

The Company's employee share award scheme ("Share Plan") was approved and adopted by its members at an Extraordinary General Meeting held on 22 July 2011. The Share Plan is administered by the Company's Remuneration Committee, comprising three directors, Poon Joe Keen, Michiko Koyano and Yoshiyasu Naruse.

The Company will grant share awards of the Company ("Awards") to eligible Group employees and directors ("Participants"). Awards represent the right of a Participant to receive fully paid ordinary shares of the Company ("Shares") free of charge, upon the Participant achieving prescribed performance targets. Awards may only be vested and consequently, any Shares comprised in such Awards shall only be delivered upon the Remuneration Committees' satisfaction that the prescribed performance targets have been achieved.

There were no Awards granted to Participants who are controlling shareholders of the Company and their associates.

There were no Awards granted to Participants who receive 5% or more of the total Awards available under the Share Plan.

There were no Awards granted to Directors and employees of the parent company and its subsidiary corporations.

AUDIT COMMITTEE

The members of the Audit Committee at the date of this statement are:

Chan Kam Loon	(Chairman and independent director)
Poon Joe Keen	(Independent non-executive director)
Michiko Koyano	(Independent non-executive director)

The Audit Committee carries out its functions in accordance with Section 201B of the Act, Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance, including the following:

(i) reviews the audit plans of the internal auditor and the independent auditor and results of the auditors' examination and evaluation of the Group's financial statements and system of internal accounting controls;

(ii) reviews the Group's financial and operation results and accounting policies;

(iii) reviews the statement of financial position of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and the independent auditor's report on those financial statements;

(iv) reviews the quarterly and annual announcements on the financial results of the Group and financial position of the Company and of the Group;

(v) ensures the co-operation and assistance given by the management to the independent auditor;

(vi) makes recommendations to the Board of Directors on the appointment of independent auditor and internal auditor; and

(vii) reviews the Interested Person Transactions as defined in Chapter 9 of the Rules of Catalist of the SGX-ST as required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The independent auditor has unrestricted access to the Audit Committee.

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the independent auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the independent auditor. The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that Nexia TS Public Accounting Corporation, be nominated for re-appointment as the Company's independent auditor at the forthcoming Annual General Meeting of the Company.

In appointing the independent auditor of the Company and its subsidiary corporations, the Company has complied with Rules 712 and 715 of the Rules of Catalist of the SGX-ST.

INDEPENDENT AUDITOR

The independent auditor, Nexia TS Public Accounting Corporation, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors

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Daiji Yamada
Director

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Naruse Yoshiyasu
Director

14 October 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Alpha DX Group Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 132.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note 2 to the financial statements, although the Group has disposed its oil and gas business and diversified into the new education service business through the acquisition of Zionext Pte. Ltd. and its subsidiary corporations ("Zionext Group"), the Company incurred a net loss of S$6.02 million. This was mainly due to professional fees incurred for its corporate exercise and recurring corporate expenses such as staff costs, listing fees and professional fees during the financial year ended 31 December 2021.

As disclosed in Note 35(a) to the financial statements, certain creditors have issued letter of demands against the Company for fees amounting to S$2.63 million owing to them as at 31 December 2021. Accordingly, the Company's shares had been suspended from trading under Rule 1303(3)(c) of the Catalist Rules since 11 March 2022. The Company has on 2 September 2022 (the "Scheme Date"), proposed to enter into a 'pre-packaged' scheme of arrangement with its creditors pursuant to Section 210 of the Companies Act 1967 read together with Section 64 of the Insolvency Restructuring and Dissolution Act 2018 ("IRDA") (the "Scheme"). The Scheme comprises the complete settlement of the scheme debt amounted to approximately S$5.07 million as at the Scheme Date such that the creditors under the Scheme (the "Scheme Creditors") will receive in return in full (i.e. 100% recovery) on their approved claims. Pursuant to the terms of the Scheme, the cut-off date for the Scheme Creditors to vote on the Scheme has passed on 16 September 2022 and the Company has on 22 September 2022, announced that the Scheme has been approved by the Scheme Creditors with the requisite majority in number and in value. Subsequently, the Company filed an application pursuant to Section 71(1) of the IRDA for the Court to approve the Scheme on 23 September 2022. Should the Scheme be approved and become effective, 40% of the scheme debt of approximately S$2.03 million will be due by December 2022 with the remaining balance of $3.04 million to be paid in three tranches equally 4 months, 6 months and 8 months from 15 November 2022.

The ability of the Company to settle the abovementioned fees due to its creditors in accordance with the Scheme depends on the Company receiving a loan from DiDi Investments Inc. ("DiDi"), a substantial shareholder of the Company through the disposal of Didi's investment in a subsidiary corporation, conversion of options by DiDi, funding from potential investor through private placement and realisation of the Group's investment property.

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Material Uncertainty Related to Going Concern (Cont'd)

Notwithstanding that the above events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's abilities to continue as a going concern, the directors of the Company believe that the use of going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2021 is still appropriate, after taking into consideration of the following factors:

a) The Company is in the process of securing fundings amounting to approximately S$3 million to settle part of the scheme debt through the loan from DiDi. Such loan will be provided by DiDi upon completion of sale of one of its subsidiary corporations, subject to further negotiation with potential buyers. In addition, Didi will also be injecting further funds into the Company through the exercise of its options.

b) The Company is in the midst of negotiation with potential investors to raise additional funds of approximately S$3 million from private placements as part of the Company's continual effort to explore potential fund raising activities.

c) The Group has successfully diversified into new business in the education service industry through the acquisition of Zionext Group and it is expected that Zionext Group is able to contribute substantial revenue to the Group. The Company has projected that Zionext Group can generate sufficient cash flows from operations for its own operations purposes and no further funding required from the Company.

(d) The Company's subsidiary corporation, Invictus Academy, Inc. ("Invictus") is in the process of selling its investment property, i.e. a freehold land located at Tokojimachi, Kofu-shi, Yamanashi, Japan for an amount that is not less than the carrying amount of S$785,673 (Note 6). The proceed from such sale will be used by Invictus to repay part of its payable to the Company.

Accordingly, the accompanying financial statements did not include any adjustments that may arise in the event that the Company is unable to continue as a going concern. In the event that the Company is unable to continue in operational existence in the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Business Combination and Purchase Price Allocation ("PPA") of acquisition of subsidiary corporations, Zionext Pte. Ltd. and its subsidiary corporations (collectively, "Zionext Group") and Invictus Academy Inc. ("Invictus")

See accounting policies on Note 4.1(i)
Refer to Note 3.4(iv), Note 33 and Note 34 to the financial statements

Area of focus

On 22 January 2021, the Company acquired 100% of the issued share capital in Zionext Pte. Ltd. for total consideration of S$11,773,537. Zionext Group is in the business of offering learning technology solutions and customised digital learning content. The Group determined that the assets acquired and liabilities assumed constitute a business, therefore accounted for the transaction as a business combination using acquisition method in accordance with SFRS(I) 3 *Business Combination*. The Group performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and liabilities assumed, resulting in the recognition of goodwill of S$9,447,731. As part of the PPA exercise, management performed an estimation of the fair value of the identifiable assets acquired and liabilities assumed. In this exercise, management engaged independent valuers to perform the valuation of certain assets of Zionext Group.

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Accounting for Business Combination and Purchase Price Allocation ("PPA") of acquisition of subsidiary corporations, Zionext Pte. Ltd. and its subsidiary corporations (collectively, "Zionext Group") and Invictus Academy Inc. ("Invictus") (Cont'd)

Area of focus (Cont'd)

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

We focused on this area because such transactions can be complex and judgement is involved in determining whether an acquisition is a business combination or an acquisition of an asset, each of which have different accounting treatment. In addition, the quantitative impact of the acquisition on the consolidated financial statements through PPA exercise, which involves the fair valuation of the consideration transferred and the identification of the acquired assets and liabilities assumed and their respective fair values, requires the use of significant management judgement and estimates.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

1. Obtained an understanding of management's process related to the acquisition accounting. We reviewed the board resolution and sales and purchase agreement, assessed the accounting treatment in accordance with SFRS(I) 3 and identified critical terms with accounting impact, including the purchase consideration and determined the acquisition date.

2. Obtained an understanding of the transactions, including an assessment of whether the transactions constituted an asset acquisition or business combination.

3. Assessed the competence, objectivity and capabilities of the external valuation expert engaged by the Group and evaluated the reasonableness of their conclusions in relation to the key assumptions used. This included assessing the completeness of assets and liabilities identified, and the appropriateness of the fair value of the consideration transferred and the identifiable assets acquired and liabilities assumed.

4. Involved our internal valuation specialist in evaluating the reasonableness of the key estimates used in the valuation and assessing the methodology applied in the PPA exercise and the appropriateness of the key assumptions used in determining the valuation of intangible assets.

5. Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Impairment assessment of Goodwill on acquisition

See accounting policies on Note 4.6(a), Note 4.8(ii) and Note 4.12
Refer to Note 3.4(ii) and Note 9 to the financial statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Impairment assessment of Goodwill on acquisition (Cont'd)

Area of focus (Cont'd)

As at 31 December 2021, the Group's goodwill on acquisition of Zionext Group amounted to S$9,447,731, accounted for 43% of the Group's total assets. The goodwill is attributable to the Zionext Group's strong position and profitability in the business that is offering learning technology solutions and customised digital learning content and synergies that are expected to arise after the Group's acquisition of new subsidiary corporations. The Group is required to perform the goodwill impairment assessment at least on an annual basis by comparing the recoverable amount of the cash generating unit ("CGU") to the carrying amount. The Group assessed the recoverable amount for the CGU based on the value-in-use calculation which requires significant judgements in estimating key assumptions. As disclosed in Note 9, the Group's goodwill is allocated to the Digital Transformation in Learning and Education ("DTLE") CGU.

We considered the audit of management's impairment assessment of goodwill to be a key audit matter due to the magnitude of the amount recognised in the financial statements. In addition, the assessment process involved significant management estimate and was based on assumptions that are affected by future market and economic conditions. Management determined the recoverable amounts of the CGU associated with the goodwill based on value-in-use calculation using discounted cash flows, which involved significant judgements in estimating the gross margin, weighted average growth rate and discount rate.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

1. In relation to management's goodwill impairment assessment, reviewed management's process for performing annual impairment assessment.

2. In respect of the discounted cash flows ("DCF"):

    - assess the reasonableness of the forecasted cash flows by taking into consideration the relevant CGU's expected future operating performance (including revenue growth rates, gross margin, and cost margins), as well as historical actual performance, future plans and the general industry outlook;

    - assessed the reasonableness of the key assumptions using commonly accepted methodologies and benchmarks;

    - engaged auditor's expert to assess reasonableness of discount rate applied;

    - evaluated management's sensitivity analysis of the recoverable amounts of the CGU which involved the assessment of the impact to the recoverable amounts of the CGU when reasonable possible changes to the weighted average growth rate, gross margin, and discount rate are made;

    - assessed the adequacy of the disclosures relating to the underlying estimates and assumptions; and

    - tested the mathematical accuracy of the underlying calculations.

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Revenue recognition
See accounting policies on Note 4.11
Refer to Note 3.4(iii) and Note 24 to the financial statements

Area of focus

The Group's revenue is derived from:

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

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

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

Due to the nature of these revenue sources and being the new revenue streams for the Group, significant audit effort is required to test the occurrence, accuracy and completeness of the revenue recognised. Consequently, we considered this a key audit matter.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

1. Obtained understanding of key controls and performed walkthrough over the respective revenue cycles.

2. Evaluated management's assessment of the application of relevant accounting treatment for revenue recognition, particularly SFRS(I) 15 *Revenue from Contracts* with Customer and considered the appropriateness of the Group's revenue recognition accounting policies.

3. In relation to revenue recognised over time, reviewed major contracts to identify performance obligations, and assessed the progress of the performance obligations satisfied and the reasonableness of management's computation for revenue recognition.

4. Performed substantive audit procedures through verification of sales invoices and delivery orders or service performance forms, representing satisfaction of the identified performance obligation.

5. Performed sales cut-off procedures at financial year end to ensure that revenue is recognised in the correct financial period.

6. Reviewed credit notes, focusing on those raised after financial year end to ascertain if revenue has been adjusted accordingly.

7. Reviewed the journal entries posted to revenue to detect any unusual transactions in relation to revenue or any indication of fraud.

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors, Corporate Governance Report and Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibility of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards International ("SFRS(I)"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha DX Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Ms. Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

14 October 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		
		31 December 2021 S$	31 December 2020 S$ (Represented)	1 January 2020 S$ (Represented)
Non-current assets				
Exploration and evaluation assets	5	–	–	99,700,683
Investment property	6	785,673	–	–
Property, plant and equipment	7	668,035	3,161	36,098
Intangible assets and goodwill	9	11,320,416	–	–
Other investments	12	–	–	–
Other receivables	13	–	–	39,293,672
		12,774,124	3,161	139,030,453
Current assets				
Other investments	12	–	–	2,437
Trade and other receivables	13	4,567,424	88,729	3,584,628
Cash and cash equivalents	14	4,499,453	226,842	3,143,314
		9,066,877	315,571	6,730,379
Non-current assets held for sale	15(a)	–	–	6,668,640
Assets of disposal group classified as held for sale	15(b)(iii)	–	22,982,658	–
		9,066,877	23,298,229	13,399,019
Total assets		21,841,001	23,301,390	152,429,472
Equity				
Share capital	16	178,672,533	156,099,617	156,099,617
Perpetual securities	17	2,529,237	2,591,469	2,591,469
Reserves	18	(2,027,057)	(2,663,501)	(5,156,591)
Accumulated losses		(164,852,937)	(282,648,670)	(268,106,979)
Attributable to equity holders of the Company		14,321,776	(126,621,085)	(114,572,484)
Non-controlling interests		–	(824,320)	(648,286)
Total equity		14,321,776	(127,445,405)	(115,220,770)
Non-current liabilities				
Provision for restoration costs	20	–	–	3,341,056
Trade and other payables	21	–	–	1,131,959
Borrowings	19	135,167	–	26,923,589
Deferred income tax liabilities	23	189,058	–	–
		324,225	–	31,396,604
Current liabilities				
Trade and other payables	21	6,908,856	4,625,711	111,492,370
Borrowings	19	267,452	1,013,934	124,761,268
Current income tax liabilities		18,692	–	–
		7,195,000	5,639,645	236,253,638
Liabilities directly associated with disposal group classified as held for sale	15(b)(iv)	–	145,107,150	-
		7,195,000	150,746,795	236,253,638
Total liabilities		7,519,225	150,746,795	267,650,242
Total equity and liabilities		21,841,001	23,301,390	152,429,472

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	Company		
		31 December 2021	31 December 2020	1 January 2020
		S$	S$	S$
			(Represented)	(Represented)
Non-current assets				
Property, plant and equipment	7	118,073	3,161	–
Investments in subsidiary corporations	10	14,998,995	–	–
Other investments	12	–	–	–
Other receivables	13	–	–	–
		15,117,068	3,161	–
Current assets				
Other investments	12	–	–	2,437
Trade and other receivables	13	3,239,033	88,729	1,912,028
Cash and cash equivalents	14	2,565,619	226,842	37,283
		5,804,652	315,571	1,951,748
Total assets		20,921,720	318,732	1,951,748
Equity				
Share capital	16	178,672,533	156,099,617	156,099,617
Perpetual securities	17	2,529,237	2,591,469	2,591,469
Reserves	18	2,560,037	3,608,922	3,438,395
Accumulated losses		(168,647,037)	(167,574,756)	(164,354,061)
Total equity		15,114,770	(5,274,748)	(2,224,580)
Non-current liabilities				
Trade and other payables	21	–	–	–
Borrowings	19	19,166	–	–
		19,166	–	–
Current liabilities				
Trade and other payables	21	5,707,174	4,579,546	4,176,328
Borrowings	19	80,610	1,013,934	–
		5,787,784	5,593,480	4,176,328
Total liabilities		5,806,950	5,593,480	4,176,328
Total equity and liabilities		20,921,720	318,732	1,951,748

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$ (Represented)
Continuing operations			
Revenue	24	9,714,725	–
Cost of sales		(6,914,967)	–
Gross results		2,799,758	–
Other income	25	286,258	41,162
General and administrative expenses		(8,334,231)	(2,843,520)
Other expenses		(305,314)	(144,554)
Results from operating activities		(5,553,529)	(2,946,912)
Finance income		2,568	46,709
Finance cost		(760,398)	(241,788)
Net finance cost	26	(757,830)	(195,079)
Loss before income tax	27	(6,311,359)	(3,141,991)
Income tax	28	97,937	–
Loss from continuing operations		(6,213,422)	(3,141,991)
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax	15(b)(i)	128,365,330	(11,491,834)
Total profit/(loss) for the financial year		122,151,908	(14,633,825)
Total profit/(loss) attributable to:			
- Equity holders of the Company		122,166,201	(14,457,791)
- Non-controlling interests		(14,293)	(176,034)
		122,151,908	(14,633,825)
Total profit/(loss) attributable to equity holders of the Company relates to:			
- Loss from continuing operations		(6,213,422)	(3,141,991)
- Profit/(loss) from discontinued operations		128,379,623	(11,315,800)
		122,166,201	(14,457,791)
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	29	(3.94)	(5.57)*
- From discontinued operations	29	81.48	(20.07)*
Diluted EPS			
- From continuing operations	29	(3.94)	(5.57)*
- From discontinued operations	29	81.11	(20.07)*

