

CIRCULAR DATED 13 APRIL 2017

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

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

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

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

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

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



ALPHA ENERGY

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME (“SCHEME”);**
- (2) THE PROPOSED PARTICIPATION BY MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME; AND**
- (3) THE PROPOSED GRANT OF OPTIONS UNDER THE SCHEME TO MR ANG YEW JIN EUGENE**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	: 26 April 2017 at 10.30 a.m.
Date and time of Extraordinary General Meeting	: 28 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	: Level 1 Palm Room 87 Science Park Drive Oasis Singapore 118260

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DEFINITIONS

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

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “AGM”** : The annual general meeting of the Company
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”, or “Directors”** : The board of directors of the Company for the time being
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 13 April 2017
- “Committee”** : The Remuneration Committee which has been duly authorised, appointed and nominated by the Board to administer the Scheme
- “Company”** : Alpha Energy Holdings Limited
- “Constitution”** : The memorandum and articles of association of the Company or other regulations of the Company for the time being in force
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) in the Company; or
 - (b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company

DEFINITIONS

“Date of Grant”	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Scheme Rule 7
“EGM”	:	The extraordinary general meeting of the Company to be held on 28 April 2017, notice of which is set out in pages 37 to 38 of this Circular
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Scheme Rule 9, or such adjusted price as may be applicable pursuant to Scheme Rule 10
“FRS”	:	Financial Reporting Standard
“FY”	:	Financial year ending or ended (as the case may be) 31 December of a particular year as stated
“Group”	:	The Company and its subsidiaries, collectively
“Group Employee”	:	A full-time employee of the Group (including any Group Executive Director)
“Group Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
“Group Non-Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director, including an independent director
“Latest Practicable Date”	:	31 March 2017, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) Market Days on which Shares of the Company are traded on the SGX-ST immediately preceding the relevant Date of Grant, rounded up to the nearest one decimal place (in cents) in the event of fractional prices
“Notice of EGM”	:	The notice of EGM as set out on pages 37 to 38 of this Circular
“Option”	:	The right to subscribe for Shares granted pursuant to the rules of the Scheme
“Participant”	:	A person who is selected by the Committee to participate in the Scheme in accordance with the rules thereof

DEFINITIONS

“Proposals”	: Collectively: <ul style="list-style-type: none">(i) the proposed amendments to the Alpha Energy Employee Share Option Scheme;(ii) the proposed participation by Mr Ang Yew Jin Eugene, a Controlling Shareholder of the Company, in the Scheme; and(iii) the proposed grant of Options under the Scheme to Mr Ang Yew Jin Eugene
“Remuneration Committee”	: The remuneration committee of the Company, comprising such Directors as may be nominated by the Board from time to time
“Scheme” or “Alpha Energy Employee Share Option Scheme”	: The Alpha Energy Employee Share Option Scheme, which is proposed to be amended by Shareholders in the upcoming EGM
“Scheme Rules”	: The rules of Alpha Energy Employee Share Option Scheme
“Securities Account”	: The securities account maintained by a Depository with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: Ordinary shares in the capital of the Company
“Shareholders”	: Registered holder(s) of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares
“Sponsor”	: PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	: A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
“S\$” and “cents”	: Singapore dollars and cents, respectively
“%” or “per cent”	: Per cent. or percentage

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

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

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

DEFINITIONS

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

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

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

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

LETTER TO SHAREHOLDERS

ALPHA ENERGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200310813H)

Directors:

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

Registered Office:

15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

13 April 2017

To: Shareholders of Alpha Energy Holdings Limited (the “Company”)

Dear Sir/Madam

- (I) THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME;
(II) THE PROPOSED PARTICIPATION BY MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SCHEME; AND
(III) THE PROPOSED GRANT OF OPTIONS UNDER THE SCHEME TO MR ANG YEW JIN EUGENE
(collectively, the “Proposals”)

1. INTRODUCTION

The Directors propose to convene an extraordinary general meeting to be held on 28 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion of the AGM to be held at 10.00 a.m. on the same day and at the same place) to seek Shareholders’ approval for the Proposals.

