



TRIYARDS HOLDINGS LIMITED (CO. REG. NO.: 201210555Z)

**Financial Statements And Dividend Announcement
For the Financial Year ended 31 August 2016**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR
ANNOUNCEMENTS**

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	Group 3 months ended			Group 12 months ended		
	31 August 2016	31 August 2015	Incr/ (decr)	31 August 2016	31 August 2015	Incr/ (decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	94,205	88,403	7	324,892	270,113	20
Cost of sales	(82,046)	(69,165)	19	(269,499)	(210,085)	28
Gross profit	12,159	19,238	(37)	55,393	60,028	(8)
Other income/(expenses), net	70	(130)	nm	(233)	1,339	nm
Administrative expenses	(7,842)	(8,591)	(9)	(29,097)	(30,110)	(3)
Profit from operations	4,387	10,517	(58)	26,063	31,257	(17)
Negative goodwill	-	(291)	(100)	-	3,590	(100)
Allowance for impairment of Houston facilities	(1,740)	-	100	(1,740)	-	100
Financial income	34	44	(23)	221	57	> 100
Financial expenses	(888)	(859)	3	(4,932)	(4,971)	(1)
Profit before tax	1,793	9,411	(81)	19,612	29,933	(34)
Tax credit/(expense)	441	(1,006)	nm	(1,819)	(2,779)	(35)
Profit after tax, attributable to owners of the Company	2,234	8,405	(73)	17,793	27,154	(34)

nm – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3 months ended		Incr/ (decr) %	12 months ended		Incr/ (decr) %
	31 August	31 August		31 August	31 August	
	2016	2015		2016	2015	
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit after tax	2,234	8,405	(73)	17,793	27,154	(34)
Other comprehensive income:						
Exchange differences on translating foreign operations	190	(574)	nm	425	(1,124)	nm
Fair value changes on cash flow hedges	(937)	(253)	> 100	(759)	(126)	> 100
Other comprehensive income for the financial period/year, net of tax	(747)	(827)	(10)	(334)	(1,250)	(73)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,487	7,578	(80)	17,459	25,904	(33)

