

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

MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FULL-YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2013

The Board of Directors of Gaylin Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited full-year financial results announcement for the financial year ended 31 March 2013 (“FY2013”) released on 25 May 2013 (Announcement No. 2).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to announce that there were differences between the unaudited full-year financial results and the audited financial statements in respect of FY2013 following the finalisation of the audit. Details and clarifications of the differences are set out as attached.

By Order of the Board

Teo Bee Chiong
Executive Director and Chief Executive Officer

GAYLIN HOLDINGS LIMITED

5 July 2013

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.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company		
		31/3/2013	31/3/2013	Difference	31/3/2013	31/3/2013	Difference
		Audited	Unaudited	Incr/ (decr)	Audited	Unaudited	Incr/ (decr)
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>							
Current assets							
Cash and cash equivalents		21,408	21,408	-	20,056	20,056	-
Trade receivables	1	27,421	27,421	-	852	-	852
Other receivables and prepayments	2	860	860	-	26,774	24,126	2,648
Inventories		104,058	104,058	-	-	-	-
Total current assets		153,747	153,747	-	47,682	44,182	3,500
Non-current assets							
Property, plant and equipment		10,980	10,980	-	-	-	-
Club memberships		76	76	-	-	-	-
Intangible asset		225	225	-	-	-	-
Subsidiaries		-	-	-	5,500	5,500	-
Total non-current assets		11,281	11,281	-	5,500	5,500	-
Total assets		165,028	165,028	-	53,182	49,682	3,500
<u>LIABILITIES AND EQUITY</u>							
Current liabilities							
Trade payables		16,417	16,417	-	-	-	-
Other payables		1,311	1,311	-	707	707	-
Current portion of bank borrowings		37,690	37,690	-	-	-	-
Current portion of finance leases		1,011	1,011	-	-	-	-
Income tax payable		1,956	1,956	-	105	105	-
Total current liabilities		58,385	58,385	-	812	812	-
Non-current liabilities							
Bank borrowings		15,758	15,758	-	-	-	-
Finance leases		927	927	-	-	-	-
Deferred tax liabilities		266	266	-	-	-	-
Total non-current liabilities		16,951	16,951	-	-	-	-
Capital and reserves							
Share capital		47,224	47,224	-	47,224	47,224	-
Retained earnings	2	42,542	42,542	-	5,146	1,646	3,500
Translation reserve		(74)	(74)	-	-	-	-
Equity attributable to shareholders of the Company		89,692	89,692	-	52,370	48,870	3,500
Non-controlling interests		0	0	-	-	-	-
Total equity		89,692	89,692	-	52,370	48,870	3,500
Total liabilities and equity		165,028	165,028	-	53,182	49,682	3,500

Clarification

Note 1: Reclassification of S\$0.9 million of management fee of the Company's Statement of Financial Position from other receivables to trade receivables

Note 2: The dividend of S\$3.5 million declared by a subsidiary resulted in the increase in other receivables of the Company.

The above differences do not affect the Group's Statement of Financial Position.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group		Difference Incr/ (decr) S\$'000
		Financial year end		
		31/3/2013 Audited S\$'000	31/3/2013 Unaudited S\$'000	
Operating activities				
Profit before income tax		12,472	12,472	-
Adjustment for :				
Interest expense		1,834	1,834	-
Interest income		(24)	(24)	-
Depreciation		1,849	1,849	-
Amortisation of intangible asset		15	15	-
Allowance for doubtful trade receivables		43	(11)	54
Doubtful trade receivables recovered		(52)	-	(52)
Trade receivables written off		16	16	-
Gain on disposal of property, plant and equipment		(8)	(8)	-
Excess of fair value of net identifiable assets over consideration paid for a subsidiary		(66)	(66)	-
Net foreign exchange gain - unrealised		(2)	(1)	(1)
Inventories written back to net realisable value		(170)	(170)	-
Operating cash flows before movements in working capital		15,907	15,906	1
Trade receivables		(7,369)	(7,369)	-
Other receivables and prepayments		(293)	(293)	-
Inventories		(16,869)	(16,868)	(1)
Trade payables		5,588	5,588	-
Other payables		782	782	-
Bank bills payable	3	(5,348)	-	(5,348)
Cash used in operations		(7,602)	(2,254)	(5,348)
Interest paid for bank bills	3	(784)	-	(784)
Interest received		24	24	-
Income tax paid		(3,408)	(3,408)	-
Net cash used in operating activities		(11,770)	(5,638)	(6,132)
Investing activities				
Proceeds on disposal of property, plant and equipment		23	23	-
Purchases of property, plant and equipment		(1,807)	(1,722)	(85)
Purchase of club memberships		(76)	(76)	-
Acquisition of a subsidiary		(1,236)	(1,236)	-
Net cash used in investing activities		(3,096)	(3,011)	(85)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group		Difference Incr/ (decr) S\$'000
		Financial year end		
		31/3/2013 Audited S\$'000	31/3/2013 Unaudited S\$'000	
Financing activities				
Interest paid for other borrowings	3	(1,050)	(1,834)	784
Repayment of obligations under finance leases		(953)	(1,038)	85
New bank loans obtained		1,000	1,000	-
Bank bills payable	3	-	(5,348)	5,348
Repayment of bank loans		(11,150)	(11,150)	-
Proceeds from issuance of shares of the Company	4	46,200	44,224	1,976
Payment of share issue expenses	4	(1,976)	-	(1,976)
Contribution from non-controlling interests		0	0	-
Net cash from financing activities		<u>32,071</u>	<u>25,854</u>	<u>6,217</u>
Net increase in cash and cash equivalents		17,205	17,205	-
Effect of exchange rate changes on cash and cash equivalents		3	3	-
Cash and cash equivalents at beginning of the year		4,200	4,200	-
Cash and cash equivalents at end of year		<u>21,408</u>	<u>21,408</u>	-

Clarification

Note 3: Reclassification of cash paid for bank bills payable and related interest from financing activities to operating activities

Note 4: Reclassification of share issue expenses from proceeds from issuance of shares of the Company