CIRCULAR DATED 14 JULY 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT IN RELATION TO THIS CIRCULAR OR AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of Alpha Energy Holdings Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

ALPHA ENERGY

ALPHA ENERGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

(1) THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE
(2) THE PROPOSED ADOPTION OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	27 July 2016 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	29 July 2016 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	The Singapore Island Country Club 180 Island Club Road Singapore 578774 Ballroom 1, Level 3

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

"**2011 Share Plan**"	:	Has the meaning ascribed to it in Section 3.1 of this Circular
"**Act**" or "**Companies Act**"	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
"**ACRA**"	:	Accounting & Corporate Regulatory Authority of Singapore
"**AGM**"	:	The annual general meeting of the Company
"**Approval Date**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Associate**"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Audit Committee**"	:	The audit committee of the Company as at the Latest Practicable Date
"**Auditors**"	:	The auditors of the Company for the time being
"**Board**", or "**Directors**"	:	The board of directors of the Company for the time being
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, supplemented or modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 14 July 2016
"**Committee**"	:	The Remuneration Committee which has been duly authorised, appointed and nominated by the Board to administer the Scheme

"**Company**"	:	Alpha Energy Holdings Limited
"**Constitution**"	:	The memorandum and articles of association of the Company or other regulations of the Company for the time being in force
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the of the issued Shares (excluding treasury shares) in the Company; or (b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company
"**Date of Grant**"	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7 of the Scheme
"**EGM**"	:	The extraordinary general meeting of the Company to be held on 29 July 2016, notice of which is set out in pages 51 to 53 of this Circular
"**EPS**" or "**LPS**"	:	Earnings per Share or Loss per Share
"**Exercise Price**"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the Scheme, or such adjusted price as may be applicable pursuant to Rule 10 of the Scheme
"**Ezion**"	:	Ezion Holdings Limited
"**FRS**"	:	Financial Reporting Standard
"**FY**"	:	Financial year ending or ended (as the case may be) 31 March of a particular year as stated
"**Grantee**"	:	The person to whom an offer of an Option is made
"**Group**"	:	The Company and its subsidiaries, collectively
"**Group Employee**"	:	Any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof
"**Group Executive Director**"	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
"**Group Non-Executive Director**"	:	A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director
"**Latest Practicable Date**"	:	1 July 2016, being the latest practicable date prior to the printing of this Circular

"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Price**"	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) Market Days on which Shares of the Company are traded on the SGX-ST immediately preceding the relevant Date of Grant, rounded up to the nearest one decimal place (in cents) in the event of fractional prices
"**NAV**"	:	Net asset value
"**Notice of EGM**"	:	The notice of EGM as set out on pages 51 to 53 of this Circular
"**NTA**"	:	Net tangible assets
"**Option**"	:	The right to subscribe for Shares granted pursuant to the rules of the Scheme
"**Participant**"	:	A person who is selected by the Committee to participate in the Scheme in accordance with the rules thereof
"**Proposals**"	:	Collectively: (a) the proposed adoption of the Share Buy-Back Mandate; and (b) the proposed adoption of the Alpha Energy Employee Share Option Scheme
"**Record Date**"	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
"**Relevant Period**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Remuneration Committee**"	:	The remuneration committee of the Company, comprising such Directors as may be nominated by the Board from time to time
"**Scheme**" or "**Alpha Energy Employee Share Option Scheme**"	:	The proposed Alpha Energy Employee Share Option Scheme to be adopted by the Company
"**Securities Account**"	:	The securities account maintained by a Depository with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SFA**"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited

"**Share Buy-Back Mandate**"	:	The general and unconditional mandate given by Shareholders at the EGM to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Shareholders**"	:	Registered holder(s) of the Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares
"**SIC**"	:	The Securities Industry Council of Singapore
"**Sponsor**"	:	PrimePartners Corporate Finance Pte. Ltd.
"**Substantial Shareholder**"	:	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent**"	:	Per cent. or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Act.

The term "**subsidiary**" shall have the meaning ascribed to it under Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the SFA, the Companies Act or the Catalist Rules, or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the SFA, the Companies Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

ALPHA ENERGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

Directors:	**Registered Office:**
Ravinder Singh Grewal s/o Sarbjit Singh (Independent Non-Executive Chairman)	15 Hoe Chiang Road
Dean Lloyd Gallegos (Executive Director and Chief Executive Officer)	#12-05 Tower Fifteen
Lim Yeok Hua (Independent Non-Executive Director)	Singapore 089316
Lee Sek Leong Christopher (Independent Non-Executive Director)	
Yong Boon Chuan Leslie (Independent Non-Executive Director)	
Ang Yew Jin Eugene (Non-Executive Director)	
Tan Ser Ko (Non-Executive Director)	

14 July 2016

To: Shareholders of Alpha Energy Holdings Limited (the "**Company**")

Dear Sir/Madam

(I) THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE; AND

(II) THE PROPOSED ADOPTION OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

(collectively, the "Proposals")

1. INTRODUCTION

The Directors propose to convene an extraordinary general meeting to be held on 29 July 2016 at 10.30 a.m. (or as soon thereafter following the conclusion of the AGM to be held at 10.00 a.m. on the same day and at the same place) to seek Shareholders' approval for the Proposals.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for the Proposals to be tabled at the EGM. This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

The Sponsor and the SGX-ST assume no responsibility for the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

The Company had at an annual general meeting of the Company held on 21 July 2014 sought and obtained the approval of Shareholders for the renewal of the share buy-back mandate to enable the Company to purchase or otherwise acquire its issued Shares. The last share buy-back mandate of the Company has since lapsed and accordingly, the Board proposes the adoption of a fresh Share Buy-Back Mandate be tabled for the Shareholders' approval at the EGM.

2.1 Background

It is a requirement under the Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Act and the Catalist Rules, in particular Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares, and such other laws and regulations as may for the time being be applicable. Accordingly, approval is now being sought from Shareholders at the EGM for the proposed adoption of the Share Buy-Back Mandate.

An ordinary resolution will be proposed at the EGM pursuant to which the Share Buy-Back Mandate will be granted to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buy-Back Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the EGM at which the proposed adoption of the Share Buy-Back Mandate is approved ("**Approval Date**") and continue to be in force from the Approval Date until the earlier of the date on which the next AGM is held or is required by law to be held (whereupon it will lapse, unless renewed at such meeting), the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is varied or revoked by the Company in a general meeting (the "**Relevant Period**"). Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale for the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and the Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share. Share buy-backs also help the Company to mitigate short term market volatility, offset the effects of short term speculation and bolster Shareholder's confidence.

Pursuant to the Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as treasury shares.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchases via on-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company or the Group and when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders.