Profit before tax was stated after (charging)/crediting:-

	Group			Group		
	3 months ended		Incr/ (decr) %	12 months ended		Incr/ (decr) %
	31 August	31 August		31 August	31 August	
	2016	2015		2016	2015	
	US\$'000	US\$'000		US\$'000	US\$'000	
Depreciation of fixed assets	(2,914)	(3,103)	(6)	(11,395)	(11,925)	(4)
(Loss)/gain on disposal of fixed assets	(17)	43	nm	(670)	71	nm
Fixed assets written off	(31)	(46)	(33)	(36)	(72)	(50)
Amortisation of intangible assets	(137)	(1,112)	(88)	(326)	(1,112)	(71)
Impairment loss on assets held for sale	(268)	-	100	(268)	-	100
Allowance for impairment of fixed assets	(1,740)	-	100	(1,740)	-	100
Interest income	34	44	(23)	221	57	> 100
Fair value changes in respect of derivative instruments, net	(272)	177	nm	(478)	177	nm
Exchange gain/(loss), net	41	(480)	nm	232	(78)	nm
Bad debts written off, net	-	(41)	(100)	-	(41)	(100)
Allowance for doubtful debts, net	-	(8)	(100)	-	(8)	(100)
Inventories written off	(105)	(284)	(63)	(105)	(284)	(63)
Negative goodwill on acquisition of subsidiaries	-	(291)	(100)	-	3,590	(100)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 August 2016 US\$'000	31 August 2015 US\$'000	31 August 2016 US\$'000	31 August 2015 US\$'000
Non-current assets				
Fixed assets	137,640	138,319	-	-
Intangible assets	9,312	8,370	-	-
Investments in subsidiaries	-	-	182,568	182,468
Available-for-sale ("AFS") investments	37	37	-	-
Finance lease receivable	1,470	-	-	-
Deferred tax assets	1,231	699	-	-
Current assets				
Assets held for sale	4,550	-	-	-
Inventories and work-in-progress	64,529	51,703	-	-
Trade receivables	170,310	148,435	-	-
Other receivables	7,607	7,942	-	7
Other current assets	27,483	20,664	244	236
Finance lease receivable	550	-	-	-
Derivative financial instruments	-	177	-	-
Balances due from				
- subsidiaries	-	-	43,917	44,670
- ultimate holding company	-	1,363	-	38
- related companies	15,596	9,001	52	420
Cash and cash equivalents	15,624	40,523	56	78
Cash pledged	22,298	2,938	-	-
	328,547	282,746	44,269	45,449
Current liabilities				
Trade payables	44,066	31,450	-	-
Other payables	51,270	75,669	568	593
Balances due to				
- subsidiaries	-	-	100	4,109
- ultimate holding company	294	734	-	-
- related companies	1,280	2,968	-	-
- affiliated companies	209	893	-	-
Derivative financial instruments	1,187	126	-	-
Bills payable to banks	70,492	39,316	-	-
Lease obligations	44	351	-	-
Bank term loans	67,472	49,111	-	-
Provision for tax	3,698	3,340	-	-
	240,012	203,958	668	4,702
Net current assets	88,535	78,788	43,601	40,747
Non-current liabilities				
Lease obligations	(123)	(1,121)	-	-
Bank term loans	(11,927)	(14,221)	-	-
Deferred tax liabilities	(2,595)	(2,458)	-	-
NET ASSETS	223,580	208,413	226,169	223,215
EQUITY				
Share capital	209,544	209,544	209,544	209,544
Accumulated profits	194,967	179,466	16,625	13,671
Merger reserve	(179,347)	(179,347)	-	-
Translation reserve	(699)	(1,124)	-	-
Hedging reserve	(885)	(126)	-	-
TOTAL EQUITY	223,580	208,413	226,169	223,215

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	31 August 2016		31 August 2015	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	85,864	52,144	54,387	34,391
Amount repayable after one year	10,163	1,887	14,191	1,151

Details of any collaterals

The Group's borrowings are primarily secured by way of legal mortgages on the property, plant and machinery and assignment over the benefits arising from shipbuilding contract including the work in progress, charge over earnings account, assignment of insurances and cash deposits of the Group.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to owners of the Company					
	Share capital US\$'000	Accumulated profits US\$'000	Merger reserve US\$'000	Translation reserve US\$'000	Hedging reserve US\$'000	Total US\$'000
Group						
Balance at 1 September 2014	193,802	154,792	(179,347)	-	-	169,247
Total comprehensive income for the financial year	-	27,154	-	(1,124)	(126)	25,904
Issuance of shares by way of placement	16,243	-	-	-	-	16,243
Share issuance expense	(501)	-	-	-	-	(501)
Dividends on ordinary shares	-	(2,480)	-	-	-	(2,480)
Total transactions with owners of the Company	15,742	(2,480)	-	-	-	13,262
Balance at 31 August 2015	209,544	179,466	(179,347)	(1,124)	(126)	208,413
Balance at 1 September 2015	209,544	179,466	(179,347)	(1,124)	(126)	208,413
Total comprehensive income for the financial year	-	17,793	-	425	(759)	17,459
Dividends on ordinary shares representing total transactions with owners of the Company	-	(2,292)	-	-	-	(2,292)
Balance at 31 August 2016	209,544	194,967	(179,347)	(699)	(885)	223,580
Company						
	Attributable to owners of the Company					
	Share capital US\$'000	Accumulated profits US\$'000	Total US\$'000			
Balance at 1 September 2014	193,802	4,557	198,359			
Total comprehensive income for the financial year	-	11,594	11,594			
Issuance of shares by way of placement	16,243	-	16,243			
Share issuance expense	(501)	-	(501)			
Dividends on ordinary shares	-	(2,480)	(2,480)			
Total transactions with owners of the Company	15,742	(2,480)	13,262			
Balance at 31 August 2015	209,544	13,671	223,215			
Balance at 1 September 2015	209,544	13,671	223,215			
Total comprehensive income for the financial year	-	5,246	5,246			
Dividends on ordinary shares representing total transactions with owners of the Company	-	(2,292)	(2,292)			
Balance at 31 August 2016	209,544	16,625	226,169			

