



EZRA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199901411N)

**ANNOUNCEMENT IN RELATION TO EMAS CHIYODA SUBSEA LIMITED
AND GROUP RESTRUCTURING**

1. CLARIFICATIONS IN RELATION TO EMAS CHIYODA SUBSEA LIMITED

- 1.1 The Board of Directors (the “**Board**”) of Ezra Holdings Limited (the “**Company**”, together with its subsidiaries and associated companies, the “**Group**”) wishes to refer to the following:
- (a) the article titled “*Japanese duo warn of impairments on stakes in Emas Chiyoda Subsea*” published in The Business Times on 1 February 2017, where it was stated that “*Chiyoda Corp and NYK Line had on Tuesday issued warnings of one-time writedowns against their stakes in EMAS Chiyoda Subsea Limited (“ECS”), a joint venture with Singapore-listed Ezra Holdings*”;
 - (b) the article titled “*Massive impairment by Ezra’s subsea JV partners clouds its future (Amended)*” published in The Business Times on 2 February 2017, where it was stated that “*Taking the cue from the 37-77 per cent range of writedowns recognised by its Japanese partners, Maybank Kim Eng said in its internal note that Ezra’s stake in ECS could face impairment of between US\$185 million and US\$385 million. Further assuming a best-case scenario where the entire US\$81.9 million JV impairment on Ezra’s financial statements for FY16 was for its stake in ECS, the group still faces impairment risk of US\$103 million to US\$303 million, which could potentially wipe out its equity to controlling interest of US\$232.98 million, the brokerage said*”. It was further stated that “*Ezra’s legal spat with Bibby Offshore emerged after two other trade creditors, Forland Subsea As and Ocean Yield ASA, issued separate statements suggesting Ezra’s subsea business unit could not service two standing bareboat charters*”; and
 - (c) the article titled “*Ezra in choppy waters as trade claims pile up*” published in the Straits Time on 2 February 2017, where it was stated “*It came out on Tuesday that subsea services provider Bibby Offshore had filed for arbitration against Emas Chiyoda Subsea, claiming it is owed a reported US\$14.7 million (S\$20.8 million) from US\$18.1 million of contracts performed in Trinidad last year*”.
- 1.2 The Board wishes to clarify that the Company is assessing the impact of the writedown and anticipated downgrade of investments in ECS and subsidiaries (the “**ECS Group**”) and loans extended to ECS Group by its joint venture partners, Chiyoda Corporation and Nippon Yusen Kabushiki Kaisha. The Company’s investment in, shareholders loan to and the inter-company balances owed by the ECS Group amounts to US\$170 million and the full amount may have to be written down after the Company’s assessment. The Group had recorded a net current liability position of US\$887,220,000 for the financial year ended 31 August 2016. Further announcements will be made by the Company and the Board via SGXNET after it has completed its assessment, including the impact of any possible contingencies.

1.3 The Board wishes to clarify that:

- (a) EMAS-AMC AS (“**EMAS**”), a subsidiary of ECS, as the charterer of the vessel “Lewek Inspector” which is owned by Forland Subsea AS had defaulted on payment of charter hire for October 2016, due for payment on 30 November 2016 (“**Forland Default**”). While EMAS’ obligations under the charter are guaranteed by the Company, Forland Subsea AS has since agreed not to pursue repayment of the Forland Default and has not called upon the Company as guarantor to repay the Forland Default; and
- (b) EMAS, being the charterer of the vessel “Lewek Connector”, has also entered into a short-term standstill agreement relating to the repayment of the bareboat charter of “Lewek Connector” with Ocean Yield ASA for the months of December 2016 and January 2017.

1.4 In addition, the Board wishes to clarify that the Company has no dispute with Bibby Offshore. Bibby Offshore’s claims are against ECS, which the Company does not control.

2. **GROUP RESTRUCTURING**

2.1 In addition, the Board wishes to refer to the Company’s announcements on 3 August 2016, 9 September 2016 and 13 December 2016 (collectively, the “**Announcements**”). Further to the Announcements, the Board wishes to state that on-going initiatives by the Company to review options to preserve value for the Group are continuing. In light of the severe and protracted downturn in the global oil and gas industry, the Group will continue to work with its advisors to review all options to restructure its businesses, operations and balance sheet (the “**Restructuring**”).

2.2 As part of the Restructuring, the Group receives, from time to time, letters of demand as well as reservation of rights letters from its counterparties, including a statutory demand issued by one of the Company’s lenders. The Company also has various obligations owed to financial lenders and trade creditors and that will fall due from time to time such as the interest payment on its S\$150,000,000 4.875 per cent. notes due 2018 (ISIN: SG55F3991618) which will fall due in April 2017. The Group is in regular discussions with a number of its substantial creditors and has had dialogues with its key stakeholders, including its financial lenders and trade creditors. The Company recognises that certain members of the Group are independently managed and, as such, the most appropriate form, as well as the timing, of Restructuring applicable to each such member of the Group will ultimately have to be decided by the board of directors of that particular entity.

2.3 Save as previously disclosed by the Company and EMAS Offshore Limited, no other definitive agreements in relation to the Restructuring have been entered into by the Group as at the date of this announcement. There can be no assurance or reasonable certainty that any discussions or any Restructuring options will materialise or be successfully concluded. As also disclosed in the Company’s announcement of its unaudited financial results for the financial year and fourth quarter ended 31 August 2016, in the event the Restructuring is not favourably completed in a timely manner, the Company and the Group will be faced with a going concern issue.

3. **NOTE TO CAUTION**

3.1 Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

- 3.2 Given the above matters and in particular pending the completion of the independent assessment, shareholders and potential investors should exercise caution when trading in the Company's shares. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisers.

By Order of the Board

Shannon Ong
Company Secretary
3 February 2017