EZRA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199901411N)

JOINT VENTURE WITH CHIYODA CORPORATION IN RESPECT OF EZRA HOLDINGS LIMITED'S SUBSEA SERVICES BUSINESS

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1. INTRODUCTION

1.1 Proposed Transaction

The Board of Directors (the "**Board**") of Ezra Holdings Limited (the "**Company**") is pleased to announce that the Company and Chiyoda Corporation ("**Chiyoda**") have today entered into a binding memorandum of understanding (the "**MOU**"), which sets out a summary of the principal terms and conditions of a proposed joint venture between the Company and Chiyoda in respect of the subsea services business of the Company (the "**Proposed Transaction**").

1.2 Joint Venture

Based on the MOU, the Proposed Transaction is envisaged to comprise the following:

1.2.1 prior to completion of the Proposed Transaction ("**Completion**"), the Company will restructure its ownership of its subsea services business (the "**Restructuring**") such that the business as carried on by its subsea services business as at the date of this Announcement (the "**Subsea Services Business**") will be held, directly or indirectly, under a newly incorporated company ("**NewCo**");

1.2.2 Chiyoda has agreed to acquire, by a combination of purchase of shares of NewCo from the Company and issue of new shares by NewCo, such number of issued ordinary shares in the capital of NewCo (the "**NewCo Shares**"), representing in aggregate 50 per cent. of the entire issued and paid-up share capital of NewCo; and

1.2.3 the Company and Chiyoda will enter into a shareholders' agreement (the "**Shareholders' Agreement**"), which will contain terms governing their respective rights as shareholders of NewCo.

1.3 Subject to Entry of Definitive Agreements

Shareholders of the Company ("Shareholders") should note that the principal terms of the Proposed Transaction as set out in the MOU are subject to, among other conditions, negotiation and agreement on the Share Purchase Agreement (as defined below) and the Shareholders' Agreement.

2. INFORMATION ON CHIYODA, THE SUBSEA SERVICES BUSINESS AND NEWCO

2.1 Information on Chiyoda

Chiyoda, as a world-leading engineering company, has wide-ranging business interests in fields such as energy, chemicals and petrochemicals, pharmaceuticals, environmental technology, social infrastructure and industrial facilities. Since its founding in Japan in 1948, Chiyoda has built various plants and executed numerous projects in over 40 countries around the world. Chiyoda has been listed on the Tokyo Stock Exchange since 1961.

2.2 Information on the Subsea Services Business

The Subsea Services Business is a global engineering, procurement, construction, installation and commissioning service provider of comprehensive subsea-to-surface solutions for the offshore oil and gas industry, especially in the SURF and subsea tie-back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, floating platform storage offloading and floater installations.

2.3 Information on NewCo

NewCo will be a private company incorporated in England and Wales and will be the holding vehicle of the Subsea Services Business upon completion of the Restructuring. NewCo and its subsidiaries (collectively, the "**EMAS AMC Companies**" and each, a "**EMAS AMC Company**") will operate the Subsea Services Business post-Restructuring.

3. PRINCIPAL TERMS OF THE MOU

3.1 Acquisition and Subscription of NewCo Shares by Chiyoda

3.1.1 Based on the MOU, it is contemplated that on and subject to Completion:

(i) Chiyoda shall purchase and the Company shall sell, free from all encumbrances, such number of existing NewCo Shares (the "**Sale Shares**"); and

(ii) Chiyoda shall subscribe for, and NewCo shall allot and issue to Chiyoda, free from all encumbrances, such number of new NewCo Shares, credited as fully paid-up shares (the "**Subscription Shares**"),

which when aggregated together, represent 50 per cent. of the entire issued and paid-up share capital of NewCo. Immediately following Completion, each of the Company and Chiyoda shall hold 50 per cent. of the entire issued and paid-up share capital of NewCo.

3.1.2 Completion of the acquisition of the Sale Shares and subscription of the Subscription Shares by Chiyoda shall take place contemporaneously.

3.2 Consideration

3.2.1 Subject to adjustment in accordance with paragraph 3.2.2, the aggregate sale consideration payable by Chiyoda to the Company for the Sale Shares is US$150,000,000 in cash before adjustment (the "**Sale Consideration**"), and the aggregate subscription price payable by Chiyoda to NewCo for the Subscription Shares is US$30,000,000 in cash before adjustment (the "**Subscription Price**").

