

CIRCULAR DATED 9 DECEMBER 2015

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

This Circular is issued by Alpha Energy Holdings Limited (formerly known as JK Tech Holdings Limited) (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of Extraordinary General Meeting (“EGM”) and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached 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 Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalyst.

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

(Formerly known as JK Tech Holdings Limited)

(Incorporated in the Republic of Singapore)

(Company Registration No. 200310813H)

CIRCULAR TO SHAREHOLDERS

in relation to the:

**PROPOSED DISPOSAL OF THE ENTIRE INFORMATION TECHNOLOGY BUSINESS TO
ANG YEW JIN EUGENE AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL
SECTION B: RULES OF CATALIST OF THE SGX-ST (“CATALIST RULES”) AND AS A MAJOR TRANSACTION UNDER
CHAPTER 10 OF THE CATALIST RULES**

Independent Financial Adviser to the Recommending Directors in respect of the Proposed Disposal



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 20030905E)

Important Dates and Times

Last date and time for lodgement of Proxy Form	: 22 December 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	: 24 December 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	: The Singapore Island Country Club (Thomson) Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

“Accounts Date”	: Means in relation to each of the respective Sale Companies, the date as set out in Appendix A
“Audit Committee”	: Means the audit committee of the Company comprising Lim Yeok Hua, Lee Sek Leong Christopher, Yong Boon Chuan Leslie and Ravinder Singh Grewal s/o Sarbjit Singh
“Agreement”	: Has the meaning ascribed to it in Paragraph 1.1 of this Circular
“Amount Payable”	: Has the meaning ascribed to it in Section 2.3.2 of this Circular
“Board”	: The board of directors of the Company
“Business Day”	: A day (other than a Saturday or Sunday) when commercial banks are generally open for business in Singapore
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 9 December 2015
“CDP Scripless Securities”	: The Charged Shares which are book entry securities, as defined in Section 130A of the Companies Act
“Charged Property”	: The Charged Securities and all other assets and properties charged under or pursuant to Clause 3 of the Share Charge Deed
“Charged Securities”	: The stocks, shares and other securities specified in Section 2.3.3 of this Circular
“Charged Shares”	: Means 15,000,000 ordinary shares in the capital of the Vendor held by the Purchaser as at the date of the Agreement
“Companies Act”	: The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“Company” or “Vendor”	: Alpha Energy Holdings Limited (Company Registration No. 200310813H) (formerly known as JK Tech Holdings Limited) having its registered office at 61 Kaki Bukit Avenue 1, #02-13, Shun Li Industrial Park, Singapore 417943
“Completion”	: Means the completion of sale and purchase of the Sale Shares in accordance with terms of the Agreement
“Completion Date”	: The later of (i) the date falling two (2) Business Days after the date on which all the Conditions Precedent have been fulfilled or waived in writing; or (ii) such later date as the Parties may otherwise agree in writing, which in any event shall be no later than the Long-Stop Date
“Conditions Precedent”	: The conditions precedent as set out in Section 2.3.4 of this Circular
“Consideration”	: Has the meaning ascribed to it in Section 2.3.2 of this Circular

DEFINITIONS

“Controlling Shareholder”	: A person who (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company or (b) in fact exercises control over the Company
“Designated Shares”	: The Charged Shares owned by the Vendor
“Designated Account”	: The sub-account established by the Purchaser with the Depository Agent in respect of securities kept or maintained with the Depository and designated for the purposes of the Share Charge Deed to be charged under or pursuant to Clause 3 of the Share Charge Deed
“Directors”	: Means the directors of the Company as at the Latest Practicable Date
“EGM”	: Means the extraordinary general meeting to be held on 24 December 2015 at 10.00 a.m. at The Singapore Island Country Club (Thomson), Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774
“EPS”	: Earnings per share
“FY”	: The financial year ended or ending 31 March, as the case may be
“Group”	: The Company and its subsidiaries, collectively
“Guaranteed Obligations”	: Means all of the Purchaser’s obligations, commitments, undertakings and warranties under or pursuant to the Agreement
“HY2016”	: The six months period ended 30 September 2015
“IFA Letter”	: The Independent Financial Adviser’s letter to the Recommending Directors in respect of the Proposed Disposal dated 9 December 2015 as set out in Appendix B of this Circular
“Independent Directors”	: Means the independent directors of the Company as at the Latest Practicable Date
“Independent Financial Adviser”	: Provenance Capital Pte. Ltd., the independent financial adviser to the Recommending Directors in relation to the Proposed Disposal
“IT”	: Information technology
“IT Business”	: Information technology business
“Latest Practicable Date”	: 3 December 2015, being the latest practicable date prior to the printing of this Circular
“LBT”	: Loss before tax
“Catalist Rules”	: Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Long-Stop Date”	: Means 31 March 2016

DEFINITIONS

“LPS”	: Loss per share
“NAV”	: Net asset value
“NTA”	: Net tangible assets
“Ordinary Resolution”	: Means the resolution in relation to the Proposed Disposal, to be tabled at the EGM
“Parties”	: The parties to the Agreement, being the Company and the Purchaser
“PBT”	: Profit before tax
“Proposed Disposal”	: Has the meaning ascribed to it in Paragraph 1.1 of this Circular
“Purchaser” or “Mr. Ang”	: Has the meaning ascribed to it in Paragraph 1.1 of this Circular
“Recommending Directors”	: The Directors who are deemed independent for purposes of the Proposed Disposal, namely Yong Boon Chuan Leslie, Tan Ser Ko, Lim Yeok Hua, Lee Sek Leong Christopher and Ravinder Singh Grewal s/o Sarbjit Singh
“Sale Companies”	: Means the shareholding interests in the companies as set out in Appendix A that the Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor collectively
“Sale Shares”	: Means such number of Shares in the share capital of each of the respective Sale Companies as set out in Appendix A and “Sale Share” means any one of them
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share”	: An ordinary share in the capital of the Company
“Share Charge Deed”	: Means the share charge deed between the Purchaser and the Vendor dated 3 December 2015
“Shareholders”	: Registered holders of Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Singapore dollars” or “S\$” or “\$”	: Means the lawful currency for the time being of Singapore
“Sponsor”	: The continuing sponsor of the Vendor, PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholders”	: A person who has an interest in the voting Shares (excluding treasury shares) in the Company representing not less than 5% of all the voting Shares
“%”	: Per centum or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 130A of the Companies 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 include corporations.

Any reference in this Circular 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, the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the Catalist Rules or any modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless stated otherwise.

ALPHA ENERGY HOLDINGS LIMITED

(Formerly known as JK Tech Holdings Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

Directors:

Ravinder Singh Grewal s/o Sarbjit Singh (Independent Non-Executive Chairman)
Ang Yew Jin Eugene (Managing Director)
Lim Yeok Hua (Lead Independent Non-Executive Director)
Yong Boon Chuan Leslie (Non-Executive Director)
Tan Ser Ko (Non-Executive Director)
Lee Sek Leong Christopher (Independent Non-Executive Director)

Registered Office:

61 Kaki Bukit Avenue 1
#02-13
Shun Li Industrial Park
Singapore 417943

9 December 2015

To: Shareholders of the Alpha Energy Holdings Limited

Dear Sir / Madam

PROPOSED DISPOSAL OF THE ENTIRE INFORMATION TECHNOLOGY BUSINESS TO ANG YEW JIN EUGENE

1. INTRODUCTION

1.1 PROPOSED DISPOSAL

On 3 December 2015, the Company announced that it has entered into a sale and purchase agreement on 3 December 2015 (the “**Agreement**”) with Ang Yew Jin Eugene (the “**Purchaser**”), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase, the Company’s entire shareholdings in the following 3 subsidiaries and an associated company (the “**Sale Companies**”) which are primarily involved in the IT Business:

- (i) 100% of JK Technology Pte. Ltd.;
- (ii) 100% of Magenta Consulting Pte. Ltd.;
- (iii) 100% of JK Tech Systems (M) Sdn Bhd; and
- (iv) 25% of Pro-Datech Systems Pte. Ltd.,

(the “**Sale Shares**”), for an aggregate cash consideration of S\$4.33 million, on the terms and subject to the conditions of the Agreement (the “**Proposed Disposal**”).

As the Group’s existing IT Business is operated through the Sale Companies, the Proposed Disposal represents a divestment of the Group’s entire IT Business. Upon the completion of the Proposed Disposal, the Group’s sole core business will be that of exploration, exploitation and production of oil and gas which the Company had diversified into in 2014.

As the Purchaser is the Managing Director and a Controlling Shareholder, the Proposed Disposal is deemed as an interested person transaction under Chapter 9 of the Catalyst Rules. As such, it is conditional upon, *inter alia*, the approval of independent Shareholders being obtained at the EGM to be convened.

The Proposed Disposal also constitutes a “Major Transaction” within the meaning of Chapter 10 of the Catalist Rules. As such, it is conditional upon, *inter alia*, the approval of Shareholders being obtained at the EGM to be convened.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Disposal, and to seek approval for the same at the EGM.

Further information on the Sale Companies is set out in Appendix A of this Circular and further information on the Proposed Disposal as an interested person transaction and as a major transaction is set out in paragraph 1.3 of this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or any other purposes.

1.2 COMPLETION

Completion is subject to and conditional upon satisfaction (or waiver) of the Conditions Precedent, including, *inter alia*, the approval of independent Shareholders for the Proposed Disposal at the EGM. Following Completion, the Company will no longer hold any interest in the Sale Companies and their subsidiaries, and the Sale Companies will cease to be subsidiaries or associates of the Company.

1.3 SHAREHOLDERS’ APPROVAL

The Directors will convene the EGM to obtain Shareholders’ approval for the Proposed Disposal, in accordance with the requirements of Chapters 9 and 10 of the Catalist Rules, as elaborated below.

