



Ezion Holdings Limited

EZION HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No 199904364E)

ADDITIONAL INFORMATION ON FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014

The Board of Directors of Ezion Holdings Limited (“Ezion” or “the Group”) is pleased to provide additional information in response to queries raised by SGX-ST in respect of the second quarter and six months ended 30 June 2014 financial statements and dividend announcement, which was previously announced on 31 July 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2Q 2014

	2Q 2014 US\$'000	2Q 2013 US\$'000
Cash flows from operating activities		
Profit after tax	45,389	36,243
Adjustments for:		
Income tax expense	800	473
Depreciation expense	24,417	10,348
Net gain on disposal of joint venture, assets held for sales and plant and equipment	–	27
Finance income	(1,626)	(1,400)
Finance costs	5,431	3,140
Financial guarantee income provided to joint ventures	(664)	(928)
Reversal of impairment loss on trade receivables	(7)	(436)
Equity-based share-based payment transactions	595	440
Share of results of jointly controlled and associates entities	(7,946)	(9,079)
Operating profit before changes in working capital	66,389	38,828
Changes in working capital:		
Trade receivables and other assets	(23,154)	(15,635)
Trade and other payables	(2,697)	3,372
Cash generated from operating activities	40,538	26,565
Income taxes paid	(593)	(633)
Net cash from operating activities	39,945	25,932
Cash flows from investing activities		
Purchase of plant and equipment	(126,398)	(142,305)
Proceeds from disposal of plant and equipment	–	718
Acquisition of subsidiaries, net of cash acquired	(23,222)	(3,475)
Refund of/(Advance) payments for purchase of plant and equipment	10,335	(21,183)
Investments in joint ventures	(2,163)	(1,029)
Investments in associates	(4,228)	(1)
Investment in available-for-sale investment	(11,267)	–
Interest received	722	129
Net cash used in investing activities	(156,221)	(167,146)
Cash flows from financing activities		
Proceeds from borrowings	133,052	76,375
Repayment of borrowings	(43,038)	(15,064)
Net proceeds from issue of notes	115,228	89,127
Net proceeds from issue of ordinary shares	157,514	1,140
Repayment of notes	(78,339)	–
Released of deposits pledged	–	1,322
Dividends paid	(959)	(779)
Interest paid	(5,104)	(4,958)
Net cash from financing activities	278,354	147,163

Net increase in cash and cash equivalents	162,078	5,949
Cash and cash equivalents at 1 April	185,358	148,560
Effect of exchange rate fluctuations on cash held	5,092	(3,392)
Cash and cash equivalents at 30 June	352,528	151,117
Breakdown of cash and cash equivalents at the end of the period:-		
Cash and cash equivalents	352,528	151,128
Deposits pledged	-	(11)
	352,528	151,117

CONSOLIDATED STATEMENT OF CASH FLOWS REVIEW (2Q 2014)

Cash Flow from Operating Activities

The Group's net cash inflow from operating activities for 2Q14 was US\$39.9 million. This was mainly due to the net cash generated by the operations of the Group.

Cash Flow from Investing Activities

The Group's net cash used in investing activities for 2Q14 was \$156.2 million. This was mainly due to the progress payments made and the deployment of funds towards the purchase and refurbishment of the Group's Service Rigs.

Cash Flow from Financing Activities

The Group's net cash inflow from financing activities for 2Q14 was US\$278.4 million. This was mainly due to the increase in bank borrowings to finance the Group's Service Rigs as well as the issuance of notes and issuance of new ordinary shares to a strategic investor.

BY ORDER OF THE BOARD

Lim Ka Bee
Company Secretary
15 August 2014