

27 November 2015

This Appendix is circulated to the shareholders of Triyards Holdings Limited (the Company) together with the Company's annual report. The purpose of this Appendix is to provide Shareholders with information pertaining to, and to explain the rationale for the proposed renewal of the Shareholders' Mandate (as defined in this Appendix) and the proposed renewal of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held at Klapsons, The Boutique Hotel – eighteen. 1 & 2 at Level 18, 15 Hoe Chiang Road, Tower Fifteen, Singapore 089316 on 16 December 2015 at 3 p.m.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the annual report. If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix, the Notice of Annual General Meeting, the Proxy Form and the annual report to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



Co. Reg. No. 201210555Z
(Incorporated in the Republic of Singapore)

**APPENDIX IN RELATION TO DETAILS OF
THE PROPOSED RENEWAL OF
THE SHAREHOLDERS' MANDATE
AND
THE SHARE BUYBACK MANDATE**

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DEFINITIONS

2014 AGM	:	The annual general meeting of the Company held on 31 December 2014
AGM	:	The annual general meeting of the Company to be held at Klapsons, The Boutique Hotel – eighteen. 1 & 2 at Level 18, 15 Hoe Chiang Road, Tower Fifteen, Singapore 089316, on 16 December 2015 at 3 p.m., notice of which is set out in pages 131 to 135 of the Annual Report
Annual Report	:	The annual report of the Company for the financial year ended 31 August 2015
Associate	:	Has the meaning ascribed to it in the Listing Manual
Audit Committee	:	The audit committee of the Company
Board	:	The board of Directors of the Company for the time being
CDP, or the Depository	:	The Central Depository (Pte) Limited
Companies Act	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Company	:	Triyards Holdings Limited
Controlling Shareholder	:	Has the meaning ascribed to it in the Listing Manual
Directors	:	The Directors of the Company for the time being, and Director shall mean any one of them
EMITS	:	Emas IT Services Pte. Ltd. (a subsidiary of Ezra)
Ezra	:	Ezra Holdings Limited
Ezra Group	:	Ezra and its subsidiaries, excluding the Group
Group	:	The Company and its subsidiaries
Interested Person	:	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	:	Has the meaning ascribed to it in the Listing Manual
IT Services Agreement	:	The agreement entered into on 31 August 2012 as amended by supplemental agreement dated 1 September 2014 between EMITS and a wholly owned subsidiary of the Company pursuant to which EMITS was appointed to provide or procure the provision of certain information technology support services to the Group

Latest Practicable Date	:	18 November 2015, being the latest practicable date prior to the printing of this Appendix
Listing Manual	:	The listing manual of the SGX-ST, as amended or modified from time to time
Mandated Interested Persons	:	Ezra and its associates
Mandated Transactions	:	Transactions with Mandated Interested Persons that will be covered by the Shareholders' Mandate
Market Day	:	A day on which the SGX-ST is open for trading in securities
Master Services Agreement	:	The agreement entered into on 31 August 2012 between Ezra and a wholly owned subsidiary of the Company pursuant to which Ezra was appointed to provide or procure the provision of certain support services to the Group. Such support services include, without limitation, human resources services, administrative services, legal services (including company secretarial support, insurance and litigation), management support and office infrastructure support (including provision of office space)
Memorandum and Articles of Association	:	The Memorandum and Articles of Association of the Company
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being 50.0% of the total number of votes cast for and against such resolution at a meeting of Shareholders duly convened and held in accordance with the provisions of the Memorandum and Articles of Association
Relevant Period	:	The period commencing from the date of the AGM and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date the Ordinary Resolution 9 relating to the Share Buyback Mandate is passed
S\$ or Singapore dollars and cents	:	Singapore dollars and cents, respectively
Securities Account	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository
SFA or Securities and Futures Act	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
SGX-ST	:	Singapore Exchange Securities Trading Limited

Share Buyback(s)	:	Buyback of Shares by the Company pursuant to the Share Buyback Mandate
Share Buyback Mandate	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Listing Manual
Shareholders	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
Shareholders’ Mandate	:	A general mandate from Shareholders pursuant to Chapter 9 of the Listing Manual permitting the Group to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with specified classes of the Company’s Interested Persons
Shares	:	Ordinary shares in the share capital of the Company
Substantial Shareholder	:	Any Shareholder with an interest in one or more Shares constituting not less than 5.0% of all Shares in issue
S\$ or Singapore dollars and cents	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore
Take-over Code	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
USD or US\$ and US cents	:	United States dollars and cents, respectively

The terms “Depositors”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

TRIYARDS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201210555Z)

