



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

## Gaylin's earnings grows 17.0% to S\$3.7 million in 2Q FY2014

- Revenue surged 38.8% to S\$29.0 million
- Strong contributions from Allseas Marine and a major project

Summary of Financial Results For the Period Ended 30 September:

| S\$'million           | 2Q<br>FY2014 | 2Q<br>FY2013 | +/(-) %  | HY<br>FY2014 | HY<br>FY2013 | +/(-) %  |
|-----------------------|--------------|--------------|----------|--------------|--------------|----------|
| Revenue               | 29.0         | 20.9         | 38.8     | 48.7         | 39.3         | 24.0     |
| Gross Profit          | 8.7          | 6.5          | 32.2     | 14.7         | 13.0         | 12.8     |
| GP Margin (%)         | 29.9         | 31.4         | -1.5 pts | 30.1         | 33.1         | -3.0 pts |
| EBITDA                | 5.4          | 4.7          | 15.5     | 8.8          | 9.7          | -9.3     |
| EBITDA Margin (%)     | 18.6         | 22.4         | -3.8 pts | 18.0         | 24.6         | -6.6 pts |
| Net Profit            | 3.7          | 3.2          | 17.0     | 6.1          | 6.5          | -6.2     |
| Net Profit Margin (%) | 12.9         | 15.3         | -2.4 pts | 12.5         | 16.5         | -4.0 pts |

Singapore, 11 November 2013 – Gaylin Holdings Limited (藝林控股有限公司) (“Gaylin” or the “Group”), 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, today reported a strong set of results for the second quarter ended 30 September 2013 (“2Q FY2014”), with profits up 17.0% at S\$3.7 million on the back of strong topline growth.

With contribution from the ship supply segment resulting from its acquisition of Allseas Marine Services Pte Ltd (“Allseas Marine”), as well as a major project, the Group registered a robust growth of 38.8% in revenue to S\$29.0 million in 2Q FY2014, compared to S\$20.9 million in the previous corresponding quarter. For the six months ended 30 September 2013 (“HY FY2014”), the Group’s revenue grew 24.0% to S\$48.7 million.

The Group’s gross profit increased by 12.8% to S\$14.7 million in HY FY2014, with gross profit margin dipping 3.0 percentage points to 30.1%, as sales of lower margin products formed a higher proportion of the Group’s revenue.



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In line with the higher revenue achieved in 2Q FY2014, the Group's net profit rose 17.0% to S\$3.7 million. For HY FY2014, the net profit dipped 6.2% to S\$6.1 million mainly due to lower gross profit margin as well as higher staff-related cost as the Group increased headcount to support business expansion.

Based on 432 million ordinary shares in issue, the Group's earnings per share ("EPS") for HY FY2014 and net asset value per share ("NAV") as at 30 September 2013 was 1.41 Singapore cents and 21.38 Singapore cents respectively.

Commenting on the results, Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, said, "Despite the slowing growth momentum of the world economy, we have managed to achieve healthy growth for 2Q FY2014 on the back of our expanded footprint in the region. Rising cost pressures in the domestic market is a challenge which we will monitor closely. Going forward, we will continue to improve our productivity and efficiency to create greater value for our shareholders."

## **Outlook**

In spite of the uncertain world economic outlook, the Group is cautiously optimistic that the outlook on the oil and gas industries will be positive in the next 12 months.

As for our expansion plans in China, the acquisition of Lv Yang (Tianjin) Offshore Equipment Co., Ltd ("Lv Yang") has created an effective platform for the Group to provide one-stop rigging and equipment solutions to the buoyant offshore oil and gas sector in China. In particular, the Bohai oilfield off the coast of Tianjin offers immense growth opportunities for rigging and lifting solution companies with experience and expertise, who can cater to the needs of the oil and gas companies operating there.

Gaylin has also made headway in South Korea by subscribing for 90% of the issued and paid up share capital of Phoenix Offshore Co., Ltd, a ship chandler supply company there.

"This is in line with our plans to grow our ship chandler's supply business. In addition, we have expanded our geographical footprint to better cater to the growing demand from the oil and gas sector in this region. Going forward, we remain committed to expand our operations through acquisitions and strategic collaborations," elaborated Mr Teo.



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The Group's new facility in Tanjung Langsat in the State of Johor, Malaysia, is expected to commence full operation by the end of 2013. This facility has the largest test bed in South East Asia with a capacity of 3,000 tonnes.

"This will complement our existing facilities spanning an aggregate area of approximately 524,354 sq ft, thus allowing us to better capitalise on the business opportunities in the emerging Asian markets," added Mr Teo.

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#### **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's manufacturing and warehousing facilities in Singapore, Malaysia, Vietnam and China span an aggregate area of approximately 524,354 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.*

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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.

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