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

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

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

2. PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

2.1 Background

The existing Scheme was adopted by Shareholders at the extraordinary general meeting of the Company on 29 July 2016. The SGX-ST had on 3 August 2016 granted in-principle approval for the listing and quotation of the Shares which may be allotted and issued from time to time pursuant to the exercise of Options under the Scheme. Such in-principle approval is not to be taken as an indication of the merits of the Company, the Shares, and the proposed amendments to the Scheme.

LETTER TO SHAREHOLDERS

The Company has proposed that the Scheme be amended to better reflect the current market practice for similar share schemes, and that the EGM be convened accordingly to seek Shareholders' approval for, *inter alia*, the proposed amendments to the Scheme.

The objective of the Scheme was to inculcate in all Participants a stronger and more lasting sense of identification with the Group. The Scheme was proposed and adopted on the basis that it is important to attract, retain and provide incentives to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past-contributions and services as well as motivating Participants generally to contribute towards the Group's long-term prosperity. The Company aims to, through the Scheme, give the Participants a tangible and meaningful stake in the Company and will help to achieve the following objectives:-

- (a) to motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to instill loyalty and a stronger sense of identification by the Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to reward employees for their contribution to the Group; and
- (f) to align the interests of the Participants with the interests of the Shareholders.

2.2 Proposed Scheme Amendments

Pursuant to Scheme Rule 4(B), Controlling Shareholders and their Associates are not eligible to participate in the Scheme. The Scheme may be modified and/or altered from time to time by a resolution of the Committee, subject to the prior approval of the Shareholders and the SGX-ST and such other regulatory authorities as may be necessary, and in accordance with Scheme Rule 13.

The Directors are proposing to amend the Scheme Rules to allow for participation by Controlling Shareholders and their Associates for the reasons set out in this Circular. Please refer to the Appendix A of this Circular for the summary of the proposed amendments to the Scheme Rules. Capitalised terms and phrases in this section, unless otherwise defined in this Circular, have the same meaning as when used in the Scheme Rules.

2.2.1 Proposed amendments

(a) Proposed amendments to Scheme Rules 4, 6, 16(D) and 23(b)

It is proposed that Scheme Rules 4, 6, 16(D) and 23(b) be amended to allow Group Employees and Group Non-Executive Directors who are Controlling Shareholders or Associates of a Controlling Shareholder to be eligible to participate in the Scheme.

(b) Other Clarificatory Amendments

- (i) The phrase "Group Employee" has been defined in Scheme Rule 2(A) to include Group Non-Executive Directors. It is proposed that the definition of "Group Employee" in Rule 2(A) be revised to replace the phrase "Any confirmed" with "full-time" and to exclude the phrase "Group Non-Executive Director" and "selected by the Committee to participate in the Scheme in accordance with the rules thereof", for the avoidance of doubt, as a Group Non-Executive Director is not employed by the Group pursuant to an employment contract in the ordinary course of the Group's business.

LETTER TO SHAREHOLDERS

- (ii) The phrase “Non-Executive Director” has been defined in Scheme Rule 2(A). It is proposed that the phrase “including an independent director” be included in such definition for the avoidance of doubt, as the Group Non-Executive Directors include directors who are deemed to be independent in nature from the Group.
- (iii) As it has been proposed that the definition of “Group Employee” in Scheme Rule 2(A) be amended to exclude Group Non-Executive Directors, it is proposed that the phrase “(including a Group Executive Director) or Group Non-Executive Director” be included in Scheme Rule 8(G)(d), for consistency and for the avoidance of doubt.

2.2.2 Rationale for participation by the Controlling Shareholders and their Associates in the Scheme

The key objective of the Scheme is to motivate Participants to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Scheme may be effective in motivating employees to work towards pre-determined targets and/or put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies.

To this end, the purpose of allowing participation by Controlling Shareholders who meet the eligibility criteria under the Scheme is to acknowledge the services and contributions of such persons who have made and continue to make important contributions to the growth of the Group notwithstanding that they are Controlling Shareholders.

Allowing the Controlling Shareholders to participate in the Scheme ensures that they are equally entitled to take part and benefit from this system of remuneration and gives the Company the flexibility in tailoring the remuneration and incentive packages suitable for such individuals.