Board of Directors:

Lee Kian Soo (Non-Executive and Non-Independent Chairman)
Soh Chun Bin (Lead Independent Non-Executive Director)
Loy Juat Boey (Independent Non-Executive Director)
Simon Charles Lockett (Independent Non-Executive Director)

Registered Office:

15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

27 November 2015

To: The Shareholders of Triyards Holdings Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE AND THE PROPOSED SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1 The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the AGM, for the renewal of the Shareholders' Mandate and the renewal of the Share Buyback Mandate.
- 1.2 The Shareholders' Mandate was originally obtained upon the listing of the Company on the SGX-ST, as set out in the introductory document of the Company dated 31 August 2012, and was last renewed at the 2014 AGM. The Shareholders' Mandate as renewed at the 2014 AGM will expire on the date of the forthcoming AGM.
- 1.3 The Share Buyback Mandate was originally approved by Shareholders at the 2012 AGM and was last renewed at the 2014 AGM. The Share Buyback Mandate as renewed at the 2014 AGM will expire on the date of the forthcoming AGM.

2. THE SHAREHOLDERS' MANDATE

2.1 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where an issuer or any of its subsidiaries (other than subsidiaries that are listed on the SGX-ST or an approved exchange) or associated companies (other than an associated company that is listed on the SGX-ST or on an approved exchange, provided that the listed group, or the listed group and its Interested Person(s), has control over the associated company) proposes to enter into a transaction with the issuer's Interested Persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial materiality thresholds. However, an issuer may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with Interested Persons. Transactions conducted under such a shareholders' mandate are not separately subject to the financial materiality thresholds. General information pertaining to Chapter 9 of the Listing Manual, including the said financial materiality thresholds and the meanings of certain terms, is summarised in the Annexure to this Appendix.

2.2 Mandate

Approval is being sought from Shareholders at the AGM for the renewal of the Shareholders' Mandate for entry by the Company into Mandated Transactions. If approved, the Shareholders' Mandate will take effect from the AGM and continue in force until the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law or by the Memorandum and Articles of Association to be held unless prior thereto, the Shareholders' Mandate is revoked or varied by the Company in general meeting. The Shareholders' Mandate may be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

2.3 Rationale for the Shareholders' Mandate

The Mandated Transactions are entered into or to be entered into by the Group in its ordinary course of business. They are recurring transactions that are likely to occur with some degree of frequency and may arise at any time and from time to time. The Directors believe that it will be beneficial to the Group to transact or continue to transact with the Ezra Group, for the following reasons:

- (a) The Ezra Group will provide a large and easily accessible market for the Group's vessels and products;
- (b) Purchase of equipment and raw materials from the Ezra Group will allow the Group to take advantage of certain existing supplier relationships and to enjoy economies of scale, which in turn will allow the Group to price its vessels and products more competitively or to achieve higher profit margins on its vessels and products; and
- (c) The outsourcing of certain administrative and corporate functions to the Ezra Group will enable the Group to concentrate on its core businesses.

The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions arise, thereby reducing substantially the administrative time and expenses incurred to convene general meetings, without compromising the Group's corporate objectives or adversely affecting the business opportunities available to the Group.

The Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business that are transacted from time to time with the Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders. Disclosure will be made in the format required by the Listing Manual, and to the extent required by the SGX-ST, of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a Shareholders' Mandate is in force.

2.4 Classes of Interested Persons

The Shareholders' Mandate will apply to Interested Person Transactions with Mandated Interested Persons, being the Company's Controlling Shareholder, Ezra and its associates.

Transactions with Mandated Interested Persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

2.5 Mandated Transactions

The Mandated Transactions relating to the provision to, or obtaining from, Mandated Interested Persons of products and services in the ordinary course of business of the Group or which are necessary for the day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses are as follows:

- (a) Bareboat charter or time charter of barges/vessels to and from Mandated Interested Persons;
- (b) Construction of vessels, units and platforms for and sale of vessels, units and platforms to Mandated Interested Persons;
- (c) Sale of products such as cranes, A-frames and winches to Mandated Interested Persons;
- (d) Provision of drydocking, ship repair, ship conversion and engineering and vessel audit services to Mandated Interested Persons;
- (e) Purchase of equipment and raw materials from Mandated Interested Persons;
- (f) Purchase of ship design and consultancy services from Mandated Interested Persons;
- (g) Provision of corporate guarantees from Mandated Interested Persons to secure loans from financing institutions in the proportion of their shareholding interest in the Company;
- (h) Provision of management services/shared corporate support services/IT services, including the services provided under the Master Services Agreement and the IT Services Agreement by Mandated Interested Persons and licensing of proprietary software from Mandated Interested Persons; and
- (i) Provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (a) to (h) above.

