

GAYLIN HOLDINGS LIMITED
(Company Registration No. 201004068M)
(Incorporated in the Republic of Singapore on 25 February 2010)

ENTRY INTO OF A SALE AND PURCHASE AGREEMENT FOR THE PROPOSED ACQUISITION OF ALLSEAS MARINE SERVICES PTE LTD

The Board of Directors of Gaylin Holdings Limited (the "**Company**") wishes to announce that Gaylin Marine Supply Pte Ltd (the "**Purchaser**"), a fully owned subsidiary of the Company, has on 20 December 2012 entered into a Sale and Purchase Agreement (the "**Sale and Purchase Agreement**") with Ang Tian Lye and Quek Boon Sim (each a "**Vendor**" and collectively the "**Vendors**") for the acquisition from the Vendors of the entire issued and paid up ordinary shares (the "**Sale Shares**") in the capital of Allseas Marine Services Pte Ltd (the "**Target**"), a company incorporated in Singapore (the "**Proposed Acquisition**").

1. Information of the Target and the Vendors

- (A) The Target is a private limited company incorporated in Singapore. As at the date of the Sale and Purchase Agreement, the Sale Shares comprising 300,000 ordinary shares and with a paid up capital of S\$300,000 constitute the total issued and paid up capital of the Target. The principal business activities of the Target include general wholesale trade and ship chandlers' supply.

As at the date of this Announcement, the Target holds a leasehold property located at 27B Benoi Road Pioneer Lot, having a tenure of 30 years commencing from 1 April 2006 (the "**Property**").

(B) The Vendors

Each of the Vendors holds 50% of the Sale Shares. The Vendors are not Associates of the Directors or Controlling Shareholders (the foregoing terms as defined in the SGX-ST Listing Manual ("**Listing Manual**")) of the Company.

2. The Proposed Acquisition

(A) The Sale Shares

Subject to the terms and conditions of the Sale and Purchase Agreement, the Sale Shares will be acquired free from all charges and other encumbrances and with all rights, benefits and entitlements as from the date of execution of the Sale and Purchase Agreement.

(B) Total Consideration

The total consideration payable by the Purchaser for the Sale Shares is S\$1,470,000 (the "**Consideration**"). The Consideration was arrived on an arm's length, willing buyer willing seller basis. The Company had in agreeing to the Consideration taken into account the valuation of the Property and the profitability of the Target. A valuation of the Property was carried out on 14 September 2012 by Premas Valuers and Property Consultants Pte. Ltd. and based on the report of the valuer, the market value of the Property as at 1 October 2012 was S\$1,750,000.

The Consideration will be paid to each Vendor on completion of the sale and purchase of the Sale Shares ("**Completion**") in equal proportion.

(C) Completion

Completion shall take place on a date ("**Completion Date**") no later than 14 days after the fulfillment or waiver (as the case may be) of the conditions precedent set out in paragraph (D) below, subject to such date being no later than 15 March 2013.

(D) Conditions Precedent

The Proposed Acquisition is subject to the fulfillment or waiver by the Purchaser of certain conditions precedent, which include, amongst others, the following:

- (i) results of its legal, financial and commercial due diligence into the Target being satisfactory;
- (ii) the board of directors and the shareholders of the Company having approved the Proposed Acquisition, if required;
- (iii) the bankers to the Target having given its consent to the Proposed Acquisition, where such consent is in the reasonable opinion of the Purchaser required, with such consent given on terms satisfactory to the Purchaser;
- (iv) there having been no material adverse change in the prospects, operations, assets, business, liabilities or financial or operating conditions of the Target occurring on or before the Completion Date;
- (v) the Vendors' warranties being true and correct in all material respects at all times up to and on Completion Date; and
- (vi) the Vendors not being in breach of any of their obligations or undertakings under the Sale and Purchase Agreement.

(E) Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Company's plans of growing its ship chandlers' supply business.

(F) Source of Funds

The Company intends to fund the Consideration from the proceeds of its listing on its initial public offering and listing on the Singapore Exchange in October 2012.

3. Rule 1006 of the Listing Manual

None of the relative figures computed on the basis set out in Rule 1006 of the Listing Manual in relation to the Proposed Acquisition (based on the audited full year consolidated accounts of the Group ended 31 March 2012) exceeds 5.0%.

4. Financial Effects

(A) Share Capital

As at the date of this Announcement, the issued and paid up capital of the Company is S\$49,200,000 comprising 432,000,000 ordinary shares ("**Shares**"). The Proposed Acquisition will have no impact on the share capital of the Company as no new Shares of the Company will be issued.

(B) NTA and EPS

For illustrative purposes only, (i) assuming that the Proposed Acquisition had been effected at the end of the financial year ended 31 March 2012, there would have been no material impact on the consolidated net tangible assets per share of the Company for the financial year ended 31 March 2012 ("**FY2012**") and (ii) assuming that the Proposed Acquisition had been effected at the beginning

of FY2012, there would have been no material impact on the earnings per share for FY2012. The Proposed Acquisition is also not expected to have any material effect on the net tangible assets per share or consolidated earnings per share of the Company for the current financial year.

5. Interest of Directors and Controlling Shareholders

None of the Directors, Controlling Shareholders or their Associates has any interest, direct or indirect, in the Proposed Acquisition.

6. Services Agreement

One of the Vendors, namely Ang Tian Lye, and Lim Hong Kwee will, upon execution of the Sale and Purchase Agreement, enter into service agreements with the Target, to take effect on Completion.

7. Documents for Inspection

Copies of the Sale and Purchase Agreements are available for inspection during normal business hours at the Company's registered office at 7 Gul Avenue, Singapore 629651 for three (3) months from the date of this Announcement.

8. Updates

The Company will announce any material developments on the Proposed Acquisition.

By Order of the Board

Teo Bee Chiong

Executive Director and Chief Executive Officer

GAYLIN HOLDINGS LIMITED

20 December 2012

CIMB Bank Berhad, Singapore Branch was the Issue Manager for the initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.