2.3 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered. For the purposes of calculating the ten per cent. (10%) limit, any of the Shares which are held as treasury shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 354,939,065 Shares, disregarding 397,000 shares held in treasury as at the Latest Practicable Date, and assuming that:

(a) no further Shares are issued; and

(b) no further Shares are held by the Company as treasury shares,

on or prior to the EGM, no more than 35,493,906 Shares (representing ten per cent. (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) as at the date of the EGM) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

(a) the conclusion of the next AGM or the date by which such AGM is required by law to be held;

(b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or

(c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting.

2.3.3 Manner of purchase or acquisitions of Shares

Purchases or acquisitions of Shares may be effected by the Company by way of:

(a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buy-Back Mandate, the Catalist Rules, the Act, the Constitution and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Pursuant to the Act, an Off-Market Purchase must satisfy all of the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:

  (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

  (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provide that, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

(aa) the terms and conditions of the offer;

(bb) the period and procedures for acceptance;

(cc) the reasons for the proposed purchase or acquisition of Shares;

(dd) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(ee) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(ff) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchase or acquisition of Shares, where relevant, and the total consideration paid for the purchase or acquisition; and

(gg) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price per Share (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for Shares to be purchased or acquired pursuant to the Share Buy-Back Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes of determining the Maximum Price:

(i) "**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period; and

(ii) "**date of making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares

A Share purchased or otherwise acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Act), will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Company may decide whether the Shares purchased will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury Shares

Under the Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

2.5.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as ACRA may allow.

As at the Latest Practicable Date, the number of issued Shares (excluding treasury shares) is 354,939,065.The Company has 397,000 treasury shares as at the Latest Practicable Date. Assuming no further Shares are issued on or prior to the EGM, the Company may pursuant to the purchase or acquisition of shares under the Share Buy-back Mandate, hold up to 35,493,906 Shares as treasury shares.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision of any treasury shares into treasury shares of a larger amount, or a consolidation of any treasury shares into treasury shares of a smaller amount, is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of, or pursuant to an employee share scheme of the Company;

(c) transfer the treasury shares as consideration for the acquisition of shares in, or assets of, another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

2.6 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such ordinary resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

The Catalist Rules specifies that a listed company shall announce on the SGXNET all purchases or acquisitions of its shares no later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

Such announcement shall be in the form of Appendix 8D prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

2.7 Source of funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

As stated in the Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Act, a company is solvent if (a) the company is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the twelve (12) months following such date of payment; and (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of shares for purposes of any proposed acquisition or release of the company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

2.8 Financial effects

Under the Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NTA per Share and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

For illustration purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2016 are based on the following assumptions:

(a) based on 354,939,065 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 35,493,906 Shares;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 35,493,906 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S$0.06 for one Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S$2.29 million;

(c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 35,493,906 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S$0.07 for one Share which is ten per cent. (10%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S$2.40 million;

(d) taking into consideration the existing 397,000 shares held in treasury by the Company as at the Latest Practicable Date, the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Buy-Back Mandate and hold in treasury shall be 35,096,906 Shares; and

(e) the Company will fund the purchase of Shares with new lines of credit, proceeds from the sale of the Company's IT business when received and the sale of available for sale assets.

For illustrative purposes only and on the basis of the assumptions set out in (a) to (d) above, the financial effects of the:

(i) purchase or acquisition of 35,493,906 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled;

(ii) purchase or acquisition of 35,493,906 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;

(iii) purchase or acquisition of 35,096,906 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and held in treasury; and

(iv) purchase or acquisition of 35,096,906 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury, on the audited financial statements of the Company and the Group for the financial year ended 31 March 2016 are set out respectively in the following pages. Please note that as the Group and the Company have accumulated losses and the net loss for financial year ended 31 March 2016 are insufficient for purposes of the proposed Share Buy-back Mandate, the financial effects of (i) Market Purchases and Off-Market Purchases made entirely out of profits and held as treasury shares; and (ii) Market Purchases and Off-Market Purchases made entirely out of profits and cancelled are not applicable and therefore not included herein for illustrative purposes.

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			**Company**		
	Before Share Buy-Back	**After Share Buy-Back**		**Before Share Buy-Back**	**After Share Buy-Back**	
		Market Purchase	**Off-Market Purchase**		**Market Purchase**	**Off-Market Purchase**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
As at 31 March 2016						
Share capital	82,295,142	80,006,850	79,897,884	82,295,142	80,006,850	79,897,884
Accumulated losses	(7,084,034)	(7,084,034)	(7,084,034)	(6,394,737)	(6,394,737)	(6,394,737)
Reserves	259,666	259,666	259,666	250,000	250,000	250,000
Treasury shares	(53,191)	(53,191)	(53,191)	(53,191)	(53,191)	(53,191)
Shareholders' equity	75,417,583	73,129,291	73,020,325	76,097,214	73,808,922	73,699,956
Intangible assets	–	–	–	–	–	–
NTA	75,417,583	73,129,291	73,020,325	76,097,214	73,808,922	73,699,956
Current assets	2,793,582	505,290	396,324	71,808,707	69,520,414	69,411,448
Current liabilities	31,771,949	31,771,949	31,771,949	417,717	417,717	417,717
Working capital	(28,978,367)	(31,266,659)	(31,375,625)	71,390,990	69,102,698	68,993,731
Total borrowings	12,236,113	12,236,113	12,236,113	–	–	–
Cash and cash equivalents	1,973,778	(314,514)	(423,481)	680,682	(1,607,610)	(1,716,577)
Total number of Treasury Shares	397,000	397,000	397,000	397,000	397,000	397,000
Total issued number of Shares (excluding treasury shares)	354,939,065	319,445,159	319,445,159	354,939,065	319,445,159	319,445,159
Weighted average number of Shares	326,436,333	290,942,427	290,942,427	326,436,333	290,942,427	290,942,427
Total comprehensive loss	(5,266,071)	(5,266,071)	(5,266,071)	(3,919,312)	(3,919,312)	(3,919,312)
Loss attributable to owners of the parent	(5,269,271)	(5,269,271)	(5,269,271)	(3,919,312)	(3,919,312)	(3,919,312)

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back		Before Share Buy-Back	After Share Buy-Back	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S$	S$	S$	S$	S$	S$
Financial Ratios						
NTA per Share[(1)] (cents)	23.10	25.14	25.10	23.31	25.37	25.33
Gearing ratio[(2)] (times)	0.16	0.17	0.17	–	–	–
Current ratio (times)	0.09	0.02	0.01	171.91	166.43	166.17
LPS (cents)[(3)]	(1.61)	(1.81)	(1.81)	(1.20)	(1.35)	(1.35)

Notes:

(1) NTA per Share equals to NTA (excludes minority interests) divided by the number of issued Shares (excluding treasury shares) as at 31 March 2016.

(2) Gearing ratio represents total borrowings divided by Shareholders' equity.

(3) LPS is calculated based on loss attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding treasury shares) based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2016.