2.6 Review Procedures and Threshold Limits for Interested Person Transactions

The Audit Committee has oversight of all Interested Person Transactions undertaken by the Group including the review of, and where required, approval of, such transactions. The Company has also established the procedures described below to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms.

(a) Review procedures

In general, the Company has established procedures to ensure that Interested Person Transactions, including the Mandated Transactions with the Mandated Interested Persons, are undertaken on an arm's length basis consistent with the Group's usual business practices and policies and which are carried out on normal commercial terms not prejudicial to the interests of the Company, and on terms which are generally no more favourable to Interested Persons than those extended to or obtained from unrelated third parties.

In particular, the Company has implemented the following review procedures:

- (i) Purchase of equipment and raw materials and obtaining of services from Interested Persons

All procurement and purchases made by the Group of a recurring nature which are in the ordinary course of business of the Group or which are necessary for the day-to-day operations of the Group, including procurement and purchases which are Mandated Transactions with Mandated Interested Persons, will be governed by internal control procedures, which detail matters such as the constitution of internal approving authorities, their approval limits, the number of vendors who provide the Group with quotes (for each proposed transaction with a Mandated Interested Person, a minimum of two vendors (in relation to the provision of management services/shared corporate support services by Mandated Interested Persons, including the Master Services Agreement and the IT Services Agreement, the proposed transaction will be the lower of (A) a cost plus basis of up to the an arms' length mark-up rate based on a transfer pricing benchmarking study (the "**Mark-Up Rate**"), or (B) two independent third party quotations for the provision of similar services)).

The guiding principle is to objectively obtain the best goods and/or services on the best terms through competitive quotations, if appropriate. In determining whether the price and terms offered by Interested Persons are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, preferential rates, discounts and/or rebates offered for bulk purchases will be taken into consideration. In addition, each Interested Person Transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of a director or executive officer of the Group (not being an Interested Person or an associate) and who does not have any interest, whether direct or indirect, in relation to the transaction (the "**Relevant Approving Authority**") as follows:

Approval Limits	Approving Authority
Transaction not exceeding US\$1 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant Interested Person or an associate of a relevant Interested Person, any other Director who is not the relevant Interested Person or an associate of a relevant Interested Person
Transaction above US\$1 million	Audit Committee

The Mark-Up Rate is subject to annual review by the Group. Any change in the Mark-Up Rate is to be reviewed and approved by the Audit Committee.

(ii) Chartering of vessels to and from Mandated Interested Persons

All contracts entered into or transactions with Mandated Interested Persons for chartering of vessels (whether to or from Mandated Interested Persons) are to be carried out at the prevailing market rates, as obtained from third party brokers, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to or from unrelated third parties or otherwise in accordance with applicable market norms. In addition, each Mandated Transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of a director or executive officer of the Group (not being an Interested Person or an associate) and who does not have any interest, whether direct or indirect, in relation to the transaction (the “**Relevant Approving Authority**”) as follows:

Approval Limits	Approving Authority
Transaction not exceeding US\$1 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant Interested Person or an associate of a relevant Interested Person, any other Director who is not the relevant Interested Person or an associate of a relevant Interested Person
Transaction above US\$1 million	Audit Committee

(iii) Sale of vessels, units and platforms and products to Mandated Interested Persons

All contracts entered into or transactions with Mandated Interested Persons for the sale of vessels and products are to be carried out at the prevailing market rates, as obtained from third party valuers, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, discounts and/or rebates offered for bulk purchases) or otherwise in accordance with applicable market norms. In addition, each Mandated Transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of the Relevant Approving Authority as follows:

Approval Limits	Approving Authority
Transaction not exceeding US\$1 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant Interested Person or an associate of a relevant Interested Person, any other Director who is not the relevant Interested Person or an associate of a relevant Interested Person
Transaction above US\$1 million	Audit Committee

(iv) Non-recurring Interested Person Transactions

The Group may from time to time also enter into Interested Person Transactions not covered in the above paragraphs and which do not form part of the Shareholders' Mandate. These transactions are not of a recurring nature or occur outside the ordinary course of business of the Group or may not be necessary for or part of the day-to-day operations of the Group. The Group intends to conduct these transactions in accordance with the Listing Manual, including the threshold, approval and other requirements under Rules 905 and 906 of the Listing Manual. In the event these transactions require the approval of the Shareholders, additional information will be presented to Shareholders and an independent financial advisor may be appointed for an opinion.

