



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

Gaylin achieves revenue of S\$72.0 million in 9M FY2016

Summary of Financial Results For the Period Ended 31 December:

S\$'million	3Q FY2016	3Q FY2015	+ / (-) %	9M FY2016	9M FY2015	+ / (-) %
Revenue	17.4	28.5	(38.9)	72.0	84.1	(14.4)
Gross Profit	3.3	6.4	(47.7)	16.0	22.4	(28.6)
GP Margin (%)	19.1	22.4	(3.3)pp	22.2	26.6	(4.4)pp
EBITDA	(2.0)	2.6	NM	1.0	11.2	(91.1)
EBITDA Margin (%)	(11.4)	9.0	NM	1.4	13.3	(11.9)pp
Net Profit/(Loss) attributable to shareholders	(3.9)	0.9	NM	(4.4)	6.2	NM
Net Profit/(Loss) Margin (%)	(22.4)	4.8	NM	(6.0)	8.1	NM

pp denotes percentage points; NM denotes Not Meaningful

Singapore, 5 February 2016 – 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, recorded a revenue of S\$72.0 million for the nine months ended 31 December 2015 (“9M FY2016”), a decline of 14.4% compared to S\$84.1 million in the preceding period ended 31 December 2014 (“9M FY2015”).

Weighed down by the continued weakness in the O&G industry and a slowing global economy, the Group experienced project delays during the period. This, in turn, affected the demand for its products and services in both its rigging and lifting and ship chandling segments, which declined by S\$7.0 million and S\$5.1 million respectively in 9M FY2016.

The Group recorded a 28.6% decline in gross profit to S\$16.0 million in 9M FY2016, from S\$22.4 million in 9M FY2015, mainly because of lower revenue, tighter product margins coupled with fixed manufacturing overhead. Notwithstanding this, Gaylin managed to keep its gross profit margin in the double-digit range of 22.2% in 9M FY2016 compared to 26.6% in 9M FY2015.



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Other operating expenses increased by S\$2.0 million to S\$2.1 million in 9M FY2016. This spike was mainly due to a foreign exchange loss of S\$1.2 million arising from the depreciation of the Azerbaijani manat and Khazakstani tenge against the US dollar coupled with the appreciation of the Euro against the Singapore dollar. Other reasons that contributed to the Group's higher expenses included an allowance for doubtful trade receivables, write-off of trade receivables and a loss on disposal of plant, property and equipment that amounted to S\$0.4 million, S\$0.2 million and S\$0.2 million respectively.

At the bottomline, Gaylin posted a net loss attributable to shareholders of S\$4.4 million in 9M FY2016 compared to a profit of S\$6.2 million a year ago in 9M FY2015.

Based on its year to date performance, the Group's net asset value per share was 22.68 Singapore cents as at 31 December 2015 compared to 24.12 Singapore cents as at 31 March 2015. This was based on 438 million weighted average ordinary shares in issue.

3Q FY2016

For the three months ended 31 December 2015 ("**3Q FY2016**"), the Group posted a net attributable loss of S\$3.9 million on the back of S\$17.4 million in revenue. This compared to net attributable profit of S\$0.9 million and revenue of S\$28.5 million for the quarter ended 31 December 2014 ("**3Q FY2015**").

Said Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, "This is undoubtedly a difficult period for O&G players as low oil prices continue to dampen upstream O&G activities while economies, such as China and USA, are showing signs of weakening. Against this backdrop, Gaylin's top priority is to ensure long-term business sustainability. Our business fundamentals remain sound and we believe we are on strong footing to ride out this cycle. To do so, we will continue to exercise prudent cost management to protect our margins, while focusing our efforts on optimising our business operations."

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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.

Issued on behalf of Gaylin Holdings Limited:

August Consulting

Silvia Heng, silviaheng@august.com.sg

Serene Chia, serenechia@august.com.sg

T: 65 6733 8873