

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

ADDITIONAL INFORMATION ON THE PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF JK TECH HOLDINGS LIMITED AND PROPOSED ACQUISITION OF SHARE OPTIONS IN THE CAPITAL OF JK TECH HOLDINGS LIMITED

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 4 April 2014 relating to the above captioned (the “**Previous Announcement**”). The Company wishes to announce the additional information as set out herein.

Unless otherwise defined, the capitalized terms herein shall bear the same meaning ascribed to them in the Previous Announcement.

2. SUBSCRIPTION OF SHARES IN JK TECH

Subject to the terms and conditions of the Subscription Agreement, JK Tech shall allot and issue 42,000,000 Subscription Shares to the Company at an issue price of S\$0.09 per Subscription Share (the “**Subscription**”). On the assumption that:

- (i) the underwritten placement to be undertaken by JK Tech (the “**Placement**”) to issue 19,962,000 ordinary shares in the capital of JK Tech (“**JK Tech Shares**”) is completed; and
- (ii) the allotment and issuance of 13,000,000 JK Tech Shares to SF Ventures Pte. Ltd. (“**SF Subscription**”) is completed,

the 42,000,000 Subscription Shares represents approximately 29.8% of the enlarged issued and paid up share capital of JK Tech, excluding treasury shares. The 42,000,000 Subscription Shares also represents approximately 63.7% of the existing issued and paid up share capital of JK Tech, excluding treasury shares as at 4 April 2014.

The Subscription Consideration shall be satisfied by the allotment and issuance of 1,848,862 Ezion Consideration Shares at an issue price of S\$2.0445 per Ezion Consideration Share (which represents a 5% discount to the VWAP of the shares of Ezion of S\$2.1521 for trades done on the SGX-ST on 4 April 2014, being the last full market day on which the shares of Ezion were traded prior to the date the Subscription Agreement was signed).

3. OPTIONS GRANTED BY JK TECH

Subject to the terms and conditions of the Option Agreement, JK Tech shall allot and issue 260,000,000 Options to the Company for an aggregate consideration of S\$1, with each Option carrying the right to subscribe for one (1) new JK Tech Share at the exercise price of S\$0.09 per Option.

On the assumption that: (i) the Placement, the SF Subscription and the Subscription has been completed; (ii) the 65,000,000 Options to be allotted and issued to SF Ventures Pte. Ltd. is completed and all 65,000,000 Options have been exercised; and (iii) all 260,000,000 Options are exercised by the Company (collectively, the “**Corporate Actions**”), the 260,000,000 Option Shares represents approximately 55.8% of the enlarged issued and paid up share capital of JK Tech, excluding treasury shares. Assuming that the Company has not disposed of any of the Subscription Shares, the Company will have an aggregate of 302,000,000 JK Tech Shares, representing approximately 64.8% of the enlarged issued and paid up share capital of JK Tech, excluding treasury shares.

Principal terms of the Option Agreement

The principal terms and conditions of the Options granted to the Company are set out below:

- Aggregate Number of Options** : 260,000,000 Options
- Transferability** : The Options are freely transferable. In the event of a transfer of Options, the transferor must lodge a duly executed transfer notice in the prescribed form to JK Tech and a confirmation from the transferee, confirming that the transferee (i) does not fall within the category of restricted persons as set out in Rule 812(1) of the Listing Manual; and (ii) will not become a controlling shareholder of JK Tech in the event of the exercise/conversion of all the convertible securities held by the transferee, including any Options to be transferred to him or her.
- Exercise Rights** : Each Option entitles the holder of the Option (the “**Optionholder**”) to subscribe for one (1) new JK Tech Share (the “**Option Share**”) at the Exercise Price during the Exercise Period (as defined below).
- Exercise Price** : S\$0.09 per Option, which represents a discount of 40% to the volume weighted average price of S\$0.15 of the JK Tech Shares for trades done on the SGX-ST on 1 April 2014 (being the last full market day on which JK Tech Shares were traded prior to the date the Option Agreement was signed).
- Aggregate Gross Costs** : S\$29,250,000 (assuming the exercise of all Options and subscription of all Option Shares).
- Exercise Period** : The period commencing on and including the date of issue of the Options and expiring on the fifth (5th) anniversary of the date of issue of the Options (unless such date is a date on which the Register of Members of JK Tech is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding market day) (the “**Exercise Period**”).
- Adjustment Events** : The Exercise Price and the number of Options held by each Optionholder shall from time to time be adjusted by the directors of JK Tech in consultation with an approved bank or financial adviser in Singapore selected by the directors of JK Tech (which adjustment shall be certified by JK Tech’s auditors), in any of the following events:
- (i) an issue by JK Tech of JK Tech Shares to shareholders of JK Tech credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to JK Tech’s shareholders (other than an issue of JK Tech Shares to JK Tech’s shareholders who elect to receive JK Tech Shares in lieu of cash or other dividend);
 - (ii) a capital distribution made by JK Tech to JK Tech’s

shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

- (iii) an offer or invitation made by JK Tech to JK Tech's shareholders whereunder they may acquire or subscribe for JK Tech Shares by way of rights;
- (iv) an issue (otherwise than pursuant to a rights issue which is available to JK Tech's shareholders, requiring an adjustment under condition (iii) above, and other than an issue of JK Tech Shares to JK Tech's shareholders who elect to receive JK Tech Shares in lieu of cash or other dividends) by JK Tech of JK Tech Shares if the total effective consideration for each JK Tech Share is less than 90% of the last dealt price for each JK Tech Share; and
- (v) any consolidation, subdivision or conversion of the JK Tech Shares.

