



TRIYARDS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(UEN/Company Registration Number: 201210555Z)

UPDATE PURSUANT TO RULE 704(23) OF THE SGX-ST LISTING MANUAL

1. Material Updates

- 1.1 The Board of Directors (the “**Board**”) of Triyards Holdings Limited (the “**Company**” together with its subsidiaries the “**Group**”) refers to the announcements dated 13 February 2018, 20 February 2018 and 28 February 2018 and wishes to update shareholders that the Company has entered into a supplemental agreement (“**Supplemental Agreement**”) with Ferrell Vanguard Fund SPC for and on behalf of Bondi SP (“**Ferrell**”) on 2 August 2018 to amend certain terms of the exclusivity agreement, in respect of the short-term loan of up to US\$5.0 million (“**Short Term Loan**”), entered into between the Company and Ferrell on 12 February 2018 (“**EA**”). Pursuant to the Supplemental Agreement, the availability period of the Short Term Loan has been extended and Ferrell has disbursed the balance of US\$3.8 million from the Short Term Loan to the Company on 6 August 2018 (“**Disbursement Date**”).
- 1.2 Pursuant to the EA, Ferrell will have an exclusivity of 180 days commencing from the Disbursement Date to conclude satisfactory due diligence and propose a comprehensive corporate restructuring plan for the Company, including but not limited to a further injection of not less than US\$50 million into the the Company in such form and on such terms as may be agreed between Ferrell and the Company, whether by way of loan and/or subscription of shares and/or such other means.
- 1.3 On 6 August 2018, the Company was served an Originating Summons filed by Ocean Energy Ventures Ltd (“**OEV**”) seeking the winding up of the Company. The hearing of this Originating Summons was originally fixed for 31 August 2018, but a pre trial conference has now been fixed to be heard on 8 August 2018 at which the dates for the hearing will likely be determined. The Company is in ongoing discussions with OEV and intended to achieve a positive resolution of this matter. OEV’s claim is for approximately US\$2.1 million.
- 1.4 To improve the liquidity of the Group, the Company also wishes to announce that:
- (a) Saigon Offshore Fabrication And Engineering Ltd (“**SOFEL**”), a subsidiary of the Company, has entered into a Sales Agreement with Ferrell on 2 August 2018 to sell and supply certain tools and equipment to Ferrell for a lump sum consideration of US\$1 million of which US\$0.995 million has been received on 6 August 2018;
 - (b) Saigon Shipyard Company Limited, a subsidiary of the Company, has entered into a Sales Agreement with Ferrell on 2 August 2018 to sell and supply certain tools and equipment to Ferrell for a lump sum consideration of US\$1 million of which US\$0.995 million has been received on 6 August 2018; and
 - (c) Ferrell is prepared to provide additional liquidity of US\$4.2 million on similar basis by entering into similar contracts as (a) and (b) above, subject to satisfactory inspection of inventory, tools and equipment.

2. Updates on Company's financial condition

Further to the update announcement made on 27 October 2017,

- (i) certain lenders to SOFEL have commenced legal action in Vietnam to recover their outstanding loan, interest and legal fees amounting to approximately US\$37.1 million. These loans are a combination of secured and unsecured loans. SOFEL has been in productive discussions with these lenders with a view to resolving this issue and the execution of the EA is likely to assist in these discussions; and
- (ii) the Company received demand letters from certain lenders of the Group for an aggregate amount of approximately US\$80.1 million. The amount include lenders that have commenced legal action in Vietnam against SOFEL of approximately US\$32.1 million as disclosed in paragraph 2(i) above.

In the meantime, the Company is engaging in ongoing discussions with its other lenders in respect of the options available to improve the liquidity of the Group including, inter alia, to continue project funding pending the conclusion of a comprehensive corporate restructuring plan for the Company.

3. On-going litigation and related matters

Further to the update announcement made on 27 October 2017,

- (i) certain subsidiaries of the Company have received various statutory demands and litigation claims from their respective suppliers. The aggregate amount of statutory demand and litigation cases are approximately US\$7.5 million; and
- (ii) one of the suppliers has initiated bankruptcy proceedings against a subsidiary of the Company for a claim of approximately US\$1.2 million for which the subsidiary is in discussions with the relevant supplier with the aim of reaching a settlement.

4. Contract Termination

Further to the announcement made on 1 March 2018, SOFEL also received notice of termination of the shipbuilding contract dated 10 October 2016 for the construction of 7000T lifting capacity floating dock (Floating Dock) amounting to US\$15.2 million from the purchaser ("**Buyer**"). The Buyer has claimed on the refund guarantee and performance bond provided by the bank amounting to US\$3.9 million. The Company is assessing the financial impact on the termination of the shipbuilding contract.

Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

By Order of the Board

Lee Kian Soo
Chairman
8 August 2018