Scenario 2: Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back		Before Share Buy-Back	After Share Buy-Back	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S$	S$	S$	S$	S$	S$
As at 31 March 2016						
Share capital	82,295,142	82,295,142	82,295,142	82,295,142	82,295,142	82,295,142
Accumulated losses	(7,084,034)	(7,084,034)	(7,084,034)	(6,394,737)	(6,394,737)	(6,394,737)
Reserves	259,666	259,666	259,666	250,000	250,000	250,000
Treasury Shares	(53,191)	(2,315,889)	(2,423,636)	(53,191)	(2,315,889)	(2,423,636)
Shareholders' equity	75,417,583	73,154,885	73,047,138	76,097,214	73,834,516	73,726,769
Intangible assets	–	–	–	–	–	–
NTA	75,417,583	73,154,886	73,047,138	76,097,214	73,834,517	73,726,769
Current assets	2,793,582	530,884	423,137	71,808,707	69,546,009	69,438,262
Current liabilities	31,771,949	31,771,949	31,771,949	417,717	417,717	417,717
Working capital	(28,978,367)	(31,241,064)	(31,348,812)	71,390,990	69,128,292	69,020,545
Total borrowings	12,236,113	12,236,113	12,236,113	–	–	–
Cash and cash equivalents	1,973,778	(288,920)	(396,667)	680,682	(1,582,016)	(1,689,763)
Total number of Treasury Shares	397,000	35,493,906[(3)]	35,493,906[(3)]	397,000	35,493,906[(3)]	35,493,906[(3)]
Total issued number of Shares (excluding treasury shares)	354,939,065	354,939,065	354,939,065	354,939,065	354,939,065	354,939,065
Weighted average number of Shares	326,436,333	326,436,333	326,436,333	326,436,333	326,436,333	326,436,333
Total comprehensive income	(5,266,071)	(5,266,071)	(5,266,071)	(3,919,312)	(3,919,312)	(3,919,312)
Loss attributable to owners of the parent	(5,269,271)	(5,269,271)	(5,269,271)	(3,919,312)	(3,919,312)	(3,919,312)

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back		Before Share Buy-Back	After Share Buy-Back	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S$	S$	S$	S$	S$	S$
Financial Ratios						
NTA per Share[(1)] (cents)	23.10	25.11	25.07	23.31	25.34	25.31
Gearing ratio[(2)] (times)	0.16	0.17	0.17	–	–	–
Current ratio (times)	0.09	0.02	0.01	171.91	166.49	166.23
LPS (cents)[(4)]	(1.61)	(1.81)	(1.81)	(1.20)	(1.35)	(1.35)

Notes:

(1) NTA per Share equals to NTA (excluding minority interests) divided by the number of issued Shares (excluding treasury shares) as at 31 March 2016.

(2) Gearing ratio represents total borrowings divided by Shareholders' equity.

(3) The number of treasury shares that the Company may hold, taking into account the 397,000 treasury shares held by the Company as at the Latest Practicable Date, shall not exceed 35,493,906 Shares.

(4) LPS is calculated based on loss attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding treasury shares) based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2016.

The actual impact will depend on the number and price of the Shares purchased or acquired. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 31 March 2016, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares (excluding treasury shares). In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.9 Take-over implications arising from share buy-backs

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

(a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights.

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentage of voting rights of such person and their concert parties, treasury shares shall be excluded.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert under the Take-over Code:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buy-Back Mandate.

2.9.4 Application of the Take-over Code

Assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company (excluding treasury shares) as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders, based on the Register of Directors' Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders before and after the purchase of Shares by the Company were/will be as follows:

	Before Share Buy-Back								After Share Buy-Back			
	Assuming all existing share options are not exercised				Assuming all existing share options are exercised				Assuming all existing share options are not exercised		Assuming all existing share options are exercised	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest (%)[1]	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest (%)[2]	Total Interest (No. of Shares)	Total Interest (%)[3]	Total Interest (No. of Shares)	Total Interest (%)[4]
Directors												
Ravinder Singh Grewal s/o Sarbjit Singh[5]	–	–	–	–	3,000,000	–	3,000,000	0.54	–	–	3,000,000	0.49
Dean Lloyd Gallegos[6]	–	–	–	–	3,000,000	–	3,000,000	0.54	–	–	3,000,000	0.49
Ang Yew Jin Eugene	53,617,539	–	53,617,539	15.11	53,617,539	–	53,617,539	9.59	53,617,539	16.78	53,617,539	8.72
Lim Yeok Hua	–	–	–	–	–	–	–	–	–	–	–	–
Lee Sek Leong Christopher	–	–	–	–	–	–	–	–	–	–	–	–
Yong Boon Chuan Leslie	20,000	–	20,000	0.01	20,000	–	20,000	0.00	20,000	0.01	20,000	0.00
Tan Ser Ko[7]	–	–	–	–	2,000,000	–	2,000,000	0.36	–	–	2,000,000	0.33
Substantial Shareholders (excluding Directors)												
Ezion Holdings Limited[8]	106,000,000	–	106,000,000	29.86	302,000,000	–	302,000,000	54.03	106,000,000	33.18	302,000,000	49.12

Notes:

(1) The percentages in the table are calculated based on 354,939,065 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) The percentages in the table are calculated based on 558,939,065 Shares, assuming all existing share options held by the Directors and the Substantial Shareholder as at the Latest Practicable Date are exercised.

(3) The percentages in the table are calculated based on 319,445,159 Shares, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company.

(4) The percentages in the table are calculated based on 614,832,971 Shares, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company assuming all existing share options held by the Directors and the Substantial Shareholder as at the Latest Practicable Date are exercised.

(5) Has 3,000,000 share options in the Company.

(6) Has 3,000,000 share options in the Company.

(7) Has 2,000,000 share options in the Company.

(8) Has 196,000,000 share options in the Company. However, as disclosed in the Company's circular to Shareholders dated 7 May 2014, Ezion currently does not intend to exercise its share options to hold more than 30% of the Shares.

As illustrated above, Ezion has a direct interest in 106,000,000 Shares representing approximately 29.86% of the total issued share capital of the Company as at the Latest Practicable Date. In the event the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding treasury shares) of the Company pursuant to the proposed Share Buy-Back Mandate, the percentage shareholding interest of Ezion could increase from approximately 29.86% to approximately 33.18%. Ezion has confirmed to the Company that none of the Directors are acting in concert with Ezion, and accordingly, pursuant to Section 2 of Appendix 2 of the Take-over Code, (i) Ezion will not be required to make an offer under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of ten per cent. (10%) of the issued Shares of the Company (excluding treasury shares); and (ii) Ezion shall not be required to abstain from voting in respect of the ordinary resolution authorising the proposed Share Buy-Back Mandate.

Based on the information set out above and assuming that there is no change in the shareholding interests of the Substantial Shareholders and Directors since the Latest Practicable Date, none of the Directors and Substantial Shareholders referred to above are expected to incur an obligation to make a general offer to other Shareholders under the Take-over Code, in the event that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company (excluding treasury shares) pursuant to the proposed Share Buy-Back Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

2.9.5 <u>Listing status of Shares on the SGX-ST</u>

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The term "public", as defined under the Catalist Rules, are persons other than (a) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (b) the Associates of persons in (a).