(b) Other review procedures

The Audit Committee will also review all Interested Person Transactions, including Mandated Transactions, to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with.

The Group has also implemented the following procedures to identify Interested Person Transactions (including Mandated Transactions) and Interested Persons (including Mandated Interested Persons) and to record all Interested Person Transactions:

- (i) the Company will maintain a register of all transactions carried out with Interested Persons including Mandated Interested Persons (regardless of whether such transactions fall above or below the S\$100,000 threshold limit specified in Chapter 9 of the Listing Manual) (and the basis, including the quotations obtained to support such basis, on which these transactions are entered into, whether mandated or non-mandated); and
- (ii) on a quarterly basis, the Chief Financial Officer will submit a report to the Audit Committee of all recorded Interested Person Transactions (including Mandated Transactions), and the basis of such transactions (including the quotations to support such basis and the methodologies and the mechanisms to calculate the attributed costs and expenses for the Master Services Agreement and the IT Services Agreement), entered into by the Group. The Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for the monitoring of such transactions including transactions with Mandated Interested Persons, whether they are new Interested Person Transactions or existing Interested Person Transactions that have been renewed or revised during the relevant financial year pursuant to the Shareholders' Mandate.

In addition, the Audit Committee shall also review from time to time such internal controls and review procedures for Interested Person Transactions to determine if they are adequate and/or commercially practicable in ensuring that the transactions between the Group and Interested Persons are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders. In conjunction with such review, the Audit Committee will also ascertain whether the established review procedures have been complied with. Further, if during these reviews the Audit Committee is of the view that the internal controls and review procedures for Mandated Transactions are inappropriate or not sufficient to ensure that the Mandated Transactions will be on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders, the Audit Committee

will (pursuant to Rule 920(1)(b) (vii) of the Listing Manual) obtain a fresh Shareholders' Mandate based on new internal controls and review procedures for transactions with the Mandated Interested Persons.

For the purposes of the above review of the internal controls and review procedures, any of the Directors or a member of the Audit Committee who is not considered independent will abstain from participating in the Audit Committee's review of the internal controls and review procedures. The Board and the Audit Committee will have overall responsibility for determining the review procedures with the authority to delegate to individuals or committees within the Group as they deem appropriate.

3. THE SHARE BUYBACK MANDATE

3.1 Introduction

The Share Buyback Mandate would give the Company the flexibility to undertake purchases of Shares up to the five per cent. (5.0%) limit (as set out below) at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force. Further, amongst others, Share Buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that Share Buybacks may help mitigate against short term volatility of share price and offset the effects of short term speculation. Share Buybacks will allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share.

Shareholders can be assured that Share Buybacks by the Company would be made in circumstances where it is considered to be in the best interests of the Company, after taking into account the amount of surplus cash available and the prevailing market conditions. Further, the Directors do not propose to carry out Share Buybacks to such an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of Shares, the working capital requirements of the Company or its gearing positions which are, in the opinion of the Directors, appropriate from time to time, or result in the Company being de-listed from the SGX-ST. For example, the Directors will ensure that the Share Buybacks will not be carried out to such an extent that the free float of the Shares held by the public falls to below ten per cent. (10%).

3.2 Mandate

The Share Buyback Mandate was originally approved by Shareholders at the 2012 AGM and was last renewed at the 2014 AGM. The Share Buyback Mandate as renewed at the 2014 AGM will expire on the date of the forthcoming AGM. Approval is being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate for the purchase by the Company of its issued Shares. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the forthcoming AGM, the mandate shall continue in force until the date on which the next annual general meeting of the Company is held or is required by law or by the Memorandum and Articles of Association to be held unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate may be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

3.3 The Terms of the Mandate

The authority and limitations placed on the Share Buybacks under the Share Buyback Mandate, are for the benefit of Shareholders, and are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company.

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than five per cent. (5.0%) of the total number of issued Shares of the Company ascertained as at the date of the forthcoming annual general meeting at which approval of the Share Buyback Mandate is renewed (the “**Approval Date**”), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the five per cent. (5.0%) limit. As at the Latest Practicable Date, the Company has no treasury shares.

For illustrative purposes, on the basis of 324,508,913 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the Approval Date, not more than 16,225,445 Shares (representing approximately five per cent. (5.0%) of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law or the Memorandum and Articles of Association to be held;
- (ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked in a general meeting; or
- (iii) the date on which the Share Buybacks are carried out to the full extent mandated.

