RYOBI KISO HOLDINGS LTD.
(Company Registration No. 200803985D)
(Incorporated in the Republic of Singapore)

COMMENCEMENT OF COURT SUPERVISED REORGANISATION PROCESS

The board of directors ("**Board**") of Ryobi Kiso Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcements released on 27 June 2018, 29 June 2018, 4 July 2018, 10 July 2018 and 27 July 2018 (the "**Announcements**").

The Board wishes to inform that the Company, and its subsidiaries, Ryobi Kiso (S) Pte. Ltd. ("**RKS**"), Star Piling Pte. Ltd. ("**SPPL**") and Ryobi Machinery Pte Ltd ("**RMPL**"), collectively (the "**Applicant Companies**"), have made applications to the High Court of the Republic of Singapore to commence a court supervised reorganisation process ("**Reorganisation Applications**"), with the intention of proposing a scheme of arrangement to reorganise the liabilities of the Company and RKS. The Company has engaged WongPartnership LLP as legal advisors and PricewaterhouseCoopers LLP as financial advisors in this process. The details of these applications are set out below.

Rationale for commencing court supervised reorganisation process

The Singapore construction sector has seen significant challenges in recent times. Intense competition among fellow industry players has resulted in thin margins for piling and ground engineering projects. These industry-wide issues have added to the Applicant Companies' cash flow pressures, which are the result of delays by main contractors in certifying claims, protracted negotiations over variation orders for work done, and the need to make prompt payments to suppliers and subcontractors to ensure that projects continue to run smoothly.

The court orders sought in the Reorganisation Applications, if granted, are intended to allow the Applicant Companies to alleviate the pressure on these companies' cash flow. This will allow the companies to continue their operations and protect the value of their respective businesses while reorganising liabilities. The Applicant Companies intend to continue ongoing projects with minimal disruptions while they undertake this court supervised reorganisation process.

The Board is of the view that the financial issues facing the Applicant Companies can be resolved through a successful reorganisation of liabilities. A successful reorganisation process will enable the creditors to achieve a better recovery of their debts than in a liquidation, and preserve the value of the businesses of the Group for the benefit of all stakeholders.

The Company and its subsidiaries will continue to work closely with their advisors, creditors and stakeholders to achieve the best possible outcome for all interested parties, in order to establish a foundation for long-term stability and success.

Applications for Moratorium Orders under Section 211B of the Companies Act

The Company and RKS (collectively, the "**Section 211B Applicants**") have applied to the High Court of the Republic of Singapore pursuant to Section 211B of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**") to seek a moratorium against enforcement actions and legal proceedings by creditors ("**Section 211B Applications**"). The Section 211B Applicants are seeking orders in the Section 211B Applications that for a period of 6 months from the date of the order:

(a) no resolution shall be passed for the winding up of the Section 211B Applicants;

(b) no receiver or manager shall be appointed over any property or undertaking of the Section 211B Applicants;

(c) no proceedings shall be commenced or continued against the Section 211B Applicants, except with the leave of the Court and subject to such terms as the Court imposes;

(d) no execution, distress, or other legal process against any property of the Section 211B Applicants shall be commenced, continued, or levied except with the leave of the Court and subject to such terms as the Court imposes;

(e) no step to enforce any security over any property of the Section 211B Applicants, or to repossess any goods held by the Section 211B Applicants under any chattels leasing agreement, hire-purchase agreement, or retention of title agreement shall be taken or continued, except with the leave of the Court and subject to such terms as the Court imposes; and

(f) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the Section 211B Applicants shall be enforced (including any enforcement pursuant to section 18 or section 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the leave of the Court and subject to such terms as the Court imposes

(collectively, the "**Moratorium Orders**").

Pursuant to Section 211B(8) of the Companies Act, upon the filing of the Section 211B Applications, a moratorium automatically comes into effect for 30 days commencing from the date of the applications, or until the date the court decides the applications, whichever is earlier.

Applications for Related Company Moratorium Orders under Section 211C of the Companies Act

Two subsidiaries of the Company and RKS, namely SPPL and RMPL ("**Related Companies**"), have also applied to the High Court of the Republic of Singapore pursuant to Section 211C of the Companies Act for a moratorium against enforcement actions and legal proceedings by creditors ("**Section 211C Applications**"). The Section 211C Applications are made on the basis that the Related Companies are necessary and integral to the scheme of arrangement to be proposed by the Applicants, and that the scheme of arrangement would be frustrated if enforcement actions and legal proceedings are commenced against the Related Companies. The Related Companies are seeking orders in the Section 211C Applications that for a period of 6 months from the date of the order:

(a) no resolution shall be passed for the winding up of the Related Companies;

(b) no receiver or manager shall be appointed over any property or undertaking of the Related Companies;

(c) no proceedings shall be commenced or continued against the Related Companies, except with the leave of the Court and subject to such terms as the Court imposes;

(d) no execution, distress, or other legal process against any property of the Related Companies shall be commenced, continued, or levied except with the leave of the Court and subject to such terms as the Court imposes;

(e) no step to enforce any security over any property of the Related Companies, or to repossess any goods held by the Related Companies under any chattels leasing agreement, hire-purchase agreement, or retention of title agreement shall be taken or continued, except with the leave of the Court and subject to such terms as the Court imposes; and

(f) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the Related Companies shall be enforced (including any enforcement pursuant to section 18 or section 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the leave of the Court and subject to such terms as the Court imposes

(collectively, the "**Related Company Moratorium Orders**").

The Moratorium Orders and Related Company Moratorium Orders, if granted, will allow the Section 211B Applicants breathing room to negotiate with their creditors and to formulate a scheme of arrangement and restructuring plan that will take into account the interests of the creditors and all stakeholders.

Pre-Trial Conference

A Pre-Trial Conference ("**PTC**") for the Section 211B Applications and Section 211C Applications has been scheduled for Thursday, 2 August 2018, at 10.00am in the Supreme Court of the Republic of Singapore.

Please take note that the PTC is not a substantive hearing of the applications but is administrative in nature, where the Court will give directions on the conduct of the proceedings for the Section 211B Applications and Section 211C Applications.

Further material developments in relation to this reorganisation process will be shared by the Company via SGXNET as and when they arise.

Holders of the Company's securities ("**Holders**") as well as potential investors are advised to read this announcement and any further announcements by the Company carefully. Holders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Holders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ong Tiong Siew
Chief Executive Officer and Executive Director

31 July 2018