As at the Latest Practicable Date, approximately 192,902,143 issued Shares were held by the public, representing approximately 54.35% of the total number of issued Shares. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding treasury shares), being 35,493,906 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 157,408,237 Shares, representing approximately 49.28% of the remaining issued Shares of the Company.

Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.9.6 Shares purchased by the Company

There was no share buy-back mandate in force in the last twelve (12) months prior to the Latest Practicable Date. The Company has not purchased or acquired any Shares in the last twelve (12) months immediately preceding the Latest Practicable Date.

2.10 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

2.11 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.

3. THE PROPOSED ADOPTION OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

3.1 Background

As at the Latest Practicable Date, the Company has in place an existing employee share award scheme, which, following the Company's change of name with effect from 12 December 2014, is now known as the "Alpha Energy Holdings Performance Share Plan"which was approved and adopted by the Shareholders at an extraordinary general meeting of the Company on 22 July 2011 (the "**2011 Share Plan**"). The duration of the 2011 Share Plan is a maximum of 10 years commencing on the date of adoption, provided that the 2011 Share Plan may continue beyond the aforesaid stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. From the commencement of the 2011 Share Plan to the Latest Practicable Date, the Company had granted a total of 50,000 awards under the 2011 Share Plan. As at the Latest Practicable Date, all of the 50,000 awards granted under the 2011 Share Plan have been vested in full. Save for the 2011 Share Plan, the Company does not have in place any other share plan or share scheme.

The Company is proposing to adopt a new employee share option scheme to be named the "Alpha Energy Employee Share Option Scheme". The Company believes that the Scheme will complement the existing 2011 Share Plan and having both the Scheme and 2011 Share Plan will strengthen and enhance the overall comprehensiveness of its performance- based compensation schemes and increase the Company's flexibility and effectiveness in rewarding the Participants, incentivising them to achieve higher performance targets and to strive for the long-term prosperity of the Company and/or the Group. Unlike the 2011 Share Plan, under which the Company may grant to eligible participants awards representing the right of a participant to receive fully paid ordinary shares of the Company, free of charge, upon the relevant participant achieving prescribed performance targets upon the expiry of the prescribed performance period, the proposed Scheme requires Participants to pay the exercise price of the Options before receiving the underlying shares. In addition, the assessment criteria for granting Options under the proposed Scheme are more general, as set out in greater detail in Section 3.4.1 and Section 3.5 of this Circular.

The aggregate number of Shares to be issued under the 2011 Share Plan and the ESOS collectively shall not exceed the maximum limit of 15% of the total issued Shares of the Company (excluding treasury shares) from time to time.

An application will be made by the Company through its Sponsor to the SGX-ST for the approval of the listing and quotation of the Shares to be issued upon exercise of the Options under the Scheme. The Scheme is conditional upon the grant of the listing and quotation notice by the SGX-ST and the conditions in the listing and quotation notice being fulfilled.

Details of all awards granted under the 2011 Share Plan as at the Latest Practicable Date are as follows:

Date of grant	No. of Shares comprised in the awards	Vesting date	No. of Shares vested	No. of participants
20 March 2014	110,000	31 December 2014	50,000	4
Total	**110,000**		**50,000**	

Details of all awards granted under the 2011 Share Plan to Directors as at the Latest Practicable Date are as follows:

Director	Date of grant	No. of Shares comprised in the awards	Vesting date	No. of Shares vested
Yong Boon Chuan Leslie	20 March 2014	110,000	31 December 2014	20,000

No awards under the 2011 Share Plan have been granted to Controlling Shareholders or Associates of such Controlling Shareholders.

Save as disclosed in this Circular and the prescribed performance-based and/or other conditions attached to the above mentioned 2011 Share Plan, the awards under the 2011 Share Plan were not subject to any material conditions as at the Latest Practicable Date.

3.2 Rules of the Scheme

The rules of the Scheme in their entirety are set out in Appendix 1 to this Circular, and a summary of the rules is set out below.

3.3 Eligibility of Participants

Subject to the absolute discretion of the Committee, any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof ("**Group Employee**") shall be eligible to participate in the Scheme, provided that, as of the Date of Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts, have not entered into any composition(s) with their respective creditors and must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.

Controlling Shareholders and their Associates shall not be eligible to participate in the Scheme.

3.4 Rationale for the Scheme

3.4.1 <u>General rationale for the Scheme</u>

The Scheme recognises the fact that the services of the Participants 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. The Scheme will also operate to attract, retain and provide incentives to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long term prosperity.

The number of Shares over which Options may be granted under the Scheme will be determined at the absolute discretion of the Committee, which will take into account factors such as the Participant's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group. In deciding the number of Shares over which Options may be granted to a Participant, the Committee will also consider the compensation and/or benefits to be given to the Participant under such other share based incentive scheme of the Company if any. The Committee may also set specific criteria and performance targets for each of the Company's business units, taking into account factors such as (a) the Company's and the Group's business goals and directions for each financial year; (b) the Participant's actual job scope and duties; and (c) the prevailing economic conditions.

3.4.2 <u>Rationale for Participation by Group Non-Executive Directors</u>

The key objectives of including the Group Non-Executive Directors to the Scheme are to motivate the Group Non-Executive Directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Scheme may be more effective than cash bonuses in motivating the Group Non-Executive Directors to put in their best efforts and will at the same time, allow the Company to offer incentives and remuneration packages compatible with multinational companies.

To this end, the Group Non-Executive Directors will be treated equally as the other eligible participants as they are important to the development and success of the Group. The Company's view is that all deserving and eligible participants should be equally entitled to take part in and benefit from the Company's fair and equitable system of remuneration, regardless of whether they hold executive or non-executive positions.

Group Non-Executive Directors are generally persons from different professions and working backgrounds. They provide much experience in corporate governance and business management to the Group, as well as invaluable guidance in relation to the strategic issues and development of the Group, thus providing the Group with a multi-disciplinary approach in evaluating and considering business issues and opportunities. While not specifically involved in the day-to-day running of the Company, the Group Non-Executive Directors are frequently consulted on various matters in relation to the business of the Company. They are thus highly regarded by the Company for their contributions to the Company. Their proposed inclusion in the Scheme is in recognition of their services and contributions to the growth and development of the Company. Before granting any Options to a Group Non-Executive Director, the Committee will take into consideration, *inter alia*, his performance and contributions to the success and development of the Company. In assessing the performance of the Group Non-Executive Directors, the Company will take into account their attendance at meetings, their membership in various committees in the Company as well as their contributions, which include contributions of their experience in the areas of overall business strategies, risk management and investment decisions. The Group Non-Executive Directors may be appointed as members of the Committee. However, the rules of the Scheme provide that no member of the Committee shall be involved in any deliberation in respect of Options to be granted to him. As it may not always be possible to compensate such persons fully or appropriately by way of extra directors' fees or other forms of cash payments, the Scheme provides the Company with a mean to give recognition to them for their special assistance or extra efforts expended in furthering the Company's and/or the Group's interests, such as through introducing or facilitating business opportunities for the Group or expending additional time on significant corporate exercises or projects which may be undertaken by the Company or the Group from time to time.

