



EZRA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199901411N)

DISPOSAL OF NON-CORE ASSETS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Ezra Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), wishes to announce that it has entered into agreements to dispose of:

- (a) its entire interest in a real estate property asset located at 20 Ubi Crescent, Ubi Techpark, Singapore 408564 (the “**Ubi Techpark Property**”) to Sapphire Star Pte Ltd (the “**Property Disposal**”); and
- (b) non-listed shares in a private limited company that was classified as “available-for-sale investments” in the Company’s audited consolidated financial statements ended 31 August 2015 (the “**Non-listed Shares**”) to an individual (the “**Shares Disposal**”, and together with the Property Disposal, the “**Disposals**”).

The Ubi Techpark Property is a 3-storey strata terrace factory of approximately 836 square metres which was originally used as the Company’s training facility. The Non-listed Shares are preference shares in IC Cell Ezra Limited, an insurance company incorporated under the laws of Guernsey and regulated by the Guernsey Financial Services Commission.

2. BACKGROUND AND RATIONALE FOR THE DISPOSALS

Ubi Techpark Property

The consideration of S\$2.93 million (approximately US\$2.19 million) for the Ubi Techpark Property (the “**Property Consideration**”) was arrived at on a willing-buyer, willing-seller basis following marketing efforts by several real estate property agents engaged by Ezra Marine Services Pte Ltd. The Property Disposal is subject to various conditions, including among others, the approval of the United States Bankruptcy Court. 5% of the Property Consideration is payable as deposit and the balance of the Property Consideration is payable by the purchaser in cash on the completion of the Disposal, which is expected to take place on or about 13 weeks from the date hereof.

The Group currently derives no income from the Ubi Techpark Property as it has been vacant since October 2017, but continues to incur administrative expenses, such as maintenance, utilities and real property taxes. The net profits attributable to the Ubi Techpark Property was approximately US\$0.11 million comprising rental income in respect of the 12-month period ended 31 August 2016. The net proceeds of the Property Disposal, representing a gain of

approximately US\$1.14 million over the book value of the Ubi Techpark Property of approximately US\$1.05 million as at 30 August 2016, will be used to fund the Company's restructuring efforts.

Non-listed Shares

The consideration for the Non-Listed Shares was arrived at on a willing-buyer, willing-seller basis following attempts by the Company to sell the Non-Listed Shares, and is at a premium of US\$100,000 to the fair market value of the Non-listed Shares, as determined by an independent valuation firm (the "**Share Consideration**"). The Shares Disposal is subject to various conditions, including among others, the issue of a valuation report by the independent valuation firm and the approval of the United States Bankruptcy Court.

Under the terms of the sale agreement, within five business days of the approval of the Bankruptcy Court for the sale, the purchaser is required to pay to the Company a prepayment amount of US\$1.5 million (the "**Prepayment**"). The Company will be able to use the Prepayment as it deems fit. If completion occurs, the Prepayment will be credited towards the purchaser's payment of the consideration of the Non-Listed Shares. If the purchaser breaches or fails to perform in any material respect any of the terms of the sale agreement, the Company is entitled to terminate the sale agreement, and shall pay the purchaser an amount equal to the Prepayment (without interest) minus 10% of the Share Consideration. If the agreement is terminated by the Company for any other reason, the Company shall pay the purchaser the full amount of the Prepayment (without interest). As security for the Company's obligations with respect to the Prepayment, the Company will grant the purchaser a lien over the Non-listed Shares for the amount of the Prepayment.

No profits can be attributable to the investment in the Non-listed Shares in respect of the 12-month period ended 31 August 2016 as no dividends were received. The Company is only entitled to receive dividends if and when dividends are declared. The declaration of dividends is at the discretion of the board of directors of the insurance company, over which the Company does not have any control. The net proceeds of the Shares Disposal will be used to fund the Company's restructuring efforts. The gain or loss over the book value of the Non-listed Shares (which was US\$3.1 million as at 30 August 2016) can only be determined after the valuation report is issued.