Further, it is desired that the Company be given the ability to grant Options under the Scheme to the Associates of Controlling Shareholders as such individuals should not be excluded from the Scheme solely by virtue of the fact that they are Associates of Controlling Shareholders if they have given their support, services and contributions to the growth, success and development of the Company. It is the intention of the Company that all Group Employees (including Group Executive Directors) and Group Non-Executive Directors, including those who are the Associates of Controlling Shareholders, should be treated equally for the purposes of the Scheme and should not be excluded only by virtue of their relationship with the Controlling Shareholders. The support, services and contributions of the Associates of Controlling Shareholders are important to the Group. The objectives of granting Options to the Associates of Controlling Shareholders under the Scheme is consistent with the overall objectives of the Scheme which include the motivation of Participants to maintain a high level of performance and contribution which is vital to the success of the Group.

2.2.3 Safeguard

As a safeguard against abuse, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to or held by Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.

The limits on the aggregate number of Shares comprised in Options that may be granted to Controlling Shareholders and/or their Associates shall not exceed 25% of the Shares available under the Scheme, Provided Always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Scheme.

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Specific approval of independent Shareholders is required for the participation of Controlling Shareholder(s) and their Associates in the Scheme. When it is proposed that Options be granted under the Scheme to eligible Participants who are Controlling Shareholder(s) or Associates of Controlling Shareholder(s), the actual number and terms of the Options to be granted to each such person are subject to the approval of independent Shareholders in a separate resolution. In seeking such independent Shareholders' approval, clear justification as to their participation and the number and terms (including the Exercise Price) of Options to be granted to the Controlling Shareholder or Associate of Controlling Shareholder shall be provided. Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the Scheme resulting from the participation of Controlling Shareholder(s) or their Associates in the Scheme. On any grant of Options to Controlling Shareholders and their Associates, the Company will make an announcement in accordance with the Catalist Rules.

As at the date of this Circular, the Controlling Shareholder who will be eligible to participate in the Scheme (contingent on the passing of the resolution by the Shareholders to amend the Scheme) is Mr Ang Yew Jin Eugene.

3. PROPOSED PARTICIPATION BY MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER, IN THE SCHEME

In accordance with the provision of the Catalist Rules, the participation in the Scheme by a Controlling Shareholder is subject to the approval by the other Shareholders at a general meeting. The Company proposes to seek Shareholders' approval for the participation by Mr Ang Yew Jin Eugene, the Non-Executive Director and a Controlling Shareholder of the Company, in the Scheme.

Rationale for participation by Mr Ang Yew Jin Eugene

Mr Ang Yew Jin Eugene has been a Board member of the Company since 28 October 2003 and was re-designated from Managing Director to Non-Executive Director on 1 January 2016. As Managing Director, he was responsible for developing and steering the corporate directions and strategies of the Company, overseeing day-to-day management as well as the Company's strategic and business development. Although Mr Ang Yew Jin Eugene is currently not involved in the day-to-day running of the Group's business in his capacity as a Non-Executive Director, he works closely with the Company and the Group, and provides valuable input and contributes his experience, knowledge and expertise to the Group. The proposed participation of Mr Ang Yew Jin Eugene is consistent with the Company's objectives of including the Group Non-Executive Directors to the Scheme to motivate the Group Non-Executive Directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company.

Participation in the Scheme would enable the Company to acknowledge Mr Ang Yew Jin Eugene's valuable contribution and give recognition to his services. By investing further in the equity interests of the Company through the Scheme, Mr Ang Yew Jin Eugene will be incentivised to help the Group achieves better performance, thus enhancing shareholder value.

The Company recognises that Mr Ang Yew Jin Eugene will continue to play an integral role in driving the strategic development and success of the Group and therefore wishes to allow Mr Ang Yew Jin Eugene to participate in the Scheme.