* With the completion of the share consolidation on 26 March 2021, loss per share for the financial year ended 31 December 2020 were 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.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$ (Represented)
Total profit/(loss) for the financial year		122,151,908	(14,633,825)
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss:			
Currency translation arising from consolidation of financial statements of foreign operations	18(b)(iii)	(578,893)	2,725,745
Item that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net change in fair value	18(b)(iv)	–	(232,655)
Other comprehensive loss for the financial year, net of tax		(578,893)	2,493,090
Total comprehensive income/(loss) for the financial year		121,573,015	(12,140,735)
Total comprehensive income/(loss) attributable to:			
- Equity holders of the Company		121,587,308	(11,964,701)
- Non-controlling interests		(14,293)	(176,034)
		121,573,015	(12,140,735)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company										
	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$	Total S$	Non-controlling interests S$	Total equity S$
Group											
At 31 December 2020	156,099,617	(25,055)	2,662,441	4,036,485	(9,320,576)	2,591,469	(16,796)	(282,648,670)	(126,621,085)	(824,320)	(127,445,405)
Effect of change in functional currency (Note 3.3)	(3,920,621)	539	(61,228)	(988,332)	–	(62,232)	136	5,031,738	–	–	–
At 1 January 2021, as represented	152,178,996	(24,516)	2,601,213	3,048,153	(9,320,576)	2,529,237	(16,660)	(277,616,932)	(126,621,085)	(824,320)	(127,445,405)
Total comprehensive income/(loss) for the financial year											
Total profit/(loss) for the financial year	–	–	–	–	–	–	–	122,166,201	122,166,201	(14,293)	122,151,908
Other comprehensive income/(loss)											
Currency translation differences arising from consolidation of financial statements of foreign operations	–	–	–	(578,893)	–	–	–	–	(578,893)	–	(578,893)
Total comprehensive income/(loss) for the financial year	–	–	–	(578,893)	–	–	–	122,166,201	121,587,308	(14,293)	121,573,015
Transactions with owners, recognised directly in equity											
Issuance of ordinary shares pursuant to convertible loan agreement (Note 16)	24,000,000	–	–	–	–	–	–	–	24,000,000	–	24,000,000
Issuance of ordinary shares as part purchase considerations for acquisition of subsidiary corporations (Note 16)	1,773,537	–	–	–	–	–	–	–	1,773,537	–	1,773,537
Issuance of shares for introducer fee (Note 16)	720,000	–	–	–	–	–	–	–	720,000	–	720,000
Accrued perpetual securities distributions	–	–	–	–	–	–	–	(81,630)	(81,630)	–	(81,630)
Disposal of subsidiary corporations (Note 14)	–	–	–	(7,056,354)	9,320,576	–	–	(9,320,576)	(7,056,354)	838,613	(6,217,741)
Total transactions with owners	26,493,537	–	–	(7,056,354)	9,320,576	–	–	(9,402,206)	19,355,553	838,613	20,194,166
At 31 December 2021	178,672,533	(24,516)	2,601,213	(4,587,094)	–	2,529,237	(16,660)	(164,852,937)	14,321,776	–	14,321,776

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company										
	Share capital	Treasury shares	Share option reserve	Foreign currency translation reserve	Fair value reserve	Perpetual securities	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Group											
At 1 January 2020	156,099,617	(25,055)	2,662,441	1,310,740	(9,087,921)	2,591,469	(16,796)	(268,106,979)	(114,572,484)	(648,286)	(115,220,770)
Total comprehensive loss for the financial year											
Total loss for the financial year	–	–	–	–	–	–	–	(14,457,791)	(14,457,791)	(176,034)	(14,633,825)
Other comprehensive loss											
Currency translation differences arising from consolidation of financial statements of foreign operations	–	–	–	2,725,745	–	–	–	–	2,725,745	–	2,725,745
Equity investments at FVOCI – net change in fair value (Note 12(a))	–	–	–	–	(232,655)	–	–	–	(232,655)	–	(232,655)
Total comprehensive loss for the financial year	–	–	–	2,725,745	(232,655)	–	–	(14,457,791)	(11,964,701)	(176,034)	(12,140,735)
Transactions with owners, recognised directly in equity											
Accrued perpetual securities distributions	–	–	–	–	–	–	–	(83,900)	(83,900)	–	(83,900)
Total transactions with owners	–	–	–	–	–	–	–	(83,900)	(83,900)	–	(83,900)
At 31 December 2020	156,099,617	(25,055)	2,662,441	4,036,485	(9,320,576)	2,591,469	(16,796)	(282,648,670)	(126,621,085)	(824,320)	(127,445,405)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$ (Represented)
Cash flows from operating activities			
Total profit/(loss) for the financial year		122,151,908	(14,633,825)
Adjustments for:			
- Amortisation of intangible assets	27	787,043	–
- Bad debt written off		112,608	4,590,993
- Change in fair value of equity investment – at FVPL	27	(2,190)	2,492
- Depreciation of property, plant and equipment	27	224,473	30,331
- Finance income	26	(2,568)	(46,709)
- Finance cost	32	2,682,911	16,224,086
- Gain on disposal of subsidiary corporations	14	(129,827,139)	(1,132,706)
- Gain on forgiveness of debts	32	(848,955)	(5,973,347)
- Impairment loss on investment property	27	625,943	–
- Write-off property, plant and equipment	27	5,893	–
- Write-off intangible assets	27	137,573	–
- Income tax credit	28	(97,937)	–
- Reversal of impairment loss on exploration and evaluation assets	5	–	(7,206,363)
- Reversal of provision for restoration costs	20	–	(3,415,704)
- Unrealised currency translation (gain)/losses		(490,012)	58,610
Operating cash flows before changes in working capital		(4,540,449)	(11,502,142)
Changes in working capital, net of effects from acquisition and disposal of subsidiary corporations:			
- Trade and other receivables		289,171	199,794
- Trade and other payables		1,998,764	7,103,491
- Income tax payable	34	3,157	–
Cash used in operations		(2,249,357)	(4,198,857)
Income tax paid		(49,835)	–
Net cash used in operating activities		(2,299,192)	(4,198,857)
Cash flows from investing activities			
Acquisition of subsidiary corporations, net of cash acquired	33(b)	(9,664,650)	–
Investment of equity investment – at FVOCI	12	–	(232,655)
Proceeds from disposal of IT business		–	711,012
Proceeds from disposal of subsidiary corporations, net of cash disposed of	14	1	–
Proceeds from disposal of financial assets – at FVPL	12(c)	266,776	–
Proceeds from disposal of property, plant and equipment		79,484	
Addition to investment property	6	(1,434,830)	
Additions to property, plant and equipment	7	(279,430)	(3,461)
Additions to intangible assets	9	(344,117)	–
Deposit for exclusive perpetual territorial licence	13	(600,000)	–
Deposit placed for potential acquisition	13	(510,000)	–
Loan to a non-related party		(50,000)	–
Repayment of loan by a non-related party		50,000	–
Interest received		654	–
Net cash (used in)/provided by investing activities		(12,486,112)	474,896

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$ (Represented)
Cash flows from financing activities			
Interest paid	19	(604,234)	(726,348)
Interest received		–	2
Cash security held for bank guarantee issued	14	(250,000)	–
Proceeds from loans from a non-related party	19	–	2,262,904
Proceeds from borrowings	19	–	2,270,484
Proceeds from loans from a related party	19	24,000,000	–
Repayment of loans from a non-related party	19	(1,000,000)	–
Repayment of bank borrowings	19	(3,166,107)	(94,013)
Principal payment of lease liabilities	19	(171,744)	–
Net cash provided by financing activities		18,807,915	3,713,029
Net change in cash and cash equivalents		4,022,611	(10,932)
Cash and cash equivalents at beginning of the financial year		226,842	257,484
Effects of exchange rate changes on cash and cash equivalents		–	(19,710)
Cash and cash equivalents at end of the financial year	14	4,249,453	226,842

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 October 2022.

1. DOMICILE AND ACTIVITIES

With effect from 5 March 2021, the name of the Company was changed from Alpha Energy Holdings Limited to Alpha DX Group Limited. The Company is incorporated in Singapore. The address of the Company's registered office is 29 Tai Seng Avenue, #07-07 Natural Cool Lifestyle Hub, Singapore 534119. The Company is listed on Catalist, the Sponsor-supervised listing platform, of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The financial statements of the Group as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiary corporations (together referred to as the "Group" and individually as "Group entities").

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

The principal activities of the subsidiary corporations are set out in Note 10 to the financial statements.

Impact of coronavirus ("COVID-19")

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closure, movement controls and other measures imposed by the various government. The Group's significant operations are mainly in Singapore with support team based in Malaysia and India, all of which have been affected by the spread of COVID-19 since 2020.

The Group has successfully diversified into new business of education service business through the completion of acquisition of 100% of existing shares in Zionext Pte. Ltd. and its subsidiary corporations ("Zionext Group") on 22 January 2021. With the acquisition of Zionext Group, the Group has been able to generate revenue although it is still incurring total loss and cash flows used in operating activities. Notwithstanding the total loss and cash flows used in operating activities, the Group has assessed that the going concern basis of preparation of the financial statements for the financial year ended 31 December 2021 remains appropriate subject to the assumptions set out in Note 2 below.

The Group has considered the market conditions (including the impact of COVID-19) as at the end of the financial year, in making estimates and judgements on the recoverability of assets as at 31 December 2021. The significant estimates and judgements applied on impairment of trade receivables and contract assets are disclosed in Note 3.4 to the financial statements.

As the global COVID-19 situation continues to evolve as at the date of issuance of these financial statements, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. GOING CONCERN

Although the Group has disposed its oil and gas business and diversified into the new education service business through the acquisition of Zionext Pte. Ltd. and its subsidiary corporations ("Zionext Group"), the Company incurred a net loss of S$6.02 million. This was mainly due to professional fees incurred for its corporate exercise and recurring corporate expenses such as staff costs, listing fees and professional fees during the financial year ended 31 December 2021.

As disclosed in Note 35(a) to the financial statements, certain creditors have issued letter of demands against the Company for fees amounting to S$2.63 million owing to them as at 31 December 2021. Accordingly, the Company's shares had been suspended from trading under Rule 1303(3)(c) of the Catalist Rules since 11 March 2022. The Company has on 2 September 2022 (the "Scheme Date"), proposed to enter into a 'pre-packaged' scheme of arrangement with its creditors pursuant to Section 210 of the Companies Act 1967 read together with Section 64 of the Insolvency Restructuring and Dissolution Act 2018 ("IRDA") (the "Scheme"). The Scheme comprises the complete settlement of the scheme debt amounted to approximately S$5.07 million as at the Scheme Date such that the creditors under the Scheme (the "Scheme Creditors") will receive in return in full (i.e. 100% recovery) on their approved claims. Pursuant to the terms of the Scheme, the cut-off date for the Scheme Creditors to vote on the Scheme has passed on 16 September 2022 and the Company has on 22 September 2022, announced that the Scheme has been approved by the Scheme Creditors with the requisite majority in number and in value. Subsequently, the Company filed an application pursuant to Section 71(1) of the IRDA for the Court to approve the Scheme on 23 September 2022. Should the Scheme be approved and become effective, 40% of the scheme debt of approximately S$2.03 million will be due by December 2022 with the remaining balance of $3.04 million to be paid in three tranches equally 4 months, 6 months and 8 months from 15 November 2022.

The ability of the Company to settle the abovementioned fees due to its creditors in accordance with the Scheme depends on the Company receiving a loan from DiDi Investments Inc. ("DiDi"), a substantial shareholder of the Company through the disposal of Didi's investment in a subsidiary corporation, conversion of options by DiDi, funding from potential investor through private placement and realisation of the Group's investment property.

Notwithstanding that the above events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's abilities to continue as a going concern, the directors of the Company believe that the use of going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2021 is still appropriate, after taking into consideration of the following factors:

(a) The Company is in the process of securing fundings amounting to approximately S$3 million to settle part of the scheme debt through the loan from DiDi. Such loan will be provided by DiDi upon completion of sale of one of its subsidiary corporations, subject to further negotiation with potential buyers. In addition, Didi will also be injecting further funds into the Company through the exercise of its options.

(b) The Company is in the midst of negotiation with potential investors to raise additional funds of approximately S$3 million from private placements as part of the Company's continual effort to explore potential fund raising activities.

(c) The Group has successfully diversified into new business in the education service industry through the acquisition of Zionext Group and it is expected that Zionext Group is able to contribute substantial revenue to the Group. The Company has projected that Zionext Group can generate sufficient cash flows from operations for its own operations purposes and no further funding required from the Company.

(d) The Company's subsidiary corporation, Invictus Academy, Inc. ("Invictus") is in the process of selling its investment property, i.e. a freehold land located at Tokojimachi, Kofu-shi, Yamanashi, Japan for an amount that is not less than the carrying amount of S$785,673 (Note 6). The proceed from such sale will be used by Invictus to repay part of its payable to the Company.

Accordingly, the accompanying financial statements did not include any adjustments that may arise in the event that the Company is unable to continue as a going concern. In the event that the Company is unable to continue in operational existence in the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s").

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies set out in Note 4.

3.3 Functional and presentation currency

Prior to 1 January 2021, the United States Dollar ("US$") was regarded as the functional currency of the Company and the consolidated financial statements were also presented in US$. The Company had, having reviewed its business and operating environment, changed its functional currency from US$ to Singapore Dollar ("S$") during the financial year ended 31 December 2021. The change in functional currency of the Company was applied prospectively from the date of change on 1 January 2021, in accordance with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*.

In conjunction with the change in functional currency, the Company and the Group had also changed its presentation currency to S$. The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors. The comparative figures of the Group and the Company in these financial statements have been represented in S$ in order to provide meaningful comparable information.

In accordance with SFRS(I) 1-21, the following methodology was followed in restating historical financial statements from US$ into S$:

(i) all assets and liabilities are translated from their functional currency into the new presentation currency at the beginning of the comparative period using the opening exchange rate and retranslated at the closing rate;

(ii) profit and loss items are translated at the average exchange rate;

(iii) share capital, other reserves and retained profits are restated into the new presentation currency as if they had always been in the presentation currency; and

(iv) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

3.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed as follows:

(i) Provision of the expected credit losses ("ECL")

As at 31 December 2021, the carrying amount of the Group's trade and other receivables and contract assets amounted to S$3,621,760 (31 December 2020: S$88,729) and S$860,108 (31 December 2020: Nil) respectively, arising from the Group's different revenue segments (Note 13).

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provisions matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated with changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs of the Group's trade receivables is disclosed in Note 31(a).

(ii) Estimated impairment of goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 9, the recoverable amounts of cash-generating units ("CGUs") in which the goodwill has been attributable to, is determined using value-in-use calculation which requires the entity to estimate the future cash flows and a suitable discount rate in order to calculate present value. The assessment process involves significant management estimate and is based on assumptions that are affected by future market and economic conditions. Management has assessed that the recoverable amount of the CGUs is more than the carrying values of the CGUs, and accordingly no impairment charge was recognised. Further details of the impairment assessment are disclosed in Note 9. The carrying amount of the goodwill as at 31 December 2021 is S$9,447,731 (31 December 2020: Nil).

(iii) Revenue recognition

Included in the platform/system services are the system implementation and enhancement, maintenance services, Software as a Services[1], and training support services.

The Group recognises revenue from system implementation and enhancement over time using output method, i.e. direct measurement of value to the customer of the goods or services transferred to-date by reference to the milestones reached or appraisals of results achieved, and revenue from maintenance services, Software as a Services, and training support services over time using time lapse method, in accordance with the accounting policy as stated in Note 4.11(iv).

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

The amount of revenue from platform/system services recognised during the financial year ended 31 December 2021 is S$4,795,399 (31 December 2020: Nil).

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (Cont'd)

(iv) Business combination

In accounting for business combinations, judgement is required in determining whether the transaction meets the definition of a business combination in accordance with SFRS(I) 103 Business Combinations. If an entity obtains control of one or more other entities that are not businesses, the bringing together of those entities is not a business combination. In making this judgement, the Group evaluates, among other factors, whether the entity acquired has an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to participants. During the financial year, the Group assessed that the acquisition of Invictus Academy Inc. did not meet the criteria of a business combination, and was accounted for as an asset acquisition (Note 34) while the acquisition of Zionext Pte. Ltd. and its subsidiary corporations was accounted for as business combination (Note 33).