3.2.2 Under the terms of the MOU, the Sale Consideration and Subscription Price may be reduced by 50 per cent. of the amount of any specified payments and/or liability as may be agreed between the Company and Chiyoda and set out in the definitive agreement to be entered into by the Company and Chiyoda in relation to the Proposed Transaction (the "**Share Purchase Agreement**") made during the period between 31 May 2015 and the date of Completion (the "**Completion Date**"). This will include, *inter alia*, any payment or assumption of liability made by any EMAS AMC Company to, on behalf of, or for the benefit of the Company, any member of the Ezra Group (as defined below) (excluding the EMAS AMC Companies) or any of its key shareholders, directors or connected persons, as well as any increase in debt facilities of the EMAS AMC Companies beyond an agreed amount, any dividend or distribution declared or paid by the EMAS AMC Companies, and any redemption, repurchase, repayment or other return of capital by the EMAS AMC Companies (but excluding any permitted leakage agreed between the Company and Chiyoda).

3.2.3 The Sale Consideration and the Subscription Price were arrived at on a negotiated, willing-buyer willing-seller basis and after taking into account, *inter alia*, the nature of the joint venture being created, the long-term funding provided by the Company to support the working capital requirements of the EMAS AMC Companies since 2011 and the net tangible asset ("**NTA**") value of the EMAS AMC Companies.

3.2.4 As at 31 May 2015, the unaudited net debt of the EMAS AMC Companies was approximately US$530,000,000. Taking into account the factors set out in paragraph 3.2.3 and based on financial parameters as at 31 May 2015, the implied aggregate transaction value is approximately US$1,250,000,000.

3.3 Conditions Precedent

3.3.1 Based on the MOU, the obligations of (A) the Company to sell, and Chiyoda to purchase, the Sale Shares and (B) NewCo to allot and issue, and Chiyoda to subscribe for, the Subscription Shares, shall be conditional upon the satisfaction or waiver of certain conditions, including but not limited to:

(i) completion of confirmatory due diligence by Chiyoda;

(ii) completion of the Restructuring;

(iii) the approval of Shareholders for the sale of the Sale Shares and (if required) the Restructuring in accordance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") having been obtained;

(iv) all consents or notifications required under any applicable competition, merger control or anti-trust laws of the relevant jurisdictions (to be agreed by Chiyoda and the Company and set out in the Share Purchase Agreement) shall have been filed, have occurred or been obtained and shall be in full force and effect or the waiting periods applicable thereto shall have terminated or expired (without any requirement for Chiyoda to agree to any undertakings or effect any disposals);

(v) all existing intercompany loans between any member of the Ezra Group (other than EMAS AMC Companies) and the EMAS AMC Companies to be on arm's length, market competitive terms and documented accordingly to the satisfaction of Chiyoda and the Company;

(vi) no breach of certain fundamental warranties (to be agreed between the Company and Chiyoda and set out in the Share Purchase Agreement) by the Company subsisting as at the Completion Date;

(vii) no breach of certain key warranties (to be agreed between the Company and Chiyoda and set out in the Share Purchase Agreement) by the Company subsisting as at the Completion Date, which causes or is reasonably likely to cause a material adverse change to (A) the financial condition of the Subsea Services Business and/or the EMAS AMC Companies as a whole or (B) any material asset owned or operated by any of the EMAS AMC Companies taking into account the materiality of such asset in the context of the Subsea Services Business and/or the EMAS AMC Companies as a whole, not arising out of a fact, event or circumstance affecting or likely to affect generally all companies carrying on similar businesses in any country in which the EMAS AMC Companies carry on business ("**Material Adverse Change**");

(viii) no breach of certain fundamental warranties (to be agreed between the Company and Chiyoda and set out in the Share Purchase Agreement) by Chiyoda subsisting as at the Completion Date;

(ix) relevant third party consents or waivers having been obtained; and

(x) such other conditions precedent as the Company and Chiyoda may agree and set out in the Share Purchase Agreement.

3.3.2 Such conditions shall be satisfied (or waived) on or before a long-stop date to be agreed between Chiyoda and the Company and set out in the Share Purchase Agreement.