LETTER TO SHAREHOLDERS

4. PROPOSED GRANT OF OPTIONS UNDER THE SCHEME TO MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER

Subject to Shareholders' approval being received at the EGM for the proposed participation by Mr Ang Yew Jin Eugene in the Scheme (Ordinary Resolution 2 in the Notice of EGM), it is proposed that approval be given to the Committee to grant Options on the following terms to Mr Ang Yew Jin Eugene:

Proposed Date of Grant of Options	:	5 May 2017
Number of Shares comprised in the proposed Options	:	480,000 Shares (representing approximately 0.14% of the total issued Shares and 0.9% of the Shares available under the Scheme as at the Latest Practicable Date)
		The proposed grant is within the limits as set out in the Scheme Rules
Exercise Price per Share	:	Market Price
Exercise Period	:	Exercisable at any time on the last two (2) full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant and up to the tenth (10th) anniversary of the relevant Date of Grant

The aggregate number of Options under the Scheme has been determined after taking into account, *inter alia*, Mr Ang Yew Jin Eugene's valuable insights in the management and Board decisions, drawing from his wealth of experience and business acumen, and his years of service and potential for future development and contribution towards the long-term objectives of the Group through his experience, knowledge and expertise, and/or to provide the Company and/or the Group with strategic or significant business alliances or opportunities.

4.1 Cost to the Company for granting Options under the Scheme

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

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

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

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

LETTER TO SHAREHOLDERS

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

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾
Directors						
Ravinder Singh Grewal s/o Sarbjit Singh ⁽²⁾	–	–	–	–	–	–
Dean Lloyd Gallegos ⁽³⁾	–	–	–	–	–	–
Ang Yew Jin Eugene	53,617,539	15.11	–	–	53,617,539	15.11
Lim Yeok Hua ⁽⁴⁾	–	–	–	–	–	–
Lee Sek Leong Christopher ⁽⁵⁾	–	–	–	–	–	–
Yong Boon Chuan Leslie ⁽⁶⁾	20,000	0.01	–	–	20,000	0.01
Tan Ser Ko ⁽⁷⁾	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Ezion Holdings Limited ⁽⁸⁾	106,000,000	29.86	–	–	106,000,000	29.86

Notes:

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

⁽²⁾ Has 3,480,000 share options in the Company.

⁽³⁾ Has 5,400,000 share options in the Company.

⁽⁴⁾ Has 480,000 share options in the Company.

⁽⁵⁾ Has 480,000 share options in the Company.

⁽⁶⁾ Has 480,000 share options in the Company.

⁽⁷⁾ Has 2,480,000 share options in the Company.

⁽⁸⁾ Has 196,000,000 share options in the Company.

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

6. DIRECTORS' RECOMMENDATIONS

As all the Directors would be eligible to participate in the Scheme, they have refrained from making any recommendations to Shareholders in respect of Ordinary Resolutions 1, 2 and 3 as set out in the Notice of the EGM.

LETTER TO SHAREHOLDERS

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 37 to 38 of this Circular, will be held at Level 1 Palm Room, 87 Science Park Drive, Oasis, Singapore 118260, on 28 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion of the AGM to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

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

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

9. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Scheme, including Group Employees and Group Non-Executive Directors who are also Shareholders, shall abstain from voting at the EGM in respect of Ordinary Resolutions 1, 2 and 3 set out in the Notice of EGM, and should decline appointment as proxies for voting at the EGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

Mr Ang Yew Jin Eugene shall abstain, and shall procure his Associates to abstain from voting, whether by representative or proxy, at the EGM in respect of Ordinary Resolutions 1, 2 and 3 as set out in the Notice of EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

LETTER TO SHAREHOLDERS

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Scheme Rules;
- (b) the Constitution of the Company; and
- (c) the annual report of the Company for the financial period from 1 April 2016 to 31 December 2016.

Yours faithfully

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

**APPENDIX A – SUMMARY OF THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE
SHARE OPTION SCHEME**

**SUMMARY OF THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE
SHARE OPTION SCHEME**

The proposed amendments to the Scheme Rules are set out below. For ease of reference and where appropriate, the full text of the relevant rules of the Scheme which are proposed to be modified have been reproduced in Appendix B.

Existing Scheme Rule 2(A)

...

“Group Employee” : Any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof

...

“Group Non-Executive Director” : A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director

...

Proposed Amendments to Scheme Rule 2(A)

Scheme Rule 2(A) is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

...

“Group Employee” : A full-time employee of the Group (including any Group Executive Director)

...

“Group Non-Executive Director” : A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director, including an independent director

...