1.3.1 Chapter 9 of the Catalist Rules – “Interested Person Transaction”

As at the Latest Practicable Date, the Purchaser is the Managing Director and a Controlling Shareholder, who has a direct interest in 53,617,539 ordinary shares of the Company, equivalent to approximately 15.11% of the Company’s issued share capital of 354,939,065 ordinary shares (excluding treasury shares).

Accordingly, the Purchaser is an Interested Person within the meaning of Chapter 9 of the Catalist Rules and hence, the Proposed Disposal constitutes an interested person transaction as defined in Rule 904(5) of the Catalist Rules.

In accordance with Rule 906(1) and Rule 918 of the Catalist Rules, where the value of a transaction with an interested person, or when aggregated with other transactions entered into with the same interested person during the same financial year, is equal to or exceeds 5% of the Group’s latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

The value at risk of the Proposed Disposal, being the Consideration, represents 5.8% of the latest audited NTA of the Group of S\$74.89 million as at 31 March 2015. As the value is more than 5% of the latest audited NTA of the Group, the Proposed Disposal is an interested person transaction

LETTER TO SHAREHOLDERS

which is subject to the approval of independent Shareholders pursuant to Rule 906(1)(a) of the Catalist Rules.

The Group's current total transactions with the Purchaser for the current financial year up to the Latest Practicable Date were S\$0.17 million and the current total of all interested person transactions for the same financial period were S\$0.19 million.

Provenance Capital Pte. Ltd. has been appointed as independent financial adviser (the "**Independent Financial Adviser**") to advise the Recommending Directors on whether or not the financial terms of the Proposed Disposal are on normal commercial terms and are not prejudicial to the interests of the Company and its independent Shareholders. The Independent Financial Adviser's letter to the Recommending Directors in respect of the Proposed Disposal dated 9 December 2015 (the "**IFA Letter**") is set out in Appendix B of this Circular.

1.3.2 Chapter 10 of the Catalist Rules – "Major Transaction"

Based on the unaudited half year financial results of the Group for HY2016, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the Sale Companies of S\$4.16 million, compared with the Group's net asset value of S\$80.30 million	5.2%
(b)	Net loss attributable to the Sale Companies of S\$1.56 million, compared with the Group's net loss of S\$0.38 million	Not meaningful ⁽¹⁾
(c)	Aggregate value of the consideration received of S\$5.0 ⁽²⁾ million, compared with the Company's market capitalisation of approximately S\$34.78 million as at 2 December 2015 based on the total number of issued shares excluding treasury shares ⁽³⁾	14.4%
(d)	Number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) Not meaningful as both the Group and Sale Companies are loss making. The Company will not apply Rule 1007(1) of the Catalist Rules as the Proposed Disposal will be deemed a major transaction for which shareholders' approval will be sought

LETTER TO SHAREHOLDERS

- (2) Based on the cash consideration of S\$4.33 million for the Sale Shares and the debt of S\$0.67 million to be paid by the Purchaser
- (3) Based on the Company's existing issued share capital of 354,939,065 shares (excluding treasury shares) multiplied by the volume weighted average price of S\$0.098 per Share on 2 December 2015, being the market day preceding the date of the Agreement

There will be a change in the risk profile of the Group as its sole core business will be that of exploration, exploitation and production of oil and gas following the disposal of its IT Business. As such, the Company has deemed the Proposed Disposal as a "major transaction" within the meaning of Rule 1014 of the Catalist Rules, and will seek the approval of the Shareholders at the EGM to be convened.

2. THE PROPOSED DISPOSAL

2.1 INFORMATION ON THE SALE COMPANIES

Please refer to Appendix A of this Circular for details on the Sale Companies.

No valuation on any of the Sale Companies has been carried out for the Proposed Disposal.

Based on the latest announced unaudited half year financial results of the Group for HY2016, the NTA and NAV of the Sale Companies amounted to S\$4.12 million and S\$4.16 million respectively as at 30 September 2015 and the LBT attributable to the Sale Companies amounted to S\$1.56 million for HY2016.

The Consideration represents a net gain on disposal of S\$0.04 million over the NAV of the Sale Companies of S\$4.16 million as at 30 September 2015, after deducting estimated expenses of S\$0.13 million in relation to the Proposed Disposal.

2.2 INFORMATION ON THE PURCHASER

Mr. Ang Yew Jin Eugene is the Managing Director and a Controlling Shareholder. As at the Latest Practicable Date, he has a direct interest in 53,617,539 ordinary shares of the Company, equivalent to 15.11% of the Company's issued share capital of 354,939,065 ordinary shares (excluding treasury shares). He has more than twenty five (25) years of experience in the IT industry and business, and has played an instrumental role in developing the IT Business of the Group since the establishment of the Company in 2003. Upon Completion, Mr. Ang will continue to serve the Company as a Non-Executive Director.

2.3 PRINCIPAL TERMS OF PROPOSED DISPOSAL

2.3.1 Sale and Purchase Agreement

Pursuant to the terms of the Agreement, the Company wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Company, such shareholdings in each of the respective Sale Companies as set out in Appendix A of this Circular together with all rights, benefits and entitlements attaching to them as at the Completion Date.

2.3.2 Amount Payable

The aggregate cash consideration of S\$4.33 million payable by the Purchaser to the Company

LETTER TO SHAREHOLDERS

(the “**Consideration**”) for the Sale Shares was arrived at on a willing buyer willing seller basis after arm’s length negotiations, taking into account the NTA of the Sale Companies amounting to S\$4.12 million as at 30 September 2015. The Purchaser shall also pay the debt of S\$0.67 million owing by the Sale Companies to the Vendor as at 30 September 2015 on behalf of the Sale Companies. In total, the amount payable by the Purchaser to the Vendor is S\$5 million (the “**Amount Payable**”).

The Parties agree that the Amount Payable, including interest contemplated by Section (i) below, shall be satisfied in the following instalments:

- (a) S\$500,000 shall be payable on the Completion Date;
- (b) S\$750,000 shall be payable by the first anniversary following the Completion Date;
- (c) S\$1,250,000 shall be payable by the second anniversary following the Completion Date; and
- (d) S\$2,500,000 shall be payable by the third anniversary following the Completion Date.
- (i) The instalment amounts, including the interest accruing as contemplated under this Section (i), shall be subject to an interest of 5.0% per annum from the Completion Date to the dates when the respective instalment amounts are paid.
- (ii) If the Purchaser fails to pay the respective instalment amounts in full on their respective due dates, a penalty interest of 5.0% per annum shall be imposed on such overdue instalment amounts from the respective due date and up to the date of the respective payment.
- (iii) However, such penalty interest shall not be imposed on top of any accrued and unpaid interest on the instalment amount.
- (iv) The Purchaser undertakes to pay all amounts outstanding contemplated under Sections (i), (ii) and (iii) above to the Company by the third anniversary of the Completion Date. The Company reserves all rights under law to recover this amount due and owing.

If the Purchaser does not comply with any of the provisions of paragraph 2.3.2 of this Circular, including but not limited to the late payment of the instalments, the Company shall be entitled in its sole discretion (in addition to and without prejudice to all other rights or remedies available to it), having regard to the default which has occurred, to enforce the charge (the “**Share Charge**”) as set out in the Share Charge Deed as stated in paragraph 2.3.3 of this Circular below. In the event that the Purchaser defaults, the Company will enforce the Share Charge and exercise the power of sale and other powers conferred by Section 24 of the Conveyancing and Law of Property Act (Cap. 61) (as varied and extended by the Share Charge) and all the other powers conferred on the Company by the Share Charge shall be exercisable at any time on and from the date of enforcement of the Share Charge.

2.3.3 Security over Shares and Personal Guarantee

Pursuant to the Share Charge Deed entered into on the same date as the Agreement, the Purchaser shall charge in favour of the Company as a first fixed charge 15,000,000 ordinary shares in the capital of the Company held directly or indirectly by the Purchaser as at the date of the Agreement (the “**Designated Shares**”).

If all present and future moneys, debts and liabilities due or owing to or incurred by the Company under or in connection with the Agreement or any ancillary documents referred to in the Agreement has been irrevocably paid or discharged in full, the Company shall at the request and cost of the Purchaser execute such documents to fully release, reassign or discharge (as appropriate) the Designated Shares from the security created under the Share Charge Deed.

The Purchaser hereby guarantees to the Company the due and punctual performance and observance of all of his obligations, commitments, undertakings and warranties under or pursuant to the Agreement ("**Guaranteed Obligations**"), and shall, in the event of default by itself of any of the Guaranteed Obligations, upon demand by the Company, unconditionally perform and satisfy and/or procure the performance and satisfaction of the Guaranteed Obligations. This guarantee is a continuing guarantee and will remain in force until all the Guaranteed Obligations have been performed and satisfied.

2.3.4 Conditions Precedent

The Proposed Disposal is conditional upon satisfaction (or waiver) of the following conditions precedent (the "**Conditions Precedent**"):

- (a) the approval of the Shareholders having been obtained at the EGM to be convened for the Proposed Disposal, including the approval of its independent Shareholders under Chapter 9 of the Catalist Rules and not having been revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Purchaser and the Company and to the extent that any conditions to such approval are required to be fulfilled on or before the Completion Date, they are so fulfilled in all material respects;
- (b) all approvals (including, without limitation, from the SGX-ST and the Sponsor), consents and licences (whether governmental, corporate or otherwise) for the Proposed Disposal having been obtained and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Purchaser and, to the extent that any such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled in all material respects;
- (c) the approval of the Board having been obtained and not having been revoked or amended; and
- (d) all corporate guarantees provided by the Company in favour of the Sale Companies are to be discharged.

2.3.5 Long-Stop Date and Completion Date

The Parties agree that the Conditions Precedent may be waived, in whole or in part and conditionally or unconditionally, by the mutual agreement between the Parties.

