

**EZION HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199904364E)

---

- (I) **THE PROPOSED EXPLORATION OF OPPORTUNITIES FOR COLLABORATION BETWEEN THE COMPANY AND AUSGROUP LIMITED; AND**
  - (II) **THE PROPOSED ACQUISITION OF OPTIONS IN THE CAPITAL OF AUSGROUP LIMITED.**
- 

**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Ezion Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (a) the proposed exploration of opportunities for collaboration between the Company and AusGroup Limited (“**AusGroup**”, and such proposed collaboration, the “**Proposed Collaboration**”); and
- (b) the proposed acquisition of options in the capital of AusGroup (the “**Acquisition of Options**”).

**2. THE PROPOSED COLLABORATION**

The Company has entered into a memorandum of understanding on 9 April 2014 (“**MOU**”) with AusGroup (where the Company currently owns 6.9% of its issued share capital), pursuant to which the Company and AusGroup (the “**Parties**”) intend to explore and pursue opportunities for collaboration, such as in the provision of logistics supply chain and related support services in agreed areas in Australia, including but not limited to the oil and gas and resources industries and marine industries.

The MOU sets forth the intentions of the Parties for increased collaboration, cooperation and interaction and does not create any legally binding commitments. The Parties will subsequently enter into separate agreements in the event they agree to undertake specific joint projects with legally binding obligations.

AusGroup is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. It is currently in the business of providing fabrication, construction and integrated services to build, maintain and upgrade oil and gas, mineral resource and infrastructure development projects.

As the Group and AusGroup currently serve different segments of the supply chain to the oil and gas industries, the Company believes that there are synergies to be created from the Proposed Collaboration, which would enable the Company to value add and offer a larger range of services to its customers, as well as increase the value of its investment in AusGroup.

AusGroup has announced its intention to appoint 2 directors nominated by Ezion (“**Proposed Director**”) to its board of directors (“**Proposed Directors**”), with one director intended to be appointed shortly to help guide the AusGroup board as it plans the collaboration, and the other director intended to be appointed subsequently, after formalisation of further collaboration.

In considering such proposed appointments, the AusGroup will review the background, qualifications and experience of the Proposed Directors.

The Company will release further announcements in the event of such or any additional appointment of the Proposed Directors.

### 3. ACQUISITION OF OPTIONS

The Company has also entered into an option agreement (the “**Option Agreement**”) with AusGroup on 9 April 2014 pursuant to which the Company shall subscribe for an aggregate of 110,000,000 share options (the “**Options**”) for the purpose of aligning the Company interests in AusGroup going forward. The consideration for the Acquisition of Options is S\$1.00.

The Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing shares of AusGroup, 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 Option Shares.

The principal terms and conditions of the Options are set out below:

- Transferability** : The Options are freely transferable. In the event of a transfer of Options, the transferor must lodge a duly executed transfer notice in the prescribed form to AusGroup and a confirmation from the transferee, confirming that the transferee (i) does not fall within the category of restricted persons as set out in Rule 812(1) of the Listing Manual; and (ii) will not become a controlling shareholder of AusGroup in the event of the exercise/conversion of all the convertible securities held by the transferee, including any Options to be transferred to him or her.
- Exercise Rights** : Each Option entitles the holder of the Option (the “**Optionholder**”) to subscribe for one (1) new Share (the “**Option Share**”) at the Exercise Price during the Exercise Period (as defined below).
- Vesting** : The Options proposed to be granted to the Company shall vest upon AusGroup or its subsidiaries being successfully engaged in project(s) or/in investment(s) relating to the provision of onshore and off-shore marine services, including but not limited to marine logistics and related support services in the Northern Territories and Western Australia which are valued at an aggregate of S\$50 million or more to AusGroup or its subsidiaries.
- Exercise Price** : S\$0.3675 per Option, which is equivalent to the volume weighted average price of S\$0.3675 of the shares of AusGroup for trades done on the SGX-ST on 3 April 2014 (being the last full market day on which the shares of AusGroup were traded prior to the date the Option Agreement was signed).
- Exercise Period** : The period commencing on and including the date of issue of the Options and expiring on the fifth (5<sup>th</sup>) anniversary of the date of issue of the Options (unless such date is a date on which the Register of Members of AusGroup is closed or is not a market day, in which event, such period shall end on the date prior to the

closure of the Register of Members or immediate preceding market day) (the “**Exercise Period**”).

