

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

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**ANNOUNCEMENT IN RELATION TO THE:**

- (I) PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF JK TECH HOLDINGS LIMITED; AND**
  - (II) PROPOSED ACQUISITION OF SHARE OPTIONS IN THE CAPITAL OF JK TECH HOLDINGS LIMITED.**
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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 Company has on 4 April 2014 entered into:

- (a) a subscription agreement (the "**Subscription Agreement**") with JK Tech Holdings Limited ("**JK Tech**", and together with its subsidiaries, the "**JK Group**"), pursuant to which JK Tech shall allot and issue 42,000,000 ordinary shares in the capital of JK Tech (the "**Subscription Shares**") to the Company at an issue price of S\$0.09 per Subscription Share (the "**Subscription**"); and
- (b) an option agreement (the "**Option Agreement**") with JK Tech, pursuant to which JK Tech shall allot and issue an aggregate of 260,000,000 share options (the "**Options**") to the Company, with each Option carrying the right to subscribe for one (1) new ordinary share in the capital of JK Tech at the exercise price of S\$0.09 per Option.

(collectively known as the "**Transaction**")

**2. RATIONALE FOR THE TRANSACTION**

During the course of the Group's existing business, the Group came across opportunities in the business of exploration, exploitation and production of oil and gas ("**E&P Business**"). The Group intends to introduce these opportunities to JK Tech who wishes to diversify into the E&P Business going forward.

The E&P Business is complementary and not in competition with the existing business of the Group which represents an opportunity for synergy and both companies stand to benefit from each other's growth in their respective areas.

The Group believes that this tie up will enhance its long term viability.

**3. CONSIDERATION**

The purchase considerations of the Transaction are as follows:

- (a) JK Tech shall allot and issue, and the Company shall subscribe for, 42,000,000 Subscription Shares for an aggregate consideration of S\$3,780,000 (the "**Subscription Consideration**"), representing the issue price of S\$0.09 per Subscription Share; and
- (b) in satisfaction of the Subscription Consideration, the Company shall allot and issue 1,848,862 new ordinary shares in the capital of the Company (the "**Ezion Consideration Shares**") at an issue price of S\$2.0445 per Ezion Consideration Share (which represents a 5% discount to the VWAP of the Ezion Consideration Shares for trades done on the SGX-ST on 4 April 2014, being the last full market day on which the

Ezion Consideration Shares were traded prior to the date the Subscription Agreement was signed).

#### 4. INFORMATION REQUIRED UNDER CHAPTER 10 OF THE LISTING MANUAL

##### (a) INFORMATION ON JK TECH

JK Tech is a company incorporated in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It has two (2) main business segments, being (i) the supply and delivery of intellectual technology products, and (ii) systems integration and services.

JK Tech has confirmed that it is not a person prohibited under Rule 812(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

As stated in JK Tech’s announcement dated 4 April 2014, JK Tech intends to, *inter alia*, diversify into the E&P Business (the “**Proposed Diversification**”).

##### (b) PRINCIPAL TERMS OF THE SUBSCRIPTION

###### (i) Consideration

The Subscription Consideration was determined on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, the NAV of the JK Group as at 30 September 2013, and the long term benefits of: (a) the strategic investment by the Company as a shareholder of JK Tech will be instrumental in guiding JK Tech in its development of the new business of exploration, exploitation and production of oil; (b) the long term partnership with the Company because of the Proposed Diversification and the potential future capital appreciation of the Ezion Consideration Shares; and (c) the alignment of interests of the Company and JK Tech going forward.

The Ezion Consideration Shares represent approximately 0.15% of the total enlarged issued share capital of the Company. The Ezion Consideration Shares shall be allotted and issued to JK Tech free from any encumbrance, and shall rank *pari passu* in all respects with the existing shares in the capital of the Company (the “**Shares**”), save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of allotment of the Ezion Consideration Shares.

###### (ii) Condition Precedent

Completion of the Subscription shall be conditional upon the following:

- (a) the approval of the Directors and the board of directors of JK Tech being obtained for the Subscription;
- (b) the approval of the shareholders of JK Tech being obtained for the Subscription at a general meeting of JK Tech;
- (c) the submission of the additional listing confirmation by the sponsor of JK Tech and the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST;
- (d) the submission of the additional listing application by the Company and the receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Ezion Consideration Shares on the Mainboard of the SGX-ST;

- (e) the receipt of all necessary approvals, consents or waivers from any governmental body, regulatory authority or other third party for the Subscription (where applicable and as the case may be), and if such approvals, consents or waivers are granted subject to conditions, such conditions being acceptable to the relevant party, and if any conditions are required to be satisfied by completion of the Subscription, such conditions being so satisfied;
- (f) the representations and warranties set out in the Subscription Agreement being true and accurate in all material respects as at the date of the signing of the Subscription Agreement and the completion date of the Subscription; and
- (g) there being no occurrence of any event or circumstances which has or is likely to have a material adverse effect on the condition (financial or otherwise), results of operations, assets and liabilities, prospects or business of JK Tech, the JK Group or the Group.