The Parties shall use their best endeavours to ensure that the Conditions Precedent shall be fulfilled as soon as practicable but in any event before the Long-Stop Date, being 31 March 2016.

If any of the Conditions Precedent are not fulfilled or waived on or before the Long-Stop Date, the provisions of the Agreement (other than certain surviving clauses) shall terminate on the

Long-Stop Date and neither Party shall have any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Agreement.

The Completion Date shall be (i) the date falling two (2) business days after the date on which all the Conditions Precedent have been fulfilled or waived in writing; or (ii) such later date as the parties may otherwise agree in writing, which in any event shall be no later than the Long-Stop Date.

2.3.6 General

The Company and the Purchaser agree that notwithstanding that the transfer of the Sale Shares may only occur on Completion, the assets used in or forming part of the Sale Companies, and includes, without limitation, the business names, records, contracts, goodwill, products and employees, shall be deemed to be transferred to the Purchaser on 30 September 2015.

3. RATIONALE OF THE PROPOSED DISPOSAL

In 2014, the Group diversified into the business of exploration, exploitation and production of oil and gas and the Company has since become a mineral, oil and gas company. The Proposed Disposal would leave the Company unencumbered to pursue its current strategy of expanding its oil and gas capabilities.

The Company intends to pursue and focus on other related investments and acquisitions in relation to the mineral, oil and gas business. The Company is currently evaluating opportunities to acquire additional oil and gas projects and is focusing on projects that are in or near production.

In addition, the Group faces increasingly challenging business conditions in relation to the IT Business, in light of the shortage of qualified staff in the market. Recruiting and retaining quality and dedicated staff remains one of the Group's biggest obstacles. The increasingly cautious spending of customers on IT products and services due to the global market slowdown and the slowdown in the economy, as well as the increasingly competitive IT industry, has affected the profitability of the Group.

In light of all these factors, the Company believes that the Proposed Disposal enables the Group to divest its IT Business so as to focus on its sole core business of exploration, exploitation and production of oil and gas.

Furthermore, the Purchaser was the founder of the IT Business and has been on the board of the Company since the Company's incorporation in October 2003. In addition, the fact that the Purchaser is a ready buyer of the Sale Companies has greatly reduced the time, inconvenience and costs for the Company to sell the Sale Companies to an external party.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For illustrative purposes only, the financial effects of the Group as set out below are based on the audited consolidated financial statements of the Group for FY2015 and the unaudited consolidated financial statements of the Group for HY2016 and before taking into consideration the estimated expenses in relation to the Proposed Disposal.

LETTER TO SHAREHOLDERS

4.1 Effect on EPS or LPS

Assuming that the Proposed Disposal had been completed on 1 April 2014, the effect of the Proposed Disposal on the Group's EPS or LPS for FY2015 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit/(loss) attributable to Shareholders for FY2015 (\$'000)	1,254	(498) ⁽¹⁾
Weighted average number of Shares ('000)	66,230	66,230
EPS/LPS (Singapore cents)	1.89	(0.75)

Note:

- ⁽¹⁾ Based on the Group's audited net profit of S\$1.25 million for FY2015 and adjusted for the profit contributed by the Sale Companies of S\$0.94 million for FY2015 and the loss on disposal of the Sale Companies of S\$0.82 million as the NAV of the Sale Companies was S\$5.15 million as at 31 March 2014.

Assuming that the Proposed Disposal had been completed on 1 April 2015, the effect of the Proposed Disposal on the Group's LPS for HY2016 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to Shareholders for HY2016 (\$'000)	(376)	(172) ⁽²⁾
Weighted average number of Shares ('000)	298,792	298,792
LPS (Singapore cents)	(0.13)	(0.06)

Note:

LETTER TO SHAREHOLDERS

- (2) Based on the Group's unaudited net loss of S\$0.38 million for HY2016 and adjusted for the loss contributed by the Sale Companies of S\$1.56 million for HY2016 and the loss on disposal of the Sale Companies of S\$1.36 million as the NAV of the Sale Companies was S\$5.69 million as at 31 March 2015.

4.2 Effect on NTA per Share

Assuming that the Proposed Disposal had been completed on 31 March 2015, the effect of the Proposed Disposal on the Group's NTA per share as at 31 March 2015 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (\$'000)	74,894	73,533 ⁽¹⁾
Number of Shares ('000)	290,939	290,939
NTA per Share (Singapore cents)	25.74	25.27

Note:

- (1) After adjusting for the loss on disposal of the Sale Companies of S\$1.36 million based on the NAV of the Sale Companies of S\$5.69 million as at 31 March 2015.

Assuming that the Proposed Disposal had been completed on 30 September 2015, the effect of the Proposed Disposal on the Group's NTA per share as at 30 September 2015 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (\$'000)	80,268	80,441 ⁽²⁾
Number of Shares ('000)	354,939	354,939
NTA per Share (Singapore cents)	22.61	22.66

Note:

- (2) After adjusting for the profit on disposal of the Sale Companies of S\$0.17 million based on the NAV of the Sale Companies of S\$4.16 million as at 30 September 2015.

4.3 Effect on Share Capital

The Proposed Disposal does not involve the issue or allotment of new Shares. As such, there is no effect on the share capital of the Company.

5. USE OF PROCEEDS

The entire net proceeds (after deducting all costs and expenses of S\$0.13 million associated with the Proposed Disposal) from the Proposed Disposal of S\$4.87 million, as and when paid by the Purchaser, will be used to finance continued development of the Group's oil and gas business.

6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Catalist Rules, Provenance Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Recommending Directors to render an opinion on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its independent Shareholders. A copy of the IFA Letter is reproduced in Appendix B of this Circular. Shareholders are advised to read the IFA Letter carefully.

Based on the considerations set out in the IFA Letter, and subject to the assumptions and qualifications set out therein, the Independent Financial Adviser is of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its independent Shareholders.

7. AUDIT COMMITTEE'S STATEMENT

Having considered, *inter alia*, the terms, rationale, benefits and financial effects of the Proposed Disposal as well as the advice of the Independent Financial Adviser, the Audit Committee concurs with the opinion of the Independent Financial Adviser and is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its independent Shareholders.

8. ABSTENTION FROM VOTING

Rule 919 of the Catalist Rules requires that interested persons and their associates must not vote on any Shareholders' resolution approving any mandate in respect of any interested person transactions.

Mr. Ang Yew Jin Eugene, being the Managing Director and a Controlling Shareholder, is regarded as an interested person in relation to the Proposed Disposal. Accordingly, Mr. Ang will abstain from voting on the Ordinary Resolution in respect of the Proposed Disposal and has undertaken to ensure that his associates will abstain from voting on the Ordinary Resolution at the EGM in relation to the Proposed Disposal.

Mr. Ang Yew Jin Eugene has also undertaken to decline, and ensure that his associates shall also decline, to accept nominations as proxy or otherwise for voting at the EGM in respect of the said Ordinary Resolution unless the independent Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form in the manner in which they wish their votes to be cast for the Ordinary Resolution.

9. DIRECTORS' RECOMMENDATION

Mr. Ang Yew Jin Eugene, being the Managing Director and a Controlling Shareholder, is regarded as an interested person in relation to the Proposed Disposal and has abstained from making a recommendation to Shareholders on the Ordinary Resolution.

After having considered, *inter alia*, the terms, rationale for and benefits of the Proposed Disposal, the IFA Letter and the statement of the Audit Committee, the Recommending Directors are of the opinion that the Proposed Disposal is in the best interests of the Company and recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Disposal as set out in the Notice of EGM.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The shareholding structure of the Company (including the interest of each of the Directors and Substantial Shareholders in the Shares) as at the Latest Practicable Date is set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Ang Yew Jin Eugene	53,617,539	15.11	-	-
Yong Boon Chuan Leslie	20,000	0.01	-	-
Tan Ser Ko ⁽²⁾	-	-	-	-
Lim Yeok Hua	-	-	-	-
Lee Sek Leong Christopher	-	-	-	-
Ravinder Singh Grewal S/O	-	-	-	-
Sarbjit Singh ⁽³⁾	-	-	-	-
Substantial Shareholders (excluding Directors)				
Ezion Holdings Limited	106,000,000	29.86%	-	-

Notes:

- (1) Percentage shareholding interests in the above tables are based on 354,939,065 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Has 2,000,000 share options in the Company
- (3) Has 3,000,000 share options in the Company

Save as disclosed in this Circular, and based on the information available to the Company as at the Latest Practicable Date, none of the other Directors or (to the best of the knowledge of the Directors) Controlling Shareholders has any interest, direct or indirect, in the Proposed Disposal other than through their interests (if any) in the securities of the Company.

11. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 24 December 2015 at 10.00 a.m. at The Singapore Island Country Club (Thomson), Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774 for the purpose of

considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM on page N-1 of this Circular.

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 61 Kaki Bukit Avenue 1 #02-13, Shun Li Industrial Park, Singapore 417943 by 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 member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 48 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

13. 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 Proposed Disposal, 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.

14. CONSENT BY THE INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter reproduced in Appendix B and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 61 Kaki Bukit Avenue 1 #02-13, Shun Li Industrial Park, Singapore 417943 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for FY2015;

LETTER TO SHAREHOLDERS

- (c) the Agreement;
- (d) the Share Charge Deed;
- (e) the IFA Letter;
- (f) the letter of consent from the Independent Financial Adviser;
- (g) the unaudited consolidated financial statements of the Group for HY2016.

