



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

## Gaylin's revenue rises to S\$19.8 million for 1QFY2014

- *Strong revenue contribution of S\$3.0 million from Allseas Marine*
  - *Acquisition of Lv Yang provides a gateway to the PRC market*
- *Remains cautiously optimistic about industry outlook and committed to expansion of operations through acquisitions and strategic collaborations*

### Summary of Financial Results For the Period Ended 30 June:

S\$'million	1Q FY2014	1Q FY2013	+ / (-) %
Revenue	19.8	18.4	7.2
Gross Profit	6.0	6.5	-6.9
GP Margin (%)	30.4	35.0	-4.6pts
EBITDA	3.4	5.0	-32.4
EBITDA Margin (%)	17.1	27.1	-10.0 pts
Net Profit	2.3	3.3	-28.7
Net Profit Margin (%)	11.8	17.8	-6.0 pts

Singapore, 12 August 2013 – Gaylin Holdings Limited (藝林控股有限公司) (“Gaylin” or the “Group”), one of the largest local-based rigging and lifting solutions providers to the global offshore oil and gas (“O&G”) industry, today reported a 7.2% year-on-year rise in revenue to S\$19.8 million for the first quarter ended 30 June 2013 (“1QFY2014”), compared to S\$18.4 million in the previous corresponding quarter. The Group’s revenue growth was achieved on the back of contribution from Allseas Marine Services Pte Ltd (“Allseas Marine”), a ship supply business which Gaylin acquired for S\$1.5 million in January 2013.

Despite its better showing in the topline, the Group’s gross profit decreased by 6.9% to S\$6.0 million in 1QFY2014, and gross profit margin decreased by 4.6% from 35.0% to 30.4%. This decrease was mainly due to the lower margin of the ship supply segment which formed a higher proportion of the Group’s revenue for the quarter in review and higher staff-related cost as staff headcount was increased to support business expansion.

As for the bottomline, profitability of the Group was trimmed to S\$2.3 million and net profit margin to 11.8% in 1QFY2014. The factors that contributed to this include, amongst others, an increase in



Trusted For Lifting & Rigging

donation of S\$0.1 million as part of the Group's Corporate Social Responsibility initiatives, a 33.7% increase in higher distribution costs, and an increase in depreciation of S\$0.1 million.

Based on 432 million ordinary shares in issue, the Group's earnings per share ("EPS") for 1QFY2014 and net asset value per share ("NAV") as at 30 June 2013 was 0.54 Singapore cents and 21.30 Singapore cents respectively. This compared to EPS of 1.09 Singapore cents for 1QFY2013 and NAV of 20.76 Singapore cents as at 31 March 2013, based on 300 million ordinary shares in issue.

Commenting on the results, Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, said "Notwithstanding rising costs, we still maintain profitability and we are well-paced in executing our expansion plans. We will certainly continue to exercise prudence to balance costs with growth in order to realize long-term sustainable returns for our shareholders."

## Outlook

Even though the world economy remains uncertain, the Group is cautiously optimistic that the O&G industries will remain positive in the next 12 months and remains firmly committed to strengthen its standing as one of the largest rigging and lifting solutions providers not only in Singapore, but in the region.

"We believe we are on the right track in our expansion strategy to further consolidate our position as a leading rigging and lifting solutions provider to the offshore O&G industry. We are confident we will be well-placed to serve the rising needs of the industry when the world economy and global energy demand picks up. Looking ahead to the rest of FY2014, we will continue to actively look for opportunities to expand our operations into Asian markets through strategic acquisitions and collaborations," reiterated Mr Teo.

Underscoring its commitment to inorganic growth, the Group completed the acquisition of Lv Yang (Tianjin) Offshore Equipment Co. Ltd ("Lv Yang"), a supplier and manufacturer of rigging and lifting equipment and provider of related services, for S\$3.5 million on 31 July 2013.

Mr Teo said, "With Lv Yang now among one of our subsidiaries, Gaylin will gain a foothold in the PRC market. We are definitely excited about the potential business and growth opportunities that Lv Yang



Trusted For Lifting & Rigging

will bring given that Chinese yards have been successful in securing newbuild rigs projects in recent months.”

###

#### **About Gaylin Holdings Limited**

*With an operating history that can be traced back to 1974, Gaylin is one of the largest Singapore-based multi-disciplinary specialist providers of rigging and lifting solutions to the global offshore oil and gas (“O&G”) industry. The Group’s comprehensive range of inventory, years of experience and engineering capabilities allows Gaylin to respond to the needs of its customers quickly and efficiently, making Gaylin a one-stop solutions provider for its clients.*

*As part of the Group’s business, it manufactures and supplies a wide range of rigging and lifting equipment such as heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment and related fittings and accessories. Gaylin also provides related services including load testing, spooling services, rental services and other fabrication services to customers globally. In addition, as part of its value-added customer service, the Group provides ship supplies such as ship stores and equipment to ships and oil rigs, which it sources from third party suppliers all over the world. Headquartered in Singapore, the Group has three warehouses and one manufacturing facility in Singapore, one warehouse facility in Vietnam and a new facility in Malaysia which is expected to be fully operational within the second half of year 2013. Together, these facilities occupy an aggregate of approximately 441,031 square feet. Its sales and distribution markets comprise mainly Asia, Oceania, Europe, the Middle East and Africa.*

*As testament of Gaylin’s commitment to safety, we were awarded the bizSAFE STAR by the Workplace Safety and Health Council, Ministry of Manpower as well as the SS506: Part 1:2009, OHSAS 18001:2007 certification by DAS Certification Singapore for the manufacture of wire rope slings in 2013. This is in addition to our ISO 9002 certification for the manufacture of wire rope slings, which we obtained in 1998, as well as our ISO 9001:2008 certification in 2012 in recognition of our quality management system. In addition, we were conferred the “Enterprise 50 (E50) Award” in 2009, the “2011 Singapore Brand Award” and the “Promising SME 500 Award” in the platinum category in 2012.*

---

CIMB Bank Berhad, Singapore Branch was the Issue Manager for the initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.

#### **Issued on behalf of Gaylin Holdings Limited:**

##### ***August Consulting***

Silvia Heng, [silvia@august.com.sg](mailto:silvia@august.com.sg)

Hu Yuanwen, [yuanwen@august.com.sg](mailto:yuanwen@august.com.sg)

Simon Leow, [simon@august.com.sg](mailto:simon@august.com.sg)

T: 65 6733 8873