If any of the conditions are not satisfied or waived by 30 June 2014, the Subscription Agreement shall terminate and the provisions thereunder shall cease and be of no further effect (save for certain clauses) and no party shall have claim against the other for any costs, damages, losses or compensation, other than in respect of any antecedent breach of the Subscription Agreement.

**(iii) Covenants and Undertakings**

JK Tech covenants and undertakes that it shall, after completion of the Subscription, procure the appointment of nominees of the Company to the board of directors of JK Tech in accordance with the requirements of the Listing Manual and the Code of Corporate Governance.

**(c) FINANCING AND FINANCIAL EFFECTS OF THE SUBSCRIPTION**

Based on the consolidated financial statements of JK Tech for the six months financial period ended 30 September 2013, the net tangible asset value of the Subscription Shares as at 30 September 2013 was approximately S\$0.0864. The latest available open market value of the Subscription Shares is approximately S\$6.3 million, based on the volume weighted average price of S\$0.15 for trades done on the shares of JK Tech on the SGX-ST on 1 April 2014 (being the last full market day on which the shares of JK Tech were traded prior to the date the Subscription Agreement was signed).

The *pro forma* financial effects of the Subscription on the Company set out below, based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2013 (“**FY2013**”), are set out below. The *pro forma* financial effects are strictly for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Subscription.

**(i) Net tangible assets per share**

The effects of the Subscription on the consolidated net tangible assets (“**NTA**”) per share of the Company for FY2013, assuming that the Subscription had been effected at the end of FY2013, are summarised below:

	Before the Subscription	After the Subscription
Consolidated NTA attributable to the shareholders of the Company (US\$'000)	800,342	803,342
Number of shares (excluding treasury shares) ('000)	1,184,830	1,186,679
Consolidated NTA per share attributable to the shareholders of the Company (US cents)	67.55	67.70

**(ii) Earnings per share**

The effects of the Subscription on the consolidated earnings per share of the Company ("EPS") for FY2013, assuming that the Subscription had been effected at the beginning of FY2013, are summarised below:

	Before the Subscription	After the Subscription
Consolidated profit after taxation and minority interests (US\$'000)	160,388	160,888
Weighted average number of shares (excluding treasury shares) ('000)	979,158	981,007
Consolidated EPS (US cents)	16.38	16.40

**(d) NON-DISCLOSEABLE TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL**

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

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|-------|--|-------------------------------|
| (i)   | Net asset value of the assets to be disposed of, compared with the Group's net asset value.  | Not Applicable <sup>(1)</sup> |
| (ii)  | Net profit <sup>(2)</sup> of approximately US\$500,000 attributable to the assets acquired, compared with the Group's net profits of approximately US\$160,328,000 million for the FY2013.   | 0.31%                         |
| (iii) | Aggregate consideration of S\$3,780,000 compared with the Company's market capitalisation <sup>(3)</sup> of approximately S\$2.59 billion based on the total number of issued shares excluding treasury shares as at 3 April 2014, being the preceding market day up to the time the Subscription Agreement was signed | 0.15%                         |
| (iv)  | Number of equity securities (1,848,862 Ezion Consideration Shares) issued by the Company as consideration for the Subscription Shares, compared with the number of equity securities previously in issue of 1,203,221,982 Shares.  | 0.15%                         |

**Notes:**

- (1) This is not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) "Market capitalization" is determined by multiplying the number of Shares in issue by the weighted average price of such shares transacted on 3 April 2014 (being the market day preceding the day the Subscription Agreement was signed).

As none of the relative figure under Rule 1006 of the Listing Manual exceeds 5%, the Acquisition is classified as a non-discloseable transaction. However, as the Subscription was satisfied by the Consideration Shares, this announcement is made pursuant to Rule 1009 of the Listing Manual.

**5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Subscription.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Subscription Agreement and Option Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, for a period of three months from the date of this announcement.

By order of the Board

Lim Ka Bee  
Company Secretary

4 April 2014