Existing Scheme Rule 4

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

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

APPENDIX A – SUMMARY OF THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

- (C) *For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.*
- (D) *There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.*
- (E) *Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.*

Proposed Amendments to Scheme Rule 4

Scheme Rule 4 is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

- (A) Subject to the absolute discretion of the Committee, Group Employees (including Group Executive Directors) and Group Non-Executive Directors selected by the Committee to participate in the Scheme in accordance with the rules thereof shall be eligible to participate in the Scheme, provided that, as of the Date of Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts, have not entered into any composition(s) with their respective creditors and must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.
- (B) Controlling Shareholders and their Associates shall not be eligible to participate in the Scheme, unless:
 - (i) they are qualified under Rule 4(A) above;
 - (ii) written justification has been provided to Shareholders for their participation prior to the first grant of Options to them;
 - (iii) the actual number and terms of any Options to be granted to them have been specifically approved by Shareholders who are not beneficiaries of the Scheme in a general meeting in separate resolutions for each such Controlling Shareholders or his Associates; and
 - (iv) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

In this regard, (1) the aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed twenty-five per cent. (25%) of the Shares available under the Scheme; and (2) the number of Shares available to each Controlling Shareholder or his Associate must not exceed ten per cent. (10%) of the Shares available under the Scheme.

- (C) Controlling Shareholders and their Associates shall abstain from voting on any resolution in relation to their participation in the Scheme and grant of Options to them.
- (D) For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- (E) There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.
- (F) Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

**APPENDIX A – SUMMARY OF THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE
SHARE OPTION SCHEME**

Existing Scheme Rule 6

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

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

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

Proposed Amendments to Scheme Rule 6

Scheme Rule 6 is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

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

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

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

- (B) The aggregate number of Shares for which Options may be granted under the Scheme to Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the Scheme.

Existing Scheme Rule 8(G)

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

- (a) it is not accepted in the manner as provided in Rule 8(A) within the thirty (30) day period referred to therein; or*
- (b) the Participant dies prior to his acceptance of the Option; or*
- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or*
- (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or*
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.*

APPENDIX A – SUMMARY OF THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

Proposed Amendments to Scheme Rule 8(G)

Scheme Rule 8(G) is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

- (G) Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8(A) within the thirty (30) day period referred to therein; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee (including a Group Executive Director) or Group Non-Executive Director, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

Existing Scheme Rule 16(D)

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

Proposed Amendments to Scheme Rule 16(D)

Scheme Rule 16(D) is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

- (D) As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to or held by Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.

Existing Scheme Rule 23(b)

- (b) *the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):*
- (i) *Participants who are Directors of the Company;*
 - (ii) *Participants, other than those in (b)(i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme;*

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

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Proposed Amendments to Scheme Rule 23(b)

Scheme Rule 23(b) is proposed to be amended by deleting the existing content of the Rule in its entirety and the following new content is proposed to be substituted accordingly:

- (b) the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
- (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates;
 - (iii) Participants, other than those in (b)(i) and (ii) above, who receive five per cent. (5%) or more of the total number of Options available under the Scheme;

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

RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

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

2. DEFINITIONS

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

- (A)
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:–
- (i) his immediate family;
 - (ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Board ”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : The Remuneration Committee which has been duly authorised, appointed and nominated by the Board to administer the Scheme
- “Company”** : Alpha Energy Holdings Limited
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “Constitution”** : The memorandum and articles of association of the Company or other regulations of the Company for the time being in force

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “Controlling Shareholder”** : A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) in the Company ((subject to the SGX-ST determining that such a person is not a controlling shareholder) or a person who in fact exercises control over the Company
- “CPF”** : Central Provident Fund
- “Date of Grant”** : In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7
- “Director(s)”** : The director(s) of the Company
- “Exercise Price”** : The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
- “Financial Year”** : Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
- “Grantee”** : The person to whom an offer of an Option is made
- “Group”** : The Company and its subsidiaries, collectively
- “Group Employee”** : ~~Any confirmed~~ **A full-time** employee of the Group (including any Group Executive Director) ~~and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof~~
- “Group Executive Director”** : A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
- “Group Non-Executive Director”** : A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director, **including an independent director**
- “Listing Manual”** : The Listing Manual (Section B: Rules of Catalist) of the SGX-ST or the Listing Manual of the SGX-ST (as the case may be), as the same may be amended, supplemented or modified from time to time
- “Listing Rules”** : The rules constituted in the Listing Manual
- “Market Day”** : A day on which the SGX-ST is open for trading in securities