The terms of the Scheme will not differentiate the Group Employees from the Group Non-Executive Directors in determining the eligibility of such persons to be granted Options. Group Non-Executive Directors should not be excluded from participating in the Scheme solely by virtue of them holding non-executive positions. In addition, denying participation of the Group Non-Executive Directors in the Scheme may serve to demotivate them and undermines the objectives of the Scheme.

3.5 Entitlement of Participants

An Option represents the right of a Participant to subscribe for one (1) Share in consideration of the Exercise Price upon the exercise of the Option.

Subject to Rule 4 and Rule 6 of the Scheme, the number of Shares over which Options may be granted to a Grantee for subscription under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Grantee's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Grantee and the prevailing market and economic conditions.

3.6 Size and Duration of the Scheme

The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

(a) all Options granted under the Scheme; and

(b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, if any;

shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day preceding that date.

The Company is of the view that the size of the Scheme allows the Committee sufficient flexibility to decide upon the number of Options in view of the likely number of Participants, the total number of Shares in the capital of the Company and the duration of the Scheme. The size of the Scheme allows a larger pool of Participants to participate in the Scheme and gives greater flexibility to the Company in the structuring of incentive packages. The Company is of the opinion that it should have a sufficient number of Options to offer to new Participants as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to the Group. However, it does not necessarily mean that the Committee will definitely issue Options up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Options to be granted to each Participant, and this will depend on the performance and value of the Participant to the Group.

The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

3.7 Date of Grant of Options and Acceptance of Offer

The Committee may, save as provided in Rule 4, Rule 5 and Rule 6 of the Scheme, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.

The grant of an Option may only be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Schedule 2 of the Scheme (the "**Acceptance Form**"), subject to such modifications as the Committee may from time to time determine accompanied by the payment of S$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with the rules of the Scheme.

3.8 Exercise Period of Options

Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

3.9 Operation of the Scheme

Subject to:

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the rules of the Scheme and the Constitution; the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Catalist Rules) after the date of the exercise of the said Option in accordance with Rule 12(A) of the Scheme, allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit,

the Company shall, if necessary, before the grant of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10 of the Scheme.

Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank pari passu in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date (as defined in the Scheme) for which is prior to the date such Option is exercised.

In compliance with Catalist Rule 704(32), the Company will announce any grant of Options under the Scheme on SGXNET. The announcement(s), to be made on the date of the offer, will contain details of the grant, including the following:

(a) Date of Grant;

(b) exercise price of Options granted;

(c) number of Options granted;

(d) market price of the Company's securities on the Date of Grant;

(e) number of Options granted to each Director (and each of their Associates), if any; and

(f) validity period of the Options.

The Company shall, for so long as the Scheme continues in operation, make certain disclosures in its annual reports as set out in Rule 23 of the Scheme.

3.10 Variation of Capital

If a variation in the issued share capital of the Company whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever), shall take place, then:

(a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised;

(b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto;

(c) the maximum entitlement in any one Financial Year (as defined in the Scheme); and/or

(d) the class and/or number of Shares in respect of which additional Options may be granted to Participants;

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

No such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; (b) if as a result, such adjustment will result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; and (c) unless the Committee after considering all relevant circumstances considers it equitable to do so; and

The following events shall not normally be regarded as a circumstance requiring adjustment:

(a) an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;

(b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;

(c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company or any of its subsidiaries pursuant to any share-based incentive schemes approved by Shareholders in general meeting, including the Scheme;

(d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and

(e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year. Any adjustment shall take effect upon such written notification being given.

3.11 Entitlement of Shares

Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank pari passu in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.

3.12 Modifications to the Scheme

Rule 13 of the Scheme provides that any modification or alteration which would be to the advantage of Participants under the Scheme (including but not limited to the matters set out in Rules 843 to 848 and Rules 852 to 853 of the Catalist Rules) shall be subject to the prior approval of Shareholders at a general meeting.

3.13 Role and Composition of the Committee

The Remuneration Committee, whose primary function is to assist the Directors in reviewing remuneration matters, is the designated Committee responsible for administering the Scheme. As at the Latest Practicable Date, the members of the Remuneration Committee comprise Lee Sek Leong Christopher, Lim Yeok Hua, Ravinder Singh Grewal s/o Sarbjit Singh and Tan Ser Ko.

In compliance with the requirements of the Catalist Rules, a Participant of the Scheme, who is a member of the Remuneration Committee, shall not be involved in its deliberations in respect of Options to be granted to or held by that member of the Remuneration Committee.

3.14 Exercise Price of Options

Subject to any adjustment pursuant to Rule 10 of the Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:

(a) the Market Price; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed twenty per cent. (20%) of the Market Price.

In making any determination under Rule 9(A)(b) of the Scheme on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

(a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;

(b) the years of service and individual performance of the eligible Grantee;

(c) the contribution of the eligible Grantee to the success and development of the Company and/or the Group; and

(d) the prevailing market and economic conditions.

The ability to offer Options at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Options as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. Being able to grant Options at a discount allows the Company to acknowledge a Participant's contributions where such mean is more meaningful than paying a cash bonus, as these Options operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Options granted at the Market Price. This serves as an additional method available to the Company for compensating employees rather than through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Options granted with a discount under the Scheme are subject to a longer vesting period (two (2) years) than those granted at the Market Price (one (1) year), holders of such Options are encouraged to have a long-term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the maximum twenty per cent. (20%) per cent discount to the Market Price of the Shares is sufficient to allow for flexibility in the Scheme, while minimising the potential dilutive effect to the Shareholders arising from the Scheme.

3.15 Financial Effects of the Scheme

3.15.1 <u>Potential Costs of the Options</u>

The grant of Options under the Scheme will result in an increase in the Company's issued Share capital to the extent that new Shares are issued to the Participants pursuant to the exercise of the Options. This will in turn depend on, *inter alia*, the number of Shares comprised in the Options to be issued. As such, there would be no impact on the Company's number of issued Shares if the relevant Options are not exercised.

Based on the Singapore FRS, no cash outlays would be expended by the Company at the time Options are issued by it (as compared with cash bonuses). However, the Company would recognise an expense in the financial statements over the vesting period based on the fair value of the Option at the Date of Grant.

The Singapore FRS Reporting Standard 102 is effective for the financial statements of the Company for the financial year beginning 1 January 2005. Participants will receive Shares in settlement of the Options.

The fair value of employee services received in exchange for the grant of the Options would be recognised as a charge to the income statement over the vesting period of an Option and a corresponding credit to reserve account. For Options granted, the total amount of the charge over the vesting period is generally measured based on the fair value of each Option granted. This is normally estimated by applying the option pricing model at the date of grant. Before the end of the vesting period, at each accounting year end, the estimate of the number of Options that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the "modified grant date method", because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the Date of Grant.