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

4.1 Basis of consolidation

(i) Asset acquisition and business combination

Where an asset is acquired, via corporate acquisitions or otherwise, the Group considers whether the acquisition represents an acquisition of a business or an acquisition of an asset. An acquisition is accounted for as a business combination when an integrated set of activities is acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

In determining whether an integrated set of activities is acquired, the Group considers whether significant processes, such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of business. The Group accounts for business combination using the acquisition method when control is transferred to the Group.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Where an acquisition does not represent an acquisition of business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

The Group measures goodwill at the date of acquisition as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (Cont'd)

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary corporation that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiary corporations

Subsidiary corporations are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary corporations are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary corporation are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

When the Group losses control over a subsidiary corporation, it derecognises the assets and liabilities of the subsidiary corporation, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary corporation is measured at fair value when control is lost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (Cont'd)

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Accounting for subsidiary corporations in the separate financial statements

Investments in subsidiary corporations are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the financial year, adjusted for effective interest and payments during the financial year, and the amortised cost in foreign currency translated at the exchange rate at the end of the financial year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

(i) an investment in equity securities designated as at FVOCI;

(ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

(iii) qualifying cash flow hedges to the extent that the hedge is effective.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary corporation, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary corporation that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in OCI and are presented in the translation reserve in equity.

(iii) Net investment in foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to other comprehensive income in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss arising on disposal.

4.3 Exploration and evaluation assets

Exploration and evaluation activities involve the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

(i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(ii) exploration and evaluation activities in the area of interest have reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Exploration and evaluation assets (Cont'd)

Exploration and evaluation assets comprise, among others, costs that are directly attributable to researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation and other directly attributable costs of exploration and appraisal including technical and administrative costs.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of drilling facilities, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the concession permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes to the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within 1 year of abandoning the concession site.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation is recognised from the date that plant and equipment are completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

The estimated useful lives for the current and comparative periods are as follows:

Computers	3 years
Office equipment	3 to 5 years
Leasehold improvements	2 to 5 years
Furniture and fittings	5 years
Motor vehicles	10 years
Lease premises	2 to 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Right-of-use assets ("ROU")

The Group recognises a right-of use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

4.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Intangible assets

(a) Goodwill

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

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

(b) Acquired license

License acquired is initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Acquired costs for licence is amortised to profit or loss using the straight-line method over estimated useful life of 5 years.

(c) Intellectual property

Intellectual property is 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 their estimated useful lives of 5 years.

(d) 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.

(e) Customer contracts and customer relationships

Customer contracts and customer relationships acquired in business combinations are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using straight-line-method over 2 to 3 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets except for software in progress are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments

(ii) Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings and trade and other payables (excluding deferred income).

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, restricted cash are excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the terms and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

Repurchase, disposal and reissues of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid which includes directly attributable costs, net of any tax effects, is recognised as a deduction of equity. Repurchased shares are classified and presented as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit is presented in non-distributable capital reserve.

4.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(i) Non-derivative financial assets (Cont'd)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (Cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (Cont'd)

(ii) Non-financial assets (Cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Employee benefits (Cont'd)

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

4.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.11 Revenue recognition

(i) Dividend income

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

(ii) Media Services

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

(iii) Managed Services

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

(iv) Platform/System Services

- Systems implementation and enhancement

  These services relate to systems implementation and enhancement which have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the systems implementation and enhancement projects.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Revenue recognition

(iv) Platform/System Services (Cont'd)

- Systems implementation and enhancement (Cont'd)

  The measure of progress is determined using output method, i.e. direct measurement of value to the customer of the goods or services transferred to-date by reference to the milestones reached or appraisals of results achieved.

  Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

  Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified service contract milestones. A contract asset is recognised when the Group has performed under the contract but is not yet entitled to bill the customer. Conversely, a contract liability is recognised when the payments received from the customer exceeds revenue recognised to date.

  An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

  For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

  Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

- Maintenance and support services, Software as a Services[1], and training support services

  Revenue from a contract to provide maintenance services, Software as a Service, and training support services are recognised over time during the contractual period as the customers simultaneously receives and consumes the benefits provided by the Group as the Group performs.

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

(v) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Goodwill

Goodwill that arises upon the acquisition of subsidiary corporations is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

4.13 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment loss on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

4.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Leases (Cont'd)

As a lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable less payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination options or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "borrowings" in the statement of financial position.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Finance income and finance costs (Cont'd)

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.16 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss; and

- Temporary differences related to investments in subsidiary corporations, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Income tax expense (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiary corporations in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted.

4.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and exploration and evaluation assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 New standards and interpretation not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

These following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to SFRS(I) 1- 12)
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to SFRS(I) 1-16)
- Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract) (Amendments to SFRS(I) 1-37)

5. EXPLORATION AND EVALUATION ASSETS

	Group	
	31 December 2021 S$	31 December 2020 S$
Cost		
Beginning of financial year	–	265,171,814
Disposals	–	(271,096,452)
Currency translation difference	–	5,924,638
End of financial year	–	–
Accumulated amortisation		
Beginning of financial year	–	102,086
Disposals	–	(104,368)
Currency translation difference	–	2,282
End of financial year	–	–
Accumulated impairment		
Beginning of financial year	–	165,369,045
Reversal of impairment loss (Note 32)	–	(7,206,363)
Disposals	–	(161,857,463)
Currency translation difference	–	3,694,781
End of financial year	–	–
Net book value		
End of financial year	–	–

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Exploration and evaluation assets represent costs incurred with respect to the exploration and evaluation of hydrocarbons in Alaska. These assets are held through the Group's working interest as disclosed in Note 11 in oil and gas exploration segment (Note 32). Amortisation was recorded upon commencement of production in November 2019.

In 2020, there are no drilling activities for exploration, mining development and production activities. Therefore, no costs are capitalised to the exploration and evaluation assets. On 1 November 2020, the Group has assigned all of its working interest ownership as disclosed in Note 11, and other exploration and evaluation assets in a public auction held on 23 September 2020 to satisfy the indebtedness owed to creditor, Alaska Industrial Development and Export Authority.

The exploration and evaluation assets were sold to the highest bidder, for S$104,753,587, with trivial difference from the indebtedness owed to the creditor. Accordingly, the Group has reversed S$7,206,363 of a previous impairment loss in 2019, which has been included in "Other income" in loss from discontinued operations (Note 15(b)(i)).

6. INVESTMENT PROPERTY

	Group
	31 December 2021 S$
Cost	
Beginning of financial year	–
Addition (Note 34)	1,434,830
Currency translation differences	(23,214)
End of financial year	1,411,616
Accumulated impairment	
Beginning of financial year	–
Impairment loss (Note 27)	625,943
End of financial year	625,943
Net book value	
End of financial year	785,673
At valuation	
Freehold property	785,673

At 31 December 2021, the details of the Group's investment property is as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. INVESTMENT PROPERTY (CONT'D)

Impairment

At the end of the financial year, the Group reviews whether there is any objective evidence or indication that the investment property may be impaired. For the purpose of impairment testing, the recoverable amount of the investment property is determined based on the fair value less cost to sell. The fair value of the Group's investment property is determined based on significant other observable inputs and is categorised under Level 2 of the fair value measurement hierarchy. Level 2 fair value has been derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square metre.

7. PROPERTY, PLANT AND EQUIPMENT

	Computer, office equipment	Leasehold improvements	Furniture and fittings	Motor vehicles	Lease premises	Total
	S$	S$	S$	S$	S$	S$
Group						
31 December 2021						
Cost						
Beginning of financial year	6,717	–	–	–	–	6,717
Acquisition of subsidiary corporations (Note 33(c))	66,824	8,393	2,138	80,530	–	157,885
Additions	154,608	103,069	21,753	–	538,022	817,452
Disposals	–	–	–	(80,530)	–	(80,530)
Write-off (Note 27)	(6,245)	(23,582)	(924)	–	–	(30,751)
Currency translation differences	(2,031)	(349)	2	–	(70)	(2,448)
End of financial year	219,873	87,531	22,969	–	537,952	868,325
Accumulated depreciation						
Beginning of financial year	3,556	–	–	–	–	3,556
Depreciation charge (Note 27)	52,809	26,787	1,957	1,046	141,874	224,473
Disposals	–	–	–	(1,046)	–	(1,046)
Write-off (Note 27)	(5,021)	(19,205)	(632)	–	–	(24,858)
Currency translation differences	(1,073)	(176)	(2)	–	(584)	(1,835)
End of financial year	50,271	7,406	1,323	–	141,290	200,290
Net book value						
End of financial year	169,602	80,125	21,646	–	396,662	668,035

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 8(a). Included in the additions during the financial year ended 31 December 2021 is assets accounted for under lease arrangements of S$538,022 (31 December 2020: Nil).

(b) Certain property, plant and equipment were reclassified during 2020 as assets of disposal group held-for-sale. As at disposal date, carrying amount is S$6,614 (31 December 2020: S$6,611).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computer, office equipment S$	Leasehold improvements S$	Furniture and fittings S$	Motor vehicles S$	Lease premises S$	Total S$
Group						
31 December 2020						
Cost						
Beginning of financial year	39,416	–	–	–	–	39,416
Additions	3,461	–	–	–	–	3,461
Reclassified to disposal group (Note 15(b)(iii))	(35,426)	–	–	–	–	(35,426)
Currency translation differences	(734)	–	–	–	–	(734)
End of financial year	6,717	–	–	–	–	6,717
Accumulated depreciation						
Beginning of financial year	3,318	–	–	–	–	3,318
Depreciation charge						
- Continuing operations (Note 27)	313	–	–	–	–	313
- Discontinued operations	30,018	–	–	–	–	30,018
	30,331	–	–	–	–	30,331
Currency translation differences	(1,278)	–	–	–	–	(1,278)
Reclassified to disposal group (Note 15(b)(iii))	(28,815)	–	–	–	–	(28,815)
End of financial year	3,556	–	–	–	–	3,556
Net book value						
End of financial year	3,161	–	–	–	–	3,161

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment S$	Leasehold improvements S$	Lease premises S$	Total S$
Company				
31 December 2020				
Cost				
Beginning of financial year	3,318	–	–	3,318
Additions	3,461	–	–	3,461
Currency translation differences	(62)	–	–	(62)
End of financial year	6,717	–	–	6,717
Accumulated depreciation				
Beginning of financial year	3,318	–	–	3,318
Depreciation charge	313	–	–	313
Currency translation differences	(75)	–	–	(75)
End of financial year	3,556	–	–	3,556
Net book value				
End of financial year	3,161	–	–	3,161

8. LEASES

Nature of the Group's leasing activities

Lease premises

The Group and the Company lease office space for the purpose of back-office operations.

(a) Carrying amount

	Group		Company	
	31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Lease premises (Note 7)	396,662	–	97,461	–

(b) Depreciation charge during the financial year

	Group	
	31 December 2021 S$	31 December 2020 S$
Lease premises (Note 7)	141,874	–
Motor vehicles (Note 7)	1,046	–
	142,920	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. LEASES (CONT'D)

Nature of the Group's leasing activities (Cont'd)

Lease premises (Cont'd)

(c) Interest expense

	Group	
	31 December 2021	31 December 2020
	S$	S$
Interest expense on lease liabilities (Note 26)	19,264	–

(d) Lease expense not capitalised on lease liabilities

	Group	
	2021	2020
	S$	S$
Short-term lease expense	35,748	–
Low-value lease expense	1,776	–
Total	37,524	–

(e) Total cash outflow for all leases in 2021 was S$215,382 (31 December 2020: Nil)

(f) Addition of ROU assets during the financial year ended 31 December 2021 was S$538,022 (31 December 2020: Nil) (Note 7).

(g) Future cash outflow which are not capitalised in lease liabilities

Extension option

The leases for office space, for which the related lease payments had not been included in lease liabilities as the Group and Company are not reasonably certain to exercise the extension option. The Group negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and Company and not by the lessor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. INTANGIBLE ASSETS AND GOODWILL

	Goodwill on consolidation S$	License S$	Intellectual property S$	Software work in progress S$	Customer contracts and relationships S$	Total S$
Group						
2021						
Beginning of financial year	–	–	–	–	–	–
Acquisition of subsidiary corporations (Note 33(c))	9,447,731	187,891	43,855	468,207	1,753,231	11,900,915
Additions	–	–	–	344,117	–	344,117
Write-off (Note 27)	–	(187,891)	–	–	–	(187,891)
End of financial year	9,447,731	–	43,855	812,324	1,753,231	12,057,141
Accumulated amortisation and impairment						
Beginning of financial year	–	–	–	–	–	–
Amortisation charge (Note 27)	–	50,318	43,855	–	692,870	787,043
Write-off (Note 27)	–	(50,318)	–	–	–	(50,318)
End of financial year	–	–	43,855	–	692,870	736,725
Net book value						
End of financial year	9,447,731	–	–	812,324	1,060,361	11,320,416

	Goodwill on consolidation S$	License S$	Intellectual property S$	Software work in progress S$	Customer contracts and relationships S$	Total S$
Group						
2020						
Cost						
Beginning of financial year	10,907,760	–	–	–	–	10,907,760
Disposal	(10,704,535)	–	–	–	–	(10,704,535)
Currency translation differences	(203,225)	–	–	–	–	(203,225)
End of financial year	–	–	–	–	–	–
Accumulated amortisation and impairment						
Beginning of financial year	10,907,760	–	–	–	–	10,907,760
Disposal	(10,704,535)	–	–	–	–	(10,704,535)
Currency translation differences	(203,225)	–	–	–	–	(203,225)
End of financial year	–	–	–	–	–	–
Net book value						
End of financial year	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

a. Intellectual property - Virtual Classroom Management System (VCMS) is a virtual learning environment capable of holding virtual classrooms and chat with all the students. It is also a platform allowing an instructor to conduct polls and peer reviews and share learning materials with the respective students. Sharing of desktop screens and remote access of each other's desktop is also part of the capability of VCMS.

b. License - Learning Content Management System (LCMS) is the perfect companion to a Learning Management System (LMS). While the LMS focuses on course delivery, the LCMS excels in managing content that can be used within courses. It provides content creators and administrators features to organize, tag, categorise, version control and approve their content repository. If integrated with a LMS, courses that are delivered can leverage the LCMS's content repository to access a centrally management set of content that meets the organization's standard, thus improving the overall quality of the courses. In 2021, the Group recognised a write-off of S$137,573 (Note 27) on license as the management has assessed that the license has no continuing economic value.

c. Software work in progress relates to costs capitalised on the Group's Learning Management System software that can be implemented into client hosting sites (cloud or local), including User Acceptance Test or System integration testing, security (stress test and hardening), bug fixes and patch management maintenance services.

Amortisation

The amortisation of intellectual property and license amounting to S$787,043 (31 December 2020: Nil), is allocated to administrative expenses.

Impairment tests for goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that are expected to benefit from that business combination.

In 2020, the goodwill is allocated to the Group's CGU, identified to be the entity, Mustang Operations Center 1, LLC ("MOC 1"). The goodwill is derecognised following the disposal of MOC 1.

In 2021, the goodwill is allocated to the Group's CGU, identified to be ZioNext Group which is in the business segment of Digital Transformation in Learning and Education ("DTLE") and amounting to S$9,447,731.

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the DTLE CGUs are determined using value-in-use calculations, derived from the most recent financial budgets approved by management for the next five years. Key assumptions as follows:

	31 December 2021
Growth rate[1]	2.0%
Discount rate[2]	10.7%

1 Weighted average growth rates used to extrapolate cash flows beyond the budget period

2 Pre-tax discount rates applied to the pre-tax cash flow projections

Management determined budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry report. The discount rates used were pre-tax and reflected specific risks relating to the segment. There were no reasonably possible changes in significant assumptions used in the value-in-use calculations which would cause the recoverable amount of the CGU to fall below the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2021	2020
	S$	S$
Unquoted equity shares, at cost		
Beginning of financial year	1	54,623,009
Addition	14,998,995	–
Disposal	–	(10,806,800)
Reclassified to disposal group	–	(42,798,514)
Currency translation differences	–	(1,017,694)
End of the financial year	14,998,996	1
Accumulated impairment		
Beginning of financial year	1	54,623,009
Disposal	–	(10,806,800)
Reclassified to disposal group	–	(42,798,514)
Currency translation differences	–	(1,017,694)
End of financial year	1	1
Carrying amount		
End of financial year	14,998,995	–

Management assesses for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired. No allowance for impairment loss was made in respect of the Company's investment in the subsidiary corporations to reduce the carrying amount of the investments to the recoverable amounts which were determined based on value-in-use calculation, after taking into consideration the financial performance and position of the subsidiary corporations. For the financial year ended 31 December 2021, the value-in use calculation is determined using key assumptions used for goodwill impairment test as disclosed in Note 9.