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

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

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

- (B) The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them, respectively, by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.
- (C) Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall include corporations.
- (D) Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Companies Act.
- (E) Any reference in the Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The objectives of the Scheme are as follows:

- (a) to motivate participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to instil loyalty and a stronger sense of identification by the Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to reward employees for their contribution to the Group; and
- (f) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- (A) Subject to the absolute discretion of the Committee, ~~any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director)~~ **Group Employees (including Group Executive Directors) and Group Non-Executive Directors** selected by the Committee to participate in the Scheme in accordance with the Rules thereof (~~“Group Employee”~~) shall be eligible to participate in the Scheme, provided that, as of the Date of Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts, have not entered into any composition(s) with their respective creditors and must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.
- (B) Controlling Shareholders and their Associates shall not be eligible to participate in the Scheme, **unless:**
 - (a) **they are qualified under Rule 4(A) above;**
 - (b) **written justification has been provided to Shareholders for their participation prior to the first grant of Options to them;**

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- (c) the actual number and terms of any Options to be granted to them have been specifically approved by Shareholders who are not beneficiaries of the Scheme in a general meeting in separate resolutions for each such Controlling Shareholders or his Associates; and
- (d) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

In this regard, (1) the aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed twenty-five per cent. (25%) of the Shares available under the Scheme; and (2) the number of Shares available to each Controlling Shareholder or his Associate must not exceed ten per cent. (10%) of the Shares available under the Scheme.

- (C) Controlling Shareholders and their Associates shall abstain from voting on any resolution in relation to their participation in the Scheme and grant of Options to them.
- (D) ~~(C)~~For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- (E) ~~(D)~~There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.
- (F) ~~(E)~~Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

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

6. SIZE OF THE SCHEME

- (A) The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:
 - (a) all Options granted under the Scheme; and
 - (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force if any;

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

- (B) The aggregate number of Shares for which Options may be granted under the Scheme to Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the Scheme.

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7. OFFER DATE

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

8. ACCEPTANCE OF OFFER

- (A) An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by (a) completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Schedule 2 (the "**Acceptance Form**"), subject to such modifications as the Committee may from time to time determine accompanied by the payment of S\$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- (B) The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- (C) If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period referred to in Rule 8(A), automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- (D) The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not comply strictly with the terms of the Scheme.
- (E) Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11(F) in the event of the death of such Grantee.
- (F) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- (G) Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8(A) within the thirty (30) day period referred to therein; or
 - (b) the Participant dies prior to his acceptance of the Option; or

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- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (d) the Grantee, being a Group Employee **(including a Group Executive Director) or Group Non-Executive Director**, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- (A) Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:
 - (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed twenty per cent. (20%) of the Market Price.
- (B) In making any determination under Rule 9(A)(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:-
 - (a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Grantee;
 - (c) the contribution of the eligible Grantee to the success and development of the Company and/or the Group; and
 - (d) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

- (A) If a variation in the issued share capital of the Company whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever), shall take place, then:
 - (a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised;
 - (b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto;
 - (c) the maximum entitlement in any one Financial Year; and/or
 - (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants;

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

- (B) Notwithstanding the provisions of Rule 10(A) above,
- (a) no such adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if as a result, such adjustment will result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed **fifteen per cent.** (15%) of the total number of issued Shares of the Company (excluding treasury shares) for the time being; and
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
 - (b) any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- (C) Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:
- (a) an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
 - (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
 - (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company or any of its subsidiaries pursuant to any share-based incentive schemes approved by Shareholders in general meeting, including the Scheme;
 - (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.
- (D) The restriction on the number of Shares to be offered to any Grantee under Rule 6 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- (E) Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year. Any adjustment shall take effect upon such written notification being given.