Winding Up and Liquidation : Where there is a members' voluntary winding-up of JK Tech, each Optionholder may elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Options and had on such date been the holders of the JK Tech Shares to which he would have become entitled pursuant to such exercise. JK Tech shall give notice to each Optionholder in accordance with the terms and conditions of the passing of any such resolution.

In the event JK Tech is wound up for any other reasons, all Options which have not been exercised at the date of the passing of such resolution shall lapse and the Options shall cease to be valid for any purpose.

Further Issues : JK Tech shall be at liberty to issue JK Tech Shares to JK Tech's shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as JK Tech sees fit, but each Optionholder shall not have any participating rights in such issue unless otherwise resolved by JK Tech in general meeting.

The terms and conditions of the Options do not provide an Optionholder with any right to participate in any distributions and/or offers of further securities made by JK Tech unless the Options are converted into JK Tech shares.

Notice of Expiry : JK Tech shall, not later than one (1) month before the last day of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, JK Tech shall not later than one (1) month before the Expiry Date, take reasonable steps to notify the Optionholders in writing of the Expiry Date, and such notice shall be delivered by post to the address of the Optionholder.

Alteration to Terms : No material alteration to the terms of the Options after the issue thereof to the advantage of the Optionholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of the JK Tech's shareholders in general meeting has been sought.

Governing Law : Laws of the Republic of Singapore.

Conditions Precedent

Completion of the Option Agreement is conditional upon, *inter alia*:

- (a) the approval of the directors and shareholders of JK Tech being obtained for the grant of Options;
- (b) the submission of the additional listing confirmation by the sponsor of JK Tech and the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Option Shares on the Catalist of the SGX-ST;
- (c) the receipt of all necessary approvals, consents or waivers from any governmental body, regulatory authority or other third party for the grant of Options (where applicable), and if such approvals, consents or waivers are granted subject to conditions, such conditions being acceptable to the relevant party, and if any conditions are required to be satisfied by completion, such conditions being so satisfied;
- (d) the representations and warranties set out in the Option Agreement being true and accurate in all material respects as at the date of the signing of the Option Agreement and the completion date for the Option Agreement; and
- (e) there being no occurrence of any event or circumstances which has or is likely to have a material adverse effect on the condition (financial or otherwise), results of operations, assets and liabilities, prospects or business of JK Tech and its subsidiaries.

If any of the conditions are not satisfied or waived by 30 June 2014, the Option Agreement shall terminate and the provisions thereunder shall cease and be of no further effect (save for certain clauses) and no party shall have claim against the other for any costs, damages, losses or compensation, other than in respect of any antecedent breach of the Option Agreement.

The Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing JK Tech Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of allotment of the Option Shares.

On the assumption that the 260,000,000 Options are issued and fully exercised immediately, the acquisition of the 260,000,000 Options is classified as a non-discloseable transaction under Chapter 10 of the Listing Manual as: (i) the net profit of approximately US\$600,000 attributable to the assets acquired as compared with the Group's net profits of approximately US\$160,328,000 for FY2013 stands at 0.4%, and (ii) the aggregate consideration of approximately S\$23,400,000 as compared with the Company's market capitalisation of approximately S\$2.59 billion (based on the total number of issued shares excluding treasury shares as at 3 April 2014, being the preceding market day up to the time the Option Agreement was signed) stands at 0.9%. The acquisition of the 260,000,000 Options is not a divestment by the Company, and there are no equity securities issued by the Company as consideration for acquisition of such Options.

4. FINANCIAL EFFECTS

Based on the consolidated financial statements of JK Tech for the six months financial period ended 30 September 2013, the net tangible asset value of the 42,000,000 Subscription Shares as at 30 September 2013 was approximately S\$2,231,000. The latest available open market value of the 42,000,000 Subscription Shares is approximately S\$6.3 million, based on the volume weighted average price of S\$0.15 for trades done on the shares of JK Tech on the SGX-ST on 1 April 2014 (being the last full market day on which the shares of JK Tech were traded prior to the date the Subscription Agreement was signed).

The *pro forma* financial effects of the Subscription on the Company set out below, based on the unaudited consolidated financial statements of the Group for FY2013, are set out below. The *pro forma* financial effects are strictly for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Subscription.

Net tangible assets per share

Assuming that all 260,000,000 Options are exercised by the Company at the end of FY2013, the effect on the NTA per share of the Company for FY2013 is summarized below:

	Before the Corporate Actions	After the Corporate Actions
Consolidated NTA attributable to the shareholders of the Company (US\$'000)	800,342	803,342
Number of shares (excluding treasury shares)	1,184,830	1,186,679
Consolidated NTA per share attributable to the shareholders of the Company (US\$)	67.55	67.70

Earnings per share

Assuming that: (i) the Placement, the SF Subscription and the Subscription has been effected at the beginning of FY2013; (ii) the 65,000,000 Options to be allotted and issued to SF Ventures Pte. Ltd. is completed and all 65,000,000 Options have been exercised at the beginning of FY2013; and (iii) all 260,000,000 Options are exercised by the Company at the beginning of FY2013, the effect on EPS for FY2013 is summarized below:

	Before the Corporate Actions	After the Corporate Actions
Consolidated profit after taxation and minority interests (US\$'000)	160,388	160,988
Weighted average number of shares (excluding treasury shares) ('000)	979,158	981,007
Consolidated EPS (US cents)	16.38	16.41

By order of the Board

Lim Ka Bee
Company Secretary
11 April 2014