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST or, as the case may be, any other stock exchange on which Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (“**Off-Market Purchases**”) effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (A) offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;
- (B) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (C) the terms of all the offers are the same, except that there shall be disregarded:
 - I. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - II. (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - III. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the information required under the Companies Act;
- (iv) the reasons for the Share Buyback;
- (v) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (vi) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vii) details of any Share Buybacks (whether Market Purchases or Off-Market Purchases) made by the Company in the previous twelve (12) months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (viii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Highest Last Dealt Price (as defined hereinafter), (the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a larger or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares in relation to the usage.

3.6 Source of Funds for Share Buyback

Previously, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may only be made out of the Company's distributable profits. The Companies Act now permits the Company to also purchase its own Shares out of capital, as well as from its distributable profits, provided that:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if there is an intention to commence winding up within the period of 12 months after the purchase of Shares, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of winding up, or if there is no intention to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately following the purchase; and

- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

Further, for the purposes of determining the value of a contingent liability, the Directors or managers of the Company may take into account the following:

- (i) the likelihood of the contingency occurring; and
- (ii) any claim the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

3.7 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

(a) Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased.

(b) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprises 324,508,913 Shares, with no Shares being held as treasury shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

(c) Illustrative Financial Effects

For illustrative purposes and based on the assumptions set out below, the financial effects of the:

- (i) acquisition of 5.0% of the issued Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares;

- (ii) acquisition of 5.0% of the issued Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and held as treasury shares;
- (iii) acquisition of 5.0% of the issued Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled; and
- (iv) acquisition of 5.0% of the issued Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and cancelled,

on the audited consolidated financial information of the Group for the financial year ended 31 August 2015 are set out below:

- (A) Purchases made entirely out of capital and held as treasury shares

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.43 or US\$0.30 (based on the exchange rate of S\$1 to US\$0.70), which is 5% above the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$4.93 million.

Having regard to:

- (i) the amount of the Company's share capital as at 31 August 2015 of approximately US\$209.54 million; and
- (ii) the Maximum Price of US\$0.30 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in a market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$4.93 million and interest expense amounted to US\$0.15 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	209,544
Accumulated Profits	179,466	179,318
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	–	(4,927)
Total Shareholders' Equity	208,413	203,338
Current Assets	282,746	282,746
Current Liabilities	203,958	209,032
Total External Indebtedness	104,120	109,047
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	65,586
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,969
Net profit attributable to owners of the parent	27,154	27,006
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	63.24
Gearing (%) ⁽²⁾	49.96	53.63
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.51 or US\$0.36 (based on the exchange rate of S\$1 to US\$0.70), which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$5.82 million.

Having regard to:

- (i) the amount of the Company's share capital as at 31 August 2015 of approximately US\$209.54 million; and
- (ii) the Maximum Price of US\$0.36 as at the Latest Practicable Date,

the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in an off-market purchase. On these assumptions and assuming the following:

- (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
- (B) the purchase of Shares was financed entirely by bank borrowings of US\$5.82 million and interest expense amounted to US\$0.18 million (at 3% per annum); and
- (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	209,544
Accumulated Profits	179,466	179,291
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	–	(5,822)
Total Shareholders' Equity	208,413	202,416
Current Assets	282,746	282,746
Current Liabilities	203,958	209,955
Total External Indebtedness	104,120	109,942
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	66,481
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,046
Net profit attributable to owners of the parent	27,154	26,979
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	62.94
Gearing (%) ⁽²⁾	49.96	54.31
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

- (B) Purchases made entirely out of profits and held as treasury shares

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.43 or US\$0.30 (based on the exchange rate of S\$1 to US\$0.70), which is 5% above the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$4.93 million.

Having regard to:

- (i) the amount of the Company's distributable profits as at 31 August 2015, adjusted for interest expense below is approximately US\$27.01 million; and
- (ii) the Maximum Price of US\$0.31 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in a market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$4.93 million and interest expense amounted to US\$0.15 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	209,544
Accumulated Profits	179,466	179,318
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	–	(4,927)
Total Shareholders' Equity	208,413	203,338
Current Assets	282,746	282,746
Current Liabilities	203,958	209,032
Total External Indebtedness	104,120	109,047
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	65,586
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,969
Net profit attributable to owners of the parent	27,154	27,006
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	63.24
Gearing (%) ⁽²⁾	49.96	53.63
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.51 or US\$0.36 (based on the exchange rate of S\$1 to US\$0.70), which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$5.82 million.