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

11. OPTION PERIOD

- (A) Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- (B) Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two (2) full Market Days of any calendar month after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- (C) An Option shall, to the extent unexercised, immediately lapse and become null and void, and a Participant shall have no claim against the Company:
- (a) subject for Rules 11(D), 11(E) and 11(F), upon the Participant ceasing to be a Group Employee or a Director for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

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

- (D) Where a Participant who is a Group Executive Director or Group Non-Executive Director (as a case may be) ceases to be a Director for any reason whatsoever, he shall, notwithstanding Rule 11 and Rule 12, be entitled to exercise in full all unexercised Options from the date he ceases to be a Director until the end of the relevant Option Period.
- (E) If a Participant ceases to be in the employment of the Group by reason of:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before that age with the consent of the Committee;
 - (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

- (f) for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- (F) If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representatives of the Participant from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- (G) The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- (A) An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- (B) Subject to:-
 - (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
 - (b) compliance with the Rules and the Constitution; the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Manual) after the date of the exercise of the said Option in accordance with Rule 12(A), allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.
- (C) The Company shall, if necessary, before the grant of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- (D) Shares which are all allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant’s securities sub-account with a CDP Depository Agent.

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

- (E) Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.
- (F) Except as set out in Rule 12(B) and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- (G) The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS AND ALTERATIONS TO THE SCHEME

- (A) Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
 - (a) any modification or alteration which shall alter adversely the rights attached to any Option(s) granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Option(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three quarters (3/4) of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options; and
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme (including but not limited to the matters set out in Rules 843 to 848 and Rules 852 to 853 of the Listing Manual) shall be subject to the prior approval of Shareholders at a general meeting. For the purposes of Rule 13(A)(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.
- (B) Notwithstanding anything to the contrary contained in Rule 13(A), the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST if necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- (C) Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

- (A) The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- (B) The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- (C) The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

15. TAKE-OVER AND WINDING UP OF THE COMPANY

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

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

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

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

- (B) If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11(A) or 11(B)) shall notwithstanding Rule 11 but subject to Rule 15(E), be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.
- (C) If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- (D) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15(D)) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

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

16. ADMINISTRATION OF THE SCHEME

- (A) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- (B) The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- (C) Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under this Scheme).
- (D) As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. **Further, where Options are proposed to be granted to or held by Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.**

17. NOTICES

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

18. TERMS OF EMPLOYMENT UNAFFECTED

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

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

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

19. TAXES

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

20. COSTS AND EXPENSES OF THE SCHEME

- (A) Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities subaccount with a CDP Depository Agent or CPF investment amount with a CDP agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- (B) Save for the taxes referred to in Rule 19 and such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

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

22. CONDITION OF OPTION

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

23. DISCLOSURES IN ANNUAL REPORTS

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

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
- (i) Participants who are Directors of the Company;
 - (ii) **Participants who are Controlling Shareholders and their Associates;**

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

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

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

- (c) (i) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receives five per cent. (5%) or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries under the Scheme, during the Financial Year under review; and
- (ii) the aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the Financial Year under review, and since the commencement of the Scheme to the end of the Financial Year under review;
- (d) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every **ten per cent.** (10%) discount range, up to the maximum quantum of discount granted; and
- (e) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements, Provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

24. DISPUTES

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

25. ABSTENTION FROM VOTING

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

26. GOVERNING LAW

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

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 1

**ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME
LETTER OF OFFER**

Serial No: _____

PRIVATE AND CONFIDENTIAL

Date:

To: Name
Designation
Address

Dear Sir/Madam

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

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

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

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

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

Yours faithfully
For and on behalf of
Alpha Energy Holdings Limited

Name:
Designation:

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 2

**ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM**

Serial No.: _____

PRIVATE AND CONFIDENTIAL

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

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

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

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

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

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

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

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

PLEASE PRINT IN BLOCK LETTERS

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

* Delete accordingly

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

Notes:

1. Options must be accepted in full or in multiples of 1,000 Shares.
2. The Acceptance Form must be forwarded to The Committee, Alpha Energy Employee Share Option Scheme in a sealed envelope marked "Private and Confidential".
3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX B – RULES OF THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 3

ALPHA EMPLOYEE SHARE OPTION SCHEME
FORM OF EXERCISE OF OPTION

PRIVATE AND CONFIDENTIAL

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

Total number of ordinary shares (the “Shares”) at
S\$_____ per Share under an Option granted on

Number of Shares previously allotted thereunder : _____
Outstanding balance of Shares which may be allotted and
issued thereunder : _____
Number of Shares now to be subscribed (in multiples of 1,000) : _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in Alpha Energy Holdings Limited (the “Company”) at S\$_____ per Share.
2. I enclose a *cheque/cashier’s order/bank draft/postal order no. for S\$_____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.
3. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Alpha Energy Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.
4. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“CDP”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

