



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

Gaylin posts record revenue in FY2015; Proposes dividend of 0.5 cents per share

- **Robust revenue contributions from new units with record sales of S\$89.0 million generated from its Rigging and Lifting segment**
- **Full year earnings trimmed by active business acquisitions, and resultant higher operating overheads**
- **Proposes dividend with a payout of approximately 30.0% of net attributable profit**

Summary of Financial Results For the Period Ended 31 March:

| S\$'million | 4Q FY2015 | 4Q FY2014 | + / (-) % | 12M FY2015 | 12M FY2014 | + / (-) % |
|---|--------------|--------------|-----------|---------------|---------------|-----------|
| Revenue | 25.9 | 25.3 | 2.4 | 109.9 | 96.3 | 14.1 |
| Gross Profit | 6.8 | 7.0 | (3.5) | 29.1 | 28.7 | 1.3 |
| GP Margin (%) | 26.1 | 27.7 | (1.6) pp | 26.5 | 29.8 | (3.3) pp |
| EBITDA | 2.5 | 4.3 | (41.4) | 13.7 | 16.7 | (18.1) |
| EBITDA Margin (%) | 9.7 | 17.0 | (7.3) pp | 12.5 | 17.3 | (4.8) pp |
| Net Profit Attributable to Shareholders | 1.3 | 3.1 | (58.8) | 7.4 | 11.6 | (36.3) |
| Net Profit Margin (%) | 2.4 | 12.0 | (9.6) pp | 6.8 | 12.0 | (5.2) pp |

Note: pp - percentage points

Singapore, 29 May 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 lower earnings of S\$7.4 million on the back of a 14.1% rise in revenue to S\$109.9 million for the 12 months ended 31 March 2015 (“FY2015”). Signaling its continued confidence in the long term fundamentals driving the offshore O&G industry, the Group is recommending a first and final dividend of 0.5 Singapore cents per share, amounting to a payout ratio of approximately 30.0% of its net attributable profit in FY2015.

Despite a generally bearish O&G industry and slower sales from its Singapore operations, the Group achieved record sales in FY2015 boosted by higher revenue contributions from Rig Marine Holdings FZE¹ (“Rigmarine”) and its ship chandling segment. Sales from Gaylin’s Rigging and Lifting segment rose

¹ Gaylin holds a 100% equity stake in Rig Marine Holdings FZE.



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10.9% to a record S\$89.0 million, underpinned by markets such as Azerbaijan, Other Asia and Europe, while Ship Chandling revenue improved 31.1% to S\$22.3 million.

During the year, there was an increase in sales of lower margin products, which formed a higher proportion of revenue, and as a result, the Group's gross profit margin dipped 3.3 percentage points to 26.5% in FY2015.

The Group's bottomline for the year was trimmed by 36.3% to S\$7.4 million due largely to the Group's active business acquisitions over the last one year which gave rise to higher operating overheads. In FY2015, distribution costs and administrative expenses incurred by the Group rose 21.8% and 64.0% year-on-year to S\$4.7 million and S\$15.7 million respectively. This was partially offset by a S\$2.0 million spike in other income resulting from favourable foreign currency movements and accrued income relating to the acquisition of Lv Yang (Tianjin) Offshore Equipment Co. Ltd.

Based on its full year performance, the Group's earnings per share ("EPS") for FY2015 and net asset value per share ("NAV") as at 31 March 2015 was 1.70 Singapore cents and 24.12 Singapore cents respectively. This compared to EPS of 2.69 Singapore cents for FY2014 and NAV of 22.68 Singapore cents as at 31 March 2014.

Said Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, "The fall in oil prices and the reduction in global O&G upstream capital expenditures have created a challenging environment for our industry over the year. Despite these challenges, I am heartened by Gaylin's topline growth in FY2015, which also included record sales from our Rigging and Lifting segment. Demonstrating our continued confidence in the business and to thank our shareholders, the Board is recommending a dividend payout of around 30% of our FY2015 net attributable profit to be distributed even though our dividend assurance as stated during our IPO extends to only FY2013 and FY2014."

Business Strategies and Outlook

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 its newly-acquired businesses and optimising its operations.



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The integration with Rigmarine has progressed well in FY2015 and to drive future growth, the Group has already started leveraging on Rigmarine's niche expertise in project engineering services for deepwater mooring systems and workforce development. These are two key areas which Rigmarine is highly reputed in the Middle East and Caspian Sea region. In addition, the Group is also intensifying its marketing efforts in FY2016 for certain heavy-lifting products such as the Feubo wide body lifting shackle - which is the largest sling shackle ever made in the world, the Modulift systems and grommets.

Said Mr Teo, "We plan to capitalise on the enhanced range of products and services and customer base that our new subsidiaries have unlocked for us and move up the O&G value chain from a mere equipment supplier to a provider of specialised services. As a cohesive group and with the right business strategy, we are confident that we will be able to ride through this challenging period that the O&G industry is currently going through."

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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 approximately 450 and 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).

We provide rigging and lifting equipment such as heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment and related fittings and accessories; and related services such as project engineering services for deepwater mooring systems, workforce development, load testing, spooling services, rental services and other fabrication services. The Group also operates a ship chandling business.

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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