Yours faithfully

For and on behalf of the Board of Directors of
ALPHA ENERGY HOLDINGS LIMITED
Tan Ser Ko
Non-Executive Director

LETTER TO SHAREHOLDERS

APPENDIX A

THE SALE COMPANIES

(a)	Name	JK Technology Pte. Ltd.
(b)	Company Registration Number	199000721C
(c)	Registered Office	61 Kaki Bukit Avenue 1, #02-13, Singapore 417943
(d)	Date and Place of Incorporation	17 February 1990, Singapore
(e)	Issued and Paid-up Share Capital	S\$6,080,488 comprised in 6,080,488 ordinary shares
(f)	Directors	Ang Yew Jin Eugene
(g)	Shareholders	Alpha Energy Holdings Limited (100%)
(h)	Secretary	Chia Foon Yeow
(i)	Auditors	BDO LLP
(j)	Principal Activities	Supply of IT products and provision of related services
(k)	Accounts Date	31 March
(l)	Number and Corresponding Percentage of Shares in the share capital of the company to be sold by the Vendor to the Purchaser	6,080,488 (100%)

LETTER TO SHAREHOLDERS

(a)	Name	Magenta Consulting Pte. Ltd.
(b)	Company Registration Number	200401063W
(c)	Registered Office	61 Kaki Bukit Avenue 1, #02-13, Singapore 417943
(d)	Date and Place of Incorporation	30 January 2004, Singapore
(e)	Issued and Paid-up Share Capital	S\$329,377 comprised in 329,377 ordinary shares
(f)	Directors	Ang Yew Jin Eugene
(g)	Shareholders	Alpha Energy Holdings Limited (100%)
(h)	Secretary	Chia Foon Yeow
(i)	Auditors	BDO LLP
(j)	Principal Activities	Provision of management consultancy services
(k)	Accounts Date	31 March
(l)	Number and Corresponding Percentage of Shares in the share capital of the company to be sold by the Vendor to the Purchaser	329,377 (100%)

LETTER TO SHAREHOLDERS

(a)	Name	JK Tech Systems (M) Sdn. Bhd.
(b)	Company Registration Number	676199-A
(c)	Registered Office	10th Floor Menara Hap Seng, No. 1 & 3 Jalan P.Ramlee, 50250 Kuala Lumpur
(d)	Date and Place of Incorporation	24 December 2004, Malaysia
(e)	Issued and Paid-up Share Capital	RM2 comprised in 2 ordinary shares
(f)	Directors	Ang Yew Jin Eugene Mohammed Izad Bin Ariffin Mohd Hazrol Hisham Bin Osman
(g)	Shareholders	Alpha Energy Holdings Limited (100%)
(h)	Secretary	Soo Shiow Fang Anna Lee Ai Leng
(i)	Auditors	Crowe Horwath
(j)	Principal Activities	Supplier of information technology products and other related services (dormant)
(k)	Accounts Date	31 March
(l)	Number and Corresponding Percentage of Shares in the share capital of the company to be sold by the Vendor to the Purchaser	2 (100%)

LETTER TO SHAREHOLDERS

(a)	Name	Pro-Datech Systems Pte. Ltd.
(b)	Company Registration Number	200008776E
(c)	Registered Office	2 Alexandra Road, #06-02, Singapore 159919
(d)	Date and Place of Incorporation	12 October 2000, Singapore
(e)	Issued and Paid-up Share Capital	S\$200,000 comprised in 200,000 ordinary shares
(f)	Directors	Chew Siew Kheng Thomas Yeo Zwee Ping Cheng Wei Chiang
(g)	Shareholders	Alpha Energy Holdings Limited (25%) Chew Siew Kheng (25%) Thomas Yeo Zwee Ping (25%) Cheng Wei Chiang (25%)
(h)	Secretary	Leong Chee How
(i)	Auditors	KBW Trustassurance
(j)	Principal Activities	Wholesale on a fee or contract basis and provide computer system integration activities and provision of IT infrastructure solutions and services
(k)	Accounts Date	31 March
(l)	Number and Corresponding Percentage of Shares in the share capital of the company to be sold by the Vendor to the Purchaser	50,000 (25%)

LETTER TO SHAREHOLDERS

APPENDIX B

IFA Letter

APPENDIX B: IFA LETTER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

9 December 2015

To: The Recommending Directors of Alpha Energy Holdings Limited
(deemed to be independent in respect of the Interested Person Transaction)

Mr Ravinder Singh Grewal s/o Sarbjit Singh	(Independent Non-Executive Chairman)
Mr Lim Yeok Hua	(Lead Independent Non-Executive Director)
Mr Lee Sek Leong Christopher	(Independent Non-Executive Director)
Mr Yong Boon Chuan Leslie	(Non-Executive Director)
Mr Tan Ser Ko	(Non-Executive Director)

Dear Sirs,

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE SHAREHOLDING INTERESTS IN THE IT BUSINESS TO MR ANG YEW JIN EUGENE AS AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company ("Shareholders") dated 9 December 2015 ("Circular").

1. INTRODUCTION

1.1 On 3 December 2015 ("**Announcement Date**"), the Board of Directors ("**Board**" or "**Directors**") of Alpha Energy Holdings Limited ("**Company**", together with its subsidiaries, "**Group**") announced, *inter alia*, that the Group had on 3 December 2015, entered into a sale and purchase agreement ("**SPA**") with its Executive Director, Mr Ang Yew Jin Eugene ("**Purchaser**"), for the disposal of the Company's entire information technology business ("**IT Business**") via the disposal of its entire shareholding interests in the following companies:

- (i) 100.0% shareholding interest in the issued and paid-up share capital of JK Technology Pte. Ltd. ("**JK Singapore**");
- (ii) 100.0% shareholding interest in the issued and paid-up share capital of Magenta Consulting Pte. Ltd. ("**Magenta**");
- (iii) 100.0% shareholding interest in the issued and paid-up share capital of JK Tech Systems (M) Sdn. Bhd. ("**JK Malaysia**"); and
- (iv) 25.0% shareholding interest in the issued and paid-up share capital of Pro-Datech Systems Pte. Ltd. ("**Pro-Datech**"),

(collectively, "**Proposed Disposal**"). The above group of companies which are the subject of the Proposed Disposal is referred to as the "**Disposal Group**" and each a "**Disposal Group Company**".

1.2 The consideration for the Proposed Disposal is S\$4.33 million ("**Consideration**") in cash. The Consideration was arrived at after taking into consideration the aggregate net tangible assets ("**NTAs**") of the Disposal Group Companies of S\$4.12 million as at 30 September 2015 based on the latest unaudited financial results of the Group for the half year ended 30 September 2015 ("**HY2016**").

APPENDIX B: IFA LETTER

In addition, the Purchaser will settle on behalf of the Disposal Group the amount of approximately S\$0.67 million owing by the Disposal Group to the Company as at 30 September 2015. Hence, the total amount payable by the Purchaser to the Company is S\$5.0 million ("**Total Amount Payable**") which shall be payable in the following instalments:

- (a) S\$500,000 upon the completion of the Proposed Disposal ("**Completion**");
- (b) S\$750,000 within one (1) year after Completion;
- (c) S\$1,250,000 within two (2) years after Completion; and
- (d) S\$2,500,000 within three (3) years after Completion.

1.3 As at the Latest Practicable Date, the Purchaser, who is the Executive Director and a substantial shareholder of the Company, holds an aggregate of 53,617,539 ordinary shares of the Company ("**Shares**"), representing 15.1% of the issued share capital of the Company. As such, the Purchaser is deemed an interested person ("**Interested Person**") as defined under Rule 904(4) of the SGX-ST Listing Manual, Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Proposed Disposal is deemed an interested person transaction ("**Interested Person Transaction**").

1.4 In accordance with Rule 906 of the Catalist Rules, Shareholders' approval must be obtained for any Interested Person Transaction of a value equal to or more than 5.0% of the Group's latest audited NTA or when aggregated with other Interested Person Transactions with the same Interested Person during the same financial period, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalist Rules, the Interested Person and its associates are required to abstain from voting on the resolution approving the Interested Person Transaction.

1.5 Based on the Group's latest audited accounts for the financial year ended 31 March 2015 ("**FY2015**"), the Group's audited NTA amounted to S\$74.89 million. As the Consideration for the Proposed Disposal of S\$4.33 million represents approximately 5.8% of the Group's latest audited NTA, pursuant to Rule 906 of the Catalist Rules, the Proposed Disposal is subject to the approval of the Company's shareholders who are deemed independent in respect of the Proposed Disposal ("**Independent Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened.

The Purchaser and his associates will abstain from voting on the ordinary resolution pertaining to the Interested Person Transaction at the EGM in respect of their entire shareholding interests in the Company.

1.6 In compliance with the requirements of Chapter 9 of the Catalist Rules, Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the independent financial adviser ("**IFA**") to render an opinion on whether the Proposed Disposal, as an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

1.7 As stated above, the Purchaser is an Interested Person. Save for the Purchaser who will abstain from making any recommendation on the Proposed Disposal as a Director of the Company, the remaining Directors, namely, Messrs Ravinder Singh Grewal s/o Sarbjit Singh, Lim Yeok Hua, Lee Sek Leong Christopher, Yong Boon Chuan Leslie and Tan Ser Ko are deemed to be independent for the purpose of the Proposed Disposal ("**Recommending Directors**").

1.8 This letter ("**Letter**") is addressed to the Recommending Directors and sets out, *inter alia*, our evaluation and opinion on the Interested Person Transaction. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Disposal as an Interested Person Transaction and the recommendation of the Recommending Directors thereon.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Recommending Directors in respect of the Proposed Disposal as an Interested Person Transaction. We are not and were not involved or responsible, in any aspect, of the negotiations in relation to the Proposed Disposal nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Disposal, and we do not, by this Letter, warrant the merits of the Proposed Disposal other than to express an opinion on whether the Proposed Disposal as an Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Disposal or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and/or their professional advisers and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries, to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate and have confirmed to us that, upon making all reasonable enquiries and to their best knowledge and beliefs, all material information available to them in connection with the Proposed Disposal, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Disposal, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Disposal have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Proposed Disposal, the Company and the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 3 December 2015, being the Latest Practicable Date as referred to in the Circular.