3.4 Termination Events

3.4.1 If, prior to signing of the Share Purchase Agreement, any fact, event or circumstance shall arise which causes or is reasonably likely to cause a Material Adverse Change, Chiyoda shall be entitled by notice in writing to the Company to terminate the MOU (other than certain provisions as may be specified to survive termination).

3.4.2 If, prior to signing of the Share Purchase Agreement, either of the Company or

Chiyoda is in material breach of its obligations relating to (i) the preparation of consolidated pro forma accounts of the EMAS AMC Companies as at 31 May 2015, (ii) the undertaking to negotiate in good faith and to enter into the Share Purchase Agreement and the Shareholders' Agreement incorporating the terms and conditions set out in the MOU by no later than 31 October 2015 (or such other date as the Company and Chiyoda may agree in writing) (the "**Cut-Off Date**"), (iii) the exclusivity provisions described in paragraph 3.5, and/or (iv) confidentiality, under the MOU, the non-defaulting party shall be entitled by notice in writing to the defaulting party to terminate the MOU (other than certain provisions as may be specified to survive termination).

3.4.3 If, prior to Completion:

(i) the Company is in breach of any of representations or warranties given by it under, or the pre-Completion undertakings set out in, the Share Purchase Agreement, which causes or is reasonably likely to cause a Material Adverse Change, and such breach has not been cured within 30 days of Chiyoda providing notice in writing to the Company of the breach; or

(ii) any fact, event or circumstance shall arise which causes or is reasonably likely to cause a Material Adverse Change,

Chiyoda shall be entitled by notice in writing to the Company to terminate the Share Purchase Agreement (other than certain provisions as may be specified to survive termination).

3.5 Exclusivity

3.5.1 The Company and Chiyoda have agreed to conduct exclusive discussions in respect of the Proposed Transaction between the date of this Announcement and the Cut-Off Date (the "**Exclusivity Period**").

3.5.2 In the event that either the Company or Chiyoda (each, a "**Party**") or any of their respective affiliates, officers, employees, advisers, agents and representatives ("**Connected Persons**"):

(i) commits any breach of the exclusivity undertaking as set out in the MOU; or

(ii) notifies the other Party or its Connected Persons during the Exclusivity Period that it has withdrawn from negotiations concerning the Proposed Transaction,

such Party covenants to the other Party to pay all the costs and expenses of the Other Party and its Connected Persons (including any value added tax or goods and services tax where relevant) up to a maximum of US$10,000,000 incurred by the other Party to third parties in relation to the Proposed Transaction, whether such costs and expenses are incurred before or after the date of this Announcement up to the date on which such Party became aware of such breach or was notified of such withdrawal from the negotiations (as the case may be).

3.6 Shareholders’ Agreement

The Shareholders’ Agreement to be entered into by the Company and Chiyoda will include terms relating to the transfer of NewCo Shares, matters requiring prior written approval of both Chiyoda and the Company and corporate governance matters.

4. RATIONALE FOR THE PROPOSED TRANSACTION

4.1 Rationale for the Joint Venture

4.1.1 Build Scale

NewCo, as the joint venture company, will be able to leverage on Chiyoda’s technical expertise, global experience, supply chain management capabilities and coverage to enhance its capabilities in delivering and managing large and complex projects. NewCo will benefit from the broad range of capabilities from the Company and Chiyoda, and be able to consolidate its global position as a leading subsea services player.

4.1.2 Broaden Customer Base

Chiyoda’s large customer base and worldwide presence increases NewCo’s addressable market by providing access to new geographies and market segments. The combined capabilities of the Company and Chiyoda will enable NewCo to increase its market share especially in the Engineering, Procurement, Construction and Installation (“**EPCI**”) segment.

4.1.3 Strengthen Balance Sheet

The Proposed Transaction involves an intercompany debt to equity swap with the capitalisation of shareholder loans granted to the EMAS AMC Companies and a primary equity infusion. This, together with other initiatives, including sale-and-leasebacks of key assets, will strengthen the balance sheet of NewCo enabling it to drive growth and business going forward.

