



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904364E)

AWARD OF WIND TURBINE TRANSPORTATION & INSTALLATION CONTRACT

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that Teras Offshore Pte Ltd (“**TOPL**”), a wholly-owned subsidiary of the Company, has been awarded a US\$83,400,000 contract by Foxwell Energy Corp Ltd. (“**Foxwell**”) for the transportation and installation of 31 9.5MW offshore wind turbines (the “**Contract**”) for Phase II of the Taipower Offshore Wind Project Phase II (the “**Project**”). The Project is in the ordinary course of business of the Group.

2. BACKGROUND ON CONTRACT PARTY

Foxwell is an affiliate company of Shinfox Corp, which had won the tender from Taiwan Power Co to develop the Taiwanese state-run utility’s phase II offshore wind farm for a total contract size of US\$2.11 billion (NT\$62.89 billion).

Shinfox Corp is the renewable energy arm of Cheng Uei Precision Industry Co (FOXLINK Group), led by chairman Gou Tai-Chiang.

Foxwell and Shinfox are dedicated to the investment and development of power plants and green energy services, and are committed to carbon footprint reduction. Foxwell’s primary business is in development and ownership of renewable energy assets, including solar power, wind power, hydropower, liquefied natural gas and geothermal power.

3. MATERIAL TERMS OF THE CONTRACT

3.1. Term

The Contract is for one (1) year and expected to commence in September 2024.

3.2. Obligations of TOPL

TOPL will (a) provide wind turbine installation vessels (the “**Vessels Provision**”); and (b) transport and install 31 offshore wind turbines (the “**Installation**”), in accordance with the fee schedule, scope of work and terms and conditions as set out in the Contract.

3.3. **Payment Terms**

Pursuant to the Contract, US\$83,400,000 will be paid to TOPL for the Vessels Provision and for the Installation and shall be paid progressively in arrears, the “**Contract Price**”.

The Contract Price shall be payable in New Taiwan Dollar (“**NTD**”) equivalent. Further, each payment is subject to a 5% retention sum and the retention sum is payable within 15 working days after the relevant works have been inspected and accepted by Taiwan Power Company.

3.4. **Other Termination Events.**

Aside from the termination rights of the parties for operational and legal breaches, as the case may be, the Contract also provides for the following:

- (a) Change of control. Foxwell shall have the right to terminate or rescind the Contract in the event that any of the shareholders of TOPL intends to transfer the shares to a third party who is not a shareholder of TOPL, in the event that such transfer may affect TOPL’s qualification or capacity to perform the Contract.
- (b) Provision of audited financial statements. TOPL has to provide its externally audited financial statements to Foxwell within 90 days from 30 June 2021, evidencing that TOPL is in a positive net asset position (i.e. net assets exceeds total liabilities) as of 30 June 2021, or as of any later date to be mutually agreed by the parties (“**Cutoff Date**”). If TOPL fails to do so before the Cutoff Date and does not provide a proposed later rectification date within 30 days after the Cutoff Date, either party shall notify the other party in writing to rescind the Contract, following which neither party shall have any liability towards the other party.
- (c) Provision of a parent company guarantee. TOPL has to procure the issuance of a parent company guarantee in favour of Foxwell, in a form and substance acceptable to Foxwell. If TOPL fails to do so before 31 December 2021 or any later date mutually agreed by the parties, Foxwell shall have the option to notify TOPL in writing to rescind the Contract and TOPL shall compensate any damages suffered by Foxwell therefrom.

3.5. **Other Terms.**

- (a) Adjustment of Contract Price. The Contract Price may be adjusted accordingly in the following events: (i) if the number and capacity of the offshore wind turbines to be installed are amended; (ii) the requirement in the scope of work under the Contract changes; (iii) if TOPL renounces any portion of the scope of work under the Contract; (iv) the intended delivery location for the wind turbine installation vessel is varied; or (v) as a result of adjustments to the scope of work under the Project by Taiwan Power Company or any governmental actions.
- (b) Incorporation of branch office. TOPL shall set up a branch office in Taiwan within 90 calendar days from the execution of the Contract to support its performance of the Contract. Failure to set up such branch office will constitute a material breach of the Contract.

- (c) Limitation of liability. The maximum amount that Foxwell is entitled to claim against TOPL in relation to (i) liquidated damages for delay is subject to a cap of 20% of the Contract Price; and (ii) damages (excluding liquidated damages for delay) is subject to a cap 30% of the Contract Price provided that such cap shall not apply to those resulting from willful misconduct or gross negligence by TOPL.

4. FINANCIAL IMPACT OF THE CONTRACT

Given that the commencement date of the Contract is in September 2024, the Project is not expected to have a material impact on the Group's earnings per share or net tangible assets per share for the financial year ending 31st December 2020.

5. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements when there are further developments on the above mentioned transaction.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Contract and/or Project.

7. CAUTIONARY STATEMENT

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, securityholders, 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 and securities of the Company.

BY ORDER OF THE BOARD

Goon Fook Wye Paul
Company Secretary
7 December 2020