APPENDIX B: IFA LETTER

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Disposal. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalyst Rules and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the Proposed Disposal or if the Proposed Disposal is not effected.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Disposal Group, the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Disposal Group, the Company and/or the Group. We have not been furnished with any such evaluation or appraisal. We have not relied on any financial projections or forecasts in respect of the Group for the purpose of our evaluation of the Proposed Disposal.

Our view as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as of the Latest Practicable Date and the information provided and representations provided to us as of the Latest Practicable Date. In arriving at our view, with the consent of the Directors or the Company, we have taken into account certain other factors and have been required to make certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to the Proposed Disposal which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Independent Shareholder or any specific group of the Independent Shareholders. As each Independent Shareholder would have different investment objectives and profiles, we recommend that any individual Independent Shareholder or group of the Independent Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for the purposes of the Shareholders' resolution in relation to the Proposed Disposal as an Interested Person Transaction at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter for the use of the Recommending Directors in connection with their consideration of the Proposed Disposal as an Interested Person Transaction and their advice to the Independent Shareholders arising thereof. The recommendations made to the Independent Shareholders in relation to the Proposed Disposal as an Interested Person Transaction remain the sole responsibility of the Recommending Directors.

APPENDIX B: IFA LETTER

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this Letter and the Circular.

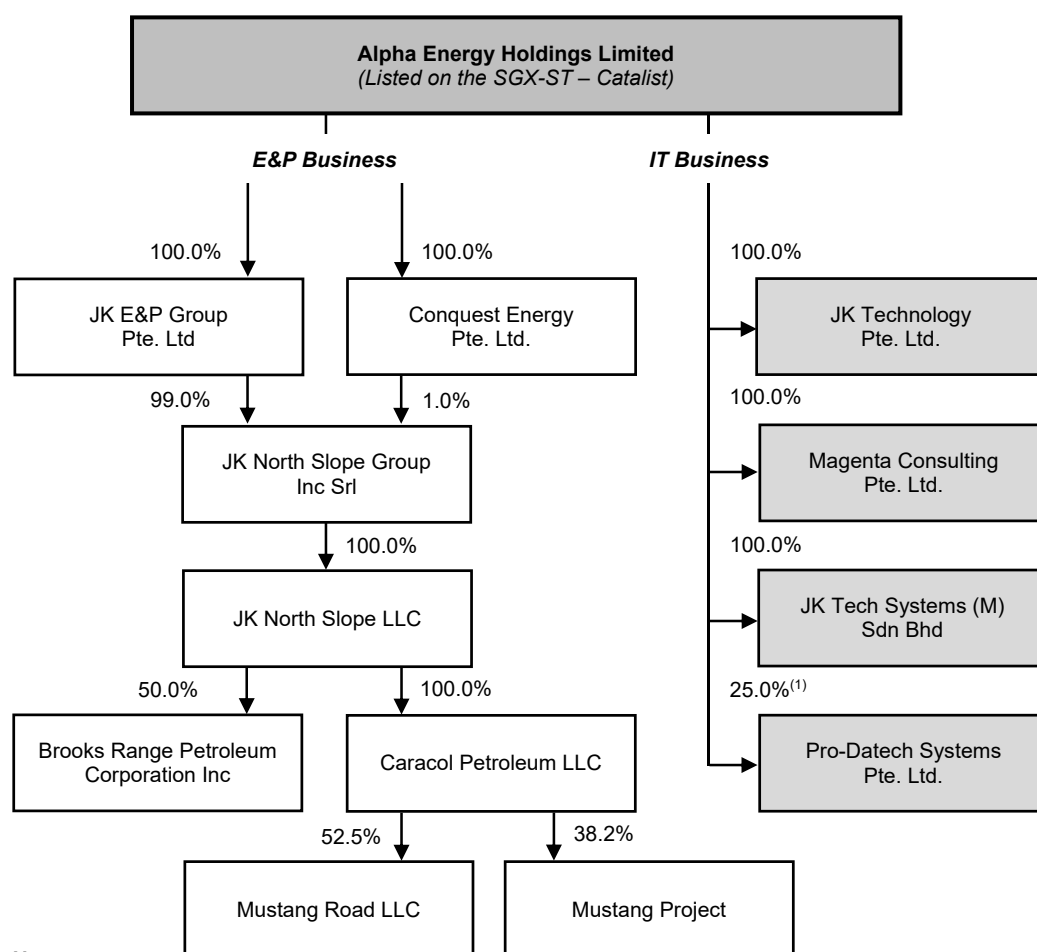
3. INFORMATION ON THE GROUP

The Company was incorporated in Singapore on 28 October 2003 under the name of JK Tech Investments Pte. Ltd.. It eventually changed its name to JK Tech Holdings Limited on 29 July 2011 and was listed on Catalyst of the SGX-ST on 14 November 2011. On 12 December 2014, the Company changed its name to Alpha Energy Holdings Limited.

The Company is an investment holding company. The Group is presently engaged in two business activities, namely: (i) the exploration, exploitation and production of oil and gas ("**E&P Business**") and; (ii) the IT Business, being the supply and delivery of information technology products and systems integration and services. The Group ventured into the E&P Business after seeking approval from Shareholders for the diversification into the E&P Business in May 2014.

In September 2014, the Group completed various acquisitions relating to the E&P Business. As at the Latest Practicable Date, the Group holds a 38.2% working interest in the Mustang oil field in Alaska, USA; a 52.5% membership interest in Mustang Road, LLC; and a 46.8% interest in various oil concession leases in Alaska. During FY2015, the Group raised funds for the E&P Business through share placements and raised gross proceeds of S\$68.2 million.

As at the Latest Practicable Date, the corporate structure of the Group is as follows:



Note:

(1) The remaining shareholders in Pro-Datech are: Ms Chew Siew Kheng (25.0%), Mr Thomas Yeo Zwee Ping (25.0%) and Mr Cheng Wei Chiang (25.0%).

APPENDIX B: IFA LETTER

The Board believes that the Proposed Disposal provides an opportunity for the Group to exit from its IT Business to focus on the E&P Business. The Proposed Disposal to the Purchaser was also logical as he was the founder of the Company and played an instrumental role in developing the Group's IT Business. Upon Completion, the Purchaser will continue to serve the Company as a non-executive Director.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 354,939,065 Shares. Based on the last transacted Share price of S\$0.098 and the outstanding Shares as at the Latest Practicable Date, the market capitalisation of the Company is approximately S\$34.78 million.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

Details of the Proposed Disposal are set out in Section 2 of the Circular. Salient terms of the Proposed Disposal are set out below:

4.1 Overview

The Proposed Disposal involves the disposal of the Company's entire interests in the IT Business to the Purchaser. The Disposal Group Companies are principally engaged in the supply and delivery of information technology products and systems integration and services. The Purchaser is the key management overseeing the operations of the Disposal Group. Pursuant to the SPA, the Proposed Disposal is to be carried out by way of the sale of the Company's 100.0% shareholding interest in JK Singapore, 100.0% shareholding interest in Magenta, 100.0% shareholding interest in JK Malaysia and 25.0% shareholding interest in Pro-Datech to the Purchaser.

Further details of the Disposal Group Companies are set out below:

Name	Country of incorporation	Principal activities	Status	Equity interest held by the Company (%)
JK Singapore	Singapore	Supply of information technology products and provision of related services	Active	100.0
Magenta	Singapore	Provision of management consultancy services	Active	100.0
JK Malaysia	Malaysia	Supplier of information technology products and other related services	Dormant	100.0
Pro-Datech	Singapore	Wholesale on a fee or contract basis and provide computer system integration activities and provision of IT infrastructure solutions and services	Active	25.0

Upon Completion, the above companies will cease to be subsidiaries and associated company of the Company, as the case may be.

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4.2 Consideration for the Proposed Disposal, Total Amount Payable and Payment Schedule

- 4.2.1** The Consideration for the Proposed Disposal is S\$4.33 million in cash. The Consideration was arrived at after taking into consideration the aggregate NTAs of the Disposal Group of S\$4.12 million as at 30 September 2015 based on the latest unaudited financial results of the Group for the half year ended 30 September 2015 ("**HY2016**").

No valuation has been carried out for the Proposed Disposal.

As at 30 September 2015, the Disposal Group has an outstanding amount owing to the Company of approximately S\$0.67 million. Upon the Proposed Disposal, such amount owing from the Disposal Group to the Company will be deemed by the Company as a debt owing from an Interested Person. As such, it was agreed between the Company and the Purchaser that the Purchaser will settle the above amount owing from the Disposal Group to the Company upon Completion as part of the Total Amount Payable. Hence, the Total Amount Payable of S\$5.0 million comprises:

- (i) the Consideration for the Proposed Disposal of S\$4.33 million; and
- (ii) the outstanding amount owing from the Disposal Group to the Company of S\$0.67 million as at 30 September 2015.

- 4.2.2** The Total Amount Payable of S\$5.0 million shall be payable in the following instalments ("**Payment Schedule**"):

- (a) S\$500,000 upon the Completion of the Proposed Disposal;
- (b) S\$750,000 within one (1) year after Completion;
- (c) S\$1,250,000 within two (2) years after Completion; and
- (d) S\$2,500,000 within three (3) years after Completion.

- 4.2.3** The instalment amounts shall be subject to an interest charge of 5.0% per annum from the date of Completion ("**Completion Date**") to the dates when the respective instalment amounts are paid.

If the Purchaser fails to pay the instalment amounts on their due dates, a penalty interest charge of 5.0% per annum shall be imposed on such overdue instalment amounts from the respective due date and up to the respective payment.

However, such penalty interest charge shall not be imposed on any accrued and unpaid interest on the instalment amount but such accrued and unpaid interest, if any, shall continue to be compounded at the interest charge of 5.0% per annum.

