



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

## Gaylin records revenue of S\$54.5 million for HY FY2016

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

S\$'million	2Q FY2016	2Q FY2015	+ / (-) %	HY FY2016	HY FY2015	+ / (-) %
Revenue	25.8	29.8	(13.3)	54.5	55.6	(1.9)
Gross Profit	5.7	8.6	(33.2)	12.6	16.0	(21.0)
GP Margin (%)	22.2	28.8	(6.6) pp	23.2	28.8	(5.6) pp
EBITDA	1.6	4.5	(63.5)	3.0	8.6	(65.3)
EBITDA Margin (%)	6.4	15.1	(8.7) pp	5.5	15.5	(10.0) pp
Net Profit/(Loss) attributable to shareholders	0.04	2.5	(98.3)	(0.4)	5.3	NM
Net Profit/(Loss) Margin (%)	0.2	9.2	(9.0)	(0.8)	9.9	NM

*pp denotes percentage points; NM denotes Not Meaningful*

Singapore, 11 November 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 revenue of S\$54.5 million for the six months ended 30 September 2015 (“HY FY2016”), compared to S\$55.6 million in the preceding year (“HY FY2015”), as a consequence of the bearish O&G industry.

The dip in the Group’s topline was due to a S\$3.0 million decrease in the ship chandling segment, which was partially cushioned by a S\$2.0 million increase in the rigging and lifting segment. Under this segment, the contribution of S\$8.2 million from Rig Marine Holdings FZE and its subsidiaries (“Rigmarine”) was trimmed by reduced sales from the Singapore operations arising from project delays caused by a slowdown in the O&G industry.



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As a result of this and a higher proportion of lower margin products sold during the period, the Group's gross profit declined by 21.0% to S\$12.6 million while its gross profit margin was shaved by 5.6 percentage points to 23.2% in HY FY2016. This compared to a gross profit and margin of S\$16.0 million and 28.8% respectively in HY FY2015.

Distribution costs was up 24.0% in HY FY2016 due to an increase in freight outwards with more overseas sales coupled with increase in other marketing costs. Although lower travelling and entertainment expenses were incurred, overall administrative expenses still rose 25.2% because of acquisition-related expenses and donations committed in FY2015.

Consequently, the Group posted a net loss attributable to shareholders of the company of S\$0.4 million in HY FY2016 compared to a net attributable profit of S\$5.3 million in HY FY2015.

Based on 438 million weighted average ordinary shares in issue, the Group's net asset value per share ("**NAV**") was 24.11 Singapore cents as at 30 September 2015 compared to 24.12 Singapore cents as at 31 March 2015.

### **2Q FY2016**

On a three-month basis, the Group reported earnings of S\$44,000 on the back of S\$25.8 million in revenue for the second quarter ended 30 September 2015 ("**2Q FY2016**"), compared to \$2.5 million and S\$29.8 million respectively for the second quarter in FY2015 ("**2Q FY2015**").

### **Outlook**

The O&G industry continues to experience weakness in oil prices which has had a dampening effect on upstream activities across the globe. Despite this challenging business environment, the Group believes that the underlying fundamentals of the offshore O&G industry remains secure in the long term as demand for energy is perennial.

Said Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, "Despite the current low oil price environment and headwinds in the O&G industry, energy demand is perennial. Gaylin has many pillars of strength: our sound business fundamentals; our strategic presence in key O&G markets



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around the world; our comprehensive inventory range; and our highly experienced management team with in-depth O&G industry knowledge and who are also committed to delivering long-term growth. We believe with all these factors and more, Gaylin is well-equipped to ride out the cycle.”

Looking ahead, Gaylin will continue to focus on unlocking synergies and efficiencies while exercising prudent cost management.

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

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

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