

**RESPONSES TO QUERIES
BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
IN RELATION TO THE RIGHTS ISSUE**

1 INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Alpha Energy Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to provide to the shareholders of the Company (the “**Shareholders**”), its responses to queries sent by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Rights Issue (as defined below).
- 1.2 The Board refers to the Company’s circular dated 31 July 2019 (the “**Circular**”) as well as the Company’s previous announcement dated 26 June 2019 in relation to inter alia the Company’s proposed undertaking of a non-renounceable non-underwritten rights issue of up to 1,625,104,954 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.014 for each Rights Share, on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by Shareholders as at the books closure date to be determined, fractional entitlements to be disregarded (the “**Rights Issue**”).
- 1.3 Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Circular.

2 QUERIES BY THE SGX-ST

- 2.1 **Why is it structured for the fees to be payable even if no excess rights shares are allocated to the Excess Undertaking Shareholders?**

Company’s Response:

We refer to paragraph 11.5 of the Circular in relation to the rationale for the Proposed Fees. The Proposed Fees are paid to the Excess Undertaking Shareholders for their provision of the irrevocable undertakings at the outset, regardless of whether they eventually would be able to subscribe for excess Rights Shares.

- 2.2 **How was the Proposed Fees of 3% arrived at?**

Company’s Response:

We refer to paragraph 11.5 of the Circular in relation to the rationale for the Proposed Fees. After taking into consideration the fees involved in other alternatives such as a separate placement exercise or engagement of underwriters, the Directors believe that the Proposed Fees of 3% are on comparable terms to normal commercial arrangements and are on arms’ length basis, therefore being fair and not prejudicial to the Company and/or the Shareholders.

- 2.3 **Why are the Proposed Fees only extended to the 3 Excess Undertaking Shareholders?**

Company’s Response:

We refer to paragraph 11.5 of the Circular in relation to the rationale for the Proposed Fees. The Proposed Fees are payable only to the Undertaking Parties undertaking to subscribe for Excess Rights Shares.

2.4 Why are the Proposed Fees necessary and in interest of the Company since the Excess Undertaking Shareholders are already benefiting from subscribing for the excess rights shares which are at a discount to the market?

Company's Response:

We refer to paragraph 11.5 of the Circular in relation to the rationale for the Proposed Fees.

**BY ORDER OF THE BOARD
ALPHA ENERGY HOLDINGS LIMITED**

Tan Wee Sin
Company Secretary
14 August 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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