



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199904364E)

UPDATE ON RESTRUCTURING PLAN

1. Introduction

The board of directors (the “**Board**”) of Ezion Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the prior announcements made on 1 September 2020 in relation to the lapse of the Proposed Transactions and the Proposed Scheme of Arrangement (both as defined in the announcement dated 28 February 2020) and 19 October 2020 and 30 November 2020 in relation to the Restructuring Plan (collectively, the “**Previous Announcements**”). Capitalised terms used but not defined herein shall have the meanings as ascribed to them in the Previous Announcements.

2. Update on Restructuring Plan

Since the execution of the Restructuring Plan, the Company, refers to its Previous Announcements and would like to update its Stakeholders on the following:

(a) *Project and vessel management services while disposing of the fleet of assets in an orderly manner;*

(i) *Transitioning the Group into a vessel management company;*

As previously announced on 7 December 2020 and 16 March 2021 as follows:

- 1) In December 2020, the Group was awarded a Wind Turbine and Installation contract amounting to approximately USD83.4 million and expected to commence in September 2024 over 1 year.
- 2) In March 2021, the Group entered into a Cooperation Agreement with 特瑞斯海事技術服務（股）公司 (“**TRS**”) to manage the works pertaining to the procurement, transportation and installation of the subsea foundations, subsea cables and offshore substations for the Taipower II Project for a fee of up to USD20 million and is expected to commence in July 2021 to 31 December 2025.

In view of the current Covid-19 situation in Singapore and Taiwan, the Group is still in discussions with TRS on details of the scope of work, fee structure and payment terms.

Therefore, the Group is of the view that all costs related to the project, including the relevant headcount, should not be funded from the Group's existing resources until there is better visibility on the project. Currently, the Group may require some working capital for the first 2 months upon commencement of the project.

The Management is in discussion with TRS on the following:

- The Group to commence billing in advance from 1 July 2021 to cover all related costs pertaining to this project, including but not limited to staff costs and rental costs; and
- The Group and TRS to agree that each party will have no claims against each party and the contract can be novated to a nominee of TRS in the event the Group's restructuring fails and goes in liquidation, receivership or judicial management.

(ii) Disposal of the entire fleet of liftboat, rigs, vessels and barges in an orderly manner:

Since the announcement of the Restructuring Plan in October 2020, the Group has divested 31 of its liftboat, rigs, vessels and barges. The remaining fleet held by the Group are as follows:

Type of asset	Remaining units
Liftboats	8
Rigs	2
Others	1
Remaining to be sold	11

(b) Further cost reduction exercise

The Group has previously reviewed its operational requirements and with effect from 1 November 2020 implemented further cost cutting measures to reduce the corporate overheads.

Based on the current asset size of the Group, the Group is currently reviewing its operational requirements and with effect from 1 July 2021, will implement further measures to conserve its existing cash.

Pursuant to the discussion with TRS as described above, the monthly payroll costs of staff dedicated specifically for the project management with TRS and the rental cost related thereto of approximately USD220,000 per month will be funded separately upon agreement by the parties.

(c) Continue the search for potential investors to recapitalise the Group and/or realise the value of the listed status of the Company, on the basis of a vessel management company.

In consultation with the secured lenders, the Group has engaged various potential investors and are still negotiating key terms of the investment structure.

The Group had initially expected to hold an informal meeting in second quarter of 2021 to update and brief the holders of the following series of securities when there are further developments on the Restructuring Plan:

- (a) Refinancing Series A 0.25 per cent. non-convertible bonds due 2024 (ISIN: SG7OG1000000);
- (b) Refinancing Series B 0.25 per cent. convertible bonds due 2023 (ISIN: SG38F9000006);
- (c) Refinancing Series C 0.25 per cent. non-convertible bonds due 2027 (ISIN: SG7OG2000009); and
- (d) Amended Series 008 subordinated perpetual securities (ISIN: SG6UH9000009).

(collectively, the “**Security Holders**”).

However, with the developments on the Restructuring Plan as described above and the resurgence of Covid-19 globally, discussions with the potential investors and TRS have been impeded and coupled with the above expected delays, the potential investors and TRS may decide to not continue working with the Group.

Therefore, to continue further preservation of value for stakeholders, the Group plans to execute the following:

- 1) Further reduction of headcount to the bare minimum required for the sale of the remaining assets of the Group and reporting and compliance purposes.
- 2) The project management cost with TRS be fully funded by the project revenue from 1 July 2021 onwards.
- 3) With reduced corporate overheads, the Group will seek approval from the secured lenders to continue supporting the Company up to September 2021 to sell the remaining assets and look for potential investors.
- 4) To call for an informal meeting with the Security Holders in the third quarter of 2021 after obtaining more clarity on the investment structure of a potential investor and recapitalization of the Group.

The Company will continue to use its best efforts to preserve the value of the Company and the Group.

3. Further Updates

The Company will keep its stakeholders informed of any further developments on its restructuring, including making the necessary announcements and obtaining relevant approvals where necessary.

4. Trading Caution

Although the Company’s shares are currently under suspension, shareholders, securityholders and investors are advised to read this announcement and any past and future announcements

by the Company carefully when dealing with the shares and securities of the Company. Shareholders, securityholder, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Goon Fook Wye Paul
Company Secretary
20 June 2021