4.2.4 Security over Shares and Personal Guarantee

For the benefit of the Company, the Purchaser shall charge in favour of the Company as a first fixed charge, 15.0 million of the Shares held directly or indirectly by the Purchaser by way of the share charge deed dated 3 December 2015 ("**Share Charge Deed**").

Upon the full payment of the total amount of S\$5.0 million together with all outstanding accrued interest and penalty interest, if any, the Purchaser may, at his cost, request for the release or discharge of the security over the Shares created under the share charge deed.

In addition, the Purchaser provides a personal guarantee to the Company, the due and punctual performance of his obligations under the SPA, in particular with respect to the instalment payments of the amounts and accrued interests owing to the Company arising from the Proposed Disposal.

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4.3 Conditions Precedent

Completion of the Proposed Disposal is subject to the fulfilment of several conditions including the following:

- (a) the approval of the Independent Shareholders of the Company at the EGM;
- (b) all relevant approvals for the Proposed Disposal;
- (c) approval from the Board of the Company; and
- (d) the discharge of all corporate guarantees provided by the Company in favour of the Disposal Group.

4.4 Completion Date and the Long Stop Date

The expected Completion Date is the date falling two (2) business days after the date on which all conditions precedent have been fulfilled or waived as the parties may agree in writing or such later date as the parties may otherwise agree in writing, which in any event shall not be later than the Long-Stop Date, which is determined to be 31 March 2016.

The Proposed Disposal including the business names, records, contracts, goodwill, products and employees, is deemed to take effect on 30 September 2015 notwithstanding that the transfer of the shares of the Disposal Companies occurs on the Completion Date.

5. SELECTED FINANCIAL INFORMATION ON THE DISPOSAL GROUP

- 5.1 We note that the Company had only acquired the various interests in the E&P Business in September 2014 and had not commenced generating revenue based on the latest results announcements by the Company for the half year ended 30 September 2015 (“HY2016”). Hence, for the last three financial years ended 31 March 2013 (“FY2013”), 31 March 2014 (“FY2014”) and FY2015, and for HY2016, the Group’s financial performance is attributable mainly to the Disposal Group.

However, for FY2015 and HY2016, the E&P Business had contributed to other income and had also incurred expenses which have impacted on the net profit / (loss) recorded by the Group. In addition, the Group has significant unallocated income and expenses which make analysis of the financial performance of the IT Business less straight-forward.

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Set out below is a summary of the financial performance of the Group for FY2013, FY2014, FY2015, HY2016 and the corresponding half year ended 30 September 2014 (“HY2015”) (“Period Under Review”):

S\$'000	←	Audited	→	Unaudited	
	FY2013	FY2014	FY2015	HY2015	HY2016
<u>Revenue</u>					
– IT Business	22,102	33,125	48,138	23,694	33,743
– E&P Business	–	–	–	–	–
Total revenue	22,102	33,125	48,138	23,694	33,743
<u>Gross profit</u>					
– IT Business	3,043	4,075	4,016	2,208	1,419
– E&P Business	–	–	–	–	–
Total gross profit	3,043	4,075	4,016	2,208	1,419
<u>Other income</u>					
– IT Business	31	95	219	87	261
– E&P Business	–	–	2,046	–	3,982
– Unallocated	–	–	4,835	106	(874)
Total other income	31	95	7,100	193	3,369
<u>Expenses</u>					
– IT Business	(2,764)	(3,235)	(3,214)	(2,048)	(3,168)
– E&P Business	–	–	(2,431)	(37)	(193)
– Unallocated	–	–	(3,789)	(847)	(1,460)
Total expenses	(2,764)	(3,235)	(9,434)	(2,932)	(4,821)
<u>Net finance costs</u>					
– IT Business	(8)	(11)	(35)	(15)	(31)
– E&P Business	–	–	–	–	(360)
– Unallocated	–	–	(344)	(86)	–
Total net finance costs	(8)	(11)	(379)	(101)	(391)
<u>Profit before income tax</u>					
– IT Business	302	924	986	232	(1,519)
– E&P Business	–	–	(385)	(37)	3,429
– Unallocated	–	–	702	(827)	(2,334)
Profit / (Loss) before income tax	302	924	1,303	(632)	(424)
Share of results from Pro-Datech, net of tax	15	137	33	(100)	(46)
Share of results from an associate in the E&P Business, net of tax	–	–	–	–	94
Income tax (expense) / credit	(50)	86	(83)	(55)	–
Profit/(Loss) for the financial year / period	267	1,147	1,254⁽¹⁾	(787)	(376)

Source: The Company's annual reports for FY2014 and FY2015, results announcement for HY2016 and from Management on the breakdown of financial information for HY2015 and HY2016.

Note:

(1) Does not add up due to rounding.

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From the above, we note that the Group's revenue is generated wholly by the IT Business. While revenue had increased significantly over the Period Under Review, gross profit had come under pressure as gross profit margin declined from a high of 13.8% in FY2013 to 8.3% in FY2015 and to 4.2% in HY2016.

Net profit of the Group improved from S\$0.27 million in FY2013 to S\$1.25 million in FY2015 which is due mainly to the financial results of the IT Business which contributed profit after tax of S\$0.94 million⁽¹⁾. However, for HY2016, the Group recorded a loss of S\$0.38 million due mainly to the losses incurred by the IT Business of S\$1.57 million⁽²⁾.

Based on the Consideration of S\$4.33 million for the Proposed Disposal, the implied historical price-earnings ratio ("**PER**") of the IT Business is **4.6 times** based on the profit after tax of S\$0.94 million for the IT Business for FY2015.

It is not meaningful to compute the historical PER based on the trailing 12-month period ("**T12M**") profit of the IT Business from 1 October 2014 to 30 September 2015 as the IT Business was loss-making for T12M. The IT Business made a loss of S\$0.71 million for T12M⁽³⁾.

The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

Notes:

- (1) the FY2015 profit after tax contribution from the IT Business is computed based on the profit before tax attributable to the IT Business of S\$0.986 million, add the share of results from Pro-Datech (net of tax) of S\$0.033 million and less income tax expense attributable to the IT Business of S\$0.083 million;
- (2) the HY2016 profit after tax contribution from the IT Business is computed based on the loss before tax attributable to the IT Business of S\$1.519 million, add the share of losses from Pro-Datech of S\$0.046 million; and
- (3) the loss of S\$0.71 million for T12M is computed based on the results for FY2015, add results for HY2016 less results for HY2015. FY2015 was a profit of S\$0.94 million and HY2016 was a loss of S\$1.57 million. HY2015 was a profit of S\$0.08 million, as computed based on the profit before tax attributable to the IT Business of S\$0.232 million, less the share of losses from Pro-Datech of S\$0.100 million and less income tax expense attributable to the IT Business of S\$0.055 million.

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- 5.2** The Group's NTA of S\$80.27 million as at 30 September 2015 is quite sizeable compared to the aggregate NTA of the Disposal Group of S\$4.12 million as the Group had diversified into the E&P Business since September 2014.

For the purpose of our analysis, the Company had provided us with the proforma balance sheet of the Disposal Group as at 30 September 2015 which is prepared based on the Group's latest results announcement for HY2016 as set out below:

S\$'000	Unaudited Proforma As at 30 September 2015
<u>Current assets</u>	
Cash and cash equivalents	1,206
Inventories	7,085
Trade receivables	9,047
Other receivables	245
Accrued revenue	504
Prepayments	6
<u>Non-current assets</u>	
Plant and equipment	971
Available-for-sale financial asset	60
Investment in Pro-Datech (25.0% of NTA of Pro-Datech)	651
Intangible asset	33
Deferred tax assets	203
Total assets	20,011
<u>Current liabilities</u>	
Trade payables	12,135
Other payables	711
Deferred income	100
Amounts owing to holding company	670
Finance lease liabilities	40
Bank borrowings	2,038
<u>Non-current liabilities</u>	
Finance lease liabilities	160
Total liabilities	15,854
Total equity / net asset value ("NAV")	4,157
Net tangible asset ("NTA")	4,124

Source: The Company

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As at 30 September 2015, the total assets of the Disposal Group of S\$20.01 million comprised mainly trade receivables (S\$9.05 million or 45.2% of total assets), inventories (S\$7.09 million or 35.4% of total assets), cash and cash equivalents (S\$1.21 million or 6.0% of total assets), plant and equipment (S\$0.97 million or 4.9% of total assets) and the 25.0% investment in Pro-Datech (S\$0.65 million or 3.3% of total assets). The plant and equipment relates mainly to furniture and fittings. The available-for-sale investment of S\$0.06 million relates to an investment in a private company.

We note that Pro-Datech also has similar balance sheet profile as the Disposal Companies, with net assets mainly in trade receivables and inventory. Pro-Datech was also loss making for the half year ended 30 September 2015.

The Disposal Group's total liabilities of S\$15.9 million consist of substantially trade payables (S\$12.14 million or 76.5% of total liabilities) and bank borrowings (S\$2.04 million or 12.9% of total liabilities).

The Disposal Group's NAV as at 30 September 2015 is S\$4.16 million. After deducting intangible assets of S\$0.33 million, the NTA of the Disposal Group is S\$4.12 million.

The Consideration for the Proposed Disposal of S\$4.33 million represents a 5.1% premium above the NTA of the Disposal Group as at 30 September 2015.

Pursuant to the SPA and as explained in Section 4.2.1 of this Letter, the Purchaser will settle on behalf of the Disposal Group the amount of S\$0.67 million owing by the Disposal Group to the Company upon Completion as part of the Total Amount Payable.

6. EVALUATION OF THE PROPOSED DISPOSAL

In our evaluation of the Proposed Disposal, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the Proposed Disposal;
- (b) assessment of the Consideration for the Proposed Disposal, Total Amount Payable and Payment Schedule;
- (c) financial effects of the Proposed Disposal; and
- (d) other relevant considerations.