Having regard to:

- (i) the amount of the Company's distributable profits as at 31 August 2015, adjusted for interest expense below is approximately US\$26.98 million; and
- (ii) the Maximum Price of US\$0.36 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in an off-market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$5.82 million and interest expense amounted to US\$0.18 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

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Translation Reserve	(1,124)	(1,124)
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Total Shareholders' Equity	208,413	202,416
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Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	62.94
Gearing (%) ⁽²⁾	49.96	54.31
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

(C) Purchases made entirely out of capital and cancelled

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.43 or US\$0.30 (based on the exchange rate of S\$1 to US\$0.70), which is 5% above the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$4.93 million.

Having regard to:

- (i) the amount of the Company's share capital as at 31 August 2015 of approximately US\$209.54 million; and
- (ii) the Maximum Price of US\$0.30 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in a market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$4.93 million and interest expense amounted to US\$0.15 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	204,617
Accumulated Profits	179,466	179,318
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	—	—
Total Shareholders' Equity	208,413	203,338
Current Assets	282,746	282,746
Current Liabilities	203,958	209,032
Total External Indebtedness	104,120	109,047
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	65,586
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,969
Net profit attributable to owners of the parent	27,154	27,006
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	63.24
Gearing (%) ⁽²⁾	49.96	53.63
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.51 or US\$0.36 (based on the exchange rate of S\$1 to US\$0.70), which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$5.82 million.

Having regard to:

- (i) the amount of the Company's share capital as at 31 August 2015 of approximately US\$209.54 million; and
- (ii) the Maximum Price of US\$0.36 as at the Latest Practicable Date,

the Company will be able to acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in a market purchase. On these assumptions and assuming the following:

- (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
- (B) the purchase of Shares was financed entirely by bank borrowings of US\$5.82 million and interest expense amounted to US\$0.18 million (at 3% per annum); and
- (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	203,722
Accumulated Profits	179,466	179,291
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	–	–
Total Shareholders' Equity	208,413	202,416
Current Assets	282,746	282,746
Current Liabilities	203,958	209,955
Total External Indebtedness	104,120	109,942
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	66,481
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,046
Net profit attributable to owners of the parent	27,154	26,979
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	62.94
Gearing (%) ⁽²⁾	49.96	54.31
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

(D) Purchases made entirely out of profits and cancelled

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.43 or US\$0.30 (based on the exchange rate of S\$1 to US\$0.70), which is 5% above the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$4.93 million.

Having regard to:

- (i) the amount of the Company's distributable profits as at 31 August 2015, adjusted for interest expense below is approximately US\$27.01 million; and
- (ii) the Maximum Price of US\$0.30 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in a market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$4.93 million and interest expense amounted to US\$0.15 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	209,544
Accumulated Profits	179,466	174,391
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	—	—
Total Shareholders' Equity	208,413	203,338
Current Assets	282,746	282,746
Current Liabilities	203,958	209,032
Total External Indebtedness	104,120	109,047
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	65,586
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,969
Net profit attributable to owners of the parent	27,154	27,006
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	63.24
Gearing (%) ⁽²⁾	49.96	53.63
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

(1) Net tangible assets equals net assets less intangible assets.

(2) Gearing equals total external indebtedness divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.51 or US\$0.36 (based on the exchange rate of S\$1 to US\$0.70), which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds (which includes any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) required for the purchase of up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately US\$5.82 million.

Having regard to:

- (i) the amount of the Company's distributable profits as at 31 August 2015, adjusted for interest expense below is approximately US\$26.98 million; and
- (ii) the Maximum Price of US\$0.36 as at the Latest Practicable Date, the Company will acquire up to 16,225,445 Shares (representing not more than 5.0% of the total issued share capital of the Company as at the Latest Practicable Date) in an off-market purchase. On these assumptions and assuming the following:
 - (A) the purchase of Shares took place at the beginning of the financial year on 1 September 2014;
 - (B) the purchase of Shares was financed entirely by bank borrowings of US\$5.82 million and interest expense amounted to US\$0.18 million (at 3% per annum); and
 - (C) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and are ignored,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited consolidated financial information for the financial year ended 31 August 2015 is as set out on the following page:

	Group	
	Before Share Buyback US\$'000	After Share Buyback US\$'000
As at 31 August 2015		
Share Capital	209,544	209,544
Accumulated Profits	179,466	173,469
Merger Reserve	(179,347)	(179,347)
Hedging Reserve	(126)	(126)
Translation Reserve	(1,124)	(1,124)
Treasury Shares	–	–
Total Shareholders' Equity	208,413	202,416
Current Assets	282,746	282,746
Current Liabilities	203,958	209,955
Total External Indebtedness	104,120	109,942
Cash and Cash Equivalents	43,461	43,461
Net External Indebtedness	60,659	66,481
Net Tangible Assets (NTA) ⁽¹⁾	200,043	194,046
Net profit attributable to owners of the parent	27,154	26,979
Number of Shares ('000)	324,509	308,283
Weighted average number of shares ('000)	322,246	306,020
Financial Ratios		
Net Tangible Assets per Share (US cents)	61.64	62.94
Gearing (%) ⁽²⁾	49.96	54.31
Current Ratio (times) ⁽³⁾	1.39	1.35
EPS (US cents)	8.43	8.82

