



## ***Ezion Holdings Limited***

### **EZION HOLDINGS LIMITED**

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

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- (I) DISPOSAL OF 50% SHAREHOLDING IN STRATEGIC OFFSHORE LIMITED; AND**
  - (II) DISPOSAL OF 30% SHAREHOLDING IN ROTATING OFFSHORE SOLUTIONS PTE LTD.**
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### **1. INTRODUCTION**

The Board of Directors (the “**Directors**”) of Ezion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has entered into the following transactions to streamline the Group’s asset base and reduce the Group’s operational costs to enable the Group to improve the efficient use of its capital and cash flow:

- (i) disposal of 50% shareholding in Strategic Offshore Limited (“**SOL**”), an indirect joint venture entity of the Company (the “**SOL Disposal**”); and
- (ii) disposal of 30% shareholding in Rotating Offshore Solutions Pte Ltd (“**ROS**”), an associate of the Company (the “**ROS Disposal**”).

(collectively, the “**Transactions**”).

### **2. INFORMATION ON THE SOL DISPOSAL**

Ezion Investments Pte. Ltd., a wholly-owned subsidiary of the Company, has entered into a share purchase agreement (“**SPA**”) with ES Assets Management Pte. Ltd. (the “**Purchaser**”) to dispose its 50% effective interest in SOL, a dormant company incorporated in Malta, at a nominal cash consideration of US\$1.00. 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 SOL.

The Purchaser is an oil and gas asset management company incorporated in Singapore. The directors and shareholders of the Purchaser are not related or connected to the Company, the Directors or the Group.

The aggregate estimated carrying value of the Group’s investment in SOL is Nil and SOL is in a net liabilities position of US\$4,942,015. There is an excess of US\$1 of the proceeds over the book value (aggregate carrying value) of the Group’s investment in SOL and the SOL Disposal is expected to generate a gain on disposal of US\$1. SOL is a loss making company and does not contribute any revenue to the Group’s results.

Assuming that the SOL Disposal had been effected on 31 December 2018, the net liabilities per share of the Group as at 31 December 2018 will remain the same at US\$6.87 cents.

Assuming that the SOL Disposal 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 remain the same at loss per share of US\$10.91 cents.



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The relative figures for the SOL Disposal 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.	0.35% <sup>(1)</sup>
(b)	Net losses attributable to the assets disposed of, compared with the Group's net loss.	0.00% <sup>(2)</sup>
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization <sup>(3)</sup> based on the total number of issued shares excluding treasury shares.	0.00% <sup>(4)</sup>
(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 SOL of US\$2,471,008 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 SOL of Nil 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 received is US\$1.

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

### 3. INFORMATION ON THE ROS DISPOSAL

The Company has entered into a share buyback agreement and share purchase agreements (the "Agreements") with the following parties to dispose its 30% effective interest in ROS:

- (i) Murugesan Srinivasan ("**Srini**"), a shareholder of ROS, shall acquire 5% effective interest in ROS from the Company at a cash consideration of S\$250,000.00 (equivalent to US\$180,989), and additional deferred cash consideration equivalent to 0.25% of ROS'



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sales revenue for each of the financial year from 2020 to 2023, as stated in the ROS' audited financial statement for the relevant financial year, payable within 7 months from the end of the relevant financial year;

- (ii) Lim Boon Chye Victor ("**Victor**"), a shareholder of ROS, shall acquire 5% effective interest in ROS from the Company at a cash consideration of S\$250,000.00 (equivalent to US\$180,989), and additional deferred cash consideration equivalent to 0.25% of ROS' sales revenue for each of the financial year from 2020 to 2023, as stated in the ROS' audited financial statement for the relevant financial year, payable within 7 months from the end of the relevant financial year; and
- (iii) ROS shall buy back 20% effective interest in ROS from the Company at a cash consideration of S\$2,500,000.00 (equivalent to US\$1,809,889).

ROS is a private company incorporated in Singapore and it operates mainly from its base in Singapore as an engineering solution provider that provides specialised engineering solution. Srimi and Victor are existing shareholders of ROS each holding 35% effective interest in ROS (directly and indirectly). The directors and other existing shareholders of ROS are not related or connected to the Company, the Directors or the Group.

The Company shall receive S\$3.0 million under the Agreements upon completion of the ROS Disposal, and additional deferred cash consideration equivalent to 0.25% of ROS' sales revenue for each of the financial year from 2020 to 2023, as stated in the ROS' audited financial statement for the relevant financial year, payable within 7 months from the end of the relevant financial year. 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 assets in ROS, value of liquid assets available in ROS and the future business prospects of ROS. The consideration received from the ROS Disposal will be utilised for working capital purposes. Notwithstanding the net assets value of ROS, ROS has been incurring losses for the past financial years, and the Company did not receive any dividends from ROS since the Company invested in ROS.

The aggregate estimated carrying value of the Group's investment in ROS is Nil as at 30 September 2019 and ROS is in a net assets position of US\$18,898,339 based on its unaudited management accounts as at 30 September 2019. There is an excess of S\$3.0 million (equivalent to US\$2,171,867) of the proceeds over the book value (aggregate carrying value) of the Group's investment in ROS and the ROS Disposal is expected to generate a gain on disposal of US\$2,171,867.

Assuming that the ROS Disposal 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\$6.98 cents.

Assuming that the ROS Disposal 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\$11.06 cents.



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

<b>Rule 1006</b>	<b>Bases of Calculation</b>	<b>Relative Figure (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net liability value.	-0.80% <sup>(1)</sup>
(b)	Net losses attributable to the assets disposed of, compared with the Group's net loss.	1.38% <sup>(2)</sup>
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization <sup>(3)</sup> based on the total number of issued shares excluding treasury shares.	1.87% <sup>(4)</sup>
(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 assets value of ROS of US\$5,669,502 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 ROS of US\$6,164,000 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 received is S\$3.0 million (US\$2,171,867).

Based on the above, as the relative figures amount to 5% or less, the ROS Disposal constitutes a non-discloseable transaction under Rule 1008 of the Listing Manual of the SGX-ST, and does not require the approval of shareholders of the Company.

#### **4. OTHER INFORMATION ON THE TRANSACTIONS**

The Transactions are expected to be completed by 30 November 2019, and are subject to the completion of all the matters and things stated in the SPA and the Agreements. Upon completion of the Transactions, the Group will not hold any interests in SOL and ROS.

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



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

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  
22 November 2019