



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No 199904364E)

PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF ROTATING OFFSHORE SOLUTIONS PTE LTD

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 3 July 2015 entered into a subscription agreement (the “**Subscription Agreement**”) with Rotating Offshore Solutions Pte Ltd (“**ROS**”, and together with its subsidiaries, the “**ROS Group**”), pursuant to which the Company will subscribe 30% of the enlarged share capital of ROS after completion.

2. INFORMATION ON ROS

ROS is a private company incorporated in Singapore. Operating mainly from their base in Singapore, ROS is an engineering solution provider that provides specialised engineering solutions to their customers on the production related activities in the offshore oil and gas industries. ROS provides a comprehensive range of multi-disciplinary services that encompass design, engineering, procurement, construction and commissioning. They serve global customers which include oil majors, FPSO owners and operators, and oilfield service companies.

3. RATIONALE FOR THE TRANSACTION

The Directors of the Company are of the view that ROS’s existing business will create synergies between the Company and ROS to better support the Company’s customers on their production support related activities in the offshore oil and gas industry. Furthermore, ROS is in a related business that is complementary to but not in competition with the existing business of the Company and its subsidiaries and associated companies. By also leveraging on the management and resources of each other, both the management of the Company and ROS expect this Subscription to place the Company and ROS in a stronger position to compete with competitors and explore new growth opportunities as the cooperation between the two companies will increase the customer base of both companies.

4. CONSIDERATION

The consideration for the Subscription is as follows:

- (a) ROS shall allot and issue, and the Company shall subscribe for, 321,429 ordinary shares in the capital of ROS (the “**Subscription Shares**”) for an aggregate consideration of S\$18,000,000 (the “**Subscription Consideration**”), representing the issue price of S\$55.999925 per Subscription Share (the “**Subscription**”). The Subscription Shares will constitute 30% of the enlarged share capital of ROS after completion of the Subscription; and
- (b) in satisfaction of the Subscription Consideration, the Company shall allot and issue 17,497,813 new ordinary shares in the capital of the Company (the “**Ezion Consideration Shares**”) at an issue price of S\$1.0287 per Ezion Consideration Share (which represents the VWAP for trades done on the SGX-ST on 2 July 2015, being the last full market day on which the Ezion Consideration Shares were traded prior to the date the Subscription Agreement was signed). The Ezion Consideration Shares represent approximately 1.09% of the total enlarged issued share capital of the Company.

5. OTHER INFORMATION REQUIRED UNDER CHAPTER 10 OF THE LISTING MANUAL

(a) PRINCIPAL TERMS OF THE SUBSCRIPTION

(i) Consideration

The Subscription Consideration was based on the net tangible assets (“**NTA**”) of the ROS Group as at 31 March 2015 plus a 20% premium over the NTA, which represents a price to earnings ratio of 6.9 times of ROS’s net profit for the year ended 31 March 2015.

The Subscription Consideration was determined on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, the NTA of the ROS Group as at 31 March 2015, and the complementary nature of ROS Group’s existing business in supporting the offshore oil and gas production customers that are complementary to but not in competition with the existing business of the Company.

The Ezion Consideration Shares shall be allotted and issued to ROS free from any encumbrances, and shall rank *pari passu* in all respects with the existing shares in the capital of the Company (the “**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 Ezion Consideration Shares.

(ii) Conditions Precedent

Completion of the Subscription shall be conditional upon *inter alia* the following having been fulfilled or waived:

- (a) the receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Ezion Consideration Shares on the Mainboard of the SGX-ST, and such approval not being revoked, rescinded or cancelled prior to the completion date of the Subscription (“**Completion Date**”);
- (b) the representations and warranties set out in the Subscription Agreement being true and accurate in all material respects as at the date of the signing of the Subscription Agreement and the Completion Date; and
- (c) there being no occurrence of any event or circumstances which has or is likely to have a material adverse effect on the financial condition, results of operations, assets and liabilities, or business of ROS, the ROS Group or the Group.

If any of the conditions are not satisfied or waived by 2 January 2016, the Subscription 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 or compensation, other than in respect of any antecedent breach of the Subscription Agreement.

(b) FINANCING AND FINANCIAL EFFECTS OF THE SUBSCRIPTION

The Subscription is not expected to have any material financial impact on the net tangible assets and earnings per share of the Company for the current financial year and the most recently completed financial year of the financial year ended 31 December 2014 (“**FY2014**”).

(c) NON-DISCLOSEABLE TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Subscription computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(i)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not Applicable ⁽¹⁾
(ii)	Net profits ⁽²⁾ attributable to the assets acquired, compared with the Group's net profits of approximately US\$225.7 million for FY2014.	0.94%
(iii)	Aggregate consideration of S\$18,000,000 compared with the Company's market capitalisation ⁽³⁾ of approximately S\$1.6 billion based on the total number of issued shares excluding treasury shares as at 2 July 2015, being the preceding full market day up to the time the Subscription Agreement was signed.	1.11%
(iv)	Number of equity securities (17,497,813 Ezion Consideration Shares) issued by the Company as consideration for the Subscription Shares, compared with the number of equity securities previously in issue being 1,580,023,647 Shares.	1.11%

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) "Market capitalization" is determined by multiplying the number of Shares in issue by the weighted average price of such shares transacted on 2 July 2015 (being the preceding full market day up to the time the Subscription Agreement was signed).

As none of the relative figures under Rule 1006 of the Listing Manual exceeds 5%, the Acquisition is classified as a non-discloseable transaction. However, as the Subscription was satisfied by the issuance of the Ezion Consideration Shares, this announcement is made pursuant to Rule 1009 of the Listing Manual.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Subscription.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, for a period of three months from the date of this announcement.

By order of the Board

Lim Ka Bee
Company Secretary

6 July 2015

About Ezion Holdings Limited (毅之安控股有限公司):

Ezion Holdings Limited (“Ezion” and together with its subsidiaries the “Group”) has 2 main business divisions that specialises in the development, ownership and chartering of strategic offshore assets and the provision of offshore marine logistics and support services to the offshore oil and gas industries.

The Group is the owner of one of the largest and most sophisticated class of Multi-Purpose Self Propelled Jack-up Rigs (“Liftboats”) in the world and one of the first to promote the usage of Liftboats in Asia & Middle East. Ezion’s Liftboats are used mainly for well-servicing, commissioning, maintenance and decommissioning of offshore platforms.

The Group is also the owner of a fleet of vessels, consisting of tugs, ballastable barges, offshore support vessel and self-propelled barge that are used in the provision of offshore marine logistics and support services to the offshore oil and gas industries. The Group’s fleet of ballastable barges, one of the largest in the region, has been specially reinforced and modified to carry the prefabricated modules in the construction of LNG extraction facilities and jackets for the offshore oil and gas industries. The Group also co-owns a Multi-Purpose Vessel to provide logistics support of equipment from America to Australia and Papua New Guinea.

The Group’s operating companies also offers a range of services to include marine consulting related to the development & construction and marine logistic solutions for marine offshore facilities.

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