PLEASE PRINT IN BLOCK LETTERS

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

* Delete accordingly

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Alpha Energy Holdings Limited (the “**Company**”) will be held at Level 1 Palm Room, 87 Science Park Drive, Oasis, Singapore 118260 on 28 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 13 April 2017 (the “**Circular**”) to the Shareholders of the Company.*

AS ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: THE PROPOSED AMENDMENTS TO THE ALPHA ENERGY EMPLOYEE SHARE OPTION SCHEME (“SCHEME**”)**

That:

- (a) the proposed amendments to the rules of the Alpha Energy Employee Share Option Scheme (“**Scheme Rules**”) as set out in Appendix A to the Circular to Shareholders dated 13 April 2017, be and are hereby adopted and approved by the Company;
- (b) the Directors and/or any one of them be and is/are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental to or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED PARTICIPATION OF MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER, IN THE SCHEME

That subject to and contingent upon the passing of Ordinary Resolution 1, approval be and is hereby given for the participation in the Scheme by Mr Ang Yew Jin Eugene, a Controlling Shareholder of the Company.

ORDINARY RESOLUTION 3: PROPOSED GRANT OF OPTIONS UNDER THE SCHEME TO MR ANG YEW JIN EUGENE, A CONTROLLING SHAREHOLDER OF THE COMPANY

That subject to and contingent upon the passing of Ordinary Resolutions 1 and 2 above, approval be and is hereby given for the proposed grant of Options to Mr Ang Yew Jin Eugene, a Controlling Shareholder of the Company, pursuant to and in accordance with the Scheme Rules on the following terms, and the Directors be and are hereby authorised to issue and allot such Shares upon the exercise of the Options:

- | | |
|--|--|
| Proposed Date of Grant of Option(s) | : 5 May 2017 |
| Number of Shares comprised in the proposed Option(s) | : 480,000 Shares (representing approximately 0.14% of the total issued Shares and 0.9% of the Shares available under the Scheme as at the Latest Practicable Date)
The proposed grant is within the limits as set out in the Scheme Rules |
| Exercise Price per Share | : Market Price |
| Exercise Period | : Exercisable at any time on the last two (2) full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant and up to the tenth (10th) anniversary of the relevant Date of Grant |

NOTICE OF EXTRAORDINARY GENERAL MEETING

By Order of the Board
ALPHA ENERGY HOLDINGS LIMITED

Lee Tiong Hock
Company Secretary

13 April 2017

Notes:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

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

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

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

ALPHA ENERGY HOLDINGS LIMITED

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

Proxy Form

EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We*, _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)

being a member/members of Alpha Energy Holdings Limited (the "Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or *

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the extraordinary general meeting ("EGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held at Level 1 Palm Room, 87 Science Park Drive, Oasis, Singapore 118260 on Friday, 28 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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

No.	Resolutions relating to:	Number of Votes For *	Number of Votes Against*
1	To approve the proposed amendments to the Alpha Energy Employee Share Option Scheme		
2	Contingent upon the passing of Ordinary Resolution 1, to approve the proposed participation of Mr Ang Yew Jin Eugene, a Controlling Shareholder of the Company, in the Alpha Energy Employee Share Option Scheme		
3	Contingent upon the passing of Ordinary Resolutions 1 and 2, to approve the grant of options under the Alpha Energy Employee Share Option Scheme to Mr Ang Yew Jin Eugene, a Controlling Shareholder of the Company		

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

Dated this _____ day of _____ 2017

Total Number of Shares held	
(a) CDP Register	
(b) Register of Members	

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

*Delete where inapplicable



NOTES:

1. Please insert the total number of shares in the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at an EGM is entitled to appoint not more than two proxies to attend and vote in his/her 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. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. An investor who buys shares using CPF monies (“CPF Investor”) and/or SRS monies (“SRS Investor”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors, who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
 6. 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.
 7. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen Singapore 089316 not less than forty-eight (48) hours before the time appointed for the EGM.
 8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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 the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 9. 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 13 April 2017.

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 seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

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