



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

Gaylin posts earnings of S\$6.2 million on back of 18.3% rise in sales for 9M FY2015

- *Acquisition strategy delivering results with stable and healthy revenue contributions from new units, particularly rigging and lifting unit, Rigmarine¹*
- *Maintains a healthy bottomline despite a challenging O&G environment and higher operating costs*

Summary of Financial Results For the Period Ended 31 December:

S\$'million	3Q FY2015	3Q FY2014	+/(-) %	9M FY2015	9M FY2014	+/(-) %
Revenue	28.5	22.3	27.6	84.1	71.1	18.3
Gross Profit	6.4	7.1	(9.9)	22.4	21.7	2.9
GP Margin (%)	22.4	31.7	(9.3)pp	26.6	30.6	(4.0)pp
EBITDA	2.6	3.7	(29.8)	11.2	12.4	(10.0)
EBITDA Margin (%)	9.0	16.4	(7.4)pp	13.3	17.5	(4.2)pp
Net Profit Attributable to Shareholders	0.9	2.5	(63.3)	6.2	8.6	(28.2)
Net Profit Margin (%)	4.8	10.9	(6.1)pp	8.1	12.0	(3.9)pp

Note: pp - percentage points

Singapore, 12 February 2015 – 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 earnings of S\$6.2 million on the back of a 18.3% rise in revenue to S\$84.1 million for the nine months ended 31 December 2014 (“9M FY2015”).

Sales from the Group’s rigging and lifting segment surged by S\$7.7 million during the period. At the same time, Gaylin’s ship chandling business also remained buoyant with sales rising by S\$5.3 million for 9M FY2015.

¹ Gaylin holds a 51% equity stake in Rig Marine Holdings FZC (“Rigmarine”); Acquisition was completed in June 2014.



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For 9M FY2015, despite a 2.9% increase in gross profit to S\$22.4 million from S\$21.7 million a year ago, there was an increase in sales of trading products with lower margins, resulting in a dip in gross profit margin by 4.0 percentage points to 26.6%.

Distribution costs and administrative expenses incurred in 9M FY2015 were generally higher which were in line with the Group's active business acquisitions over the last one year, increasing 18.2% and 50.2% to S\$3.4 million and S\$10.7 million respectively. The higher operating cost was partially cushioned by an 89.5% decrease in other operating expenses mainly due to a foreign exchange gain as a result of favourable currency movements.

Consequently, the Group's net profit attributable to shareholders slipped 28.2% year-on-year to S\$6.2 million for 9M FY2015 compared to S\$8.6 million for 9M FY2014.

The Group's earnings per share ("EPS") for 9M FY2015 and net asset value per share ("NAV") as at 31 December 2014 was 1.41 Singapore cents and 23.68 Singapore cents respectively. This compared to EPS of 1.99 Singapore cents for 9M FY2014 and NAV of 22.68 Singapore cents as at 31 March 2014.

On a 3-month basis, the Group reported a 27.6% hike in revenue to S\$28.5 million in 3Q FY2015 while net profit attributable to shareholders fell 63.3% to S\$0.9 million. This compared to revenue and net profit of S\$22.3 million and S\$2.5 million respectively for 3Q FY2014.

Said Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, "I am pleased to see that our expansion strategy is delivering the results we intended in the form of healthy topline contributions from Gaylin's various new units, in particular Rigmarine. While we are currently facing a challenging operating environment as a result of bearish oil prices, I believe that our strategic acquisitions over the past two years have put Gaylin in a strong position to capture any industry upturn. We now have a wider range of products and services and a much bigger geographical presence, particularly in the Middle East and the Caspian Sea region – to meet the diverse needs of our customers in the oil and gas and marine sectors."



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Business Strategies and Outlook

The fall in oil prices and the expected reduction in global O&G upstream capital expenditures have created a challenging environment. Despite the current low oil price environment, the Group believes long term fundamentals driving the offshore O&G market remains stable. Looking ahead, the Group remains committed to unlock value from its strategic acquisitions by further integrating and exploiting its newly-acquired businesses as well as optimising its operations.

Through Rigmarine, the Group gains a wider range of products and services as well as a new avenue into the Middle East and the Caspian Sea region, areas with booming O&G sectors and positive investment return potential. With many major oil companies and offshore contractors in its client base, Rigmarine has promising growth potential in the Middle East, Africa and Europe. The Group plans to capitalise on cross-selling opportunities to promote Rigmarine's offerings in Gaylin's existing network of markets.

In Malaysia, Gaylin has a strong and growing presence. In addition to its sizable operating facility at Tanjung Langsat, the Group recently became a registered license holder for the supply and delivery of marine accessories, lifting and rigging equipment accessories with Malaysia's national oil company, Petroliaam Nasional Berhad ("Petronas"). This enables it to participate directly in all tenders with Petronas, other major oil companies in Malaysia and large corporations who are registered with Petronas for tenders involving such products.

"We believe Gaylin is better-equipped and well-positioned to capitalise on opportunities in our target industries and markets post-integration," said Mr Teo.

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Founded in 1974, Gaylin Holdings Limited 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. With a current staff strength of over 450 and approximately 1.4 million square feet of office, manufacturing and warehousing facilities in Singapore, Malaysia, Vietnam, Indonesia, China, South Korea, the United Arab Emirates ("the UAE"), Azerbaijan and Kazakhstan, the Group is a trusted one-stop service provider. Through our global network of offices, Gaylin serves a diverse base of customers from Asia, Oceania, Europe, the Middle East and Africa. In 2012, Gaylin became a public-listed company on the Mainboard of the Singapore Exchange ("SGX-ST") (Stock code: RF7).

Gaylin offers rigging and lifting equipment such as heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment and related fittings and accessories; and also provides related services such as load testing, spooling services, rental services and other fabrication services. In addition, the Group operates a ship chandling business.



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Gaylin was awarded the bizSAFE STAR and SS506: Part 1:2009, OHSAS 18001:2007 certifications in 2013 for the manufacture of wire rope slings. Gaylin is also ISO 9002-certified since 1998 for the manufacture of wire rope slings and ISO 9001:2008-certified since 2012 for its quality management system. In 2014, Gaylin received ISO/IEC 17020:2012 certification for lifting equipment inspection from the Singapore Accreditation Council (SAC). In recognition of its drive for excellence, Gaylin has been 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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