As at 31 December 2020, the Company classified its 100%-owned subsidiary corporation, JK North Slope LLC ("JKNS") and its subsidiary corporations, namely, Brooks Range Petroleum Corporation, Caracol Petroleum LLC, and TP North Slope Development LLC as disposal group held for sale following management's decision to dispose JKNS. Concurrently, the Company has dissolved its subsidiary corporation, Mustang Road LLC, therefore the entire results of the exploration and evaluation business segments was disclosed in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* (Note 15(b)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. 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 31 December 2021 %	Effective equity interest 31 December 2020 %
Held by the Company				
JK E&P Group Pte Ltd[(2)]	Investment holding	Singapore	100	100
Conquest Energy Pte Ltd[(2)]	Investment holding	Singapore	100	100
Zionext Pte Ltd [(2)]	Providing advanced learning technology solutions, learning media development, learning systems integration, custom application development and managed services	Singapore	100	–
Asnaro Enterprises Pte Ltd[(2)]	Investment holding in education business segment	Singapore	100	–
Held by Zionext Pte Ltd				
MQ Spectrum Pte Ltd[(2)]	Providing professional services on learning design	Singapore	100	–
Zionext (Malaysia) Sdn Bhd[(3)]	Providing professional services on learning design	Malaysia	100	–
Held by MQ Spectrum Pte Ltd				
Zionext Technologies (India) Pvt Ltd[(4)]	Provide IT consultancy services and system integration services in India Market	India	100	–
Held by Asnaro Enterprises Pte Ltd				
Invictus Academy, Inc [(6)]	Providing various certified academic and training programs and contents in Japan	Japan	100	–
Held by JK E&P Group Pte Ltd				
JK North Slope Group Inc Srl ("JKNG")[(1)(5)]	Investment holding	Romania	100	100
Held by JK North Slope Group Inc Srl				
JK North Slope LLC ("JKNS")[(8)]	Investment holding	United States of America	–	100
Held by JK North Slope LLC				
Caracol Petroleum LLC[(8)]	Oil and gas exploration through working interests	United States of America	–	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. 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 31 December 2021 %	31 December 2020 %	1 January 2020 %
Held by Caracol Petroleum LLC					
Brooks Range Petroleum Corporation[8]	Operator of Mustang Project	United States of America	–	97.5	97.5
Mustang Operations Center 1, LLC ("MOC 1")[7]	Disposed	United States of America	–	–	100
Mustang Road, LLC ("MRLLC")[9]	Operator of the access road into Mustang Field and the Gravel Pad where the processing facility will be located.	United States of America	–	100	100
TP North Slope Development, LLC ("TPNSD")[8]	Oil and gas exploration through working interests	United States of America	–	100	100

(1) 1% held by Conquest Energy Pte Ltd
(2) Audited by Nexia TS Public Accounting Corporation
(3) Audited by Aeron Lee & Co Chartered Accountant
(4) Audited by Gagan Jain & Associates
(5) Not required to be audited in accordance with the law of the country of incorporation. These subsidiary corporations are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual. For this purpose, a subsidiary corporation is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits
(6) Not required to be audited in accordance with the law of the country of incorporation. Audited by Nexia TS Public Accounting Corporation, Singapore for the Group's consolidation purposes
(7) Disposed of 100% of membership interest on 1 November 2020 (Note 14)
(8) Disposed of 100% of membership interest on 25 May 2021
(9) Liquidated with effective date of 23 March 2021

11. WORKING INTEREST

Following the completion of the public auction on 23 September 2020, the Department of Natural Resources of the State of Alaska has approved on the assignment of 100% of the membership interest in Mustang Operations Center 1, LLC ("MOC 1") to the highest bidder, and therefore, the Group has lost 20% of the working interest ownership in the Mustang Field, located at Alaska, United States of America, with effect from 1 November 2020 (the "effective date"). On the same effective date, the authority has also approved on the assignment of the remaining working interest ownership held by the Group to the highest bidder.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. OTHER INVESTMENTS

	Group		Company	
	2021	2020	2021	2020
	S$	S$	S$	S$
Non-current investments				
(a) Investment in Badami unit – at FVOCI				
Beginning of financial year	–	–	–	–
Additions	–	232,655	–	–
Fair value loss (Note 18(b)(iv))	–	(232,655)	–	–
End of financial year	–	–	–	–
Total	–	–	–	–
Current investments				
(b) Equity investments – at FVPL				
Beginning of financial year	–	2,437	–	2,437
Fair value loss (Note 27)	–	(2,492)	–	(2,492)
Currency translation differences	–	55	–	55
End of financial year	–	–	–	–
(c) Derivative financial assets – at FVPL				
Beginning of financial year	–	–	–	–
Acquisition of subsidiary corporation (Note 33(c))	264,586	–	–	–
Fair value gains (Note 27)	2,190	–	–	–
Disposals	(266,776)	–	–	–
End of financial year	–	–	–	–

Investments in Badami unit, at fair value through other comprehensive income ("FVOCI")

As at 31 December 2020, the Group has 7.5% working interest in Badami Unit. No strategic investments were disposed of during 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments. The Group's working interest in Badami Unit was pledged as collateral for the Group's borrowing with Alaska Industrial Development and Export Authority ("AIDEA") derecognised in Note 14. On 20 January 2021, a public auction for the Badami field was held, in which the leases relating to the Badami field, were sold to the highest bidder with the bid of US$10,001 (equivalent to S$13,222). The bid amount is to satisfy all indebtedness, interest and all necessary costs and expenses incurred for the public auction. The proceeds will be applied to settle expenses incurred by AIDEA.

In 2021, following the completion of disposal of JKNS Group which holds these investments, the Group no longer held any working interest in these investments. Cumulative gain or loss was transferred within equity relating to these investments.

Fair value loss of S$232,655 has been recognised in 2020 as the Group has received notices of default to sell the working interest in Badami Unit that is pledged to the loans, to satisfy the obligation secured subsequent to the end of the financial year and no amount was expected to be received (Note 18(b)(iv)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. OTHER INVESTMENTS (CONT'D)

Investments in Badami unit, at fair value through other comprehensive income ("FVOCI") (Cont'd)

In 2020, the Group recognised the net profit distribution from the investment in Badami Unit of S$70,895 as "other income" in the loss from discontinued operation (Note 15(b)(i)).

Derivative financial assets, at fair value through profit or loss ("FVPL")

The derivative financial asset relates to insurance bought by the Group through premium financing loan. The derivative financial asset is an investment linked insurance policy to provide financial coverage for the personal well-being of the former director. The insurance policy provides guaranteed financial returns upon the expiry or the occurrence of certain identifiable events. The identifiable events include the rights to receive fixed amounts determined by the issuers of these policies on an annual basis at dates stipulated in the policies. The financial returns are determined by the issuers of the policies, based on the aggregate amounts guaranteed at the commencement of the policies and discretionary amounts established on an annual basis. The discretionary amounts are typically determined based on certain financial performance indicators used by the issuers' assessment of the applicable indicators. Management had recognised the investments in this insurance policies based on estimated financial guarantee amounts as at the end of the reporting year provided by the issuers of these policies.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Current				
Trade receivables				
- Non-related parties	1,563,130	–	–	–
- Subsidiary corporations	–	–	12,840	–
	1,563,130	–	12,840	–
Non-trade amounts due from subsidiary corporations	–	–	75,143,766	95,505,280
Less: Loss allowance (Note 31(a))	–	–	(72,207,058)	(95,505,280)
	–	–	2,936,708	–
Other receivables	315,632	38,729	207,643	38,729
Contract assets (Note 24(b))	860,108	–	–	–
Deposits	1,742,998	50,000	67,462	50,000
Prepayments	85,556	–	14,380	–
Total	4,567,424	88,729	3,239,033	88,729

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

Certain other receivables amounted to S$20,131,674 were reclassified as at 31 December 2020 as assets of disposal group held-for-sale (Note 15(b)(iii)).

Credit and market risks, and impairment losses

The Group's and the Company's exposures to credit and currency risks and loss allowances, are disclosed in Note 31(a).

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S$	S$	S$	S$
Cash at bank and on hand	4,499,453	226,842	2,565,619	226,842

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31 December 2021	31 December 2020
	S$	S$
Cash and cash equivalents in the statements of financial position	4,499,453	226,842
Less: Restricted cash	(250,000)	–
Cash and cash equivalents as per consolidated statement of cash flows	4,249,453	226,842

The restricted cash as at 31 December 2021 represents cash security held for bank guarantee issued as a performance bond required under one of the contracts with the Government of the Republic of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14. CASH AND CASH EQUIVALENTS (CONT'D)

Acquisition and disposal of subsidiary corporations

Please refer to Note 33 for the effects of acquisitions of subsidiary corporations on the cash flows of the Group.

On 1 November 2020 (the "disposal date"), the Group disposed of 100%-owned subsidiary corporation, MOC 1 (Note 10). The effect of the disposal on the cash flows of the Group were:

	Group At the disposal date S$
Other receivables	19,199,390
Non-current assets held for sale	3,374,385
Total assets	22,573,775
Borrowings	23,706,481
Total liabilities	23,706,481
Net liabilities derecognised and disposed of	(1,132,706)
Effect of disposal on cash flow	
Net liabilities disposed of (as above)	(1,132,706)
Gain on disposal (Note 15(b)(i))	1,132,706
Consideration on disposal	–
Less: Cash and bank balances in the subsidiary corporation disposed of	–
Effect of disposal of cash flow	–

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

	Group At the disposal date S$
Total assets (Note 15(b)(iii))	23,050,280
Total liabilities (Note 15(b)(iv))	(146,659,677)
Net liabilities derecognised	(123,609,397)
Less: Non-controlling interests	838,613
Add: Currency translation loss reserve	(7,056,354)
Net liabilities disposed of	(129,827,138)
Less: Cash proceeds from disposal	1
Gain on disposal (Note 15(b)(i))	129,827,139
Effect of disposal on cash flow:	
Cash proceeds from disposal	1
Less: Cash and cash equivalents in the subsidiary corporations disposed of	–
Net cash outflow on disposal	1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. NON-CURRENT ASSETS (AND DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Non-current assets held for sale

In 2020, the Group has completed the disposal of parts of the construction in progress of the permanent processing facility, arising from the acquisition of Mustang Operations Center, LLC ("MOC 1") for consideration of US$2,500,000 (equivalent to S$3,305,250) in accordance to a sale and purchase agreement entered on 5 December 2019. The proceeds received from the sale, after deducting the storage fees, amounted to US$2,163,411 (equivalent to S$2,860,246) was used to repay borrowing derecognised as disclosed in Note 14. In addition, the remaining parts of the construction in progress with fair value of S$2,450,000 (equivalent to S$3,375,385) determined based on an independent valuer report in management's impairment assessment in 2019, were derecognised due to the disposal of subsidiary corporation, MOC 1 (Note 14).

	Group	
	31 December 2021	31 December 2020
	S$	S$
Beginning of the financial year	–	6,668,640
Disposals	–	(6,544,395)
Currency translation differences	–	(124,245)
End of the financial year	–	–

(b) Discontinued operations and disposal group classified as held for sale

Following the completion of the public auction on 23 September 2020, the Department of Natural Resources of the State of Alaska has approved on the assignment of 100% of the membership interest in MOC 1 to the highest bidder, with effect from 1 November 2020. Accordingly, the related assets and liabilities, including the goodwill arising from consolidation (Note 9), were derecognised and the entire result from MOC 1 was presented separately on the Consolidated Statement of Profit or Loss as "Discontinued operations" for the financial years ended 31 December 2020.

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 US$1.00 (equivalents to S$1.33). As at 31 December 2020, following the Group's decision to sell the aforesaid subsidiary corporations, and to thereafter dissolve Mustang Road LLC (together known as the "disposal group"), and in compliance with SFRS(I) 5 *Non-current Asset 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 financial year ended 31 December 2020.

On 23 March 2021, the Company voluntary dissolved its subsidiary corporation, Mustang Road LLC and subsequently completed the disposal of Oil and Gas business on 25 May 2021.

MOC 1 and the disposal group were previously presented under the "Exploration and production" reportable segment of the Group (Note 32).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. NON-CURRENT ASSETS (AND DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

(b) Discontinued operations and disposal group classified as held for sale (Cont'd)

(i) The results of the discontinued operations and re-measurement of the disposal group are as follows:

	Group	
	31 December 2021 S$	31 December 2020 S$
Revenue	–	–
Expenses	(204,098)	(13,402,392)
Other income	664,802	16,760,147
Gain on disposal of subsidiary corporations (Note 14)	129,827,139	1,132,706
Net finance costs	(1,922,513)	(15,982,295)
Profit/(loss) before tax from discontinued operations	128,365,330	(11,491,834)
Income tax expense	–	–
Net profit/(loss) after tax from discontinued operations	128,365,330	(11,491,834)

(ii) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	31 December 2021 S$	31 December 2020 S$
Operating cash outflows	(16,745)	(3,300,082)
Investing cash outflows	1	(223,330)
Financing cash inflows	–	3,312,487
Total cash outflows	(16,744)	(210,925)

(iii) Details of the assets of disposal group classified as held for sale were as follows:

	Group	
	As at 25 May 2021 (Disposal date) S$	As at 31 December 2020 S$
Plant and equipment	6,614	6,611
Other receivables	20,142,332	20,131,674
Cash and cash equivalents	2,901,334	2,844,373
Total	23,050,280	22,982,658

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. NON-CURRENT ASSETS (AND DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

(b) Discontinued operations and disposal group classified as held for sale (Cont'd)

(iv) Details of the liabilities of disposal group classified as held for sale were as follows:

	Group	
	As at 25 May 2021 (Disposal date) S$	As at 31 December 2020 S$
Trade and other payables	114,244,750	113,744,072
Borrowings	32,414,927	31,363,078
Total	146,659,677	145,107,150

16. SHARE CAPITAL

	Group and Company	
	No. of shares [(1)]	Amount S$
2021		
At 31 December 2020	2,255,387,331	156,099,617
Effect of change in functional currency	–	(3,920,621)
At 1 January 2021, as represented	2,255,387,331	152,178,996
Share consolidation	(2,199,002,843)	–
	56,384,488	152,178,996
Issuance of Conversion Shares (Note 19)	171,428,571	24,000,000
Issuance of Introducer Shares	5,142,857	720,000
Issuance of Consideration Shares (Note 33(a))	10,000,000	1,773,537
End of the financial year	242,955,916	178,672,533
2020		
Beginning and end of financial year	2,255,387,331	156,099,617

(1) Exclude treasury shares (Note 18(i))

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued. All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid with no par value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. SHARE CAPITAL

Share consolidation

On 17 March 2021, the Company 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 has been adjusted to 56,384,488 Consolidated Shares as of 26 March 2021 with the share capital at S$152,178,996.

Subsequent to the Share Consolidation Exercise, the number of treasury shares has been adjusted accordingly from 187,000 to 4,675 shares as at 31 December 2021.

Issuance of ordinary shares

On 7 June 2021, a total of 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 have been allotted and issued as new ordinary shares. The fair value of 10,000,000 Consideration Shares at an issue price of S$0.20 for each share is S$1,773,537.

On 30 September 2021, a total of 14,285,715 Conversion Shares under the convertible loan agreement, and 428,572 Introducer Shares have been allotted and issued as new ordinary shares.

Capital management

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern and maintain an optimal capital structure so as to maximise shareholders' value. The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2021 and 31 December 2020.

The Group and the Company constantly review the capital structure to ensure that the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged during the financial year.

ßThe Group and the Company monitor capital based on a gearing ratio, which is net debt divided by equity plus net debt. The Group and the Company include within net debt, the trade and other payables, bank borrowings less cash and cash equivalents (excluding restricted cash).

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

	Group		Company	
	31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Trade and other payables[1]	6,908,856	118,369,783	5,707,174	4,579,546
Borrowings[1]	402,619	32,377,012	99,776	1,013,934
Less:				
Cash and cash equivalents[2]	(4,249,453)	(243,949)	(2,565,619)	(226,842)
Net debt	3,062,022	150,502,846	3,241,331	5,366,638
Total equity	14,321,776	(127,445,405)	15,114,770	(5,274,748)
Total capital	17,383,798	23,057,441	18,356,101	91,890
Gearing ratio (%)	17.61%	*	17.66%	*

1 *Trade and other payables and borrowings include the liabilities directly associated with disposal group classified as held for sale (Note 15(b)(iv))*

2 *Cash and cash equivalents include the assets of disposal group classified as held for sale (Note 15(b)(iii)) and exclude restricted cash of S$250,000 (2020: S$2,827,266).*

* *Not meaningful*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. PERPETUAL SECURITIES

On 5 April 2019, the Company completed the placement of US$4,500,000 (equivalent to S$6,196,500) 1.35% convertible perpetual capital securities (the "Capital Securities"), as part of the purchase consideration for the acquisition of Mustang Operations Center 1, LLC. The fair value of the perpetual securities as determined by the independent valuer for the purpose of the purchase price allocation amounted to US$1,913,045 (equivalent to S$2,591,469).