6.1 Rationale for the Proposed Disposal

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Disposal or the future prospects of the Group after the Proposed Disposal. Nevertheless, we have reviewed the rationale for the Proposed Disposal. The full text of the rationale for the Proposed Disposal is set out in Section 4 of the Circular and reproduced below in italics for your reference:

“4. RATIONALE OF THE PROPOSED DISPOSAL

In 2014, the Group diversified into the business of exploration, exploitation and production of oil and gas and the Company has since become a mineral, oil and gas company. The Proposed Disposal would leave the Company unencumbered to pursue its current strategy of expanding its oil and gas capabilities.

The Company intends to pursue and focus on other related investments and acquisitions in relation to the mineral, oil and gas business. The Company is currently evaluating opportunities to acquire additional oil and gas projects and is focusing on projects that are in or near production.

In addition, the Group faces increasingly challenging business conditions in relation to the IT Business, in light of the shortage of qualified staff in the market. Recruiting and retaining quality and dedicated staff remains one of the Group’s biggest obstacles. The increasingly cautious spending of customers on IT products and services due to the global market slowdown and the slowdown in the economy, as well as the increasingly competitive IT industry, has affected the profitability of the Group.

In light of all these factors, the Company believes that the Proposed Disposal enables the Group to divest its IT Business so as to focus on its sole core business of exploration, exploitation and production of oil and gas.

Furthermore, the Purchaser was the founder of the IT Business and has been on the board of the Company since the Company’s incorporation in October 2003. In addition, the fact that the Purchaser is a ready buyer of the Sale Companies has greatly reduced the time, inconvenience and costs for the Company to sell the Sale Companies to an external party.”

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6.2 Assessment of the Consideration for the Proposed Disposal, Total Amount Payable and Payment Schedule

6.2.1 Consideration for the Proposed Disposal

PER

In our assessment of the Consideration for the Proposed Disposal, we have attempted to consider evaluating the Consideration based on an earnings approach by using the PER implied by the Consideration for the Proposed Disposal.

As set out in Section 5.1 of this Letter, the Disposal Group had made a profit of S\$0.94 million for FY2015 and the PER implied by the Consideration is **4.6 times** based on the above profit for FY2015.

However, in view of the losses incurred by the Disposal Group for HY2016 which resulted in losses for T12M and the Company's outlook on the prospects for the IT Business to continue to show no signs of improvement and remain challenging, assessment based on the PER matrix is not meaningful. Nonetheless, we have made a comparison of the above historical PER of **4.6 times** against the comparable peer companies listed on the SGX-ST in Section 6.2.2 below for comparison purposes.

NTA

In view of the above, we have made the assessment of the Consideration for the Proposed Disposal based on the NTA approach.

The NTA based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations. It is also appropriate in situations, like in this Proposed Disposal, where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

In the above assessment of the Disposal Group, we have also considered whether there are any tangible assets of the Disposal Group which should be valued at an amount that is materially different from that which were recorded in the aggregate unaudited NTA of the Disposal Group as at 30 September 2015. In this respect, the Directors have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, that there are no material differences between the realisable value of these assets and their respective book values as at 30 September 2015 which would have a material impact on the net worth of the Disposal Group.

We have also noted that the Disposal Group does not own any real properties which would require an assessment of the current market valuation of these assets.

The aggregate unaudited NTA of the Disposal Group as at 30 September 2015 was S\$4.12 million. The Consideration represents a premium of 5.1% above the aggregate unaudited NTA of the Disposal Group as at 30 September 2015 or a price-to-NTA ("**P/NTA**") ratio of **1.05 times**. The Consideration which is at a premium above the NTA of the Disposal Group is therefore not prejudicial to the interests of the Company and its Independent Shareholders.

In addition, we have made a comparison of the above P/NTA ratio of **1.05 times** against the comparable peer companies listed on the SGX-ST in Section 6.2.2 below for comparison purposes.

6.2.2 Comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group

We have had discussions with the Management about the appropriateness of evaluating the Proposed Disposal against peer companies listed on the SGX-ST which are comparable with the Disposal Group, that is, listed companies that are engaged in the IT Business (“**Comparable Companies**”). There are no direct Comparable Companies as the size of the IT Business is significantly smaller than the listed Comparable Companies in terms of revenue, net assets value and market capitalisation. Nonetheless, for the purpose of our analysis, we have considered Comparable Companies with a market capitalisation of less than S\$100.0 million as broad proxies to the Disposal Group.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the Comparable Companies. We made no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The Comparable Companies’ accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Disposal Group.

We wish to highlight that the Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

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A brief description of the Comparable Companies, as extracted from Bloomberg L.P., is set out below:

Company name	Principal business
Karin Technology Holdings Ltd ("Karin")	Karin provides electronic components, integrated circuit software and information technology infrastructure solutions. It distributes components from various suppliers, provides integrated circuit application design, and information technology infrastructure to customers in Hong Kong and the People's Republic of China.
Willas-Array Electronics Holdings Ltd ("Willas Array")	Willas Array distributes active and passive electronic components for use in the audio and video, telecommunications, industrial, consumer and computer segments. It also provides value added services such as technical advice, application and development support and failure analysis.
Excelpoint Technology Ltd ("Excelpoint")	Excelpoint distributes and trades electronics and electrical components and accessories. It also provides field application, design and development, and support services.
SinoCloud Group Ltd ("SinoCloud")	SinoCloud provides information technology ("IT") consulting, IT support and business transformation services for enterprises in the banking and financial services industry predominantly in China.
Ban Leong Technologies Ltd ("Ban Leong")	Ban Leong is a specialist distributor of multimedia and data storage products as well as information technology accessories.
Azeus Systems Holdings Ltd ("Azeus")	Azeus is an information technology services provider, focusing on software development and system implementation services. It also provides maintenance and support services and operates business process outsourcing.
Ntegrator International Ltd ("Ntegrator")	Ntegrator is a network infrastructure integration and voice communication systems specialist. It specialises in designing, installing, and implementing data, video, fibre optic, wireless, and cellular network and voice communications systems.

Source: Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the Comparable Companies using the following bases:

- (i) The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern; and
- (ii) The P/NTA ratio or NTA approach is used to show the extent the value of each share is backed by its net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangible assets of the group.

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Company name	Last financial year end	Market capitalisation as at the date prior to the Announcement Date (\$'million)	Historical PER ⁽¹⁾ (times)	Historical P/NTA ratio ⁽²⁾ (times)
Karin	30 Jun 2015	69.68	6.08 ⁽³⁾	0.58 ⁽³⁾
Willas Array	31 Mar 2015	52.85	n.m. ⁽³⁾⁽⁴⁾	0.49 ⁽³⁾
Excelpoint	31 Dec 2014	33.29	4.02 ⁽⁵⁾	0.42 ⁽⁵⁾
SinoCloud	31 Mar 2015	32.75	n.m. ⁽³⁾⁽⁴⁾	0.51 ⁽³⁾
Ban Leong	31 Mar 2015	24.95	n.m. ⁽⁴⁾	1.13
Azeus	31 Mar 2015	21.00	22.67 ⁽³⁾⁽⁶⁾	1.22 ⁽³⁾
Ntegrator	31 Dec 2014	10.56	n.m. ⁽⁴⁾	0.71

High	22.67	1.22
Low	4.02	0.42
Mean	5.05	0.72
Median	5.05	0.58

Disposal Group (implied by the Consideration)	31 Mar 2015	4.33	4.60 (FY2015) n.m. (T12M)	1.05 (NTA)
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Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies

Notes:

- (1) the historical PERs of the Comparable Companies are computed based on their respective latest published full year earnings or trailing twelve months earnings, where applicable, as at the date prior to the Announcement Date;
- (2) the P/NTA ratios of the Comparable Companies are computed based on their respective NTA values as set out in their latest published financial statements as at the date prior to the Announcement Date;
- (3) based on the exchange rate of S\$1.00 : HK\$5.4899 as at the date prior to the Announcement Date;
- (4) n.m. denotes not meaningful if the Comparable Companies are loss making;
- (5) based on the exchange rate of US\$1.00 : S\$1.4118 as at the date prior to the Announcement Date; and
- (6) excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

- (a) the historical PER of the Disposal Group based on the Disposal Group's FY2015 results of 4.60 times as implied by the Consideration is within the range of the historical PER ratios of the Comparable Companies and is close to the mean and median PER ratios of the Comparable Companies;
- (b) the historical PER of the Disposal Group based on the Disposal Group's T12M profits is not a meaningful metric for comparison with the Comparable Companies due to the losses incurred by the Disposal Group for the trailing twelve month period; and

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- (c) the P/NTA ratio of the Group of 1.05 times as implied by the Consideration is above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies.

6.2.3 Total Amount Payable

The Total Amount Payable by the Purchaser to the Company is S\$5.0 million, comprising the following:

- (a) the Consideration for the Proposed Disposal of S\$4.33 million; and
- (b) the outstanding amount owing from the Disposal Group to the Company of S\$0.67 million as at 30 September 2015.

The evaluation of the Consideration for the Proposed Disposal is set out in Sections 6.2.1 and 6.2.2 above.

Upon the Proposed Disposal, the amount owing from the Disposal Group to the Company will be deemed by the Company as a debt owing from an Interested Person. Hence, it is in the interest of the Company to have the above debt settled upon Completion. The Purchaser has agreed with the Company to settle on behalf of the Disposal Group the entire amount as part of the Total Amount Payable. We understand from the Company that since 30 September 2015, the amount owing from the Disposal Group of S\$0.67 million remained the same as at the Latest Practicable Date.

Based on the above, the arrangement for the Purchaser to pay the Total Amount Payable in connection with the Proposed Disposal is not prejudicial to the interest of the Company and its Independent Shareholders.

