GAYLIN

FOR IMMEDIATE RELEASE

Gaylin achieves S$10.5 million in earnings for FY2013; Stays committed to grow in Asia through acquisitions and collaborations

- ***Recommends a first and final dividend of 0.8 cts per share; reflecting dividend payout of 32.9%***
- ***Expansion into Asian markets: Proposed acquisition of PRC-based Lv Yang (Tianjin) in progress***
- ***Cautiously optimistic that Oil & Gas industry outlook will be positive for the next 12 months***

Summary of Financial Results For the Period Ended 31 March:

S$'million	4Q FY2013	4Q FY2012	+/- %	FY2013	FY2012	+/- %
Revenue	24.1	18.1	33.2	77.1	71.4	7.9
Gross Profit	7.9	6.8	17.3	24.9	23.7	5.1
EBITDA	4.9	5.8	-15.5	16.2	19.0	-14.8
Net Profit	3.4	4.1	-16.2	10.5	13.0	-19.1
GP Margin (%)	32.9	37.3	-4.4 % pts	32.3	33.1	-0.8 % pts
EBITDA Margin (%)	20.3	31.9	-11.6 % pts	20.9	26.6	-5.7 % pts
Net Profit Margin (%)	14.2	22.6	-8.4 % pts	13.6	18.2	-4.6 % pts
EPS (cts)	0.79	1.36	-41.9	2.43	4.32	-43.8

Singapore, 25 May 2013 – **Gaylin Holdings Limited** (藝林控股有限公司) ("Gaylin" or the "Group"), one of the largest local-based rigging and lifting solutions providers to the global offshore oil and gas ("O&G") industry, today reported a net profit of S$10.5 million for the 12 months ended 31 March 2013 ("FY2013") underpinned by a 7.9% growth in revenue to S$77.1 million.

The improved topline in FY2013 was boosted by a robust fourth quarter, which saw revenue of the Group rise 33.2% year-on-year to S$24.1 million, compared to S$18.1 million in 4QFY2012. This was mainly due to revenue contribution from Allseas Marine Services Pte Ltd ("Allseas Marine"), a ship supply business which Gaylin acquired for S$1.5 million in January 2013, as well as stronger orders from customers based in Asia and Europe for their projects. Collectively, sales from these two markets coupled with Malaysia, rose 50.5% to S$37.2 million in FY2013 from S$24.7 million in FY2012.

In line with its revenue growth, the Group's gross profit increased by 5.1% to S$24.9 million in FY2013 from S$23.7 million a year ago. Gross profit margin slipped marginally from 33.1% to 32.3% in FY2013.

The improved revenue, however, brought about higher distribution costs in FY2013 which rose 35.4% to S$2.9 million in tandem with the Group's business expansion. Meanwhile, administrative expenses also increased by 63.0% to S$7.6 million. The hike was due to a number of reasons that included, amongst others, a one-time IPO expenses of S$0.6 million, an increase in staff cost of S$1.3 million to support business expansion, acquisition-related costs of S$0.2 million and a donation of S$0.4 million as part of the Group's Corporate Social Responsibility initiatives.

Said Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, "Despite incurring higher expenditures due to our IPO listing, business expansion and other activities, we managed to keep our gross margin and bottom line healthy in FY2013. In view of this, I am pleased to recommend a first and final cash dividend of 0.8 Singapore cents per share for FY2013. This reflects a dividend payout of 32.9% which is aligned to what we had planned during our IPO. "

Based on 432 million ordinary shares in issue, the Group's earnings per share ("EPS") for FY2013 and net asset value per share ("NAV") as at 31 March 2013 was 2.43 Singapore cents and 20.76 Singapore cents respectively. This compared to EPS of 4.32 Singapore cents for FY2012 and NAV of 11.65 Singapore cents as at 31 March 2012, which were both based on 300 million ordinary shares in issue.

Outlook

The Group is cautiously optimistic that the O&G industries will remain positive in the next 12 months and remains committed to strengthen its standing as one of the largest rigging and lifting solutions providers not only in Singapore, but in the region.

"Our focus for much of FY2013 was to grow Gaylin's operations in Singapore and the region through organic expansion and acquisitions. We managed to achieve this successfully through the acquisition of Allseas Marine and our enlarged footprint in Malaysia. Looking ahead to FY2014, we will continue to actively look for opportunities to expand our operations into Asian markets through strategic acquisitions and collaborations," reiterated Mr Teo.

As part of these regional expansion plans, the Group had entered into a framework agreement for the proposed acquisition of Lv Yang (Tianjin) Offshore Equipment Co. Ltd ("Lv Yang") for S$3.5 million in March 2013. PRC-based Lv Yang is involved in the supply and manufacture of rigging and lifting equipment and provision of related services.

Mr Teo said, "Through Lv Yang, Gaylin will gain a foothold in the PRC market. We are definitely excited about the potential business and growth opportunities that the company will bring."

As for its new facilities in Tanjung Langsat in the State of Johor, Malaysia, the Group expects the full operations to commence within the second half of year 2013.

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About Gaylin Holdings Limited

With an operating history that can be traced back to 1974, Gaylin 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. The Group's comprehensive range of inventory, years of experience and engineering capabilities allows Gaylin to respond to the needs of its customers quickly and efficiently, making Gaylin a one-stop solutions provider for its clients.

As part of the Group's business, it manufactures and supplies a wide range of rigging and lifting equipment such as heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment and related fittings and accessories. Gaylin also provides related services including load testing, spooling services, rental services and other fabrication services to customers globally. In addition, as part of its value-added customer service, the Group provides ship supplies such as ship stores and equipment to ships and oil rigs, which it sources from third party suppliers all over the world. Headquartered in Singapore, the Group has two warehouses and one fabrication facility in Singapore, one warehouse facility in Vietnam and a new facility in Malaysia which is expected to be fully operational by the first half of year 2013. Together, these facilities occupy an aggregate of approximately 430,558 square feet. Its sales and distribution markets comprise mainly Asia, Oceania, Europe, the Middle East and Africa.

Gaylin has been recognised with the international ISO 9002 certification in respect of the manufacture of wire rope slings since 1998 and the latest certification (ISO 9001:2008) was awarded in 2012. As testament to its achievement and performance, the Group was conferred the "Enterprise 50 (E50) Award" in 2009, the "2011 Singapore Brand Award" in 2011 and the "Promising SME 500 Award" and the "Circle of Excellence in Offshore and Marine Industry" in 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.

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