



Ezion Holdings Limited

EZION HOLDINGS LIMITED

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

DISPOSAL OF VESSEL

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 had entered into a memorandum of agreement with Astro Offshore Pte. Ltd. (the “**Purchaser**”) to dispose an offshore vessel, Teras Genesis (the “**Vessel**”) at a cash consideration of US\$2,250,000 (the “**Disposal**”).

The Purchaser is a company incorporated in Singapore who owns and operates a fleet of offshore support vessels. The director(s) and shareholder(s) of the Purchaser are not related or connected to the Company, the Directors or the Group.

The sale consideration was arrived at after arm's length negotiations, on a "willing buyer and willing seller" basis taking into account, amongst other factors, the future burn rates of the Vessel.

The aggregate carrying value of the Vessel as at 30 September 2019 is approximately US\$1,392,000. The Disposal is expected to generate a gain on disposal of US\$858,000. The consideration received from the Disposal will be utilised to repay the secured bank loans of the Group. The mortgage over the Vessel will be discharged pursuant to the Disposal.

The Group is of the view that the Disposal is in line with the Group's plan to focus on its liftboats and reduce burn rates of the service rigs and vessels. This will also enable the Group to improve the efficient use of its capital and cash flow.

Assuming that the 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\$6.88 cents.

Assuming that the 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\$10.92 cents.

The relative figures for the 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.	-0.20% ⁽¹⁾
(b)	Net losses attributable to the assets disposed of, compared with the Group's net loss.	0.47% ⁽²⁾



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Rule 1006	Bases of Calculation	Relative Figure (%)
(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.	1.40% ⁽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 net book value of the Vessel of US\$1,392,000 and net liabilities value of the Group of US\$705.3 million, as of 30 September 2019.
- (2) Based on the net losses generated by the Vessel of US\$2,109,076.81 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 of US\$2,250,000.

Based on the above, as the relative figures amount to 5% or less, the Disposal 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 Disposal, save for their shareholdings in the Company.

No person is proposed to be appointed as a Director of the Company in connection with the Disposal 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 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
15 January 2020