



TRIYARDS HOLDINGS LIMITED

(Incorporated in Singapore)
(UEN/Company Registration Number: 201210555Z)

UPDATE ON FINANCIAL CONDITION OF THE COMPANY AND VOLUNTARY TRADING SUSPENSION

The Board of Directors (the "**Board**" or the "**Directors**") of Triyards Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the results announcement for the third quarter ended 31 May 2017 released on 21 July 2017 ("**Results Announcement**").

Update of the Group's financial situation

As indicated in paragraph 10 of the Results Announcement, the Group is currently experiencing difficulties in gaining access to new sources of liquidity in the current environment, which has worsened after the release of the Result Announcement. This has led the Group to reassess its ability to continue or to complete its existing projects with the existing financial resources available. The Group is currently engaging all relevant stakeholders with an aim to ensure that the Group will be able to deliver its existing projects to its customers.

While certain shipbuilding contracts are within the respective cancellation periods as the Group was unable to deliver the vessels within the respective contractual delivery dates including the grace period granted in the shipbuilding contracts, none of the Group's respective clients has served notices of cancellation. The Group is currently negotiating with affected clients to establish new delivery timelines that are mutually acceptable between the parties. Concurrently, the Group has been in active and continuous engagement with respective lenders with the possibility of increasing the funding for the projects.

Coupled with the above, the Group has experienced delays in delivery and collections from its clients for certain completed projects due to the fact that the client(s) are severely affected by downturn in the Oil & Gas industry.

The delay of collections from certain projects and limited liquidity resources has put the Group in a position where it is unable to meet certain loan repayments. Currently, the Group has received demand letters from two of its lenders, for an aggregate overdue loan instalments amounting to approximately US\$ 0.8 million. The Group is currently in negotiations with these lenders, the failure of which could potentially result in these lenders calling for the entire outstanding loan amounting to an aggregate sum of approximately US\$ 6.9 million and potential cross default on other loans granted by other financial institutions to the Group.

The Group has engaged a financial advisor who is currently working with the Group with an aim to put up restructuring plan to its various stakeholders.

In light of the foregoing, the Group is not in a position to assess reasonably its financial position and could have a potential going concern issue until a viable restructuring plan is in place. Therefore, the Company will be converting the trading halt of the Company's shares to a trading suspension.

By Order of the Board

Lee Kian Soo
Chairman
6 September 2017