**Adjustment Events** : The Exercise Price and the number of Options held by each Optionholder shall from time to time be adjusted by the directors of AusGroup in consultation with an approved bank or financial adviser in Singapore selected by the directors of AusGroup (which adjustment shall be certified by the Company’s auditors), in any of the following events:

- (i) an issue by AusGroup of shares in AusGroup to its shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its shareholders (other than an issue of shares in AusGroup to its shareholders who elect to receive such shares in lieu of cash or other dividend);
- (ii) a capital distribution made by AusGroup to its shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (iii) an offer or invitation made by AusGroup to its shareholders whereunder they may acquire or subscribe for shares in AusGroup by way of rights;
- (iv) an issue (otherwise than pursuant to a rights issue which is available to all shareholders of AusGroup, requiring an adjustment under condition (iii) above, and other than an issue of shares in AusGroup to its shareholders who elect to receive such shares in lieu of cash or other dividends) by AusGroup of shares in AusGroup if the total effective consideration for each share is less than 90% of the last dealt price for each share if AusGroup; and
- (v) any consolidation, subdivision or conversion of the shares of AusGroup.

**Takeover, Winding Up and Liquidation** : (i) Notwithstanding the vesting provisions above but subject to (v) below, in the event of a take-over being made for the AusGroup Shares, each Optionholder shall be entitled to exercise any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- a. the expiry of six months thereafter, unless prior to the expiry of such six-month period, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or

- b. the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to each Optionholder that it intends to exercise such rights on a specified date, the Option shall remain exercisable by each Optionholder until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding the vesting provisions above, remain exercisable until the expiry of the Exercise Period relating thereto.

- (ii) If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the AusGroup or its amalgamation with another company or companies, each Optionholder shall be entitled, notwithstanding the vesting provisions above but subject to (v) below, to exercise any Option then held by him, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- (iii) If an order is made for the winding-up of AusGroup on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- (iv) In the event a notice is given by AusGroup to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up AusGroup, AusGroup shall on the same date as or soon after it dispatches such notice to each member of AusGroup give notice thereof to each Optionholder (together with a notice of the existence of the provision of this condition) and thereupon, each Optionholder shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of AusGroup by giving notice in writing to AusGroup, accompanied by a remittance for the total amount payable for Shares which may be acquired on

the exercise of an Option, whereupon AusGroup shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Optionholder credited as fully paid.

- (v) If in connection with the making of a general offer referred to in (i) or the scheme referred to in (ii) or the winding-up referred to in (vi), arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of each Optionholder, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, an Optionholder holding an Option, as yet not exercised, may not, be permitted to exercise that Option as provided for in this condition.
- (vi) To the extent that an Option is not exercised within the periods referred to in this condition, it shall lapse and become null and void.

**Further Issues** : AusGroup shall be at liberty to issue shares in AusGroup to its Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as AusGroup sees fit, but each Optionholder shall not have any participating rights in such issue unless otherwise resolved by AusGroup n general meeting.

The terms and conditions of the Options do not provide an Optionholder with any right to participate in any distributions and/or offers of further securities made by AusGroup unless the Options are converted into shares in AusGroup.

**Notice of Expiry** : AusGroup shall, not later than one (1) month before the last day of the Exercise Period (the “**Expiry Date**”), announce the expiry of the Exercise Period on SGXNET. In addition, AusGroup shall not later than one (1) month before the Expiry Date, take reasonable steps to notify the Optionholders in writing of the Expiry Date, and such notice shall be delivered by post to the address of the Optionholder.

**Alteration to Terms** : No material alteration to the terms of the Options after the issue thereof to the advantage of the Optionholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of the shareholders of AusGroup in general meeting has been sought.

**Governing Law** : Laws of the Republic of Singapore.

**4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for Captain Larry Glenn Johnson, none of the directors or controlling shareholders of the Company has any interests, direct or indirect, in the above-mentioned transactions, other than through their respective shareholding interests in the Company.

**BY ORDER OF THE BOARD**

Lim Ka Bee  
Company Secretary

9 April 2014