6.2.4 Payment Schedule

The Company and the Purchaser have also agreed for the Total Amount Payable to be repaid over three (3) years from the Completion Date, in instalments with interest charge on the outstanding unpaid instalment amount at the rate of 5.0% per annum. The Payment Schedule is as follows:

- (a) S\$500,000 upon the Completion of the Proposed Disposal;
- (b) S\$750,000 within one (1) year after Completion;
- (c) S\$1,250,000 within two (2) years after Completion; and
- (d) S\$2,500,000 within three (3) years after Completion.

We understand from the Company that the Purchaser may at his own discretion elect to repay any or all of the instalment amounts earlier than the due dates. In which case, the interest charge on the unpaid instalment amounts will only accrue up to the date of repayment of such instalment amounts.

Likewise, if the Purchaser does not repay the instalment amounts on the due dates, the interest charge will continue to accrue on the instalment amounts until they are fully repaid. Any accrued interest will also continue to be compounded at the same rate of 5.0% per annum.

In addition, a penalty interest of 5.0% per annum is chargeable on the overdue instalment amount until it is fully repaid but such penalty interest will not apply to the outstanding unpaid interest, if any.

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As an illustration, if the Purchaser follows the Payment Schedule, the Company will receive the following accrued interest and payment over the three-year period from Completion Date:

S\$	Number of Years from Completion Date			
	0	1	2	3
Total Amount Payable - balance at beginning of the year (A)	5,000,000	4,500,000	3,750,000	2,500,000
Accrued interest on outstanding balance (B = A * 5.0%)	—	225,000	187,500	125,000
Instalment collected at the end of the year (C)	500,000	750,000	1,250,000	2,500,000
Total collected at the end of the year (B + C)	500,000	975,000	1,437,500	2,625,000

The total amount collected by the Company from the Purchaser at the end of three years from the Completion Date is S\$5,537,500.

We note that the interest charge of 5.0% on the Total Amount Payable is higher than the average prime lending rate offered by the three major local banks in Singapore as at the Announcement Date as follows:

Local Banks in Singapore	Prime Lending Rates ⁽¹⁾ (%)
DBS Bank Ltd	4.25
United Overseas Bank Limited	5.0
Oversea-Chinese Banking Corporation Limited	5.0
Average prime lending rate	4.75

Source: Association of Banks in Singapore

To discourage any overdue repayment of the instalment amount, the Company and the Purchaser had agreed to the penalty interest charge of 5.0% per annum in addition to the interest charge of 5.0% per annum.

We note that the Total Amount Payable is partially secured on the 15.0 million Shares beneficially owned by the Purchaser ("**Designated Shares**") pursuant to the Share Charge Deed. Based on the Share price of S\$0.098 as at the Latest Practicable Date, the market valuation of the Designated Shares is approximately S\$1.47 million. As at the Latest Practicable Date, the Purchaser owns approximately 53.62 million Shares.

In addition, the Purchaser has given his personal guarantee to the due and punctual performance and observance of all his obligations, commitments, undertakings and warranties pursuant to the SPA.

We understand from the Company that the Purchaser holds other assets besides his shareholdings in the Company. In this regard, the Recommending Directors have also satisfied themselves that the Purchaser will be able to fulfil his obligations when due with respect to the repayment of the instalment payments and the accrued interests.

6.3 Financial Effects of the Proposed Disposal

Details on the financial effects of the Proposed Disposal on the Group are set out in Section 5 of the Circular and are based on the latest audited consolidated financial statements of the Group for FY2015 and the unaudited consolidated financial statements of the Group for HY2016.

In summary, the Proposed Disposal would result in the following financial effects for the Group:

(a) *Earnings*

If the Proposed Disposal had been effected at the beginning of FY2015 on 1 April 2014, the Group would recognise a loss due mainly to (i) the Consideration of the Disposal Group at below the net asset value of the Disposal Group as at 1 April 2014; and (ii) the absence of profit contribution from the Disposal Group during FY2015.

If the Proposed Disposal had been effected at the beginning of HY2016 on 1 April 2015, the Group would have recorded a lower loss due mainly to (i) the Consideration of the Disposal Group at below the net asset value of the Disposal Group as at 1 April 2015; and (ii) mitigated to some extent by avoiding the losses incurred by the Disposal Group during HY2016.

(b) *NTA*

The effect on NTA is different if the Proposed Disposal is effected as at 31 March 2015 and 30 September 2015. If the Proposed Disposal is effected as at 31 March 2015, the Group would recognise a loss on disposal as the Consideration is below the NTA of the Disposal Group. If the Proposed Disposal is effected as at 30 September 2015, the Group would recognise a small gain on disposal as the Consideration is slightly above the NTA of the Disposal Group, and after taking into consideration the expenses associated with the Proposed Disposal.

6.4 Other Relevant Considerations

6.4.1 Purchaser to continue to serve as a Non-Executive Director

After the Completion of the Proposed Disposal, the Purchaser will relinquish his position as Managing Director of the Company but will continue to serve the Company as a non-executive Director.

6.4.2 The Purchaser as the most logical buyer

The Disposal Group is managed by the Purchaser, the Executive Director of the Company, who is also the founder of the Disposal Group. The Purchaser is also a ready buyer of the Disposal Group. This makes the Purchaser the most logical buyer of the Disposal Group.

From the Company's perspective, the sale to the Purchaser protects the Company from risks associated with dealing with an external party for the Proposed Disposal as the Company enjoys the goodwill and professional relationship with the Purchaser. As the purchaser is a ready buyer of the Disposal Group, it also greatly reduces the inconvenience and costs in seeking an external party to purchase the Disposal Group.

6.4.3 Use of Proceeds

The Company's intended use of proceeds from the Proposed Disposal is set out in Section 6 of the Circular. The net proceeds (after deducting all costs and expenses of S\$0.13 million associated with the Proposed Disposal) from the Amount Payable of S\$4.87 million, together with any accrued interest, as and when paid by the Purchaser, will be used to finance continued development of the Group's E&P Business.

APPENDIX B: IFA LETTER

7. OUR OPINION

In arriving at our opinion in respect of the Proposed Disposal, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale for the Proposed Disposal;
- (b) assessment of the Consideration for the Proposed Disposal, Total Amount Payable and the Payment Schedule;
- (c) financial effects of the Proposed Disposal; and
- (d) other relevant considerations.

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

Our opinion, as disclosed in this Letter, is based solely on publicly available information and information provided by the Directors and the Management and does not reflect any projections of future financial performance of the Company or the Group after the Completion of the Proposed Disposal. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Disposal.

This Letter is addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Disposal. The recommendation to be made by the Recommending Directors to the Independent Shareholders shall remain the sole responsibility of the Recommending Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of the Proposed Disposal, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

Terence Lim
Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

ALPHA ENERGY HOLDINGS LIMITED

(formerly known as JK Tech 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 on 24 December 2015 at 10.00 a.m. at The Singapore Island Country Club (Thomson), Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774 for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution:

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the Circular dated 9 December 2015 to the shareholders of the Company.

AS ORDINARY RESOLUTION:

THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION AND AS A MAJOR TRANSACTION UNDER CHAPTERS 9 AND 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

That:

- (a) approval be and is hereby given to the Directors of the Company for the sale of the Sale Shares of the Sale Companies for an aggregate cash consideration of S\$4.33 million (the "**Proposed Disposal**"), subject to the terms and conditions of the sale and purchase agreement dated 3 December 2015 entered into between the Company and Mr. Ang Yew Jin Eugene (the "**Agreement**"); and
- (b) any of the Directors of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with the Proposed Disposal and to give effect to this resolution (including any amendment to the Agreement, execution of any other agreements or documents or procurement of third party consents) as he shall think fit and in the interests of the Company.

By Order of the Board

Alpha Energy Holdings Limited

Lee Tiong Hock

Company Secretary

9 December 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. *The ordinary resolution to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of a poll.*
2. *A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company.*
3. *Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.*
4. *The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
5. *If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
6. *If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.*
7. *The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Company's business address at 61 Kaki Bukit Avenue 1 #02-13 Shun Li Industrial Park Singapore 417943 not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.*
8. *For depositors holding their shares through The Central Depository (Pte) Limited in Singapore, the Directors have determined that it is more practicable for the depositor proxy form to be delivered to, collected, collated, reviewed and checked at the Company's business office at 61 Kaki Bukit Avenue 1 #02-13 Shun Li Industrial Park Singapore 417943 and as such will be counted as valid in regards to this meeting pursuant to the Company's Articles of Association. The depositor proxy form, duly completed, must be deposited by the depositor(s) at the abovementioned office of the Company's Share Registrar in Singapore not less than 48 hours before the commencement of the EGM.*
9. *Unless defined herein, capitalised terms in the Ordinary Resolution set out in this Notice of EGM shall bear the same meanings as in the Circular to Shareholders dated 9 December 2015.*

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 or service providers), administration and analysis by the Company (or its agents or service providers) 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 or service providers) 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 and service providers) 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.*

PROXY FORM

ALPHA ENERGY HOLDINGS LIMITED

(formerly known as JK Tech 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 (formerly known as JK Tech Holdings Limited) 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 have to 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 (formerly known as JK Tech Holdings Limited) (the "Company"), hereby appoint:

Name	NRIC / Passport Number	Proportion of shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the EGM of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held on 24 December 2015 at 10 a.m. at The Singapore Island Country Club (Thomson), Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specified 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/their discretion.

The ordinary resolution put to the vote of the EGM shall be decided by way of poll.

No.	Ordinary Resolution	No. of votes for*	No. of votes against*
1.	To approve the Proposed Disposal		

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

Dated this _____ day of _____ 2015

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

* Delete where inapplicable

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



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, Cap. 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
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's at 61 Kaki Bukit Avenue 1 #02-13 Shun Li Industrial Park Singapore 417943 not less than forty-eight (48) hours before the time appointed for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an 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 be lodged with the instrument.
8. A corporation which 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 EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 December 2015.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

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