



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904364E)

RECEIPT OF NOTICES OF ENFORCEMENT AND ACCELERATION OF LOANS OF JOINT VENTURE

1. Introduction

- 1.1. The Board of Directors (the **"Board"** or the **"Directors"**) of Ezion Holdings Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to its announcements: (i) dated 20 September 2019 in relation to the event of default of POSH Terasea Pte. Ltd.; and (ii) dated 4 March 2020 in relation to the Proposed Scheme of Arrangement and proposed amendment to terms of credit facilities, together with the appendix illustrating the terms of the Proposed Scheme of Arrangement (the **"PSOA Announcement"**) (collectively, the **"Previous Announcements"**).

Unless otherwise defined, all capitalised terms and references used herein shall bear the meanings ascribed to them in the Previous Announcements.

- 1.2. The Board wishes to announce that TeraSea Pte. Ltd. (**"TeraSea"**), a 50% joint venture company of the Company has, on 6 March 2020, received notices of enforcement and acceleration (the **"Notices of Acceleration"**) from its secured lenders (the **"Lenders"**) under the two (2) loan agreements dated 29 February 2012 entered into for the financing of two (2) vessels owned by TeraSea (the **"Loan Agreements"**).
- 1.3. The loans are fully guaranteed by the Company (the **"Guarantees"**) as part of the Loan Agreements. As at the date of this announcement, the total amount outstanding under both Loan Agreements is approximately US\$29.3 million (the **"Guaranteed Obligations"**).

2. Details on the Notices of Acceleration

- 2.1. The Notices stated that several events of default have occurred under the Loan Agreements, including (i) termination of the relevant bareboat charters between TeraSea and POSH Terasea Offshore Pte. Ltd.; (ii) failure of TeraSea to repay certain instalments of principal and interest; (iii) breach of financial covenants; and (iv) cross-default.
- 2.2. Due to the events of default, the Notices have been served by the Lenders to (i) deem all of the amounts (with accrued interest) accrued or outstanding under the Loan Agreements immediately due and payable; and (ii) exercise or direct the security agent under the Loan Agreements to exercise all of the Lenders' rights, remedies, powers or discretions under the Loan Agreements, including enforcement of all security interests under the security documents of the Loan Agreements (the **"Exercise of Security Rights"**).

3. Impact on TeraSea

Following from the Exercise of Security Rights by the Lenders, the Company (as the indirect parent company) of TeraSea believes that TeraSea will be put into a creditors' winding up and the assets and properties of TeraSea be enforced against by the mortgagee or be disposed of by the liquidator.

4. Impact on the Company and the Group

- 4.1. The Company would like to refer to (i) its announcement made on 28 February 2020 in relation to its entry into agreements with Yinson Eden Pte Ltd.; and (ii) the PSOA Announcement.
- 4.2. Given the terms of the Proposed Scheme of Arrangement, the Company expects that any Guaranteed Obligations which the Lenders may claim under the Guarantees will fall under the "*Unsustainable Debts*" portion as illustrated in the appendix of the PSOA Announcement, and will be subject to the proposal under the Proposed Scheme of Arrangement. Please see page 1 of the appendix of the PSOA Announcement for further information.

5. Further Announcements

The Company will keep its shareholders informed of any further developments and make the necessary announcements.

6. Trading Caution

Although the Company's shares are currently under voluntary suspension, shareholders, noteholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and noteholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors they have any doubt about the actions they should take.

By Order of the Board

Goon Fook Wye Paul
Company Secretary
9 March 2020