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	3 months ended 31 August 2016 US\$'000	3 months ended 31 August 2015 US\$'000	12 months ended 31 August 2016 US\$'000	12 months ended 31 August 2015 US\$'000
Cash flows from operating activities				
Profit before tax	1,793	9,411	19,612	29,933
Adjustments:				
Depreciation of fixed assets	2,914	3,103	11,395	11,925
Loss/(gain) on disposal of fixed assets	17	(43)	670	(71)
Fixed assets written off	31	46	36	72
Amortisation of intangible assets	137	1,112	326	1,112
Impairment loss on assets held for sale	268	-	268	-
Allowance for impairment of fixed assets	1,740	-	1,740	-
Fair value changes in respect of derivative instruments, net	272	(177)	478	(177)
Unrealised exchange (gain)/loss	(282)	589	(629)	930
Interest expense	888	859	4,932	4,971
Interest income	(34)	(44)	(221)	(57)
Bad debts written off, net	-	41	-	41
Allowance for doubtful debts, net	-	8	-	8
Inventories written off	105	284	105	284
Negative goodwill on acquisition of subsidiaries	-	291	-	(3,590)
Operating profit before working capital changes	7,849	15,480	38,712	45,381
(Increase)/decrease in:				
Inventories and work-in-progress	(10,277)	9,082	(12,989)	(17,955)
Trade receivables	19,748	(54,323)	(21,876)	32,166
Other receivables and other current assets	4,021	7,983	(6,484)	(11,336)
Finance lease receivable	(2,010)	-	(2,010)	-
Due from ultimate holding company	47	(1,329)	1,363	(1,326)
Due from related companies	(997)	7,887	(6,595)	14,204
Due from affiliated companies	-	7	-	3,556
Increase/(decrease) in:				
Trade payables	5,886	11,780	13,611	(5,914)
Other payables	1,138	15,805	(24,614)	18,838
Due to ultimate holding company	(2,237)	(1,720)	(440)	(991)
Due to related companies	(1,559)	(9,386)	(1,688)	(8,476)
Due to affiliated companies	(52)	86	(684)	893
Cash generated from/(used in) operations	21,557	1,352	(23,694)	69,040
Interest paid	(888)	(859)	(4,932)	(4,971)
Interest income received	24	44	211	57
Tax paid	(223)	(864)	(1,694)	(5,771)
Net cash generated from/(used in) operating activities	20,470	(327)	(30,109)	58,355
Cash flows from investing activities				
Purchase of fixed assets	(8,964)	(1,200)	(20,932)	(16,995)
Additions to intangible assets	(1,150)	-	(1,227)	(548)
Proceeds from disposal of fixed assets	39	45	3,458	82
Decrease/(increase) in cash pledged	3,834	(276)	(19,361)	(2,938)
Acquisition of subsidiaries, net of cash paid	-	-	-	(15,656)
Net cash used in investing activities	(6,241)	(1,431)	(38,062)	(36,055)
Cash flows from financing activities				
Proceeds from lease financing	-	-	-	1,931
Repayment of lease obligations	(10)	(89)	(1,405)	(360)
Proceeds from issuance of placement shares, net of transaction costs	-	-	-	15,742
Proceeds from bank term loans and bills payable to banks	56,304	44,522	253,873	170,120
Repayment of bank term loans and bills payable to banks	(75,390)	(41,309)	(207,095)	(189,095)
Dividends paid on ordinary shares	-	-	(2,292)	(2,480)
Net cash (used in)/generated from financing activities	(19,096)	3,124	43,081	(4,142)
Net (decrease)/increase in cash and cash equivalents	(4,867)	1,366	(25,090)	18,158
Effects of exchange on cash and cash equivalents	105	(131)	191	(414)
Cash and cash equivalents at beginning of financial period/year	20,386	39,288	40,523	22,779
Cash and cash equivalents at end of financial period/year	15,624	40,523	15,624	40,523