The amount charged to the income statement would be the same whether the Company settles the Options using new Shares or existing Shares.

3.15.2 Share capital

The Scheme will result in an increase in the Company's issued share capital when new Shares are issued to Participants pursuant to the exercise of Options. This increase will in turn depend on, *inter alia*, the number of Shares comprised in the Options, and the prevailing market price of the Shares on the SGX-ST. However, there will be no change to the Company's issued share capital where Options (when exercised) are satisfied by treasury shares held by the Company.

As at the Latest Practicable Date, the Company holds 397,000 treasury shares.

3.15.3 NTA

The allotment and issue of new Shares upon the exercise of the Options under the Scheme will increase the consolidated NTA of the Company by the aggregate Exercise Price of the new Shares. On a per Share basis, the effect on the NTA of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

3.15.4 EPS

The Scheme will have a dilutive effect on the Company's consolidated EPS following the increase in the Company's issued share capital to the extent that new Shares are issued pursuant to the Scheme.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%)[1]	Number of Shares	(%)[1]	Number of Shares	(%)[1]
Directors						
Ravinder Singh Grewal s/o Sarbjit Singh[2]	–	–	–	–	–	–
Dean Lloyd Gallegos[3]	–	–	–	–	–	–
Ang Yew Jin Eugene	53,617,539	15.11	–	–	53,617,539	15.11
Lim Yeok Hua	–	–	–	–	–	–
Lee Sek Leong Christopher	–	–	–	–	–	–
Yong Boon Chuan Leslie	20,000	0.01	–	–	20,000	0.01
Tan Ser Ko[4]	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Ezion Holdings Limited[5]	106,000,000	29.86	–	–	106,000,000	29.86

Notes:

(1) Based on 354,939,065 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Has 3,000,000 share options in the Company.

(3) Has 3,000,000 share options in the Company.

(4) Has 2,000,000 share options in the Company.

(5) Has 196,000,000 share options in the Company.

Saved as disclosed in this Circular, other than through their respective shareholdings in the Company, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the Proposals.

5. DIRECTORS' RECOMMENDATIONS

5.1 The Proposed Adoption of the Share Buy-Back Mandate

Having fully considered the rationale set out in Section 2.2 of this Circular, the Directors are of the opinion that the proposed adoption of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution No. 1, being the ordinary resolution in respect of the proposed adoption of the Share Buy-Back Mandate to be proposed at the EGM.

5.2 The Proposed Adoption of the Alpha Energy Employee Share Option Scheme

As all the Directors will be eligible to participate in the Scheme, they are therefore interested in the proposed adoption of the Scheme, and accordingly have abstained from making any recommendations in respect of Ordinary Resolution No. 2, being the ordinary resolution in respect of the proposed adoption of the Scheme to be proposed at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 51 to 53 of this Circular, will be held at The Singapore Island Country Club, 180 Island Club Road, Singapore 578774, Ballroom 1, Level 3, on 29 July 2016 at 10.30 a.m. (or as soon thereafter following the conclusion of the AGM to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 15 Hoe Chiang Road #12-05, Tower Fifteen, Singapore 089316, not later than 48 hours before the time fixed for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than 72 hours before the time fixed for the EGM or any adjournment thereof.

8. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Scheme, including eligible Directors who are also Shareholders and their Associates, should abstain from voting at the EGM on any resolution relating to the Scheme, and should decline appointment as proxies for voting at the EGM in respect of the aforesaid resolution, unless specific instructions have been given in the proxy form on how the votes are to be cast for the resolution.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to the date of the EGM:

(a) the Constitution of the Company;

(b) the annual report of the Company for the financial year ended 31 March 2016; and

(c) the proposed Rules of the Alpha Energy Employee Share Option Scheme.

Yours faithfully

For and on behalf of the Board of Directors of
ALPHA ENERGY HOLDINGS LIMITED
Dean Lloyd Gallegos
Executive Director and Chief Executive Officer

RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the "Alpha Energy Employee Share Option Scheme".

2. DEFINITIONS

In this Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

(A) **"Associate"** :

(a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:–

(i) his immediate family;

(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

"Auditors" : The auditors of the Company for the time being

"Board " : The board of Directors of the Company for the time being

"CDP" : The Central Depository (Pte) Limited

"Committee" : The Remuneration Committee which has been duly authorised, appointed and nominated by the Board to administer the Scheme

"Company" : Alpha Energy Holdings Limited

"Companies Act" : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time

"Constitution" : The memorandum and articles of association of the Company or other regulations of the Company for the time being in force

"Control" : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) in the Company (subject to the SGX-ST determining that such a person is not a controlling shareholder) or a person who in fact exercises control over the Company
"CPF"	:	Central Provident Fund
"Date of Grant"	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7
"Director(s)"	:	The director(s) of the Company
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
"Financial Year"	:	Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
"Grantee"	:	The person to whom an offer of an Option is made
"Group"	:	The Company and its subsidiaries, collectively
"Group Employee"	:	Any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof
"Group Executive Director"	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
"Group Non-Executive Director"	:	A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director
"Listing Manual"	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST or the Listing Manual of the SGX-ST (as the case may be), as the same may be amended, modified or supplemented from time to time
"Listing Rules"	:	The rules constituted in the Listing Manual
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Price"	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) Market Days on which Shares of the Company are traded on the SGX-ST immediately preceding the relevant Date of Grant, rounded to the nearest one decimal place (in cents) in the event of fractional prices

"Option"	:	The right to subscribe for Shares granted pursuant to the rules of the Scheme
"Option Period"	:	The period for the exercise of an Option being:- (i) in the case of an Option granted with the Exercise Price set at the Market Price, a period commencing after the first (1^{st}) anniversary of the Date of Grant of that Option and expiring on the tenth (10^{th}) anniversary of such Date of Grant, subject as provided in Rules 11 and 15 and any other conditions as may be determined by the Committee from time to time; and (ii) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period commencing after the second (2^{nd}) anniversary of the Date of Grant that Option and expiring on the tenth (10^{th}) anniversary of such Date of Grant, subject as provided in Rules 11 and 15 and any other conditions as may be determined by the Committee
"Participant"	:	A person who is selected by the Committee to participate in the Scheme in accordance with the rules thereof
"Record Date"	:	The date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be)
"Remuneration Committee"	:	The remuneration committee of the Company, comprising such Directors as may be nominated by the Board from time to time
"Rules"	:	The rules of the Scheme, as the same may be amended from time to time
"Scheme"	:	The Alpha Energy Employee Share Option Scheme
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shareholders"	:	Shareholders of the Company from time to time
"Share(s)"	:	Ordinary share(s) in the capital of the Company
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than 5% of the issued Shares
"S\$" and "cents"	:	Singapore dollars and cents, respectively

(B) The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them, respectively, by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

(C) Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall include corporations.