4.1.4 Generate Synergies

The addition of Chiyoda represents the addition of a strong partner to accelerate the growth of the Subsea Services Business. The Proposed Transaction will create avenues for synergies across the subsea value chain, including integration from concept phase to execution generating substantial revenue synergies. There is also potential to lower the cost of subsea field development which will improve NewCo’s global competitiveness. Chiyoda’s involvement will begin early in the concept development phase of offshore projects, where the ability to influence cost is the greatest. NewCo will then use its technologically advanced fleet and operational expertise to bring these solutions offshore. This will increase the probability of winning installation work and also provide a stronger visibility on tender book, enabling efficient management of resources. A combined global network of engineering centres will enable knowledge sharing and drive cost synergies. Improved research and development capabilities in engineering and construction technologies will contribute to providing NewCo an edge over its competitors.

4.2 Benefits for the Company

4.2.1 Benefits from Partnership and Synergies

The addition of a strong partner in Chiyoda will ensure accelerated growth of the Subsea Services Business and the Company will continue to benefit from the positive growth and synergies derived from NewCo through its 50 per cent. stake in NewCo. The Proposed Transaction will allow the Company to realise its vision of being a trusted partner and leader in the subsea construction business.

4.2.2 Reduce Leverage

Net proceeds from sale will further reduce gearing levels at the Company post its rights issue. Following Completion, the Company will account for its 50 per cent. stake in NewCo as a joint venture. The deconsolidation of third party debt of the EMAS AMC Companies as well as the release of capital currently invested in the business will significantly improve the credit profile and financial metrics of the Company. The Proposed Transaction is in line with the Company's continued efforts to strengthen its balance sheet and move towards a more sustainable capital structure. A financially stronger position will enable the Company to support NewCo (and the EMAS AMC Companies) as to take on large complex EPCI projects, as well as full field developments which combine Onshore & Offshore facilities.

4.2.3 Unlock Shareholder Value

The Proposed Transaction unlocks value for Shareholders as it allows the Company to partially monetise its stake in the EMAS AMC Companies with the introduction of a strategic partner to enhance the value proposition of the Subsea Services Business.

5. FINANCIAL INFORMATION

5.1 Book Value

Based on the unaudited pro forma financial statements of the EMAS AMC Companies as of 31 May 2015, the book value attributable to the Sale Shares and the Subscription Shares (which in aggregate constitute a 50 per cent. interest in NewCo immediately following Completion) is approximately US$276,887,000. This takes into account the proposed capitalisation of shareholder loans granted to the EMAS AMC Companies as part of the Proposed Transaction as well as the associated goodwill of approximately US$106,887,000 related to the initial acquisition of the EMAS AMC Companies by the Company based on the unaudited consolidated financial statements of the Company and its subsidiaries (the "**Ezra Group**") for the third quarter ended 31 May 2015 (the "**Ezra Group's 3Q2015 Financial Statements**"). The deficit of the proceeds from the Sale Consideration and Subscription Price over the book value attributable to the Sale Shares and the Subscription Shares (which includes the associated goodwill amount of approximately US$106,887,000) is approximately US$96,887,000.

5.2 Net Tangible Asset

Based on the unaudited pro forma financial statements of the EMAS AMC Companies as of 31 May 2015, the NTA value attributable to the Sale Shares and the Subscription Shares (which in aggregate constitute a 50 per cent. interest in NewCo immediately following Completion) after the capitalisation of shareholder loans granted to the EMAS AMC Companies as part of the Proposed Transaction, is approximately US$170,000,000.

5.3 Net Profit / Loss attributable to the Sale Shares and Subscription Shares

Based on the unaudited pro forma financial statements of the EMAS AMC Companies as of 31 May 2015, the aggregate net loss attributable to the Sale Shares and the Subscription Shares (which in aggregate constitute a 50 per cent. interest in NewCo immediately following Completion) is approximately US$11,578,000.

5.4 Net Profit / Loss impact on the Company

Based on the unaudited pro forma financial statements of the EMAS AMC Companies as of 31 May 2015, the estimated net gain in relation to the disposal pursuant to the Proposed Transaction and the re-measurement of the Company's 50 per cent. retained interest in NewCo, is approximately US$1,964,000.

5.5 Use of Proceeds

5.5.1 It is expected that the net proceeds arising from the Sale Consideration will be utilised by the Company for debt repayment, working capital and general corporate requirements.

5.5.2 It is expected that the net proceeds arising from the Subscription Price will be utilised by NewCo for working capital and general corporate requirements.