The securities are perpetual, subordinated and the distribution interest of 1.35% per annum may be deferred at the sole discretion of the Company. The perpetual securities do not have a maturity date and the Company is able to elect to defer or not make a distribution subject to terms and conditions of the securities. These perpetual securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. The Company has no contractual obligations to repay the principal or to pay any distributions which means the instruments do not meet the definition as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation.

The Capital Securities will, at the option of the holders of the Capital Securities, be converted into fully paid shares of the Company at a conversion price of S$8.48 per share. For the financial years ended 31 December 2021 and 2020, no new ordinary shares in the capital of the Company had been allotted and issued by the Company pursuant to the conversion of convertible perpetual capital securities. As at 31 December 2021, the Group has accrued total perpetual securities distribution of S$228,402 (31 December 2020: S$146,772).

18. RESERVES

(a) Composition

	Group		Company	
	31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Treasury shares	(24,516)	(25,055)	(24,516)	(25,055)
Share options reserve	2,601,213	2,662,441	2,601,213	2,662,441
Foreign currency translation reserve	(4,587,094)	4,036,485	–	988,332
Fair value reserve	–	(9,320,576)	–	–
Other reserve	(16,660)	(16,796)	(16,660)	(16,796)
	(2,027,057)	(2,663,501)	2,560,037	3,608,922

All the above reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. RESERVES (CONT'D)

(b) Movement

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S$	S$	S$	S$
(i) Treasury shares				
Beginning of the financial year	(25,055)	(25,055)	(25,055)	(25,055)
Effect of change in functional currency	539	–	539	–
End of the financial year	(24,516)	(25,055)	(24,516)	(25,055)
(ii) Shares option reserves				
Beginning of the financial year	2,662,441	2,662,441	2,662,441	2,662,441
Effect of change in functional currency	(61,228)	–	(61,228)	–
End of the financial year	2,601,213	2,662,441	2,601,213	2,662,441
(iii) Foreign currency translation reserves				
Beginning of the financial year	4,036,485	1,310,740	988,332	–
Effect of change in functional currency	(988,332)	–	(988,332)	988,332
Disposal of subsidiary corporations (Note 14)	(7,056,354)	–	–	–
Net currency translation differences of financial statements of foreign operations	(578,893)	2,725,745	–	–
End of the financial year	(4,587,094)	4,036,485	–	988,332
(iv) Fair value reserves				
Beginning of the financial year	(9,320,576)	(9,087,921)	–	–
Transfer of fair value reserve to accumulated losses upon disposal of investments	9,320,576	–	–	–
Equity investment – FVOCI				
– Fair value loss (Note 12(a))	–	(232,655)	–	–
End of the financial year	–	(9,320,576)	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. BORROWINGS

	Group		Company	
	31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Non-current				
Lease liabilities	135,167	–	19,166	–
	135,167	–	19,166	–
Current				
Borrowing 1	–	1,013,934	–	1,013,934
Lease liabilities	267,452	–	80,610	–
	267,452	1,013,934	80,610	1,013,934
Total	402,619	1,013,934	99,776	1,013,934

Borrowings 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 was fully repaid on 22 January 2021.

Lease liabilities

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

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate and liquidity risk are disclosed in Note 31.

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Effective interest rate %	Year of maturity
Group		
2021		
Secured floating rate bank loan	–	–
2020		
Secured floating rate bank loan	7.68	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	Loans from a related party	Bank borrowings	Loans from non-related parties [1]	Secured bank loan	Borrowings [1]	Total
	S$	S$	S$	S$	S$	S$	S$
Balance as at 1 January 2021	–	1,013,934	–	4,722,069	21,407,763	9,955,316	37,099,082
Proceeds from loans from a related party	–	24,000,000	–	–	–	–	24,000,000
Interest paid	(19,258)	(523,852)	(61,124)	–	–	–	(604,234)
Principal payment	(171,744)	(1,000,000)	(3,166,107)	–	–	–	(4,337,851)
Total changes from financing cash flows	(191,002)	23,490,082	(3,227,231)	4,722,069	21,407,763	9,955,316	56,156,997
Non-cash changes							
Gain on forgiveness of debts (Note 15(b)(i))	–	–	–	(664,802)	–	–	(664,802)
Interest expense	19,264	509,918	61,124	(49,015)	699,619	342,120	1,583,030
Acquisition of subsidiary (Note 33(c))	35,852	–	3,166,107	–	–	–	3,201,959
Additions during the financial year (Note 7)	538,022	–	–	–	–	–	538,022
Repayment of loans from a related party by issuance of Conversion shares (Note 16)	–	(24,000,000)	–	–	–	–	(24,000,000)
Derecognition of borrowings due to disposal of subsidiary corporations	–	–	–	(4,015,203)	(22,114,356)	(10,300,572)	(36,430,131)
	593,138	(23,490,082)	3,227,231	(4,729,020)	(21,414,737)	(9,958,452)	(55,771,922)
Effect of changes in foreign exchange	483	–	–	6,951	6,974	3,136	17,544
Balance as at 31 December 2021	402,619	–	–	–	–	–	402,619

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Cont'd)

	Loans from a related party S$	Loans from non-related parties[1] S$	Secured bank loan S$	Borrowings[1] S$	Total S$
Balance as at 1 January 2020	–	3,417,021	20,092,786	131,592,071	155,101,878
Proceed from loans from non-related parties	–	2,262,904	–	–	2,262,904
Proceeds from borrowings	1,000,000	–	–	1,270,484	2,270,484
Interest paid	(15,246)	(711,012)	–	(90)	(726,348)
Principal payment	–	–	–	(94,013)	(94,013)
Total changes from financing cash flows	984,754	4,968,913	20,092,786	132,768,452	158,814,905
Non-cash changes					
Interest expense	29,180	388,283	1,759,863	10,471,988	12,649,314
Net off against trade payables	–	693,473	–	–	693,473
Repayment of loan from non-related parties via assignment of amount due from a former director	–	(1,183,000)	–	–	(1,183,000)
Derecognition of borrowings due to disposal of subsidiary corporation (Note 14)	–	–	–	(23,706,481)	(23,706,481)
Repayment of borrowings from the sold exploration and evaluation assets in public auction (Note 5)	–	–	–	(104,760,481)	(104,760,481)
Repayment of borrowings from the disposal of parts of construction in progress classified as held for sale (Note 15(a))	–	–	–	(2,860,246)	(2,860,246)
	29,180	(101,244)	1,759,863	(120,855,220)	(119,167,421)
Effect of changes in foreign exchange	–	(145,600)	(444,886)	(1,957,916)	(2,548,402)
Balance as at 31 December 2020	1,013,934	4,722,069	21,407,763	9,955,316	37,099,082

1 *Loans from non-related parties and borrowings include the liabilities directly associated with disposal group classified as held for sale (Note 15(b)(iv))*

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For the financial year ended 31 December 2021

20. PROVISION FOR RESTORATION COSTS

	Group	
	2021	2020
	S$	S$
Beginning of the financial year	–	3,341,056
Provision reversed during the financial year (Note 32)	–	(3,415,704)
Currency translation differences	–	74,648
End the financial year	–	–

The provision for restoration costs was expected to be utilised in order to restore sites to their original condition. In 2019, the provision has been estimated based on expected plugging and abandonment activities and their respective costs and calculated using a discount rate of 2.39% which is the risk-free rate in Alaska, United States of America. The plugging and abandonment activities was expected to be completed by 2046. The effect of discounting has not been recognised in view of the insignificant impact. The provision was reversed during the financial year ended 31 December 2020 following the approval by the Department of Natural Resources of the State of Alaska on the assignment of working interest ownership to the highest bidder (Note 11).

21. TRADE AND OTHER PAYABLES

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S$	S$	S$	S$
Current				
Trade payables – Non-related parties	16,607	–	–	–
Contract liabilities (Note 24(b))	196,060	–	–	–
Other payables – Non-related parties	5,140,146	3,253,504	4,976,766	3,222,341
Other payables – related parties	–	62,502	–	62,502
Other payables – subsidiary corporation	–	–	–	316
Deposits received	21,312	–	–	–
Accrued operating expenses	1,534,731	1,309,705	730,408	1,294,387
Total	6,908,856	4,625,711	5,707,174	4,579,546

Transactions with subsidiary corporations, related parties and other non-related parties were made on normal commercial terms and conditions.

Certain trade and other payables amounted to S$113,744,072 as at 31 December 2020 were reclassified as assets of disposal group held-for-sale (Note 15(b)(iv)).

Currency, interest rate and liquidity risks

The Group's and the Company's exposures to currency risk, interest rate risk and liquidity risk related to trade and other payables are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. SHARE BASED PAYMENTS

At 31 December 2021 and 2020, the Group has the following share-based payment arrangements:

Performance Share Plan

The Performance Share Plan ("Share Plan") of the Company was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 22 July 2011. The Share Plan is administered by the Company's Remuneration Committee. All directors and employees of the Group shall be eligible to participate in the Share Plan.

The Group will grant shares of the Company ("Awards") to eligible employees and directors ("Participants"). Awards represent the right of a Participant to receive fully paid ordinary shares of the Company ("Shares") free of charge, upon the Participant achieving prescribed performance targets. Awards may only be vested and consequently, any Shares comprised in such Awards shall only be delivered upon the Remuneration Committee's satisfaction that the prescribed performance targets have been achieved.

AIDEA Options

On 24 May 2019, the Company issued 40,651,900 non-transferable options ("AIDEA Options") as part of the purchase consideration of the acquisition in Mustang Operations Center 1, LLC and Mustang Road, LLC from AIDEA. The fair value of the AIDEA Options as determined by the independent valuer was US$0.0419 each (equivalent to S$0.06 each), totalling to US$1,704,643 (equivalent to S$2,309,161). Each AIDEA Options carries the right to subscribe one new ordinary share in the capital of the Company at exercise price of S$0.20. They expire 5 years from the date of issue. Following the share consolidation on 17 March 2021 (Note 16), this was adjusted to 1,016,293 AIDEA Options at exercise price of S$8.00 effective 25 March 2021.

No AIDEA options were exercised for the financial year ended 31 December 2021.

Alpha DX Group Employee Share Option Scheme

The Alpha DX Group Employee Share Option Scheme (the "Scheme") was approved and adopted by its members at an Extraordinary General meeting held on 29 July 2016. The Scheme is administered by the Company's Remuneration Committee. All Directors and Employees of the Group shall be eligible to participate in the Scheme.

Other information regarding the Scheme is set out below:

Option granted on 2 March 2017 ("Grant Date 1")

In 2017, the Company granted a total of 4,800,000 options pursuant to the Scheme. Following the share consolidation on 17 March 2021 (Note 16), this was adjusted to 120,000 effective 26 March 2021. Details are as follows:

- The exercise price of each option is fixed at S$2.68 (2020: S$0.067).
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 1.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. SHARE BASED PAYMENTS (CONT'D)

Other information regarding the Scheme is set out below: (Cont'd)

Option granted on 2 March 2017 ("Grant Date 1") (Cont'd)

- The options include 60,000 (2020: 2,400,000) share options granted to the former Executive Director, Dean Lloyd Gallegos and 12,000 (2020: 480,000) share options granted to each of the former directors, Tan Ser Ko , Ravinder Singh Grewal s/o Sarbjit Singh, Lee Sek Leong Christopher, Yong Boon Chuan Leslie and Lim Yeok Hua.
- With effect from 28 April 2017, Yong Boon Chuan Leslie resigned as a Non-Executive Director of the Company.
- With effect from 2 August 2017, Dean Lloyd Gallegos resigned as an Executive Director of the Company.
- With effect from 27 April 2018, Lim Yeok Hua resigned as a Non-Executive Director of the Company.
- With effect from 26 April 2019, Lee Sek Leong Christopher resigned as an independent Non-Executive Director of the Company.
- With effect from 23 October 2020, Ravinder Singh Grewal s/o Sarbjit Singh resigned as an Independent Non-Executive Director of the Company.
- With effect from 8 June 2021, Tan Ser Ko resigned as a Non-Independent Non-Executive Director of the Company.

Option granted on 5 May 2017 ("Grant Date 2")

In 2017, the Company granted a total of 480,000 options pursuant to the Scheme. Following the share consolidation on 17 March 2021 (Note 16), this was adjusted to 12,000 effective 26 March 2021. Details are as follows:

- The exercise price of each option is fixed at S3.12 (2020: S$0.078).
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 2.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.
- With effect from 22 November 2019, Ang Yew Jin Eugene resigned as Non-Executive Director.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. SHARE BASED PAYMENTS (CONT'D)

Other information regarding the Scheme is set out below: (Cont'd)

Option granted on 1 March 2019 ("Grant Date 3")

- In 2019, the Company granted a total of 10,500,000 options pursuant to the Scheme, details as follows:
- The exercise price of each option is fixed at S$0.070.
- The share option shall be exercised, in whole or in part, after the first anniversary of Grant Date 3.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years where a participant is an Executive Director or Non-Executive Director or upon cessation of the employment of employees.
- The options include 2,000,000 share options granted to the former director, Majid Alexander Jourabchi and has lapsed in 2019, as the share options are granted to Majid Alexander Jourachi in the capacity of an employee and not Director.
- With effect from 26 April 2020, Majid Alexander Jourabchi resigned as a Non-Independent Non-Executive Director of the Company.

Outstanding share options

As at 31 December 2021, details of the options granted under the Scheme on unissued ordinary shares of the Company are as follows:

After share consolidation

Date of grant of options	Adjusted exercise price per share	As at 1 January 2021 '000	Options adjustment '000	Options forfeited '000	Options granted '000	As at 31 December 2021 '000	Option holders at 31 December 2021	Exercise period
2 March 2017	S$2.68	4,800	(4,680)	–	–	120	6	2 March 2018 to 2 March 2027
5 May 2017	S$3.12	480	(468)	–	–	12	1	5 May 2018 to 5 May 2027
24 May 2019	S$8.00	40,652	(39,636)	–	–	1,016	1	24 May 2019 to 23 May 2024
		45,932	(44,784)	–	–	1,148		

The options granted by the Company do not entitle the holders of the share options, by virtue of such holding, to any rights to participate in any share issue in any other company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. SHARE BASED PAYMENTS (CONT'D)

Outstanding share options (Cont'd)

After share consolidation (Cont'd)

As at 31 December 2020, details of the options granted under the Scheme on unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	As at 1 January 2020 '000	Options exercise '000	Options forfeited '000	Options granted '000	As at 31 December 2020 '000	Option holders at 31 December 2020	Exercise period
2 March 2017	S$0.067	4,800	–	–	–	4,800	6	2 March 2018 to 2 March 2027
5 May 2017	S$0.078	480	–	–	–	480	1	5 May 2018 to 5 May 2027
1 March 2019	S$0.070	8,000	–	(8,000)	–	–	–	1 March 2020 to 1 March 2029
24 May 2019	S$0.20	40,652	–	–	–	40,652	1	24 May 2019 to 23 May 2024
		53,932	–	(8,000)	–	45,932		

Fair value of share-based payment

AIDEA Options granted

The fair value of the AIDEA Options granted were measured based on the Black-Scholes option-pricing model formula at the acquisition date, 31 March 2019, as SFRS(I) 3 *Business Combination* requires the consideration transferred in business combination to be measured at fair value. Expected volatility is estimated by using the medium of volatilities of comparable companies.

Employee Share options granted

The grant-date fair value of share options granted was measured based on the Black-Scholes option-pricing model formula as the fair value of services performed by employees and directors cannot be measured reliably. Expected volatility is estimated by considering historic average share price volatility. Option lives are based on the assumption that each tranche of share options will be exercised once the vesting period is over.

There is no market condition associated with the share option grants.

The information of the fair value, share price, exercise price, expected volatility, expected dividends and risk-free interest rate of AIDEA options and employee share options had been disclosed in the prior financial years' annual report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. DEFERRED INCOME TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. There is no offsetting of deferred income tax assets and liabilities as at 31 December 2021 and 2020.

The movements in the deferred tax account are as follows:

	Group		Company	
	2021	2020	2021	2020
	S$	S$	S$	S$
Beginning of the financial year	–	–	–	–
Acquisition of subsidiary corporations (Note 33(c))	300,150	–	–	–
Currency translation differences	(69)	–	–	–
Tax credited to profit or loss (Note 28)	(111,023)	–	–	–
End of the financial year	189,058	–	–	–

The deferred tax liabilities of S$14,132 mainly come from the subsidiary corporation in Malaysia, arising from unutilised capital allowances. There is no expiry date to it.

The deferred tax liabilities of S$174,926 arising from the valuation of customer contracts and customer relationships recognised from the acquisition of subsidiary corporations.

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customer

Group	At a point in time S$	Over time S$	Total S$
<u>2021</u>			
Media Services	1,114,268	–	1,114,268
Managed Services	–	3,805,058	3,805,058
Platform/System Services	–	4,795,399	4,795,399
	1,114,268	8,600,457	9,714,725

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

24. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Contract assets and liabilities

	Group 31 December 2021 S$
Contract assets	
- Managed Services	41,650
- Platform/System Services	818,458
Total (Note 13)	860,108
Contract liabilities	
- Platform/System Services (Note 21)	196,060

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for works completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers. During the financial year ended 31 December 2021, significant change in contract assets relates to amounts billed and reclassified to trade receivables of S$181,757 (2020: Nil).