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Issuance of 29,500,000 warrants to Ezion Holdings Limited

Each Warrant carrying the right to subscribe for one new ordinary share at US\$0.5626 per share. The Warrants are exercisable commencing on 6 July 2015 and shall expire on 6 July 2018.

As at date of this announcement, no warrant has been exercised.

As at 31 August 2016 and 2015, the Company's total number of issued shares is 324,508,913. The Company does not hold any treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The Company's total number of issued shares is 324,508,913 as at 31 August 2016 and 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 31 August 2016 as the most recently audited financial statements for the financial year ended 31 August 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 September 2015. The adoption of these new/revised FRS and INT FRSs did not have material effect on the financial performance or position of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

	12 months ended 31 August 2016	12 months ended 31 August 2015
Net profit attributable to owners of the Company (US\$'000)	17,793	27,154
Weighted average number of ordinary shares on issue for calculation of ('000):		
- Basic earnings per share	324,509	322,246 (*)
- Diluted earnings per share (^)	324,509	322,246 (*)
Earnings per ordinary share ("EPS") (US cents) of the Group:		
(a) Based on the weighted average number of ordinary shares on issue	5.48	8.43
(b) On a fully diluted basis	5.48	8.43

(*) The weighted average number of ordinary shares for the financial year ended 31 August 2015 includes the 29,500,000 new ordinary shares issued pursuant to a private placement on 29 September 2014.

(^) There is no dilutive impact on the earnings from the Warrants issued to Ezion Holdings Limited.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31 August 2016	As at 31 August 2015	As at 31 August 2016	As at 31 August 2015
Net asset value per ordinary share (US cents)	68.90	64.22	69.70	68.79

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

REVIEW OF PERFORMANCE:

Revenue

Financial year ended 31 August 2016 ("FY16")
3 months ended 31 August 2016 ("4Q16")

Group's revenue increased by US\$54.8 million (20%) for the financial year ended 31 August 2016 ("FY16") and US\$5.8 million (7%) for the three months ended 31 August 2016 ("4Q16") respectively, when compared to the corresponding periods for the financial year ended 31 August 2015 ("FY15") and three months ended 31 August 2015 ("4Q15").

The increases in FY16 and 4Q16 were mainly due to:

- (i) Contributions from three units of self-elevating units ("SEUs"), two units of multi-purpose support vessels ("MPSVs"), three units of chemical tanker, four units of escort tugs and one unit of scientific research vessel during the financial period;
- (ii) Contribution from Strategic Marine Group for the construction of aluminium crew boats and wind farm vessels; and
- (iii) Certain industrial and offshore fabrication projects.

The increases were partially offset by:

- (i) Absence of contribution from two units of SEU – one BH450 and one BH335, which were delivered during FY15;
- (ii) Lower contribution from one unit of BH320 which was delivered during 4Q16; and
- (iii) Lower contribution from two units of BH335 and one unit of BH300 which were at near completion stage as at end of 4Q16.

Contributions from all these six units of SEU, collectively, were material during FY15 and 4Q15.

Gross profit

The decreases in gross profit in FY16 and 4Q16 from its comparative periods were mainly due to lower gross profit margins resulting from different mix of projects.

Other income/(expenses), net

Other expenses for FY16 was US\$0.2 million, as compared with other income of US\$1.3 million in FY15. These expenses were contributed mainly by loss on disposal of one of the properties in Houston. The other income in 2015 was mainly due to higher scrap sales.