6. FINANCIAL EFFECTS

6.1 Bases and Assumptions

The financial effects have been prepared based on the audited consolidated financial statements of the Ezra Group for the financial year ended 31 August 2014 ("**FY2014**"), being the most recently completed financial year, and are for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Transaction on the NTA per ordinary share in the share capital of the Company ("**Share**") and earnings per Share ("**EPS**"), nor do they represent the actual financial position and/or results of the Ezra Group immediately after the Proposed Transaction.

6.2 NTA

For illustrative purposes only and assuming the Proposed Transaction had been completed on 31 August 2014, being the end of the most recently completed financial year of the Ezra Group, the pro forma financial effects on the NTA of the Ezra Group for FY2014 are as follows:

	Before the Proposed Transaction	**After the Proposed Transaction**
NTA (US$ million)	943.9	1,052.5
No. of issued Shares (million)	974.5	974.5
NTA per Share (US$)	0.97	1.08

6.3 EPS

For illustrative purposes only and assuming the Proposed Transaction had been completed on 1 September 2013, being the beginning of the most recently completed financial year of the Ezra Group, the pro forma financial effects on the EPS of the Ezra Group for FY2014 are as follows:

	Before the Proposed Transaction	**After the Proposed Transaction**
Net profit attributable to ordinary Shareholders (US$ million)	45.3	35.3
Weighted average number of Shares(1) (million)	974.5	974.5
Basic EPS(2) (US cents)	4.65	3.63

Notes:

(1) Excluding the bonus issue of Shares on 23 December 2014.

(2) The calculation of basic EPS is based on the net profit attributable to ordinary Shareholders.

6.4 Share Capital

The Proposed Transaction will not have any impact on the issued and paid-up share capital of the Company.

7. MAJOR TRANSACTION

7.1 Chapter 10 of the Listing Manual

7.1.1 Chapter 10 of the Listing Manual governs the continuing listing obligations of listed companies in respect of acquisitions and disposals. The relative figures of the Proposed Transaction computed on the bases as set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Ezra Group's net asset value[(1)]	20
(b)	Net profits attributable to the assets disposed of, compared with the Ezra Group's net profits[(2)]	(11)
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares[(3)]	78
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

(1) The net asset value attributable to the Company's 50 per cent. stake in NewCo is based on the EMAS AMC Companies' results for the third quarter ended 31 May 2015 and the associated goodwill related to the initial acquisition of the EMAS AMC Companies by the Company based on the Ezra Group's FY3Q2015 Financial Statements. The net asset value of the Ezra Group is based on the Ezra Group's FY3Q2015 Financial Statements.

(2) Under Rule 1002(3)(b) of the Listing Manual, "net profits" is defined as profit or loss before income tax, minority interest and extraordinary items.

The net loss attributable to the Company's 50 per cent. stake in NewCo based on the Ezra Group's FY3Q2015 Financial Statements is approximately US$8,698,000. The consolidated profit before taxation of the Ezra Group based on the Ezra Group's FY3Q2015 Financial Statements is approximately US$76,962,000.

(3) The market capitalisation of the Company of approximately US$230,133,000 is determined by multiplying 2,938,961,097 issued shares of the Company as at the date of this Announcement by the volume-weighted average market price of approximately S$0.1099 per share as at the last market day on which the Shares were traded prior to the date of this Announcement and the assumed exchange rate of US$1:S$1.4035.

7.1.2 As the relative figure under Rule 1006(c) exceeds 20 per cent., subject to the entry by the Company and Chiyoda into the Share Purchase Agreement, the Proposed Transaction will constitute a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Transaction will be subject to the approval of Shareholders.

7.2 Announcement

The Company will make a further announcement of the Proposed Transaction upon entry into of the Share Purchase Agreement (as and when it is agreed with Chiyoda). In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests, and to exercise caution when dealing in the Shares.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

No Director or controlling Shareholder has any interest, direct or indirect, in the Proposed Transaction, save in respect of his/its shareholding (if any) in the Company.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. FINANCIAL ADVISER

J.P. Morgan (S.E.A.) Limited is the sole financial adviser to the Company in respect of the Proposed Transaction.

By Order of the Board

Yeo Keng Nien
Company Secretary
27 August 2015