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

(I) ACQUISITION OF THE REMAINING 50% EQUITY INTEREST IN EXISTING JOINT VENTURES, (II) INVESTMENTS IN INDIRECT WHOLLY-OWNED SUBSIDIARIES AND (III) ACQUISITION OF ASSETS

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1. INTRODUCTION

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

(I) *Acquisition of remaining 50% equity in existing joint ventures*

The Group has entered into various sales and purchase agreements to acquire:

(a) 5,000 ordinary shares of US$1.00 each representing 50% equity interest in Strategic Offshore Limited ("**SOL**"), a company incorporated in Malta, at a cash consideration of S$3.5 million. The estimated carrying value of the 50% equity in SOL as at 31 December 2016 is NIL; and

(b) 25,000 ordinary shares of US$1.00 each representing 50% equity interest in Strategic Excellence Limited ("**SEL**"), a company incorporated in Bahamas, at a cash consideration of S$1.5 million. The estimated carrying value of the 50% equity interest in SEL as at 31 December 2016 is approximately US$5,200,000.

SOL is a joint venture company incorporated in Malta on 14 November 2012 by Scott and English Energy Pte. Ltd. ("**S&E**") (wholly-owned subsidiary of Swissco Holdings Limited (In Interim Judicial Management)) and Ezion Investments Pte. Ltd. ("**EIPL**") (wholly-owned subsidiary of the Company) pursuant to a joint venture agreement dated 5 November 2012 (as amended and supplemented by a supplemental joint venture agreement dated 31 July 2013) entered into between S&E, EIPL and Mr. Tan Fuh Gih ("**TFG**") (Executive Director and Chief Executive Officer of Swissco Holdings Limited (In Interim Judicial Management)). The principal business activity of SOL is investment holding.

SEL is a joint venture company incorporated in the Bahamas on 9 September 2013 by S&E and EIPL pursuant to a joint venture agreement dated 30 August 2013 (as amended and supplemented by an addendum dated 30 August 2013) entered into between S&E and EIPL. The principal business activity of SEL is rig owning and chartering.

(II) *Investments in indirect wholly-owned subsidiaries*

The Group has established three wholly-owned subsidiaries in Labuan, Malaysia, namely, Teras Atlas Limited ("**TAL**"), Teras Fortuna Limited ("**TFL**") and Teras Orizont Limited ("**TOL**"), with total and paid-up capital of USD2 each. The principal activities of TAL, TFL and TOL are rig owning and provision of rig services.

(III) *Acquisition of assets*

The Company, through its indirect wholly-owned subsidiaries, TAL, TFL and TOL has entered into various sales and purchase agreements to acquire certain assets from the subsidiaries of SOL, namely GSP Atlas Limited ("**GAL**"), Strategic Fortuna Limited ("**SFL**") and GSP Orizont Limited ("**GOL**") respectively. Further information are as follows:

Description	**Total consideration**
Acquisition by TAL from GAL Vessel, charter contract, receivables and charter payment guarantees	US$18.7 million
Acquisition by TFL from SFL Vessel, charter contract and receivables	US$24.5 million
Acquisition by TOL from GOL Vessel, charter contract, receivables and charter payment guarantees	US$18.7 million

2. RATIONALE FOR THE TRANSACTIONS

SEL and SOL (together with its subsidiaries GAL, SFL and GOL) ("**JV Companies**") are not able to meet their obligations due to, in part, the financial situation faced by EIPL's joint venture partner, S&E. Consequently, the JV Companies were not able to operate effectively. It is therefore necessary for the Group to purchase the remaining 50% shares of the JV Companies from S&E to enable the continued operation of the JV Companies and engagement with the existing customers of the JV Companies.

After the acquisition, the Group will be able to work closely with the existing customers of the JV Companies to maximize the utilization of the assets owned by the JV Companies and improve the earnings of the Group in the long term by, amongst other things, working towards cost-reduction through the realisation of economies of scale with the Group's own fleet of assets.

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3. OTHER INFORMATION ON THE TRANSACTIONS

The purchase considerations were 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 tangible assets and expected future income of the above transactions.

The above transactions will be funded through bank loans and internal resources of the Company and is expected to have an impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 December 2017.

Assuming that the acquisitions had been effected on 31 December 2016, the net asset value per share of the Company as at 31 December 2016 would increase from 63.43 cts to 63.60 cts.

Assuming that the acquisitions has been effected on 1 January 2016, the basic earnings per share and diluted earnings per share of the Group for the year ended 31 December 2016 would increase from -2.30 cts to -1.40 cts and increase from -2.27 cts to -1.38 cts respectively.

Net profits attributable to the acquisitions, compared with the Group's net profit for FY2016 and aggregate value of consideration payable, compared with the Group's market capitalisation as at 31 December 2016 stands at -48.22% and 0.72% respectively. There were no equity securities issued by the Company for the acquisitions.

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

BY ORDER OF THE BOARD

Cheah Boon Pin
Company Secretary
28 March 2017