



**TRIYARDS HOLDINGS LIMITED**

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

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## **PROPOSED ISSUANCE OF 29,500,000 WARRANTS TO EZION HOLDINGS LIMITED**

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### **1. INTRODUCTION**

The board of directors (the "**Board**" or the "**Directors**") of Triyards Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a subscription agreement (the "**Subscription Agreement**") with Ezion Holdings Limited (the "**Subscriber**") on 10 November 2014, pursuant to which the Company has agreed to issue and the Subscriber has agreed to subscribe for, 29,500,000 warrants (the "**Warrants**", and the issuance of the Warrants, the "**Warrants Issue**"), with each Warrant carrying the right to subscribe for one fully-paid new ordinary share ("**New Share**") in the capital of the Company at the exercise price of US\$0.5626 (equivalent to S\$0.725 based on the exchange rate of S\$1.2886 : US\$1) per New Share (the "**Exercise Price**"). The Exercise Price is at a 9.6% premium to the volume-weighted average price for trades done on the SGX-ST of the Shares on 10 November 2014, being S\$0.6615 per Share (equivalent to US\$0.5133 based on the exchange rate of S\$1.2886 : US\$1). For the avoidance of doubt, the holder of the Warrants (the "**Warrantholder**") has the right to exercise the Warrants in whole or in part on one or more occasions within the Exercise Period (as defined in paragraph 2 below).

The Warrants will not be listed on Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and are exercisable into the New Shares for which listing and quotation on the SGX-ST shall be sought, on the terms and conditions of the Subscription Agreement.

The Warrants (and the New Shares, when the Warrants are exercised) are to be issued to the Subscriber pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Hence, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore.

There is no placement agent appointed for the Warrants Issue. The Subscriber is a company incorporated in Singapore and listed on the Main Board of the SGX-ST. It has two main business divisions that specialise in the development, ownership and chartering of strategic offshore assets and the provision of offshore marine logistics and support services to the offshore oil and gas industries. The Subscriber had previous commercial dealings with the Company. In addition, the Company views the Subscriber as a strategic investor who believes in the growth and prospects of the Group.

Mr Lee Kian Soo is a director on the Board of the Subscriber and on the Board of our substantial shareholder, Ezra Holdings Limited ("**Ezra**"). Mr Lee Kian Soo is the father of one of our Directors, Mr Lee Chye Tek, Lionel. In addition, both the Subscriber and Ezra had from time to time, entered into business dealings. Save for the aforementioned, to the best of our knowledge, none of our Directors or substantial shareholders has any connection (including business relationship) with the Subscriber or its directors or substantial shareholders.

The Directors believe that the Warrants Issue is favourable to the Company on the basis it will be a strategic move to support future growth and revenue of the Group, leveraging on the Subscriber's resources and its market positioning in the offshore Oil and Gas industry.

Pursuant to Rule 803 of Listing Manual of the SGX-ST (the "**Listing Manual**"), the Company has confirmed that it will not, pursuant to the Warrant Issue, issue Warrants to transfer a controlling interest without the prior approval of shareholders of the Company ("**Shareholders**") in a general meeting. The Warrants will not be issued to any person who is a Director or a substantial Shareholder, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual.

## 2. **PRINCIPAL TERMS OF THE WARRANTS**

The principal terms and conditions (the "**Conditions**") of the Warrants, to be constituted by a deed poll to be entered into (the "**Deed Poll**") are summarised as follows:

Issue Size : 29,500,000 Warrants to be issued.

Exercise Condition : The Warrants proposed to be issued to the Subscriber shall vest upon the Subscriber (or its subsidiaries) or a party introduced by the Subscriber (where the introduction by the Subscriber is acknowledged by the Company in writing) on the one hand and the Company (or its subsidiaries) on the other having entered into:

(a) ship building contract(s) of at least US\$150,000,000 (the "**Ship-Building Contract(s)**"); and

(b) contract(s) for the provision of engineering services by the Subscriber (or its subsidiaries) or the third party introduced by the Subscriber in connection with such ship building contract(s),

within 120 days of the date of the Subscription Agreement and all conditions precedent in respect of such contracts having been satisfied within 180 days (or such longer period as the Parties may agree) from the date of the Subscription Agreement (the "**Vesting Date**").

