



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199904364E)

DIVESTMENT OF 49% SHAREHOLDINGS IN INDIRECT JOINT VENTURE COMPANY IN INDONESIA

The Board of Directors (the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that ES Indonesia Pte. Ltd. (“**ESIPL**”), an indirect wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement (“**CSPA**”) with PT Karya Pilar Sukses (the “**Purchaser**”) whereby the Purchaser shall acquire 49% effective interest in PT Pelita Bara Samudera (“**PT PBS**”) and fund the repayment of ESIPL’s shareholder loans to PT PBS, on the terms and subject to the conditions of the CSPA (“**Transaction**”). PT PBS is a joint venture company incorporated in Indonesia, which is 49% held by ESIPL. The Transaction is expected to be completed by 31 December 2019 and is subject to the completion of all the matters and things stated in the CSPA including necessary consents to change of control, provision of financials of PT PBS and confirmations in relation to the affairs of PT PBS stipulated.

The Purchaser is a company incorporated under the laws of the Republic of Indonesia and its principal activity is investment holding of shipping companies. The directors and shareholder(s) of the Purchaser are not related or connected to the Company, the Directors or the Group.

ESIPL shall receive US\$2,050,001 under the CSPA upon the completion of the Transaction (“**Consideration**”). The Consideration was arrived at after arm’s length negotiations, on a “willing buyer and willing seller” basis taking into account, amongst other factors, the value of the net liabilities in PT PBS. The Consideration received from the Transaction will be utilised to repay the secured bank loan of ESIPL.

The aggregate carrying value of the Group’s investment in PT PBS is Nil and PT PBS is in a net liabilities position of US\$3,524,835 as at 30 September 2019. There is an excess of US\$2,050,001 of the proceeds over the book value (aggregate carrying value) of the Group’s investment in PT PBS and the Transaction is expected to generate a gain on disposal of US\$2,050,001.

The Group is of the view that the Transaction is in line with the Group’s plan to streamline its asset base and reduce its operational costs, and this will enable the Group to improve the efficient use of its capital and cash flow.

Assuming that the Transaction had been effected on 31 December 2018, the net liabilities per share of the Group as at 31 December 2018 will increase from US\$6.87 cents to US\$6.93 cents.

Assuming that the Transaction had been effected on 1 January 2018, the basic earnings per share and diluted earnings per share of the Group for the year ended 31 December 2018 will increase from loss per share of US\$10.91 cents to loss per share of US\$11.05 cents.



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The relative figures for the Transaction computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net liability value.	0.24% ⁽¹⁾
(b)	Net losses attributable to the assets disposed of, compared with the Group's net loss.	0.15% ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization ⁽³⁾ based on the total number of issued shares excluding treasury shares.	1.77% ⁽⁴⁾
(d)	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
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) Based on the Group's share of the net liabilities value of PT PBS of US\$1,727,169 and net liabilities value of the Group of US\$705.3 million, as of 30 September 2019.
- (2) Based on the Group's share of net losses generated by the PT PBS of US\$1,350,000 for the nine months period ended 30 September 2019 and net losses of the Group of US\$447.8 million, as of 30 September 2019.
- (3) Based on the market capitalization of the Company of S\$160,269,689 (US\$116,028,154).
- (4) The aggregate value of the Consideration is US\$2,050,001.

Based on the above, as the relative figures amount to 5% or less, the Transaction constitutes a non-discloseable transaction under Rule 1008 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and does not require the approval of shareholders of the Company.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Transaction, save for their shareholdings in the Company.

No person is proposed to be appointed as a Director of the Company in connection with the Transaction and accordingly, no service contracts in relation thereto will be entered into by the Company.



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Although the Company's shares are currently under voluntary 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 stock brokers, 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
14 November 2019