Other income for 4Q16 was US\$0.07 million, contributed mainly due to foreign exchange gain, as compared with other expenses of US\$0.1 million in 4Q15, mainly due to foreign exchange loss.

REVIEW OF PERFORMANCE (CONT'D):

Administrative expenses

No material changes in FY16 and 4Q16 from its comparative periods.

Negative goodwill

For FY15, there was a non-recurring negative goodwill amounting to US\$3.6 million which arose from the acquisition of Strategic Marine Group as announced in October 2014.

Allowance for impairment of fixed assets

Given the current market condition, the Group has prudently provided an allowance for impairment on its existing facilities in Houston in FY16.

Financial expenses

No material changes in FY16 and 4Q16 from its comparative periods.

Profit before tax

Profit before tax for FY16 decreased by US\$10.3 million (34%) compared to FY15. The decrease was mainly due to lower gross profit earned resulting from different mix of projects and absence of non-recurring negative goodwill of US\$3.6 million recognised in FY15.

Profit before tax for 4Q16 decreased by US\$7.6 million (81%) compared to 4Q15. The decrease was mainly due to lower gross profit generated during the financial period, which was partially offset by lower administrative expenses.

Tax

The decrease in tax expense in FY16 was in line with the decrease in profit before tax.

Tax credit for 4Q16 was US\$0.4 million, as compared with tax expense of US\$1.0 million in 4Q15, as a result of an adjustment of overprovision of tax payable in the prior quarters.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS:

Non-current assets

The increase in non-current assets was mainly due to:

- (i) Purchase of operating equipment and upgrade of facilities at two of the yards in Vietnam;
- (ii) Additions of the development cost of intangible assets; and
- (iii) Increase in finance lease receivable resulting from a lease agreement entered with one of the related companies.

The above increases were partially offset by disposal of one of the properties in Houston, impairment loss and depreciation charged during the financial year. Disposal of the property in Houston was as part of the asset optimisation plan and is not expected to have any negative impact on the existing production capacity of the Group.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS (CONT'D):

Current assets

The increase in current assets was mainly due to:

- (i) Increase in assets held for sale as part of the asset optimisation plan imposed by the Group;
- (ii) Increase in inventories and work-in-progress reflecting higher stockholding for the on-going shipbuilding and fabrication projects;
- (iii) Increase in trade receivables, mainly due to progress revenue recognised on the on-going projects;
- (iv) Increase in other current assets, mainly as a result of downpayment made to certain suppliers with regards to procurement of equipment for the projects;
- (v) Increase in finance lease receivable resulting from a lease agreement entered with one of the related companies;
- (vi) Increase in net amount due from related companies, mainly due to progress billings on certain fabrication projects; and
- (vii) Increase in cash pledged, resulting from part of the security conditions for the issuance of refund guarantees by banks to customers, pursuant to the ship building contracts signed.

The above increases were partially offset by decrease in cash and cash equivalents, as a result of net cash used for operations and investments in capital expenditures during the financial year.

Current liabilities

The increase in current liabilities was mainly due to:

- (i) Increase in trade payables as a result of purchase of materials and equipment for the on-going projects; and
- (ii) Increase in bills payable to banks and bank term loans to fund working capital for the on-going shipbuilding and fabrication projects.

The above increases were partially offset by:

- (i) Decrease in other payables, mainly due to lower advance billings to customers and accruals for costs of certain equipment delivered during the financial year; and
- (ii) Decrease in net amount due to ultimate holding company, related and affiliated companies resulting from payment made during the financial year.

Non-current liabilities

The net decrease in non-current liabilities was mainly due to repayment of bank term loans and lease obligations during the financial year.