Exercise Period : The Warrants are exercisable commencing on and including the Vesting Date and expiring at 5.00 p.m. on the date immediately preceding the third (3<sup>rd</sup>) anniversary of the Vesting Date.

Transfer : The Warrants shall be transferable, with the prior written consent from the Company (such consent not to be unreasonably withheld or delayed).

Exercise Price : US\$0.5626 (equivalent to S\$0.725 based on the exchange rate of S\$1.2886 : US\$1) per New Share.

Adjustments : The Exercise Price and number of Warrants shall be subject to adjustments in certain circumstances, including but not limited to stock splits, rights issues or bonus issues.

Status of the New Shares : Save for the proposed dividend of S\$0.01 per Share which has been disclosed in the Financial Statements and Dividend Announcement of the Company dated 21 October 2014 which is subject to the approval of the Shareholders for which holders of the New Shares are not entitled to, the New Shares allotted and issued upon exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined in the Deed Poll) for which is on or after the date of allotment and issue of the New Shares arising from the exercise of the relevant Warrants, and subject to the Conditions,

shall rank *pari passu* in all respects with the then existing Shares.

Listing : The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for the New Shares to be issued pursuant to the exercise of the Warrants on the SGX-ST. The Warrants will not be listed.

Winding-up of the Company : (a) If an effective resolution is passed during the Exercise Period for a member's voluntarily wind-up the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholder shall be a party, the terms of such scheme of arrangement shall be binding on the Warrantholder and all person having an interest in the Warrants.

(b) In any other case, if the notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled upon and subject to the Deed Poll and the Conditions, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercises the Warrants and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall thereafter immediately give notice to the Warrantholder of such allotment in accordance with the Deed Poll and the Conditions.

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Governing Law : Singapore Law.

### 3. CONDITIONS PRECEDENT

The Warrants Issue is conditional upon, among others, all approvals for the Warrants Issue having been obtained and not amended, withdrawn, revoked or cancelled.

### 4. NEW SHARES

As of the date of this announcement ("**Announcement**"), the Company has an issued share capital of 324,508,913 Shares and has no treasury shares.

Based on the Exercise Price of US\$0.5626 (equivalent to S\$0.725 based on the exchange rate of S\$1.2886 : US\$1) per New Share and assuming no further adjustments to the Exercise Price (as defined in paragraph 2 above), the maximum number of New Shares to be allotted and issued by the Company, pursuant to the full exercise of the Warrants, is 29,500,000 New Shares, representing approximately 9.09% of the existing issued share capital of the Company as at the date of this Announcement, and representing approximately 8.33% of the enlarged issued share capital of the Company on a diluted basis, after adjusting for the issue of 29,500,000 New Shares.

The Warrants and the New Shares are intended to be issued at the Exercise Price pursuant to the general mandate obtained at the annual general meeting of the Company held on 16 December 2013 which authorises the Directors pursuant to Section 161 of the Companies Act (Chapter 50 of Singapore), Rule 806 of the Listing Manual of the SGX-ST and the Articles of Association of the Company, to allot and issue new shares of up to 20% of the Company's issued share capital if such shares are not issued on a pro-rata basis to existing shareholders (the "**Share Issue Mandate**").

On 29 September 2014, 29,500,000 Shares were allotted and issued at S\$0.70 per Share pursuant to a placement, which represent approximately 10.0% of the issued and paid up share capital of the Company of 295,008,913 Shares at the time the approval for the Share Issue Mandate. Based on the above, 29,501,782 Shares remained available to be issued other than on a pro-rata basis to Shareholders (the "**Balance Number**"). The 29,500,000 Warrants and 29,500,000 New Shares proposed to be issued does not exceed the Balance Number. Accordingly, the Company will not be seeking specific approval from its shareholders for the Warrant Issue.