(D) Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Companies Act.

(E) Any reference in the Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The objectives of the Scheme are as follows:

(a) to motivate participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;

(c) to instil loyalty and a stronger sense of identification by the participants with the long-term prosperity of the Group;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;

(e) to reward employees for their contribution to the Group; and

(f) to align the interests of the participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

(A) Subject to the absolute discretion of the Committee, any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof ("**Group Employee**") shall be eligible to participate in the Scheme, provided that, as of the Date of Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts, have not entered into any composition(s) with their respective creditors and must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.

(B) Controlling Shareholders and their Associates shall not be eligible to participate in the Scheme.

(C) For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.

(D) There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.

(E) Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 6, the number of Shares over which Options may be granted to a Grantee for subscription under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Grantee's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Grantee and the prevailing market and economic conditions.

6. SIZE OF THE SCHEME

The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

(a) all Options granted under the Scheme; and

(b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force if any;

shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day preceding that date.

7. OFFER DATE

(A) The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.

(B) An offer to grant an Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

(A) An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by (a) completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Schedule 2 (the "**Acceptance Form**"), subject to such modifications as the Committee may from time to time determine accompanied by the payment of S$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

(B) The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.

(C) If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period referred to in Rule 8(A), automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

(D) The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not comply strictly with the terms of the Scheme.

(E) Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11(F) in the event of the death of such Grantee.

(F) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

(G) Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

(a) it is not accepted in the manner as provided in Rule 8(A) within the thirty (30) day period referred to therein; or

(b) the Participant dies prior to his acceptance of the Option; or

(c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or

(d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or

(e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

(A) Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:

(a) the Market Price; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed twenty per cent. (20%) of the Market Price.

(B) In making any determination under Rule 9(A)(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:-

(a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;

(b) the years of service and individual performance of the eligible Grantee;

(c) the contribution of the eligible Grantee to the success and development of the Company and/or the Group; and

(d) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

(A) If a variation in the issued share capital of the Company whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever), shall take place, then:

(a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised;

(b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto;

(c) the maximum entitlement in any one Financial Year; and/or

(d) the class and/or number of Shares in respect of which additional Options may be granted to Participants;

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

(B) Notwithstanding the provisions of Rule 10(A) above,

(a) no such adjustment shall be made:

(i) if as a result, the Participant receives a benefit that a Shareholder does not receive;

(ii) if as a result, such adjustment will result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; and

(iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and

(b) any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

(C) Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

(a) an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;

(b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;

(c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company or any of its subsidiaries pursuant to any share-based incentive schemes approved by Shareholders in general meeting, including the Scheme;

(d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and

(e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

(D) The restriction on the number of Shares to be offered to any Grantee under Rule 6 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

(E) Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

(A) Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

(B) Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

(C) An Option shall, to the extent unexercised, immediately lapse and become null and void, and a Participant shall have no claim against the Company:

(a) subject for Rules 11(D), 11(E) and 11(F), upon the Participant ceasing to be a Group Employee or a Director for any reason whatsoever; or

(b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or

(c) in the event of termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11(C)(a), the Participant shall be deemed to have ceased being so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse pursuant to Rule 11(C)(a) in the event of any transfer of employment of a Participant within the Group or upon the cessation of employment of a Group Executive Director who shall continue to serve as a Group Non-Executive Director.

(D) Where a Participant who is a Group Executive Director or Group Non-Executive Director (as a case may be) ceases to be a Director for any reason whatsoever, he shall, notwithstanding Rule 11 and Rule 12, be entitled to exercise in full all unexercised Options from the date he ceases to be a Director until the end of the relevant Option Period.

(E) If a Participant ceases to be in the employment of the Group by reason of:

(a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;

(b) redundancy;

(c) retirement at or after the legal retirement age;

(d) retirement before that age with the consent of the Committee;

(e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or

(f) for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void.

(F) If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representatives of the Participant from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

(G) The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

(A) An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the "**Exercise Notice**"), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

(B) Subject to:-

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the Rules and the Constitution; the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Manual) after the date of the exercise of the said Option in accordance with Rule 12(A), allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

(C) The Company shall, if necessary, before the grant of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

(D) Shares which are all allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.

(E) Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.

(F) Except as set out in Rule 12(B) and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

(G) The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS AND ALTERATIONS TO THE SCHEME

(A) Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:

(a) any modification or alteration which shall alter adversely the rights attached to any Option(s) granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Option(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three quarters (3/4) of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options; and

(b) any modification or alteration which would be to the advantage of Participants under the Scheme (including but not limited to the matters set out in Rules 843 to 848 and Rules 852 to 853 of the Listing Manual) shall be subject to the prior approval of Shareholders at a general meeting. For the purposes of Rule 13(A)(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

(B) Notwithstanding anything to the contrary contained in Rule 13(A), the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST if necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

(C) Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

(A) The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

(B) The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

(C) The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

(A) In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11(A) and/or 11(B)) holding Options as yet unexercised shall, notwithstanding Rule 11 and 12 but subject to Rule 15(E), be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approval of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or

(b) the date of the expiry of the Option Period relating thereto;

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offer or becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 15(A) shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

(B) If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11(A) or 11(B)) shall notwithstanding Rule 11 but subject to Rule 15(E), be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.

(C) If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

(D) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15(D)) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

(E) If in connection with the making of a general offer referred to in Rule 15(A) above or the scheme referred to in Rule 15(B) above or the winding up referred to in Rule 15(D) above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

(F) If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

(A) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.

(B) The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

(C) Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under this Scheme).

(D) As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him.

17. NOTICES

(A) Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

(B) Any notice or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

(A) The Scheme or any Option shall not form part of any contract of employment between the Company or any subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

(B) The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any subsidiary directly or indirectly, or give rise to any cause of action at law or in equity against the Company or any subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE SCHEME

(A) Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities subaccount with a CDP Depository Agent or CPF investment amount with a CDP agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

(B) Save for the taxes referred to in Rule 19 and such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages, (including any interest arising thereof), whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in allotting and issuing the Shares or in applying for or procuring the listing of and quotation for the Shares allotted pursuant to the exercise of any Option on the SGX-ST or, if applicable, any other stock exchanges on which the Shares are quoted or listed.

22. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

23. DISCLOSURES IN ANNUAL REPORTS

The Company shall, for so long as the Scheme continues in operation, make the following disclosure in its annual report:

(a) the names of the members of the Committee administering the Scheme;

(b) the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):

(i) Participants who are Directors of the Company;

(ii) Participants, other than those in (b)(i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during the Financial Year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of the Financial Year under review	Aggregate Options exercised since commencement of Scheme to end of the Financial Year under review	Aggregate Options outstanding as end of the Financial Year under review

(c) (i) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries under the Scheme, during the Financial Year under review; and

(ii) the aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the Financial Year under review, and since the commencement of the Scheme to the end of the Financial Year under review;

(d) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and

(e) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements, Provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

24. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

25. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Scheme, including eligible Directors who are also Shareholders and their Associates, should abstain from voting on any resolutions relating to the Scheme, and should decline appointment as proxies for voting in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

26. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Participants, by accepting the offer of the grant of Options in accordance with the Scheme, and the Company irrevocably submits to the exclusive jurisdiction of the courts of the Republic of Singapore.