Equity

The increase in shareholders' equity was mainly due to net profit generated during the financial year. This was partially offset by dividends paid during the financial year.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS (CONT'D):

Cash flows

Financial year ended 31 August 2016 ("FY16")

The Group recorded net cash outflow from operating activities of US\$30.1 million FY16, mainly due to:

- (i) Net increase in inventories and work-in-progress reflecting higher stockholding for the on-going shipbuilding and fabrication projects;
- (ii) Net increase in trade receivables;
- (iii) Net increase in other current assets resulting from downpayment payments made to suppliers;
- (iv) Net increase in amount due from/to ultimate holding company, related and affiliated companies mainly as a result of progress billings on certain fabrication projects; and
- (v) Net decrease in other payables, mainly as a result of decrease in advance billings to customers.

The above were partially offset by increase in trade payables as a result of purchase of materials and equipment for the on-going projects.

Net cash used in investing activities was US\$38.1 million in FY16, spent mainly for the purchase of operating equipment and upgrade of the facilities at two of the yards in Vietnam, purchase of intangible assets and increase in cash pledged. This was partially offset by proceeds from disposal of one of the properties in Houston.

Cash generated from financing activities as a result of net loan drawdown for working capital and capital expenditure was US\$45.4 million in FY16 and dividend payment during FY16 was US\$2.3 million. Overall, net cash generated from financing activities was US\$43.1 million during FY16.

3 months ended 31 August 2016 ("4Q16")

The Group recorded net cash inflow from operating activities of US\$20.5 million 4Q16, mainly due to net decrease in trade receivables as a result of receipts from customers.

Net cash used in investing activities was US\$6.2 million in 4Q16, mainly due to purchase of operating equipment and upgrade of the facilities at two of the yards in Vietnam and purchase of intangible assets. This was partially offset by decrease in cash pledged.

Net cash used in financing activities was US\$19.1 million in 4Q16 resulting from net settlement of bank term loans and bills payable to banks.

Financial ratios

The Group's net debt to equity ratio (defined as ratio of total external indebtedness (net of cash and cash equivalents) owing to bank and financial institutions to shareholders' equity) increased from 0.31 to 0.60 times, in FY16 compared to FY15. Approximately 95% of the Group borrowings as at 31 August 2016 relates to working capital financing.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Despite a moderate rebound in oil price since the beginning of 2016, the Group expects market conditions for the Oil and Gas (“O&G”) industry to remain extremely challenging for the next 12 months and anticipate continued margin pressure. However, over the past 12-18 months, the Group has successfully diversified its clientele base and expanded its product offerings beyond O&G-related assets. This resulted in new product lines being added to its orderbook, such as the chemical tanker, scientific research vessel, windfarm crew transfer vessel and LNG-powered aluminium catamaran. TRIYARDS’ primary business segment remains focused on fabricating assets for the full O&G value chain – construction and production, as well as decommissioning, inspection and maintenance of offshore infrastructure servicing the existing offshore fields – thereby also enabling TRIYARDS’ products to stay relevant in this difficult market. The Group sees continued interest in its offerings with its diversification strategy initiated.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Proposed final dividend
Dividend type	Cash
Dividend rate (S\$)	1.0 cent per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTS, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Aggregate value of interested person transactions, pursuant to the IPT mandate renewed on 16 December 2015, is as follows.

Name of interested person	Aggregate value of all interested person transactions during FY2016 (excluding transactions less than US\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual during FY2016 (excluding transactions less than US\$100,000)
	US\$'000	US\$'000
<u>Revenue (Recognised)</u>		
Emas Offshore Services Pte Ltd	279	300
London Marine Consultants Limited	—	16,427
Emas-AMC Pte Ltd	229	291
Emas-AMC Pty Ltd	—	957
Ezra Marine Services Pte Ltd	—	272
Emas Energy Services (Thailand) Limited	—	2,152
<u>Purchase of Goods and Services</u>		
Ezra Holdings Ltd	—	1,199
EMAS IT Solutions Pte Ltd	—	648
Ezra Marine Services Pte Ltd	2,664	415
Emas Offshore Services Pte Ltd	—	121