(ii) Contract liabilities

Contract liabilities relate primarily to advance consideration received from customers and progress billings issued to customers in accordance with the specified milestones in the contract in excess of the Group's right to the consideration.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

(c) Assets recognised from costs to fulfil contracts

In addition to the contract balances disclosed above, the Company has also recognised an asset in relation to costs to fulfil a long-term technology services contract. This is presented within prepayments in trade and other receivables in the statement of financial position.

	Group 2021 S$
Asset recognised from costs incurred to fulfil a contract as at 31 December	63,306
Amortisation recognised as cost of sales during the period	67,089

These costs are amortised to profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue. No impairment loss was recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25. OTHER INCOME

	Group	
	2021	2020
	S$	S$
Government grant	71,936	36,554
Gain on forgiveness of debts	184,153	–
Fair value gains from financial assets at FVPL (Note 12)	2,190	–
Others	27,979	4,608
	286,258	41,162

26. NET FINANCE COST

	Group	
	2021	2020
	S$	S$
Finance income		
Interest income from short term loan to potential investee	610	–
Interest income from bank	1,958	–
Interest income from amount due from a former director	–	46,709
	2,568	46,709
Finance cost		
Interest expense on:		
Lease liabilities (Note 8(c))	(19,264)	–
Borrowings	(571,042)	(238,879)
Other finance charges	(170,092)	(2,909)
	(760,398)	(241,788)
Net finance cost	(757,830)	(195,079)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. LOSS BEFORE INCOME TAX

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

	Group	
	2021	2020
	S$	S$
Impairment loss on investment property (Note 6)	625,943	–
Depreciation of property, plant and equipment (Note 7)	224,473	313
Amortisation of intangible assets (Note 9)	787,043	–
Write-off of property, plant and equipment (Note 7)	5,893	–
Write-off of Intangible assets (Note 9(b))	137,573	–
Fair value loss / (gain) of financial assets – at FVPL (Note 12)	(2,190)	2,492
Foreign exchange (gain) / loss, net	(464,344)	141,500
Audit fees paid/payable to:		
- Auditors of the Company	147,000	133,345
- Other auditors	1,604	10,418
Non-audit fees paid/payable to:		
- Auditors of the Company	8,000	106,259
- Other auditors	–	22,854

	Group	
	2021	2020
	S$	S$
Employee benefits expense:		
Salaries and wages	6,347,460	311,078
Contributions to defined contribution plans	768,682	36,355
Short term benefits	62,420	–
	7,178,562	347,433

The employee benefits expense is recognised in general and administrative expenses in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. INCOME TAX

	Group	
	2021	2020
	S$	S$
Current income tax expense/(credit)		
Current income tax expense	18,385	–
(Over)/under provision in prior financial year	(5,299)	–
Total	13,086	–
Deferred tax expense/(credit)		
Origination and reversal of temporary differences		
Continuing operations	(117,788)	–
Discontinued operations	–	–
(Over)/under provision in prior financial year	6,765	–
Total (Note 23)	(111,023)	–
	(97,937)	–

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021	2020
	S$	S$
Loss before income tax		
- Continuing operations	(6,311,359)	(3,141,991)
- Discontinued operations (Note 15(b)(i))	128,365,330	(11,491,834)
	122,053,971	(14,633,825)
Tax calculated using Singapore tax rate of 17% (2020: 17%)	20,749,175	(2,487,751)
Different tax rate in other country	156,806	(459,674)
Expenses not deductible for tax purposes	407,635	3,568,094
Income not subject to income tax	(22,227,537)	(3,047,999)
Unutilised tax losses not carried forward	927,007	2,427,330
Change in unrecognised temporary differences	(111,023)	–
Tax credit	(97,937)	–

As at disposal date, the disposal group has unutilised tax losses S$298,699,807 (31 December 2020: S$298,699,807) that have not been recognised and are available for set-off against future taxable income subject to the tax provisions and agreement by the relevant tax authorities of the various jurisdictions.

As at 31 December 2021, the Group has no unutilised tax losses.

NOTES TO THE FINANCIAL STATEMENTS

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29. EARNINGS PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is calculated by dividing profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year.

	Group	
	2021 S$	2020 S$
Total profit/(loss) attributable to ordinary shareholders		
- Continuing operations	(6,213,422)	(3,141,991)
- Discontinued operations	128,379,623	(11,315,800)
	122,166,201	(14,457,791)

	Group	
	2021	2020
Weighted average number of ordinary shares outstanding		
Outstanding ordinary shares at 1 January (Note 16)	56,384,488	2,255,387,331
Effect of shares issued	101,172,993	–
Share consolidation* (Note 16)	–	(2,199,002,843)
Weighted-average number of ordinary shares outstanding during the financial year	157,557,481	56,384,488

* *With the completion of the share consolidation on 26 March 2021 as disclosed in Note 16, profit/(loss) per share for the financial years ended 31 December 2020 were 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.*

Diluted earnings/(loss) per share

As the Group incurred loss for the financial years ended on 31 December 2020, share options and convertible capital securities were not included in the computation of diluted loss per share because these potential ordinary shares were anti-dilutive.

Hence, the diluted loss per share for the financial year ended 31 December 2020 were the same as the basic loss per share for the same periods.

Diluted earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company for the financial year ended 31 December 2021 is calculated as follows:

	Continuing operations 2021	Discontinued operations 2021	Total 2021
2021			
Net profit attributable to equity holders of the Company (S$'000)	(6,213)	128,380	122,166
Add back: Interest expense on convertible securities, net of tax	–	–	–
Net profit used to determine diluted earnings per share	(6,213)	128,380	122,166
Weighted-average number of ordinary shares outstanding for basic earnings per share ('000)	157,557	157,557	157,557
Adjustments for ('000):			
- Convertible securities	–[1]	–[2]	–
- Share options	–[1,2]	–[2]	–
	157,557	158,288	158,288
Diluted earnings per share (in cents)	(3.94)	81.11	77.18

1 As the Group incurred loss from continuing operations for the financial year ended on 31 December 2021, share options and convertible capital securities were not included in the computation of diluted loss per share because these potential ordinary shares were anti-dilutive.

2 Exercise price of the share options are higher than the average share price of the Company, so these potential ordinary shares were anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

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30. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions at terms and rates agreed between the Group and its related parties during the financial year:

	Group	
	2021	2020
	S$	S$
Additional refundable deposit for exclusive perpetual territorial license	600,000	–
Interest expense on loan	3,452	29,180
Interest expense for convertible loan	506,466	–
Financial and business development advisory services fee	352,000	–
Management fees paid/payable to a related corporation	–	14,875

Compensation of key management personnel

The remuneration of directors of the Company and other members of the key management personnel during the financial year were as follows:

	Group	
	2021	2020
	S$	S$
Short term employee benefits	804,846	222,447
Post-employment benefits (including Central Provident Fund)	53,899	13,980
Director fees	224,063	140,535
	1,082,808	376,962

31. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

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For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments comprise cash and cash equivalents and borrowings. The main purpose of these financial instruments is to finance the Group's operations. The other financial instruments such as trade and other payables are directly from its operations.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and the Company's receivables from customers, cash and cash equivalents and the Company's non-trade amounts due from related corporations.

The carrying amounts of financial assets and contact assets represent the Group and the Company's maximum exposure to credit risk.

Tax credit receivables

Tax credit receivables, presented as part of assets of disposal group held for sale, of S$20,131,674 as at 31 December 2020 are due from the State of Alaska that has a credit rating of AA3 from Moody's, which is evidence of low credit risk. Impairment on the balance has been measured on the lifetime expected loss basis. The amount of the allowance on the tax credit receivables is insignificant.

Non-trade amounts due from subsidiary corporations

The Company held non-trade receivables from its subsidiary corporations of S$75,143,766 (31 December 2020: S$95,505,280) (Note 13). These balances are amounts lent to subsidiary corporations to satisfy its working capital requirements. Impairment on these balances has been measured on the 12-month expected loss basis. As at 31 December 2021, the Company has provided impairment for non-trade receivables from its subsidiary corporations of S$72,207,058 (31 December 2020: S$95,505,280) (Note 13).

Cash and cash equivalents

The Group held cash and cash equivalents of S$4,499,453 as at 31 December 2021 (2020: S$3,071,216) (Note 14 and Note 15(b)(iii)). Cash and cash equivalents are held in banks and financial institutions counterparties, which are regulated.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Trade receivables and contract assets

The Group uses a provision matrix to calculate the lifetime expected credit allowance for its trade receivables and contract asset.

In measuring the expected credit losses, trade receivables and contact assets are grouped based on days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristic as the trade receivables for the same type of contracts. The Group therefore concluded that the expected loss rates or trade receivables are a reasonable approximation of the loss rates for the contract asset. In calculating, the expected credit losses rate, the provisions matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to make contractual payments more than 365 days past due. The Group considers a financial asset as default if the counterparty fails to make contractual payments within 90 days or there is significant financial difficulty of the counterparty and writes off the financial asset when there is evidence indicating that the debtor has no realistic prospect of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group assesses concentration of credit by monitoring the individual profile of its trade receivables on an ongoing basis. At 31 December 2021, the Group has concentrated credit risk on 4 debtors (2020: no debtors) that individually represents more than 10% of trade receivables.

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 Financial Instruments as at 31 December 2021 are set out in the provision matrix as follows:

		Past due				
	Current S$	Within 30 days S$	30 to 60 days S$	60 to 90 days S$	More than 90 days S$	Total S$
Group						
Media Services						
Trade receivables	105,972	54,763	–	–	–	160,735
Loss allowance	–	–	–	–	–	--
Managed Services						
Contract assets	41,650	–	–	–	–	41,650
Trade receivables	380,009	–	–	–	–	380,009
Loss allowance	–	–	–	–	–	–
Platform/System Services						
Contract assets	818,458	–	–	–	–	818,458
Trade receivables	614,202	7,498	2,448	21,290	376,948	1,022,386
Loss allowance	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its critical liabilities when due, under both normal and stressed conditions or renegotiate payment terms of the liabilities, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's basic operations and to mitigate the effects of fluctuations in cash flows.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting arrangements:

		Cash flows			
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	S$	S$	S$	S$	S$
Group					
31 December 2021					
Non-derivative financial liabilities					
Lease liabilities (Note 19)	402,619	(421,569)	(283,930)	(137,639)	–
Trade and other payables	6,712,796	(6,712,796)	(6,712,796)	–	–
	7,311,475	(7,134,365)	(6,996,726)	(137,639)	–

		Cash flows			
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	S$	S$	S$	S$	S$
Group					
31 December 2020					
Non-derivative financial liabilities					
Borrowings[1]	32,377,013	(35,169,280)	(35,169,280)	–	–
Trade and other payables[1]	118,369,781	(121,269,001)	(121,269,001)	–	–
	150,746,794	(156,438,281)	(156,438,281)	–	–

1 Trade and other payables and borrowings include the liabilities directly associated with disposal group classified as held for sale (Note 15(b)(iv))

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) ***Liquidity risk (Cont'd)***

		Cash flows			
	Carrying amount S$	Contractual cash flows S$	Within 1 year S$	Within 1 to 5 years S$	More than 5 years S$
Company					
31 December 2021					
Non-derivative financial liabilities					
Lease liabilities (Note 19)	99,776	(103,168)	(82,718)	(20,450)	–
Trade and other payables	5,707,174	(5,707,174)	(5,707,174)	–	–
	5,806,950	(5,810,342)	(5,789,892)	(20,450)	–
31 December 2020					
Non-derivative financial liabilities					
Borrowings	1,013,934	(1,017,386)	(1,017,386)	–	–
Trade and other payables	4,579,546	(4,579,546)	(4,579,546)	–	–
	5,593,480	(5,596,932)	(5,596,932)	–	–

(c) ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Price risk

The Group is exposed to price risk arising from uncertainties on future prices of its equity investments classified as equity investment – FVPL and derivative financial assets – FVPL. The Group monitors price risk on an ongoing basis to minimise its exposure. The Group and Company's exposure to price risk is immaterial.

Interest rate risk

The Group's exposure to changes in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest expenses from secured bank loans which are at floating interest rates. The other borrowings of the Group are based on fixed interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (Cont'd)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets and liabilities at FVPL. Therefore, in respect of the fixed-rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities at the end of the reporting period. A change of 100 basis point ("bp") in interest rate at the reporting date would increase/(decrease) the carrying amount of total liabilities shown below. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Group			
	2021		2020	
	100 bp increase S$	100 bp decrease S$	100 bp increase S$	100 bp decrease S$
Secured bank loan	–	–	214,077	(214,077)

Foreign currency risks

Foreign currency risks arise from transactions denominated in currency other than the functional currency of the entities within the Group. The currency that gives rise to this risk are Malaysian Ringgit ("MYR"), Indian Rupee ("INR"), United States Dollar ("USD"), Japanese Yen ("JPY"), and Singapore Dollar ("SGD").

The Group monitors its foreign currency exchange risk closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency transaction risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

It is not the Group's policy to take speculative positions in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) ***Market risk (Cont'd)***

Foreign currency risks (Cont'd)

The Group's net exposure to foreign currency is as follows:

	MYR S$	INR S$	USD S$	SGD S$	Others S$	Total S$
Group						
31 December 2021						
Trade and other receivables	69,253	6,311	–	3,544,200	1,996	3,621,760
Cash and cash equivalents	17,586	98,178	11,325	4,044,179	328,185	4,499,453
Borrowings	(10,450)	–	–	(355,998)	(36,171)	(402,619)
Trade and other payables	(9,813)	(30,785)	(323,874)	(6,300,019)	(48,305)	(6,712,796)
Net financial assets/(liabilities)	66,576	73,704	(312,549)	932,362	245,705	1,005,798
Net exposure	66,576	73,704	(303,391)	1,201,389	245,705	1,283,983
31 December 2020						
Trade and other receivables	–	–	20,131,674	88,729	–	20,220,403
Cash and cash equivalents	–	–	2,844,597	226,619	–	3,071,216
Borrowings	–	–	(31,363,078)	(1,013,934)	–	(32,377,012)
Trade and other payables	–	–	(114,074,659)	(4,195,639)	(99,483)	(118,369,781)
Net financial assets/(liabilities)	–	–	(122,461,466)	(4,894,225)	(99,483)	(127,455,174)
Net exposure	–	–	–	(4,848,062)	(99,483)	(4,947,545)

	MYR S$	INR S$	USD S$	SGD S$	Others S$	Total S$
Company						
31 December 2021						
Trade and other receivables	–	–	–	3,185,949	38,704	3,224,653
Cash and cash equivalents	–	–	4,463	2,543,788	17,368	2,565,619
Borrowings	–	–	–	(63,605)	(36,171)	(99,776)
Trade and other payables	–	–	(315,088)	(5,365,093)	(26,993)	(5,707,174)
Net financial assets/(liabilities)	–	–	(310,625)	301,039	(7,092)	(16,678)
Net exposure	–	–	(310,625)	–	(7,092)	(317,717)
31 December 2020						
Trade and other receivables	–	–	–	88,729	–	88,729
Cash and cash equivalents	–	–	223	226,619	–	226,842
Borrowings	–	–	–	(1,013,934)	–	(1,013,934)
Trade and other payables	–	–	(330,587)	(4,149,476)	(99,483)	(4,579,546)
Net financial assets/(liabilities)	–	–	(330,364)	(4,848,062)	(98,483)	(5,277,909)
Net exposure	-	-	-	(4,848,062)	(98,483)	(4,946,545)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (Cont'd)

Foreign currency risks (Cont'd)

Sensitivity analysis

A 2%, 1% and 2% (2020: 1%, 4% and 1.8%) strengthening of S$ against MYR, INR and USD at the reporting date would increase/decrease loss by the pre-tax and equity amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax	
	2021	2020
	S$	S$
Group		
MYR	(1,105)	–
INR	(612)	–
USD	5,036	–
SGD	–	72,430
Company		
MYR	–	–
INR	–	–
USD	5,156	–
SGD	–	72,430

A 2%, 1% and 2% (2020: 1%, 4% and 1.8%) weakening of S$ against MYR, INR and USD would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(d) Fair values versus carrying amounts

The carrying amounts of the Group's and the Company's financial instruments, except those discussed below are not materially different from their fair values as at 31 December 2021 and 31 December 2020 due to their short-term nature and where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Financial instruments by category

	Note	Group		Company	
		31 December 2021 S$	31 December 2020 S$	31 December 2021 S$	31 December 2020 S$
Financial assets measured at fair value					
Other investments	12	–	–	–	–
Financial assets not measured at fair value					
Trade and other receivables[1]	13, 15(b)(iii)	3,621,760	20,220,403	3,224,653	88,729
Cash and cash equivalents	14, 15(b)(iii)	4,499,453	3,071,216	2,565,619	226,842
		8,121,213	23,291,619	5,790,272	315,571
Financial liabilities not measured at fair value					
Borrowings	19,15(b)(iv)	(402,619)	(32,377,012)	(99,776)	(1,013,934)
Trade and other payables[2]	21,15(b)(iv)	(6,712,796)	(118,369,781)	(5,707,174)	(4,579,546)
		(7,115,415)	(150,746,793)	(5,806,950)	(5,593,480)

1 Excludes prepayments and contract assets

2 Excludes contract liabilities

32. OPERATING SEGMENT

For the financial year ended 31 December 2021, the Group is organised into the following main business segments:

Digital Transformation in Learning and Education ("DTLE")	:	Offering learning technology solutions and customised digital learning content
Education	:	Offering various education and learning certification programmes to students through various educational institutions
Investment holdings	:	Investment holding companies
Exploration and production	:	Oil and gas exploration and production operating segment in United States. It was disposed effective from 25 May 2021. Information about the discontinued segment is provided in Note 15(b).