Notes:

- (1) Net tangible assets equals net assets less intangible assets.
(2) Gearing equals total external indebtedness divided by Shareholders' equity.
(3) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 5.0% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5.0% of the issued Shares pursuant to the Share Buyback Mandate. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

3.8 Listing Manual

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with Rule 1207(19)(c), the Company would not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks before the announcement of the first quarter, second quarter and third quarter results.

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 32.28% of the issued Shares are held by public Shareholders. Accordingly, the Company is of the view that there are a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full five per cent. (5.0%) limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

3.9 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

As at the Latest Practicable Date, approximately 60.91% of the issued Shares are held by Ezra, the Company's Controlling Shareholder. The Company does not expect that any buyback of Shares will result in a change of effective control, or, as a result of such buyback of Shares, a Shareholder or group of Shareholders acting in concert will obtain or consolidate effective control of the Company.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share Buybacks by the Company.

3.10 Shares Purchased by the Company

The Company has not made any Share Buybacks within the 12 months preceding the date of this Appendix.

4. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee (comprising Independent Non-Executive Directors Loy Juat Boey, Simon Charles Lockett and Soh Chun Bin) is of the view that the terms of the Interested Person Transactions set out in Section 2 above are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee is also of the view that the procedures referred to in Section 2.6 of this Appendix have not changed from the last shareholder approval, terms of which are contained in the appendix to the annual report of the Company dated 5 December 2014, and are sufficient to ensure that the Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. However, should the Audit Committee subsequently find that the existing procedures require material changes and are no longer relevant, the Audit Committee will recommend to the Board that a Shareholders' meeting be convened for to obtain Shareholders' approval for a fresh mandate.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, were as follows:

Directors' Interests. The interests of the Directors in the Shares as at the Latest Practicable Date and after the Share Buyback based on their shareholdings in the Company as at the Latest Practicable Date and assuming (i) the Company undertakes a Share Buyback up to the maximum 5.0% of the issued share capital of the Company, (ii) there is no change in the holding of Shares between the Latest Practicable Date and the date of the AGM, (iii) no new Shares are issued following approval being received from Shareholders at the AGM and (iv) none of the foregoing parties sell or otherwise dispose of their holding in Shares, are set out below:

Director	Number of Shares					
	Direct Interest	% ⁽¹⁾		Deemed Interest	% ⁽¹⁾	
	As at Latest Practicable Date	Before Share Buyback	After Share Buyback	As at Latest Practicable Date	Before Share Buyback	After Share Buyback
Lee Kian Soo ⁽²⁾	1,505,000	0.46	0.49	—	—	—
Soh Chun Bin	—	—	—	—	—	—
Loy Juat Boey	—	—	—	—	—	—
Simon Charles Lockett	—	—	—	—	—	—

Substantial Shareholders' Interests. The interests of the Substantial Shareholders in the Shares, as at the Latest Practicable Date and after the Share Buyback based on their shareholdings in the Company as at the Latest Practicable Date and assuming (i) the Company undertakes a Share Buyback up to the maximum 5.0% of the issued share capital of the Company, (ii) there is no change in the holding of Shares between the Latest Practicable Date and the date of the AGM, (iii) no new Shares are issued following approval being received from Shareholders at the AGM and (iv) none of the foregoing parties sell or otherwise dispose of their holding in Shares, are set out below:

Substantial Shareholder	Number of Shares					
	Direct Interest	% ⁽¹⁾		Deemed Interest	% ⁽¹⁾	
	As at Latest Practicable Date	Before Share Buyback	After Share Buyback	As at Latest Practicable Date	Before Share Buyback	After Share Buyback
Ezra Holdings Limited	197,656,235	60.91	64.12	–	–	–
Lee Chye Tek Lionel ⁽²⁾⁽³⁾	16,959,038	5.23	5.50	201,302,827	62.03	65.30

Notes:

- (1) Based on the 324,508,913 Shares in issue as at the Latest Practicable Date.
- (2) Mr. Lee Chye Tek Lionel is the son of Mr. Lee Kian Soo.
- (3) Mr. Lee Chye Tek Lionel is deemed interested in the 201,302,827 Shares (which constitutes 62.03% of the issued Share Capital of the Company (before any Share Buyback)), held by Jit Sun Investments Pte Ltd (3,646,592 Shares) and Ezra Holdings Limited (197,656,235 Shares) due to his shareholding in Jit Sun Investments Pte Ltd and Ezra Holdings Limited.