SCHEDULE 1

ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME
LETTER OF OFFER

Serial No: ________________

PRIVATE AND CONFIDENTIAL

Date:

To: Name
Designation
Address

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of Alpha Energy Holdings Limited (the "**Company**") to participate in the Alpha Energy Employee Share Option Scheme (the "**Option Scheme**"). Terms as defined in the Option Scheme shall have the same meaning used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S$1.00, to subscribe for and be allotted ________________ Shares at the price of S$______________ for each Share. The Option shall be subject to the terms of this Letter of Offer and the Option Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Option Scheme), a copy of which is enclosed herewith.

The Option shall be exercisable at times, and in respect of such percentage of Shares, set out in the attached Vesting Schedule.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S$1.00 not later than ________________ a.m./p.m. on ________________, failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
Alpha Energy Holdings Limited

Name:
Designation:

SCHEDULE 2

ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM

Serial No.: ________________

PRIVATE AND CONFIDENTIAL

To: The Committee
Alpha Energy Employee Share Option Scheme
Alpha Energy Holdings Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Date for Acceptance of Option	:	________________
No. of Shares in respect of which Option is offered	:	________________
Exercise Price per Share	:	S$ ________________
Total Amount Payable on Acceptance of Option	:	S$ ________________

I have read your Letter of Offer dated ________________ and agree to be bound by the terms thereof and of the Alpha Energy Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or Option to subscribe for such shares.

I hereby accept the Option to subscribe for ________________ Shares at S$________________ for each Share and enclose *cash/bank draft/cashier's order/postal order no. ________________ for S$________________ being payment for the acceptance of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitutes the entire agreement between us relating to the offer.

PLEASE PRINT IN BLOCK LETTERS

Name in full	:	________________
Designation	:	________________
Address	:	________________
Nationality	:	________________
*NRIC/Passport No.	:	________________
Signature	:	________________
Date	:	________________

* **Delete accordingly**

Notes:

1. Options must be accepted in full or in multiples of 1,000 Shares.

2. The Acceptance Form must be forwarded to The Committee, Alpha Energy Employee Share Option Scheme in a sealed envelope marked “Private and Confidential”.

3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

SCHEDULE 3

ALPHA EMPLOYEE SHARE OPTION SCHEME
FORM OF EXERCISE OF OPTION

PRIVATE AND CONFIDENTIAL

To: The Committee
Alpha Energy Employee Share Option Scheme
Alpha Energy Holdings Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Total number of ordinary shares (the "**Shares**") at S$________________ per Share under an Option granted on ________________	:	________________
Number of Shares previously allotted thereunder	:	________________
Outstanding balance of Shares which may be allotted and issued thereunder	:	________________
Number of Shares now to be subscribed (in multiples of 1,000)	:	________________

1. Pursuant to your Letter of Offer dated ________________ and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in Alpha Energy Holdings Limited (the "**Company**") at S$________________ per Share.

2. I enclose a *cheque/cashier's order/bank draft/postal order no. for S$________________ in payment for the subscription of the toal number of the said Shares and the CDP charges of S$________________.

3. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Alpha Energy Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.

4. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

PLEASE PRINT IN BLOCK LETTERS

Name in full	:	________________
Designation	:	________________
Address	:	________________
Nationality	:	________________
*NRIC/Passport No.	:	________________
*Direct Securities Account No. OR	:	________________
*Sub-Account No.	:	________________
Name of Depository Agent OR	:	________________
*CPF Investment Account No.	:	________________
Name of Agent Bank	:	________________
Signature	:	________________
Date	:	________________

* **Delete accordingly**

ALPHA ENERGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Alpha Energy Holdings Limited (the "**Company**") will be held at The Singapore Island Country Club, 180 Island Club Road, Singapore 578774, Ballroom 1, Level 3 on 29 July 2016 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 14 July 2016 (the "**Circular**") to the Shareholders of the Company.*

AS ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**"), the exercise by the Directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("**Catalist Rules**") and the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the Catalist Rules as may for the time being be applicable be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required to be held;

(ii) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(c) for purposes of this ordinary resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares for the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five (5)-Market Day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price (as hereinafter defined) for an off-market purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limi**t" means ten per cent. (10%) of the total issued Shares of the Company as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this ordinary resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.

ORDINARY RESOLUTION 2: THE PROPOSED ADOPTION OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

That the share option scheme to be known as the Alpha Energy Employee Share Option Scheme (the "**Scheme**"), the rules of which have been set out in Appendix 1 to the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the Scheme, and the Directors and/or any of them be and hereby authorised:

(a) to establish and administer the Scheme;

(b) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are affected in accordance with the provisions of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;

(c) to offer and grant options in accordance with the rules of the Scheme (the "**Options**") and to allot, issue and/or deliver from time to time such number of new ordinary shares in the capital of the Company as may be required to be issued or delivered pursuant to the exercise of the Options under the Scheme; and

(d) to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.

By Order of the Board
ALPHA ENERGY HOLDINGS LIMITED

Lee Tiong Hock
Company Secretary

14 July 2016

Notes:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.

3. An instrument appoint a proxy must be deposited at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, not less than 48 hours before the time for holding the EGM or any adjournment thereof.

PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member'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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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 (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy Alpha Energy Holdings Limited's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____ (Name)
of ____ (Address)
being a member/members of Alpha Energy Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of shares	%

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the extraordinary general meeting ("EGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held at The Singapore Island Country Club, 180 Island Club Road, Singapore 578774, Ballroom 1, Level 3 on Friday, 29 July 2016 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

All resolutions put to the vote of the EGM shall be decided by way of poll.

No.	Resolutions relating to:	No. of Votes For*	No. of Votes Against*
1	Proposed adoption of the Share Buy-Back Mandate		
2	Proposed adoption of the Alpha Energy Employee Share Option Scheme		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____ day of ____________ 2016

Total number of shares held in:	
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. 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 130A of the Companies Act, Chapter 50, 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 a proxy or proxies shall be deemed to relate to all the shares held by you.

2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of the shareholding (expressed as a percentage of the whole) to be represented by each proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 15 Hoe Chiang Road #12-05 Tower Fifteen Singapore 089316 not less than forty-eight (48) hours before the time appointed for the EGM in accordance with the instructions stated herein.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

8. The Company shall be entitled to reject an instrument of proxy 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 instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares 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. A Depositor shall not be regarded as a member of the Company entitled to attend the meeting and to vote thereat unless his name appears on the Depository Register seventy-two (72) hours before the time appointed for the meeting.

PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member'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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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 (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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