For the financial year ended 31 December 2020, the Group has only one reportable segment, the exploration and production operating segment, which is also the Group's strategic business unit. During the financial year, the entire result from this segment was presented separately on the Statement of Profit or Loss as "Discontinued Operations" (Note 15(b)(i)).

The Group's Board of Directors (the chief operating decision maker) reviews internal management reports of the business unit at least quarterly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. OPERATING SEGMENT (CONT'D)

Management monitors the operating results of the segment for the purposes of making decisions about resources to be allocated and of assessing performance. Performance is evaluated based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Board of Directors, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

	DTLE S$	Education S$	Investment holdings S$	Exploration and production (Discontinued operations) S$	Consolidated S$
1 January 2021 to 31 December 2021					
Total segment revenue	9,995,975	–	12,000	–	10,007,975
Inter-segment revenue	(281,250)	–	(12,000)	–	(293,250)
Revenue from external parties	9,714,725	–	–	–	9,714,725
Gain on disposal of subsidiary corporations	–	–	–	129,827,139	129,827,139
Gain on forgiveness of debts	–	–	184,153	664,802	848,955
Government grants	65,496	–	6,440	–	71,936
Fair value gain on investments at FVPL	2,190	–	–	–	2,190
Miscellaneous income	11,035	–	16,944	–	27,979
Total other income	78,721	–	207,537	130,491,941	130,778,199
Total revenue and other income	9,793,446	–	207,537	130,491,941	140,492,924
Amortisation of intangible assets	(787,043)	–	–	–	(787,043)
Depreciation of plant and equipment	(154,264)	–	(70,209)	–	(224,473)
Finance income	610	1,914	44	–	2,568
Finance expense	(74,268)	–	(686,130)	(1,922,513)	(2,682,911)
Segment profit/(loss)	(388,478)	2,893	(5,925,774)	128,365,330	122,053,971
Profit before income tax					122,053,971
Income tax credit					97,937
Profit for the financial year					122,151,908
Segment assets	7,115,241	2,304,478	12,421,282	–	21,841,001
Total assets per statement of financial position					21,841,001
Expenditures for segment non-current assets					
- Additions to plant and equipment	632,910	–	184,542	–	817,452
- Additions to intangible assets	344,117	–	–	–	344,117
Segment liabilities	1,436,045	31,412	5,844,018	–	7,311,475
Current income tax liabilities					18,692
Deferred income tax liabilities					189,058
Total liabilities per statement of financial position					7,519,225

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. OPERATING SEGMENT (CONT'D)

	Investment holdings	Exploration and production (Discontinued operations)	Consolidated
	S$	S$	S$
1 January 2020 to 31 December 2020			
Total segment revenue	120,055	–	120,055
Inter-segment revenue	(120,055)	–	(120,055)
Revenue from external parties	–	–	–
Gain on disposal of subsidiary corporations (Note 15(b))	–	1,132,706	1,132,706
Gain on forgiveness of debts	–	5,973,347	5,973,347
Reversal of impairment loss on explorations and evaluation assets (Note 5)	–	7,206,363	7,206,363
Reversal of provision for restoration costs (Note 20)	–	3,415,704	3,415,704
Government grants	36,554	–	36,554
Miscellaneous income	4,608	164,733	169,341
Total other income	41,162	17,892,853	17,934,015
Total revenue and other income	41,162	17,892,853	17,934,015
Depreciation of plant and equipment	(313)	(30,018)	(30,331)
Finance income	46,709	2	46,711
Finance expense	(241,788)	(15,982,298)	(16,224,086)
Segment loss	(3,141,991)	(11,491,834)	(14,633,825)
Loss before income tax			(14,633,825)
Income tax expense			–
Loss for the financial year			(14,633,825)
Segment assets	318,732	22,982,658	23,301,390
Total assets per statement of financial position			23,301,390
Expenditures for segment non-current assets			
- Additions to plant and equipment (Note 7)	3,461	–	3,461
Segment liabilities	5,639,645	145,107,150	150,746,795
Current income tax liabilities			–
Deferred income tax liabilities			–
Total liabilities per statement of financial position			150,746,795

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. OPERATING SEGMENT (CONT'D)

Geographical segments

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

	Singapore	Malaysia	India	Japan	Total
	S$	S$	S$	S$	S$
31 December 2021					
Revenue	9,714,725	–	–	–	9,714,725
Non-current assets [(1)]	11,861,331	65,550	16,020	831,223	11,957,062
31 December 2020					
Revenue	–	–	–	–	–
Non-current assets [(1)]	3,161	–	–	–	3,161

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

Major customers

In 2021, the Group had 10 customers in the DTLE segment that contribute 87% of the Group's total revenue. The Group does not have any customers during the financial year ended 31 December 2020.

33. BUSINESS COMBINATION

On 22 January 2021, the Company acquired 100% of the issued share capital in Zionext Pte. Ltd. and its subsidiary corporations ("Zionext Group"), business that is offering learning technology solutions and customised digital learning content, for consideration of S$11,773,537. The Group determined that the assets acquired and liabilities assumed constitute a business, therefore accounted the transaction as a business combination using acquisition method in accordance with SFRS(I) 3.

Details of the consideration paid, the assets acquired and the liabilities assumed and the effects on the cash flows of the Group at the acquisition date were as follows:

(a) Purchase consideration

	S$
Cash paid	10,000,000
Fair value of consideration shares (Note 16)	1,773,537
Consideration transferred (Note (c) below)	11,773,537

The fair value of the consideration shares has been determined at S$1,773,537. The fair value is calculated using cost approach by applying Net Asset Value method to derive the fair value of the consideration shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. 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 (Note (c) below)	(335,350)
Cash outflow on acquisition	9,664,650

(c) *Identifiable assets acquired and liabilities assumed*

	At fair value S$
Cash and cash equivalents (Note (b) above)	335,350
Property, plant and equipment (Note 7)	157,885
Intangible assets (Note 9)	2,453,184
Trade and other receivables, current	3,824,053
Other investments (Note 12(c))	264,586
Total assets	7,035,058
Trade and other payables, current	1,154,713
Income tax liabilities, current	52,430
Deferred tax liabilities (Note 23)	300,150
Borrowings (Note 19)	3,201,959
Total liabilities	4,709,252
Total identifiable net assets	2,325,806
Add: Goodwill (Note 9)	9,447,731
Consideration transferred (Note (a) above)	11,773,537

(d) *Acquisition-related costs*

The acquisition-related costs amounted to S$966,729 has been recognised and included in general and administrative expenses.

(e) *Goodwill*

Goodwill of S$9,447,731 arising from the acquisition is attributable to the synergies expected to arise from the future economic benefit from operating the Digital Transformation in Learning and Education business in Singapore. It has been allocated to the DTLE segment (Note 9).

(f) *Revenue and profit contribution*

The acquired business contributed revenue of S$9,714,725 and net loss of S$290,541 to the Group from the period from 22 January 2021 to 31 December 2021. Had Zionext Group been acquired from 1 January 2021, consolidated revenue and consolidated profit for the financial year ended 31 December 2021 would have been S$9,714,725 and S$122,151,908 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

34. ASSET ACQUISITION

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

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

	S$
Cash and cash equivalents	23,580
Investment property (Note 6)	1,434,830
Trade and other receivables, current	606,115
Total assets	2,064,525
Trade and other payables, current	61,368
Income tax liabilities, current	3,157
Total liabilities	64,525

35. SUBSEQUENT EVENTS

(a) The Group has, on 23 February 2022, received a letter of demand dated 18 February 2022 (the "Letter of Demand") from solicitors acting for Kydon Holdings Pte. Ltd. ("Kydon"), for the payment of S$1,909,938 ("Outstanding Sum") in relation to the remaining consideration and interest charges for the acquisition of equity interests in Zionext Pte. Ltd. Notice was given in the Letter of Demand that the Company is to repay the Outstanding Sum by 28 February 2022, failing which, Kydon will commence legal proceedings against the Company without any further reference and in such event, the Company will be further liable for all costs incurred.

The Group has, on 1 March 2022 received a Writ of Summons and Statement of Claim (the "Writ") filed by PrimePartners Corporate Finance Pte. Ltd. ("PPCF") in the High Court of the Republic of Singapore. PPCF claimed that a sum of S$604,844 is payable pursuant to the Continuing Sponsorship Agreement and Financial Advisory Agreement entered into between the Company and PPCF and S$111,790 is payable for late interest charges.

The above mentioned amounts payable to Kydon and PPCF have been accounted for and included in the Company's trade and other payables as at 31 December 2021. In addition, claims made by Kydon and PPCF are part of the scheme debt to be settled by the Company under the a proposed scheme of arrangement (Note c), accordingly, no further liabilities expected as at the date of this financial statements.

(b) The Company has, on 9 March 2022 made an application in the General Division of the High Court of Singapore ("Court") for the grant of a moratorium under Section 64 of the Insolvency Restructuring and Dissolution Act 2018 ("IRDA"). The Court has, on 8 April 2022 granted a 6-month moratorium under IRDA which is effective from 9 March 2022 to 9 September 2022 or until further order of the Court ("Moratorium Period"). The Company had, on 24 August 2022, filed an application with the Court seeking, amongst others, that the moratorium be extended for a period of two months until 9 November 2022 ("Moratorium Extension Application") as the Company takes step to finalise and enter into Scheme with its creditors. Following the Moratorium Extension Application hearing held on 14 September 2022, the Court has granted an extension of the moratorium to 9 November 2022 pursuant to Section 64(7) of the IRDA.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. SUBSEQUENT EVENTS (CONT'D)

(c) Further to the Moratorium Period granted by the Court, the Company has on 21 April 2022 appointed Mr Luke Furler and Ms Elly Tan from Quantuma (Singapore) Pte Ltd ("Scheme Manager") as scheme manager to review and manage the implementation of a proposed scheme of arrangement ("Scheme") of the Company. On 16 September 2022, the Scheme has been approved by the Scheme Creditors with the requisite majority in number and in value. On 23 September 2022, the Company filed an application pursuant to Section 71(1) of the IRDA for the Court to approve the Scheme. The Company will be making an application to the Court to seek sanction of the Scheme by the Court. Once approval of the Scheme by the Court has been obtained and a sealed copy of the order of Court sanctioning the scheme of arrangement is lodged with the Registrar of Companies, the Scheme shall be binding on the Company and the Scheme Creditors.

(d) The Group has, on 3 June 2022 incorporated a wholly-owned subsidiary corporation, Asnaro Ventures Limited in Uzbekistan.

STATISTICS OF SHAREHOLDINGS

(as at 6 October 2022)

GENERAL INFORMATION ON SHARE CAPITAL

Issued and paid-up capital	:	S$178,672,533
Total no. of issued shares (including treasury shares)	:	242,960,591
Total no. of issued shares (excluding treasury shares)	:	242,955,916
Number of treasury shares	:	4,675 (0.01%)
Class of shares	:	Ordinary shares
Voting rights (excluding treasury shares)	:	One vote per share
Number of subsidiary holdings held	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	297	32.71	8,923	0.00
100 – 1,000	112	12.34	52,425	0.02
1,001 – 10,000	316	34.80	1,304,135	0.54
10,001 – 1,000,000	171	18.83	14,517,895	5.98
1,000,001 and above	12	1.32	227,072,538	93.46
	908	100.00	242,955,916	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Raffles Nominees (Pte) Limited	172,121,930	70.84
2	Kydon Holdings Pte Ltd	9,438,800	3.88
3	Citibank Nominees Singapore Pte Ltd	8,867,674	3.65
4	LTB LLC	7,136,338	2.94
5	BPSS Nominees Singapore (Pte.) Ltd.	6,745,264	2.78
6	Liannex Corporation (S) Pte Ltd	5,684,915	2.34
7	RSM Corporate Advisory Pte. Ltd.	5,142,857	2.12
8	JK Technology Pte Ltd	4,021,315	1.66
9	Patrick Tan Choon Hock	2,726,162	1.12
10	Ezion Holdings Limited (In Liquidation)	2,650,000	1.09
11	DBS Nominees Pte Ltd	1,420,901	0.58
12	Maybank Securities Pte. Ltd.	1,116,382	0.46
13	Sim Eng Kiang	925,970	0.38
14	Serene Lee Siew Kin	923,750	0.38
15	ATB LLC	767,343	0.32
16	SF Ventures Pte Ltd	648,600	0.27
17	Kenneth Gerard Pereira	625,750	0.26
18	Sim Chee Wan	550,500	0.23
19	Maybank Nominees (Singapore) Pte Ltd	506,873	0.21
20	OCBC Securities Private Ltd	428,532	0.18
	Total:	**232,449,856**	**95.69**

STATISTICS OF SHAREHOLDINGS

(as at 6 October 2022)

SUBSTANTIAL SHAREHOLDERS

As per Register of Substantial Shareholders:

	Direct interest	Shareholding %	Deemed interest	Shareholding %
DiDi Investments, Inc.	171,428,571	70.56	–	–
Yoshiyasu Naruse [(1)]	–	–	171,428,571	70.56
Koji Furuya [(2)]	–	–	171,428,571	70.56

Notes:

(1) Yoshiyasu Naruse holds 50% of the voting shares in DiDi Investments, Inc. As such, Yoshiyasu Naruse is deemed interested in the shares held by DiDi Investments, Inc.

(1) Koji Furuya holds 50% of the voting shares in DiDi Investments. As such, Koji Furuya is deemed interested in the shares held by DiDi Investments, Inc.

