

PROPOSED SUBSCRIPTION OF 100,000,000 NEW ORDINARY SHARES OF EZION HOLDINGS LIMITED

1. INTRODUCTION

The board of directors (the “**Board**”) of Ezion Holdings Limited (the “**Company**”) wishes to announce that the Company has entered into a subscription agreement dated 16 April 2014 (the “**Subscription Agreement**”) with Asia Fountain Investment Company Limited and GuoLine Capital Limited (collectively, the “**Subscribers**”), pursuant to which the Subscribers shall subscribe for an aggregate of 100,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at the issue price of S\$1.94 per Subscription Share (the “**Issue Price**”) for an aggregate consideration of S\$194,000,000 (the “**Subscription**”).

2. INFORMATION ON THE SUBSCRIBERS

Asia Fountain Investment Company Limited is an indirect wholly-owned subsidiary of Guoco Group Limited, which is in turn an indirect subsidiary of Hong Leong Company (Malaysia) Berhad (“**HLCM**”). Guoco Group Limited is listed on the Stock Exchange of Hong Kong Limited.

GuoLine Capital Limited is an indirect wholly-owned subsidiary of HLCM.

The Subscribers were introduced to the Company by Credit Suisse, and are subscribing for the Subscription Shares for investment purposes. Each of the Subscribers has confirmed that it does not fall within any categories of persons prohibited from being placed Shares under Rule 812(1) of the Listing Manual of the SGX-ST.

3. THE PROPOSED SUBSCRIPTION

3.1 Subscription Shares

Subject to the terms and conditions of the Subscription Agreement:

- (a) Asia Fountain Investment Company Limited shall subscribe for, and the Company shall allot and issue, 50,000,000 Subscription Shares at the Issue Price for the aggregate cash consideration of S\$97,000,000; and
- (b) GuoLine Capital Limited shall subscribe for, and the Company shall allot and issue, 50,000,000 Subscription Shares at the Issue Price for the aggregate cash consideration of S\$97,000,000.

The Issue Price represents an approximately 8.9% discount to the closing price of S\$2.13 for trades done on the shares of the Company (the “**Shares**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for 15 April 2014, being the market day preceding the signing of the Subscription Agreement.

3.2 Conditions Precedent

Completion of the proposed Subscription is conditional upon:

- (a) the receipt of the approval-in principle from the SGX-ST for the listing and quotation of the 100,000,000 Subscription Shares on the Mainboard of the SGX-ST; and

- (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 Subscription Agreement and the date of completion of the Subscription,
- (collectively, the “**Subscription Conditions**”).

If any of the foregoing Subscription Conditions is not satisfied (or not waived by the parties) by the agreed long-stop date, the Subscription Agreement shall terminate and the obligations of the parties thereunder shall cease and be of no further effect, and no party shall have any claim against the other for any costs, damages, losses or compensation, save in respect of any antecedent breach of the Subscription Agreement.

4. PURPOSE AND USE OF PROCEEDS

The purpose of the Proposed Subscription is to allow the Company to raise net cash proceeds (after deducting related costs and expenses) of approximately S\$190 million which will be used for the acquisition of offshore and marine assets and for general working capital purposes in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
Acquisition of offshore and marine assets	70% to 90%
General working capital	10% to 30%

Pending deployment of the net proceeds from the proposed Subscription, the net proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money market instruments and/or used for the Group's working capital requirements as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of proceeds from the proposed Subscription as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. FINANCIAL EFFECTS

Pursuant to the allotment and issue of the Subscription Shares, the existing issued and paid-up share capital of the Company (excluding treasury shares) will increase from 1,204,951,182 Shares to 1,304,951,182 Shares. The 100,000,000 Subscription Shares represents approximately 8.3% and 7.7% of the existing and enlarged share capital of the Company, respectively. Upon completion of the proposed Subscription, the Subscribers will each hold approximately 3.8% of the enlarged share capital of the Company, respectively.

Based on the audited financial results announcement of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2013, and strictly for illustrative purposes only (which may not necessarily reflect the actual or future financial position and results of the Group following the proposed Subscription), the net tangible assets per Share of the Group will increase from approximately US\$800,342,000 to US\$952,342,000 (based on an exchange rate of US\$1:S\$1.25 as at 15 April 2014) pursuant to the proposed Subscription.

6. GENERAL INFORMATION

The Issue Price represents an approximately 9.6% discount to the volume weighted average price of S\$2.1455 for trades done on the Shares on the SGX-ST for 15 April 2014, being the full market day preceding the signing of the Subscription Agreement.

The 100,000,000 Subscription Shares shall, when allotted and issued, be freely transferable on the Mainboard of the SGX-ST, be free from any encumbrances, and shall rank *pari passu* in all respects with the then existing Shares, save that they shall not rank for any dividends, rights, distributions or other entitlements, the record date of which falls on or prior to their date of allotment.

The 100,000,000 Subscription Shares are allotted and issued pursuant to the general share issue mandate granted by shareholders of the Company at the annual general meeting held on 25 April 2013.

The Company will be submitting an additional listing application to the SGX-ST to apply for the listing and quotation of the Subscription Shares on the Mainboard of the SGX-ST, and will make the necessary announcement when it receives the approval-in principle from the SGX-ST.

The Subscription is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription.

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

By Order of the Board

Lim Ka Bee
Company Secretary
16 April 2014