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business segments

Financial year ended 31 August 2016	Engineering and Fabrication Services US\$'000	Group US\$'000
Revenue		
Sales to external customers	324,892	324,892
Profit from operations	26,063	26,063
Allowance for impairment of fixed assets		(1,740)
Financial income		221
Financial expenses		(4,932)
Tax		(1,819)
Net profit for the financial year		<u>17,793</u>
Assets		
Segment assets	477,885	477,885
Unallocated assets		352
Total assets		<u>478,237</u>
Liabilities		
Segment liabilities	254,089	254,089
Unallocated liabilities		568
Total liabilities		<u>254,657</u>
Other information		
Capital expenditure	20,932	20,932
Unallocated capital expenditure		–
Total capital expenditure		<u>20,932</u>
Depreciation and amortisation	11,721	11,721
Unallocated depreciation and amortisation		–
Total depreciation and amortisation		<u>11,721</u>

Business segments (cont'd)

Financial year ended 31 August 2015	Engineering and Fabrication Services US\$'000	Group US\$'000
Revenue		
Sales to external customers	270,113	270,113
Profit from operations	31,257	31,257
Negative goodwill		3,590
Financial income		57
Financial expenses		(4,971)
Tax		(2,779)
Net profit for the financial year		27,154
Assets		
Segment assets	429,392 ⁽¹⁾	429,392 ⁽¹⁾
Unallocated assets		779 ⁽¹⁾
Total assets		430,171
Liabilities		
Segment liabilities	221,165 ⁽¹⁾	221,165 ⁽¹⁾
Unallocated liabilities		593 ⁽¹⁾
Total liabilities		221,758
Other information		
Capital expenditure	16,995 ⁽¹⁾	16,995 ⁽¹⁾
Unallocated capital expenditure		– ⁽¹⁾
Total capital expenditure		16,995
Depreciation and amortisation	13,037 ⁽¹⁾	13,037 ⁽¹⁾
Unallocated depreciation and amortisation		– ⁽¹⁾
Total depreciation and amortisation		13,037

(1) The comparative figures have been restated to reflect changes in composition of each reportable segment.

Geographical segments

Revenue ⁽²⁾	31 August 2016 US\$'000	Group 31 August 2015 US\$'000
Asia	107,389	102,459
Europe	153,960	141,168
Other countries ⁽³⁾	63,543	26,486
	324,892	270,113

(2) Revenue is based on the location of customers.

(3) Other countries include Americas, Australia, Egypt, Marshall Islands, and New Zealand, out of which contribution from Marshall Islands was US\$44,933,000 and US\$21,223,000 in FY16 and FY15 respectively.

Geographical segments (cont'd)

Non-current assets (comprising fixed assets, intangible assets and finance lease receivable) are based on the location of the companies that own those assets.

Non-Current Assets

	Group	
	31 August 2016	31 August 2015
	US\$'000	US\$'000
Vietnam	106,155	91,782
America	12,041	17,975
Singapore	30,226	36,932
	<u>148,422</u>	<u>146,689</u>

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

No material changes in contributions to turnover and earnings by the business segments. In terms of geographical segments, there was a change in composition of revenue contribution by Europe and Other Countries, as a result of the Group's effort to diversify its clientele base and product offering to different regions.

18. A breakdown of sales

	Group		Increase /
	31 August 2016	31 August 2015	(Decrease)
	US\$'000	US\$'000	%
Sales reported for first half year	148,610	117,805	26
Operating profit after tax for first half year	11,439	13,325	(14)
Sales reported for second half year	176,282	152,308	16
Operating profit after tax for second half year	6,354	13,829	(54)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year	Previous Full Year
	US\$'000	US\$'000
Ordinary	—	2,292
Preference	—	—
	<u>—</u>	<u>2,292</u>

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.