PERCENTAGE OF SHAREHOLDING HELD IN PUBLIC'S HANDS

Based on information made available to the Company as at 6 October 2022, approximately 29.40% of the Company's shares were held in the hands of the public. Accordingly, Rule 723 of the Catalist Rules has been complied with.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Daiji Yamada, Mr. Yoshiyasu Naruse, Mr. Poon Joe Keen and Mr. Chan Kam Loon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 October 2022 ("**AGM**") (the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") issued by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
Date of appointment	14 May 2020	21 January 2021	12 August 2022	12 August 2022
Date of last re-appointment	23 October 2020	30 April 2021	Not Applicable	Not Applicable
Age	56	56	51	62
Country of principal residence	Japan	Japan	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications, experience and suitability of Mr. Yamada for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr. Yamada possesses the requisite competencies and experience to assume the responsibilities as Executive Director of the Company.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications, experience and suitability of Mr. Naruse for re-appointment as Non-Independent Non-Executive Chairman and a member of the Remuneration Committee ("**RC**") and Nominating Committee ("**NC**") of the Company The Board has reviewed and concluded that Mr. Naruse possesses the requisite experience, knowledge and capabilities to assume the duties and responsibilities as Non-Independent Non-Executive Chairman.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications, experience and suitability of Mr. Poon for re-appointment as Independent Non-Executive Director, Chairman of the Remuneration Committee ("**RC**") and a member of the Audit Committee ("**AC**") of the Company. The Board has reviewed and concluded that Mr. Poon possesses the requisite experience, knowledge and capabilities to assume the duties and responsibilities as Independent Non-Executive Director.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications, experience and suitability of Mr. Poon for re-appointment as Independent Non-Executive Director, Chairman of the Audit Committee ("AC") and a member of the Nominating Committee ("NC") of the Company. The Board has reviewed and concluded that Mr. Chan possesses the requisite experience, knowledge and capabilities to assume the duties and responsibilities as Independent Non-Executive Director.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
Whether the appointment is executive, and if so, the area of responsibility	Executive Mr. Yamada is responsible for the day-to-day operations and is involved in corporate exercises, including the fund raising and business diversification of the Group.	Non-Executive	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Non-Independent Non-Executive Chairman Member of the Remuneration Committee and Nominating Committee	Independent Non-Executive Director Chairman of the Remuneration Committee Member of the Audit Committee	Independent Non-Executive Director Chairman of the Audit Committee Member of the Nominating Committee
Professional qualification	Master of Business Administration, Almeda University	Bachelor of Commerce Degree, Keio University	Biomedical Science and Physiotherapy BSc (Hons), King's College, London Healthcare Management MSc (Distinction), University of Wales MBA, Imperial College, London Executive Certification in Board Directorship, Singapore Institute of Directors	Degree in Accounting and Finance, London School of Economics, University of London Member of the Institute of Chartered Accountants of England and Wales

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
Working experience and occupation(s) during the past 10 years	2022 to 2022 Chief Executive Officer of ERC Institute Pte Ltd 2020 to 2021 Executive Management Advisor of C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation) 2018 to 2020 Chief Strategy Officer of C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation) 2017 to 2020 Chief Executive Officer of MasterLingual Academy of Communication, Japan 2015 to 2020 Managing Director of Asnaro Challengers, LLC 2005 to 2020 President of NPO Asnaro Japan	2019 to present Executive Director and Chief Executive Officer of DiDi Investments, Inc. 2016 to present Senior Vice President / Executive Director / Secretary General / Treasurer of C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation) 2020 to 2021 Director of DiDi Academy, Inc. 2019 to 2020 Director of ERC Institute Pte Ltd 2005 to 2014 Director of Deutsche Bank	2020 to present Member of Governing Council, Chairman of Professional Development Committee, Singapore Institute of Directors Member, Executive Committee, Association of AI Professionals 2020 to 2021 President, Kaplan Singapore 2018 to present Member, Talent & Manpower Committee, SG Tech Founding Member & Vice-Chairman of Smart Nation Chapter, SG Tech 2015 to 2020 Managing Director, Smart Cities, Surbana Jurong 2016 to 2018 Group Chief Technology Officer, Surbana Jurong 2014 to 2015 Vice President, Asia, Logicalis 2011 to 2014 President, East Asia and Japan, Xchanging	Professional Independent Director of several companies listed on the SGX-ST

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
Shareholding interest in the listed issuer and its subsidiaries	Nil	Mr. Naruse is deemed interested in 171,428,571 shares.	Nil	Nil
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No	No	No	No
Conflict of interest (including any competing business)	No	Mr. Naruse is the Senior Vice President of C2C Global Education Japan, an organisation involved in education business in Japan. C2C Global Education Japan is a non-profit organisation in Japan with no private funding avenues. Hence, even though Mr. Naruse is involved in C2C Global Education Japan, there is no conflict of interests with the Group's current education business.	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issue	Yes	Yes	Yes	Yes
Other principal commitments including directorships				

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
Past (for the last 5 years)	• NPO Asnaro Japan • Asnaro Challengers, LLC • MasterLingual Academy of Communication, Japan • C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation)	• ERC Institute Pte. Ltd. • DiDi Academy, Inc.	• President, Kaplan Singapore • Managing Director, Smart Cities, Surbana Jurong • Group Chief Technology Officer, Surbana Jurong	• Hupsteel Ltd • DLF Holdings Ltd • Sarine Technologies Ltd
Present	• JK E&P Group Pte Ltd • Conquest Energy Pte Ltd • Asnaro Enterprises Pte Ltd • Invictus Academy, Inc • JK North Slope Group Inc Srl • Zionext Pte Ltd • MQ Spectrum Pte Ltd • Zionext (Malaysia) Sdn Bhd	• DiDi Investments, Inc. • C2C Global Education Japan (formerly known as Yamanashi Gakuin School Corporation)	• Member of Governing Council, Chairman of Professional Development Committee, Singapore Institute of Directors • Member, Executive Committee, Association of AI Professionals • Member, Talent & Manpower Committee, SG Tech • Founding Member & Vice-Chairman of Smart Nation Chapter, SG Tech	• Uni-Asia Group Limited • Megachem Ltd • Jiutian Chemical Group Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada ("Mr. Yamada")	Mr. Yoshiyasu Naruse ("Mr. Naruse")	Mr. Poon Joe Keen ("Mr. Poon")	Mr. Chan Kam Loon ("Mr. Chan")
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Daiji Yamada (“Mr. Yamada”)	Mr. Yoshiyasu Naruse (“Mr. Naruse”)	Mr. Poon Joe Keen (“Mr. Poon”)	Mr. Chan Kam Loon (“Mr. Chan”)
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Prior experience as a Director of a Listed Company on the Exchange				
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a director			
Please provide details of relevant experience and the nominating committee’s reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a director			

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Alpha DX Group Limited (the "**Company**") will be held by way of electronic means on Monday, 31 October 2022 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Daiji Yamada, a Director of the Company retiring pursuant to Article 104 of the Constitution of the Company. (See Explanatory Note (i)) **(Resolution 2)**

3. To re-elect Mr. Yoshiyasu Naruse, a Director of the Company retiring pursuant to Article 104 of the Constitution of the Company. (See Explanatory Note (ii)) **(Resolution 3)**

4. To re-elect Mr. Poon Joe Keen, a Director of the Company retiring pursuant to Article 114 of the Constitution of the Company. (See Explanatory Note (iii)) **(Resolution 4)**

5. To re-elect Mr. Chan Kam Loon, a Director of the Company retiring pursuant to Article 114 of the Constitution of the Company. (See Explanatory Note (iv)) **(Resolution 5)**

6. To approve the payment of Directors' fees of up to S$200,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears (FY2021: S$270,000). **(Resolution 6)**

7. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to issue shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors to:-

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the convertible securities;

(b) new shares arising from exercising share options or vesting of share awards provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

adjustments in accordance with (a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (v)) **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

10. **Authority to allot and issue shares under the Alpha DX Group Performance Share Plan of the Company ("Performance Share Plan")**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

(a) offer and grant awards ("**Awards**") in accordance with the provisions of the Performance Share Plan; and

(b) allot and issue from time to time such number of ordinary shares in the capital of the Company (the "**Award Shares**") as may be required to be allotted and issued pursuant to the vesting of the Awards under the Performance Share Plan,

provided always that the aggregate number of Award Shares to be allotted and issued pursuant to the Performance Share Plan, when added to the number of new ordinary shares issued and issuable in respect of all Awards granted thereunder, and all ordinary shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of Award. (See Explanatory Note (vi)) **(Resolution 9)**

11. **Authority to issue shares under the Alpha DX Group Employee Share Option Scheme ("Scheme")**

That pursuant to Section 161 of the Companies Act, the Directors be hereby authorised and empowered to offer and grant options in accordance with the rules of the Scheme and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme, when added to the number of shares issued and issuable in respect of such Scheme and other shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. (See Explanatory Note (vii)) **(Resolution 10)**

By Order of the Board

Lim Kok Meng
Secretary
Singapore, 14 October 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr. Daiji Yamada will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company. Please refer to the sections entitled "Board of Directors" and "Corporate Governance Report" in the Annual Report for more information on Mr. Daiji Yamada.

(ii) Mr. Yoshiyasu Naruse will, upon re-election as a Director of the Company, remain as Chairman, Non-Independent Non-Executive Director and a member of the Remuneration Committee ("**RC**") and Nominating Committee ("**NC**") of the Company. Please refer to the sections entitled "Board of Directors" and "Corporate Governance Report" in the Annual Report for more information on Mr. Yoshiyasu Naruse.

(iii) Mr. Poon Joe Keen will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, Chairman of the RC and a member of the Audit Committee ("**AC**") of the Company. Please refer to the sections entitled "Board of Directors" and "Corporate Governance Report" in the Annual Report for more information on Mr. Poon Joe Keen.

(iv) Mr. Chan Kam Loon will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, Chairman of the AC and a member of the NC of the Company. Please refer to the sections entitled "Board of Directors" and "Corporate Governance Report" in the Annual Report for more information on Mr. Chan Kam Loon.

(v) The Ordinary Resolution (8), if passed, will empower the Directors from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per cent (50%) may be issued other than on a pro-rata basis to shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from (i) the conversion or exercise of the convertible securities, (ii) the exercise of share options or the vesting of share awards and (iii) any subsequent bonus issue, consolidation or subdivision of shares. Adjustments with regards to (i) and (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(vi) The Ordinary Resolution (9), if passed, will empower the Directors to grant Awards under the Performance Share Plan and to allot and issue Award Shares pursuant to the vesting of Awards under the Performance Share Plan and such other share incentive schemes or share plans adopted by the Company for the time being in force, provided that the aggregate number of ordinary shares to be issued shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the relevant date of Award.

(vii) The Ordinary Resolution (10), if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate, when added to the number of shares issued and issuable in respect of such Scheme and other shares issued and/or issuable under other share-based incentive schemes or share plans of the Company, fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes:

Access to documents or information relating to the AGM

All documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) may be assessed on the Company's website at https://alpha-dx.com.sg and is also available on the SGXNet at the URL: https://www.sgx.com/securities/company-announcements. Printed copies will **NOT** be sent to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Participation in the AGM via Webinar

1. The AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting at the AGM are set out in the Company's announcement dated 14 October 2022 which has been uploaded together with this Notice of AGM on SGXNet on the same day.

2. As a precautionary measure due to the current COVID-19 situation, the AGM to be held on 31 October 2022 will be conducted by way of electronic means. Shareholders will not be able to attend the AGM in person to minimise physical interactions and COVID-19 transmission risks. Shareholders may express their views on resolutions tabled at the general meetings prior to the AGM or at the general meetings.

3. Alternative arrangements have been put in place to allow shareholders to participate at the AGM by (a) watching the AGM proceedings via "live" audio-and-video webcast or listening to the AGM proceedings via "live" audio feed; (b) submitting questions in advance of, or "live" at, the AGM and the Company addressing substantial and relevant questions in advance of, or "live" at, the AGM; (c) voting at the AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM.

4. For participation at the AGM, shareholders must pre-register at the pre-registration website at https://globalmeeting.bigbangdesign.co/alpha-dx/ from 14 October 2022 until **2.00 p.m. on 25 October 2022** to enable the Company to verify their status as shareholders.

5. Following the verification, authenticated shareholders will receive an email by 2.00 p.m. on 27 October 2022. The email will contain login credentials and instructions to access the "live" audio-and-video webcast and the "live" audio feed of the AGM proceedings. Shareholders who do not receive an email by 27 October 2022, but have registered by 2.00 p.m. on 25 October 2022, should contact the Company's webcast vendor, Big Bang Design Pte Ltd, at webcast@bigbangdesign.co.

6. The Central Provident Fund and Supplementary Retirement Scheme ("**CPF/SRS**") investors who wish to participate in the AGM by (a) watching and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of the AGM; and/or (c) attending at AGM or appointing proxy(ies) to attend, speak and vote at the AGM should approach their respective CPF Agent Banks or SRS Operators to make the necessary arrangements at least seven (7) working days before the AGM.

7. Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Act (other than CPF/SRS) and who wish to participate in the AGM by (a) watching and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of, or "live" at the AGM; and/or (c) attending at AGM "live" by the shareholders themselves or appointing proxy(ies) to attend, speak and vote at the AGM, should also approach their respective relevant intermediaries through which they hold such shares at least seven (7) working days before the AGM in order to make the necessary arrangements for them to participate in the AGM.

Submitting questions in advance of the AGM

1. Shareholders can submit questions relating to the resolutions to be tabled for approval at the AGM, in advance, via email to the Company at enquiries@alpha-dx.com.sg or in hard copy by sending personally or by post and lodging the same at the registered office of the Company. All questions must be submitted and received by the Company by no later than **2.00 p.m. on 21 October 2022**. The Company will endeavour to address substantial and relevant questions (as may be determined by the Company in its sole discretion) received by the above-stated timeline, after trading hours on 25 October 2022. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

2. Any relevant and substantial questions received after 21 October 2022 prior to the AGM shall be addressed during the AGM. The Company will publish the minutes of the AGM, including substantial and relevant queries from shareholders addressed during the AGM, if any, on SGXNet and/or the Company's website within one month after the date of AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Proxy Form

1. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such shareholder's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

2. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. If a shareholder wishes to appoint other person(s) or Chairman of the AGM as his/her proxy(ies) at the AGM, he/she must submit the proxy form to the Company in the following manner:

   (a) if submitted by post, be deposited at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com,

   in either case not less than forty-eight (48) hours before the time appointed for holding the AGM (i.e. no later than **2.00 p.m. on 29 October 2022**).

4. The shareholder may download the proxy form from SGXNet or on the Company's website at https://alpha-dx.com.sg.

5. The proxy form must be executed under the hand of the appointor or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

6. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

Deemed revocation of proxy appointment if shareholder attends the AGM in person

Completion and return of the instrument appointing a proxy(ies) by a shareholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the shareholder attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

Personal Data Privacy

Where a shareholder of the Company submits a proxy form to vote at the AGM and/or any adjournment thereof, the shareholder (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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

IMPORTANT:
1. The Annual General Meeting will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of the Annual Report, Notice of Annual General Meeting and this Proxy Form will not be sent to members.** Instead, the Annual Report, Notice of AGM and this Proxy Form will be published on the Company's website at https://alpha-dx.com.sg and the SGXNet.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy
By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2022

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We, ________________________ (Name) ________________________ (NRIC/Passport/Co Reg No.*)

of ____ (Address) being

a shareholder/shareholders* of Alpha DX Group Limited (the "**Company**"), hereby appoint

	Name	Email Address^	NRIC / Passport No.	Proportion of shareholdings (%)
(a)				

and/or (delete as appropriate)

(b)				

or failing him/them*, the Chairman of the annual general meeting of the Company ("**Meeting**" or "**AGM**") as my/our* proxy to vote for me/us* on my/our* behalf, at the AGM of the Company to be held by way of electronic means on Monday, 31 October 2022 at 2.00 p.m. and at any adjournment thereof.

^ Compulsory for registration purposes. Only valid email address provided in the submitted proxy form will receive a confirmation email from the Company.
** Delete where applicable.*

Please indicate with a "√" in the spaces provided whether you wish your vote(s) to be cast for or against (or abstain from voting on) the resolutions as set out in the notice of Meeting. In the absence of specific directions, the proxy(ies) (including the Chairman of the Meeting if he is appointed by a Shareholder) will vote or abstain from voting as he/they may think fit.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2021.			
2	Re-election of Mr. Daiji Yamada as a Director of the Company.			
3	Re-election of Mr. Yoshiyasu Naruse as a Director of the Company.			
4	Re-election of Mr. Poon Joe Keen as a Director of the Company.			
5	Re-election of Mr. Chan Kam Loon as a Director of the Company.			
6	Approval of payment of Directors' fees of up to S$200,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears (FY2021: S$270,000).			
7	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditor of the Company and to authorise the Directors to fix their remuneration.			
8	Authority to issue new shares in the capital of the Company.			
9	Authority to allot and issue shares under the Alpha DX Group Performance Share Plan.			
10	Authority to issue shares under the Alpha DX Group Employee Share Option Scheme.			

Dated this........................day of........................2022

Total number of shares held in:	
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

NOTES:

1. The shareholder may download the proxy form from SGXNet or on the Company's website at https://alpha-dx.com.sg.

2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of Shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the shares held by you.

3. A shareholder will not be able to attend the AGM in person. Alternative arrangements have been put in place to allow shareholders to participate at the AGM by: (a) watching the AGM proceedings via "live" audio-and-video webcast or listening to the AGM proceedings via "live" audio feed; (b) submitting questions in advance of, or "live" at, the AGM and the Company addressing substantial and relevant questions in advance of, or "live" at, the AGM; (c) voting at the AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM.

4. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such shareholder's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

5. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

6. If a shareholder wishes to appoint other person(s) or Chairman of the AGM as his/her proxy(ies) at the AGM, he/she must submit the proxy form to the Company in the following manner:

   (a) if submitted by post, be deposited at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com,

   in either case not less than forty-eight (48) hours before the time appointed for holding the AGM (i.e. no later than **2.00 p.m. on 29 October 2022**).

7. The proxy form must be executed under the hand of the appointor or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

8. The Central Provident Fund and Supplementary Retirement Scheme ("**CPF/SRS**") investors who wish to participate in the AGM by (a) watching and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of the AGM; and/or (c) attending at AGM or appointing proxy(ies) to attend, speak and vote at the AGM should approach their respective CPF Agent Banks or SRS Operators to make the necessary arrangements at least seven working days before the AGM. Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (other than CPF/SRS) and who wish to participate in the AGM by (a) watching and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of the AGM; and/or (c) attending at AGM or appointing proxy(ies) to attend, speak and vote at the AGM, should also approach their respective relevant intermediaries through which they hold such shares at least seven working days before the AGM in order to make the necessary arrangements for them to participate in the AGM.

9. In the absence of specific directions, the proxy(ies) (including the Chairman of the Meeting if he is appointed by a shareholder) will vote or abstain from voting as he/they may think fit.

10. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

11. By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2022.

ALPHA DX

ALPHA DX GROUP LIMITED
ANNUAL REPORT 2021

29 Tai Seng Avenue,
#07-07 Natural Cool Lifestyle Hub.
Singapore 534119