6. DIRECTORS' RECOMMENDATION

6.1 Recommendation on proposed renewal of Shareholders' Mandate

The Directors (save for Lee Kian Soo who is abstaining from making a recommendation in respect of the proposed renewal of the Shareholders' Mandate), after taking into account the rationale and information relating to the Shareholders' Mandate set out in Section 2 of this Appendix, are of the opinion that the proposed renewal of the Shareholders' Mandate is in the best interests of the Company.

Accordingly, the Directors (save for Lee Kian Soo) recommend that Shareholders vote in favour of the Ordinary Resolution 8 relating to the proposed renewal of the Shareholders' Mandate as set in the Notice of AGM on page 133 of the Annual Report at the AGM.

6.2 Recommendation on proposed renewal of Share Buyback Mandate

The Directors, after taking into account the rationale and information relating to the Share Buyback Mandate set out in Section 3 of this Appendix, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 9 relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM on pages 133 and 134 of the Annual Report at the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that to the best of their knowledge and belief, the Appendix constitutes full and true disclosure of all material facts about the Shareholders' Mandate, the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts, the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Ezra, being a Mandated Interested Person pursuant to the proposed renewal of the Shareholders' Mandate, will therefore abstain from voting on Ordinary Resolution 8 relating to the proposed renewal of the Shareholders' Mandate and has undertaken to ensure that its associates will abstain from voting on Ordinary Resolution 8 relating to the proposed renewal of the Shareholders' Mandate. Such Mandated Interested Persons will also not accept nominations to act as proxy, corporate representative or attorney for any other Shareholder in respect of Ordinary Resolution 8 unless specific voting instructions have been given by the Shareholder as to how he wants his vote to be cast in respect of Ordinary Resolution 8.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 15 Hoe Chiang Road, #28-01 Tower Fifteen, Singapore 089316 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report.

Yours faithfully
For and on behalf of
the Board of Directors of Triyards Holdings Limited

Lee Kian Soo
Non-Executive and Non-Independent Chairman

27 November 2015

ANNEXURE

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

The following is a summary of Chapter 9 of the Listing Manual (**Chapter 9**). This summary does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information contained in the Listing Manual.

1. INTRODUCTION

Chapter 9 applies to transactions entered into between a listed company or any of its subsidiaries (other than a subsidiary that is listed on the SGX-ST or an approved exchange (as defined below)) or associated companies (other than an associated company that is listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) (as defined below), has control over the associated company) with a party who is an interested person of the listed company.

2. TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

approved exchange : means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9

associate : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

- (i) his immediate family (ie spouse, children, adopted children, step-children, siblings and parents);
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

associated company	:	means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group
chief executive officer	:	means the most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the issuer
control	:	means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
controlling shareholder	:	means a person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company (unless otherwise excepted by SGX-ST); or (b) in fact exercises control over a company.
interested person	:	means a director, chief executive officer or controlling shareholder of the listed company, or an associate of such director, chief executive officer or controlling shareholder

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS' APPROVAL

Save for certain interested person transactions which are excluded under Chapter 9, an immediate announcement and/or Shareholders' approval would be required in respect of transactions with interested persons if the value of the interested person transaction is equal to or exceeds certain financial materiality thresholds. An immediate announcement is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 3% of the listed group's latest audited consolidated NTA; or
- (b) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year, is equal to, or more than, 3% of the listed group's latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 5% of the listed group's latest audited consolidated NTA; or

- (b) the value of a proposed interested person transaction, when aggregated with other interested person transaction entered into with the same interested person during the same financial year, is equal to, or more than, 5% of the listed group's latest audited consolidated NTA. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been previously approved by Shareholders.

The requirements for an immediate announcement and/or shareholders' approval do not apply to interested person transactions below S\$100,000 each.

For illustration purposes, based on the Group's latest audited consolidated financial information for the financial year ended 31 August 2015, the Group's latest audited NTA as at 31 August 2015 was US\$200.04 million. Accordingly, in relation to the Company, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) the interested person transaction is of a value equal to, or more than, US\$10.00 million being 5% of the Group's latest audited NTA; or
- (b) the interested person transaction, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, US\$10.00 million.

The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been approved by Shareholders.

4. SHAREHOLDERS' MANDATE

Part VIII of Chapter 9 permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

