

TRIYARDS reports 3QFY17 results

- ◆ Prolonged weakness in the marine, shipping, oil and gas industries and extremely competitive market environment led to lower gross profit margins and provision for impairment of assets resulted in losses for 3QFY17
- ◆ Challenging market conditions expected to continue into FY18
- ◆ Continued focus will be on the diversification strategy and improving operational efficiencies to strengthen the resilience of the business

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For immediate release

TRIYARDS Holdings Limited (“TRIYARDS” or the “Group”) announced today its results for the three months and nine months ended 31 May 2017 (“3QFY17” and “9MFY17” respectively). Losses after tax came in at US\$63.3 million for 3QFY17 and US\$67.5 million for 9MFY17, as compared to a profit of US\$4.1 million and US\$15.6 million registered in the previous corresponding periods (“3QFY16” and “9MFY16” respectively). The decrease in profits was primarily due to impairment of assets, lower revenue contribution and cost overruns from certain projects.

Mr Chan Eng Yew, Chief Executive Officer of TRIYARDS said, “The prolonged depressed state of the marine and oil and gas industries coupled the fiercely competitive market environment has negatively impacted the carrying value of assets across the industry. In light of the market weakness, the Group has taken a prudent approach and made an allowance amounting to US\$45.1 million for the impairment of certain assets in 3QFY17.”

The Group reported revenue of US\$30.9 million for 3QFY17, registering a year-on-year (“y-o-y”) decrease of 62% while y-o-y revenue for 9MFY17 fell by 16% to US\$192.8 million. This comes on the back of lower contributions from Strategic Marine Group for the construction of aluminium vessel projects and significantly lower contributions due to the completed deliveries of five self-elevating units over the past 12 months. The decreases were partially offset by contributions from two units of multi-purpose support vessels, three units of chemical tankers, four units of escort tugs, one unit of scientific research vessel, two units of oil tankers and one unit of a floating dock during the financial period under review.

As the Group pushes ahead with its diversification strategy away from non-oil and gas related projects, TRIYARDS believes that there will be continued interest for its offerings, notwithstanding the competitive and challenging environment.

Commenting on the outlook for the Group, Mr Chan said, “In the absence of a positive catalytic industry development, we expect the next twelve months to be a challenging period for the industry as a whole and also the Group. On the operational side, the Group continues to focus on its diversification strategy to build up the pipeline as well as improve project execution and cost efficiency.”

ABOUT THE COMPANY

www.triyards.com ♦ SGX mainboard listing: October 2012

Operating since 2005, TRIYARDS Holdings Limited and its subsidiaries (“TRIYARDS” or “the Group”) provides integrated full-service engineering, fabrication and ship construction solutions for the global offshore and marine industry. The Group has a keen focus on shipbuilding, ship conversions, medium to heavy fabrication works and ship repairs.

Acquired in October 2014, Strategic Marine (S) Pte. Ltd. and Strategic Marine (V) Company Limited (collectively termed Strategic Marine) have become key business units of TRIYARDS. Strategic Marine has been building aluminium and steel vessels as well as complex aluminium and steel structures for the marine infrastructure, mining and military sectors for over 10 years. The addition of Strategic Marine has expanded the yard capacity in Vietnam and Singapore and provided the Company with newly acquired expertise in aluminium shipbuilding.

The company has established an astute track record for building sophisticated vessels that can tackle complex offshore projects in a cost effective and timely manner. Having established itself as one of the global leaders in the fabrication and construction of liftboats, the company continues to build depth in specialised niches with its liftboats as well as breadth of product offerings with a diversification towards projects in other shipping niches. Over the years, TRIYARDS has successfully expanded its offerings from offshore support vessels and liftboats to include research vessels, aluminium built military vessels, chemical tankers and windfarm service vessels.

TRIYARDS has recently been accorded the API-2C Monogram Certificate for crane manufacturers set by the American Petroleum Institute (API). It is the first such facility in Vietnam to receive this certificate and recognises the Company’s expanded expertise in offshore crane fabrication.

The Company is headquartered in Singapore and has been listed on the Mainboard of the Singapore Stock Exchange since 2012. Guided by its three core values of being Dynamic, Distinctive and Dedicated, TRIYARDS seeks to fulfil its vision of being the yard of choice across the globe.

FOR FURTHER ENQUIRIES

MR YAN NAING AUNG	+65 9322 5115	TRIYARDS HOLDINGS LIMITED yan@triyards.com
MS CHERYL WONG	+65 6590 8564	TRIYARDS HOLDINGS LIMITED cheryl.wong@triyards.com
MR CLARENCE FU	+65 6333 3449	BELL POTTINGER cfu@bellpottinger.com