



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

Gaylin achieves revenue of S\$20.6 million for 1Q FY2017

- *Bottomline impacted by the continued weakness in the O&G market*
- *Plans to enhance avenues to market higher value services*

Summary of Financial Results For the Period Ended 30 June:

S\$'million	1Q FY2017 (3M)	1Q FY2016 (3M)	+ /(-) %
Revenue	20.6	28.7	(28.2)
Gross Profit	4.5	6.9	(34.6)
Gross Profit Margin (%)	21.9	24.1	(2.2)pp
EBITDA	0.2	1.3	(84.1)
EBITDA Margin (%)	1.0	4.7	(3.7)pp
Net Loss Attributable to Shareholders	(1.5)	(0.5)	203.0

pp: percentage points

Singapore, 12 August 2016 - Gaylin Holdings Limited (藝林控股有限公司) (“Gaylin” or the “Group”), one of the largest Singapore-based multi-disciplinary integrated solutions providers for lifting, mooring and winching systems in the offshore oil and gas (“O&G”), today announced its results for the first quarter ended 30 June 2016 (“1Q FY2017”).

The weakness of the O&G industry continued to lead to project delays during the quarter which affected the demand for Gaylin’s products and services in both its rigging and lifting and ship chandling segments. As such, earnings from both these segments slipped by S\$7.3 million and S\$0.8 million respectively, resulting in a 28.2% decline in the Group’s revenue to S\$20.6 million in 1Q FY2017 from S\$28.7 million a year ago (“1Q FY2016”).

The Group’s gross profit and gross margin was also eroded in 1Q FY2017 mainly due to lower revenue, tighter product margins coupled with fixed manufacturing overheads.

With the Group’s ongoing cost management efforts, administrative expenses were reduced by 20.3% to S\$3.6 million, from S\$4.6 million in 1Q FY2016. The Group also benefited from a one-off gain of S\$0.1 million in 1Q FY2017 on disposal of plant, property and equipment.



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Other operating expenses rose marginally by S\$0.1 million to S\$0.7 million in 1Q FY2017 largely because of an increase in allowance for doubtful trade receivables of S\$0.7 million. This was partially offset by a decrease in both foreign exchange loss and trade receivables written off which amounted to S\$0.4 million and S\$0.2 million respectively.

At the bottomline, the Group posted a net loss attributable to shareholders of S\$1.5 million in 1Q FY2017.

Commenting on the results, Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, said “Apart from sharpening our capabilities, we aim to take advantage of the current O&G climate to focus on avenues where we can market higher value services to customers. This includes rolling out project engineering services and workforce development programmes in the region, among others. At the same time, we are keeping costs in check.”

Outlook

Gaylin’s performance is generally dependent on the demand for its products and services which in turn moves in tandem with the level of activities in the exploration and production of O&G in the global O&G industry.

Elaborating further on the Group’s positioning in the O&G industry going forward, Mr Teo said, “We believe in the long-term fundamentals of the O&G industry and will continue to unlock value from our overseas operations such as Europe, Malaysia and South Korea while strengthening our position in certain markets.”

Construction of our new office, manufacturing and warehousing facilities in Busan, South Korea has been completed and we have commenced operations, including the supply and manufacture of rigging and lifting equipment. In addition, we expect to be providing inspections and related services in South Korea in the next 12 months. We are optimistic that these will contribute to our revenue growth and increase our market presence in South Korea.



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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 lifting, mooring and winching systems to the global offshore oil and gas ("O&G") industry. 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.

Since becoming a public-listed company on the Mainboard of the Singapore Exchange ("SGX-ST") (Stock code: RF7) in 2012, the Group is competently supported by more than 400 employees and have close to 2 million square feet of office, manufacturing and warehousing facilities in nine countries (namely Singapore, Malaysia, Vietnam, Indonesia, China, South Korea, the United Arab Emirates ("UAE"), Azerbaijan and Kazakhstan). Through our global network, we serve a diverse base of customers from Asia, Oceania, Europe, the Middle East and Africa and are one of the most trusted one-stop service providers in the industry today.

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