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PRESS RELEASE

Gaylin narrows loss in 1Q FY2019 as revitalisation initiatives by new management gain momentum

Summary of financial results for the financial period ended 30 June

(S\$'000)	4Q FY2018	1Q FY2019	change %
Revenue	15,521	15,182	-2.2
Gross profit *	2,471	2,484	+0.5
Net Loss #	(3,154)	(1,660)	+47.4

Note: * Excludes allowance for slow moving and aged inventories

Excludes allowance for slow moving and aged inventories and other non-recurring restructuring expenses

Singapore, 10 August 2018 - Gaylin Holdings Limited (藝林控股有限公司) ("Gaylin"), a specialist provider of products, services, and solutions to the global offshore oil & gas and maritime industries, today announced it has narrowed its net loss by 47.4% to S\$1.7 million for the 3 months ended 30 June 2018 ("1Q FY2019") as compared with the preceding quarter ended 31 March 2018 ("4Q FY2018"). This significant quarter-on-quarter (QoQ) improvement was achieved as the new management's revitalization strategies aimed at stabilizing Gaylin's business, realigning the cost base, and driving sales began to gain traction.

In 1Q FY2019, Gaylin's revenue decreased by only 2.2% QoQ to S\$15.2 million compared to 4Q FY2018. Rigging and lifting revenue declined by 0.8% QoQ largely due to completion of projects and lower activity levels, particularly in its Middle East operations. At the same time, ship chandling sales fell S\$500 thousand due to seasonal buying trends specifically linked to customers that have reduced activity and/or ceased projects, which Gaylin views as an isolated occurrence.

Gaylin has since taken swift action to boost its revenue. It has introduced a new pricing policy to promote sales of slow moving and aged inventory and appointed a new Middle East Regional Director based in Dubai, to spearhead business in its European and Middle Eastern markets. With its increased emphasis on regional business development, Gaylin has also secured additional new customers for its ship chandling segment.

As part of its operations and cost rationalization, Gaylin has listed a number of its owned properties in Singapore for sale and has also initiated the planned relocation of inventory to more cost-efficient storage sites. Gaylin is also actively exploring more cost-effective production capabilities for its business.

In addition, Gaylin has kickstarted integration planning for the proposed acquisition of Amos International to realize the full benefits.

Perry Kennedy, the CEO of Gaylin, said, "While still early, the revitalization initiatives implemented by the executive management team to enhance Gaylin's financial stability and operational



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competitiveness have already begun to yield results as evident from the reduced net loss in 1Q FY2019. Going forward, we expect our competitiveness and capabilities in our major markets to further improve. Helmed by an experienced management team with proven track records in the global offshore and maritime sectors, we believe the Gaylin of today is well-placed to capitalize on opportunities as those markets strengthen.”

In recent months, global oil prices have seen a rebound with per barrel oil price rising from below US\$30 in 2015 to over US\$70 causing an increasing sense of optimism across the global offshore services market as well as with Gaylin’s management.

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About Gaylin Holdings Limited

Gaylin was founded in 1974 by the Teo family and listed on the Singapore Stock Exchange in 2012. Gaylin has a long history and experience serving clients in the global offshore oil & gas and marine industries. As a specialist provider of rigging and lifting equipment and solutions to the global offshore oil & gas industry, Gaylin’s extensive products include heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment, and related fittings and accessories. Gaylin also provides a complimentary range of engineering services, including design, fabrication, spooling services, load testing and certification, for customers customized to their specific requirements. In addition, as part of its value-added customer service, Gaylin supplies a variety of ship supplies and equipment to ships and oil rigs. Gaylin is headquartered in Singapore with operating subsidiaries in Dubai, Azerbaijan, Kazakhstan, Malaysia, Vietnam, Indonesia, China, Korea, and Scotland.