3. RELATIVE FIGURES FOR THE DISPOSALS

The relative figures for the Disposals computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), using the unaudited consolidated financial statements ended 31 August 2016, being the last announced consolidated unaudited financial statements of the Group, are as follows:

	Property Disposal	Shares Disposal
(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value	0.28%	0.81%

(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	(0.01%) ⁽¹⁾	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	9.06%	6.20% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset.	Not applicable ⁽⁵⁾	Not applicable ⁽⁵⁾

Notes:

- (1) The Company sought the SGX-ST's views and taking into account the negative relevant figure computed pursuant to Rule 1006(b) under Chapter 10 of the Listing Manual, and based on the Company's submission and representations, the SGX-ST is of the view that Rule 1014(2) is not applicable to the disposal.
- (2) No dividend was received in respect of the 12-month period ended 31 August 2016.
- (3) The Shares Consideration can only be determined after the valuation report is issued. For the purposes of showing the relative figures under this section, the aggregate value of the consideration refers to the Prepayment (being US\$1.5 million).
- (4) This is not an acquisition.
- (5) The Company is not a mineral, oil and gas company.

4. FINANCIAL EFFECTS

The pro forma financial effects of the Disposals on the Company presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or future condition of the Company following completion.

The pro forma financial effects of the Disposals are calculated based on the latest unaudited financial statements of the Company ended 31 August 2016 and the following assumptions:

- (a) that completion of the Disposals had taken place on 31 August 2016 for the purposes of the financial effect on the net tangible assets ("**NTA**") per share of the Company ("**Share**"); and

- (b) that completion had taken place on 1 September 2015 for purposes of the financial effect on the earnings per Share (“EPS”).

NTA per Share for the Property Disposal

	Before the Property Disposal	After the Property Disposal
NTA (US\$ million)	351.3	352.5
Number of Shares (million)	2,939.0	2,939.0
NTA per Share (US\$)	0.12	0.12

NTA per Share for the Shares Disposal⁽¹⁾

	Before the Shares Disposal	After the Shares Disposal
NTA (US\$ million)	351.3	349.7
Number of Shares (million)	2,939.0	2,939.0
NTA per Share (US\$)	0.12	0.12

EPS for the Property Disposal

	Before the Property Disposal	After the Property Disposal
Loss after tax attributable to shareholders (US\$ million)	(887.7)	(886.7)
Weighted average number of Shares (million)	2,939.0	2,939.0
EPS (US cents)	(30.21)	(30.17)

EPS for the Shares Disposal⁽¹⁾

	Before the Shares Disposal	After the Shares Disposal
Loss after tax attributable to shareholders (US\$ million)	(887.7)	(889.3)
Weighted average number of Shares (million)	2,939.0	2,939.0
EPS (US cents)	(30.21)	(30.26)

Note:

- (1) The Shares Consideration can only be determined after the valuation report is issued. For the purposes of showing the financial effects under this section, the aggregate value of the consideration refers to the Prepayment (being US\$1.5 million).

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Disposals.

The purchaser of the Non-listed Shares is the General Counsel and Head of Insurance of the Company (but who is not a director or a controlling shareholder or an associate of a director or a controlling shareholder of the Company) and who had fully disclosed his interest to the Board with respect to the Share Disposal. The Company was advised by its external lawyers when negotiating the terms of the Share Disposal.

6. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the option to purchase for the Property Disposal dated 5 June 2018 as well as the copy of the share purchase agreement dated 5 June 2018 will be made available for inspection during the normal business hours at the registered office of the Company for a period of three months from the date of this Announcement.

Further announcements will be made by the Company and the Board via SGXNET in relation to the restructuring process and as and when there are any material developments in compliance with the listing rules of the SGX-ST.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. When in doubt as to the action they should take, stakeholders and potential investors should consult their financial, tax or other advisers.

By Order of the Board

Shannon Ong
Company Secretary
5 June 2018