



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No 199904364E)

ACQUISITION OF THE ENTIRE SHARE CAPITAL OF TERAS CONQUEST 4 PTE LTD

1. INTRODUCTION

The Board of Directors of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 2 January 2014 entered into a conditional letter agreement (the “**Letter Agreement**”) with Venstar Investments Ltd, Venstar Investments II Ltd, Evia Growth Opportunities II Ltd and Skyven Growth Opportunities Fund Pte Ltd (collectively, the “**Vendors**”), for the sale and purchase of an aggregate of 1,100,000 shares (the “**Sale Shares**”) in the issued share capital of Teras Conquest 4 Pte Ltd (the “**Target**”), representing 100% of the issued and paid-up share capital of the Target for an aggregate consideration of US\$32.5 million or equivalent to SG\$41,211,057 (the “**Transaction**”).

2. INFORMATION ON THE TARGET

The Target is a Singapore-incorporated company, with its sole asset being a Multi-Purpose Self Propelled Jack-up Rig (the “**Liftboat**”) with a six (6) year chartering contract to the Group which commenced in February 2012.

Upon completion of the Transaction, the Target shall become a wholly-owned subsidiary of the Company.

3. PRINCIPAL TERMS OF THE TRANSACTION

3.1 Consideration for the Transaction

Pursuant to the Letter Agreement, the Company shall acquire the Sale Shares from the Vendors. The Vendors hold the following number of Sale Shares:

Name of Shareholder	Number of Sale Shares
Venstar Investments Ltd	286,000
Venstar Investments II Ltd	228,360
Evia Growth Opportunities II Ltd	342,760
Skyven Growth Opportunities Fund Pte Ltd	242,880
Total	1,100,000

The aggregate consideration of US\$32.5 million (the “**Consideration**”) was arrived at after arm’s length negotiations, on a “willing buyer willing seller” basis taking into account, amongst other factors, the net tangible assets value and expected future income of the Target.

The Consideration is to be fully satisfied by way of the issuance of an aggregate of 18,392,046 shares in the capital of the Company (the “**Shares**”) at an issue price of S\$2.2407 per Share. The 18,392,046 Shares (the “**Ezion Consideration Shares**”) will be issued to the Vendors in the following proportion:

Name	Number of Ezion Consideration Shares	Ezion Consideration Shares as a percentage of the enlarged share capital of the Company
Venstar Investments Ltd	4,781,932	0.4%
Venstar Investments II Ltd	3,818,189	0.3%
Evia Growth Opportunities II Ltd	5,730,961	0.5%
SkyVen Growth Opportunities Fund Pte Ltd	4,060,964	0.3%
Total	18,392,046	1.5%

The issue price of S\$2.2407 represents a 1.0% discount to the volume-weighted average share price of S\$2.2622 on 2 January 2014, being the full market day on which the Letter Agreement is signed.

The Ezion Consideration Shares, when issued, shall rank *pari passu* with the then existing issued ordinary shares of the Company, 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. Following the issue of the Ezion Consideration Shares, the total number of issued shares in the capital of the Company will be increased from 1,185,399,936 to 1,203,791,982. The Ezion Consideration Shares will represent approximately 1.5% of the enlarged number of issued and paid up shares in the capital of the Company.

3.2 Conditions precedent

Completion of the Transaction is conditional upon, *inter alia*, the following:

- (i) signing of the definitive sale and purchase agreement and other ancillary agreements, each of which will contain no additional material terms not set out in the Letter Agreement (save for the customary representations and warranties);
- (ii) the receipt of the approval in-principle for the admission to and listing and quotation of the Ezion Consideration Shares on the Mainboard of the SGX-ST;
- (iii) notification to the mortgagee, OCBC, and the receipt of acknowledgment of no objection to the Transaction from OCBC;

- (iv) satisfactory completion of business, legal and financial due diligence to the Company's satisfaction; and
- (v) no material adverse change to the financial conditions or operations of the Target since the date of its last audited accounts.

4. RATIONALE FOR THE TRANSACTION

The Transaction will allow Ezion to re-flag the Liftboat and better position itself for subsequent renewal of the charter contract.

5. FINANCING AND FINANCIAL EFFECTS OF THE TRANSACTION

The *pro forma* financial effects of the Transaction on the Company set out below, based on (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2012 ("FY2012"); and (ii) the announced unaudited financial information of the Group for the nine-month period ended 30 September 2013 ("3Q2013"), are **strictly for illustration purposes only** and do not reflect the actual financial position of the Company after completion of the Transaction.

5.1 Net tangible assets per share

The effects of the Transaction on the consolidated net tangible assets ("NTA") per Share of the Company for FY2012, assuming that the Transaction had been effected at the end of FY2012 and 3Q2013 respectively, are summarised below:

	Before the Transaction	After the Transaction
NTA as at 31 December 2012		
Consolidated NTA attributable to the shareholders of the Company (US\$'000)	552,849	585,349
Number of Shares (excluding treasury shares) ('000)	909,891	928,283
Consolidated NTA per Share attributable to the shareholders of the Company (US cents)	60.76	63.06
NTA as at 30 September 2013		
Consolidated NTA attributable to the shareholders of the Company (US\$'000)	762,491	794,991
Number of Shares (excluding treasury shares) ('000)	963,197	981,589
Consolidated NTA per Share attributable to the shareholders of the Company (US cents)	79.16	80.99

5.2 Earnings per Share

The effects of the Transaction on the consolidated earnings per Share of the Company ("EPS") for FY2012, assuming that the Transaction had been effected at the beginning of FY2012 and 3Q2013 respectively, are summarised below:

	Before the Transaction	After the Transaction
FY2012		
Consolidated profit after taxation and minority interests (US\$'000)	78,841	83,688
Weighted average number of Shares (excluding treasury shares) ('000)	826,398	844,790
Consolidated EPS (US cents)	9.54	9.91
3Q2013		
Consolidated profit after taxation and minority interests (US\$'000)	120,592	125,439
Weighted average number of Shares (excluding treasury shares) ('000)	948,300	966,692
Consolidated EPS (US cents)	12.72	12.98

6. RELATIVE FIGURES UNDER RULE 1006

In compliance with Rule 1009 of the SGX-ST Listing Manual ("**Listing Manual**"), the relative figures computed on the bases pursuant to Rules 1006 (a) to (d) of the Listing Manual in relation to the Transaction are as follows:

- | | | |
|-----|---|-------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value. | Not Applicable ⁽¹⁾ |
| (b) | Net profits ⁽²⁾ of US\$4,847,000 attributable to the Sale Shares, compared with the Group's net profits ⁽²⁾ of US\$122,518,000, for the nine (9) months period ended 30 September 2013. | 4.0% |
| (c) | Aggregate consideration of US\$32.5 million compared with the Company's market capitalization ⁽³⁾ based on the total number of issued Shares excluding treasury shares as at 2 January 2014, being the last market day preceding the date of the Letter Agreement. | 1.5% |
| (d) | Number of equity securities issued by the Company as consideration for the Transaction (being 18,392,046 Ezion Consideration Shares), compared with the number of equity securities previously in issue of 1,185,399,936 Shares. | 1.6% |

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 January 2014 (being the last market day preceding the date of the Letter Agreement).

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

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transactions. The Directors are also not aware of any substantial shareholders of the Company who have any interest, direct or indirect (other than their shareholdings in the Company), in the aforesaid transactions.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Letter Agreement is available for inspection during normal business hours at the Company's registered office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Lim Ka Bee
Company Secretary
2 January 2014