The Company will be making an application to the SGX-ST for the admission of the New Shares to the Official List of the SGX-ST and for the listing of and quotation for the New Shares on the SGX-ST. Further announcements on the Warrants Issue, including the receipt of the in-principle approval from the SGX-ST, will be made in due course as and when appropriate.

## **5. USE OF PROCEEDS**

Assuming all the 29,500,000 Warrants are exercised in full at the Exercise Price of US\$0.5626 (equivalent to S\$0.725 based on the exchange rate of S\$1.2886 : US\$1) per New Share, the gross proceeds of approximately US\$16.6 million (equivalent to S\$21.4 million based on the exchange rate of S\$1.2886 : US\$1), will be used in the following manner:

- (a) up to 50% will be used to fund business expansion and project funding, including but not limited to capital expenditure, expansion of markets in relation to the Group's existing business, its product range and acquisition(s); and
- (b) the balance will be utilised for general corporate purposes and working capital.

Pending the deployment of the gross proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

Shareholders and potential investors should note that there is no guarantee that the Company will obtain the gross proceeds of approximately US\$16.6 million (equivalent to S\$21.4 million based on the exchange rate of S\$1.2886 : US\$1) as the Subscriber has the right, but not the obligation, to exercise the Warrants upon the terms and subject to the Conditions.

In the event the Warrants are exercised by the Subscriber, the Company shall announce the use of the proceeds as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in this Announcement, and where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation. In the event the Warrants are exercised by the Subscriber, the Company shall also provide a status report on the use of proceeds in its annual report.

## **6. DIRECTORS' OPINION**

The Directors are of the opinion that, after taking into consideration:

- (i) the Group's present bank facilities, internal resources and operating cashflow, the working capital available to the Group is sufficient to meet its present requirements; and
- (ii) the Group's present bank facilities, internal resources, operating cashflow and the gross proceeds of the Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

The gross proceeds from the Warrants Issue will also enable the Company to augment its working capital and give it the flexibility to apply the gross proceeds to its existing projects now and in the future as the Company may deem necessary and to take advantage of any business opportunities that may arise in future.

## 7. FINANCIAL EFFECTS OF THE WARRANTS ISSUE

The table illustrates the financial effects of the Warrants Issue, which are strictly for illustrative purposes only and do not necessarily reflect the actual future financial position and results of the Group following the completion of the Warrants Issue, on (i) the net tangible asset ("NTA") per Share (assuming the Warrants Issue and assuming full exercise of the Warrants had been completed at the end of that financial year); and (ii) the earnings per Share ("EPS") (assuming that the Warrants Issue and assuming full exercise of the Warrants had been completed at the beginning of that financial year) based on the audited financial statements of the Group for the financial year ended 31 August 2013 (whose reporting currency is in US\$) and based on certain assumptions made in relation to the Ship-Building Contract(s) are set out below:

|                             | Before the Warrants<br>Issue <sup>(1)</sup> | After the Warrants<br>Issue <sup>(1)</sup> | After issuance of<br>29,500,000 New<br>Shares <sup>(1) (2)</sup> |
|-----------------------------|---------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| NTA per Share<br>(US cents) | 47.46                                       | 47.46                                      | 50.99                                                            |
| EPS (US cents)              | 11.71                                       | 11.71                                      | 13.55                                                            |

### Notes:

- (1) Computed based on the audited financial statements of the Group for the financial year ended 31 August 2013
- (2) Computed on the basis that the Exercise Condition has been satisfied and the Warrants are exercised in full.

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Warrants Issue.

By Order of the Board

Yeo Keng Nien  
Company Secretary  
10 November 2014