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

(A) CHANGE OF NAME OF A WHOLLY OWNED SUBSIDIARY

(B) PROPOSED ACQUISITION OF 51% OF THE EQUITY INTEREST IN RIG MARINE HOLDINGS FZC

(A) CHANGE OF NAME OF A WHOLLY OWNED SUBSIDIARY

Further to the announcement dated 29 November 2012 on the formation of a wholly owned subsidiary in Singapore under the name of Gaylin Korea Pte. Ltd., the Board of Directors of Gaylin Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that there has been a change of the name of Gaylin Korea Pte. Ltd., to Gaylin Asia Pte. Ltd. ("**Gaylin Asia**"), with effect from 11 November 2013.

(B) PROPOSED ACQUISITION OF 51% OF THE EQUITY INTEREST IN RIG MARINE HOLDINGS FZC

The Board of Directors of the Company further wishes to announce that Gaylin Asia ("**Purchaser**"), has on 12 November 2013 entered into a conditional sale and purchase agreement (the "**Agreement**") with Michael John Duncan ("**First Vendor**") and Alexander Charles Cobban ("**Second Vendor**") (each a "**Vendor**" and collectively, the "**Vendors**") whereby the Purchaser will acquire ("**Proposed Acquisition**") such number of shares representing 51% of the share capital ("**Sale Shares**") in Rig Marine Holdings FZC ("**Target**").

In this Announcement:

"**2012 ANPAT**" means the ANPAT for the period from 1 January 2012 to 31 December 2012;

"**Accountants**" means Deloitte & Touche LLP or such other firm of auditors as the parties may agree;

"**AED**" means the lawful currency of the United Arab Emirates;

"**ANPAT**" means the audited consolidated net profit after taxes of the Target and its Subsidiaries (as defined below) during the relevant time, as determined in accordance with International Financial Reporting Standards and adopting policies consistent with that of the Company, subject to certain adjustments as set out in the Agreement;

"**Difference from Two-Year ANPAT Target**" shall refer to the difference between the Two-Year ANPAT Target and the aggregate of the ANPAT for FP2013 and ANPAT for FP2014;

"**First Audit Report**" means the auditor report of the Target and its Subsidiaries prepared by the Accountants for FP2013;

"**FP 2013**" means the period 1 January 2013 to 31 December 2013;

"**FP 2014**" means the period 1 January 2014 to 31 December 2014;

"**Second Audit Report**" means the auditor report of the Target and its Subsidiaries prepared by the Accountants for FP2014; and

"**Two-Year ANPAT Target**" shall refer to 230% of 2012 ANPAT.

For purposes of this Announcement, the exchange rate between US$ and S$ is US$1 is equivalent to S$1.25.

1(a) Particulars of the assets acquired or disposed of, including the name of any company or business where applicable.

The Target is a company incorporated in the Hamriyah Free Zone, United Arab Emirates ("**UAE**").
The Target has an existing issued share capital of UAE 35,000 AED comprising 35 fully paid shares ("**Shares**"), of which 21 Shares representing 60% of the issued share capital of the Target are held by the First Vendor, and 14 Shares representing the remaining 40% of the issued share capital of the Target are held by the Second Vendor. The issued share capital in the Target will be increased as part of the Proposed Acquisition. The Purchaser will as part of the Proposed Acquisition acquire such number of Shares from the Vendors as shall comprise 51% of the issued share capital in the Target.

On completion of the Proposed Acquisition ("**Completion**"), the Target will have the following wholly-owned subsidiaries (collectively, the "**Subsidiaries**" and each a "**Subsidiary**"):

- Rigmarine Kazakhstan LLP, registered in Kazakhstan;
- Rigmarine Europe Ltd, incorporated in the United Kingdom with a Representative Office registered in Azerbaijan;
- Rigmarine Azerbaijan LLC, registered in Azerbaijan; and
- Rigmarine FZE, registered in the UAE.

1(b) Particulars of the vendors of the asset

The Vendors are nationals of the United Kingdom, and founders of the Target and its Subsidiaries.

1(c) Particulars of the other shareholders of the asset

On Completion, the Vendors will hold the remaining 49% shareholding in the issued share capital in the Target.

(2) A description of the trade carried on, if any.

The Target and its Subsidiaries are engaged in the business of the supply, rental, inspection and recertification of all lifting, mooring, towing and deck equipment including the supply and rental of hydraulic winch systems for both mooring and lifting applications via various service centers in the UAE, Azerbaijan and Kazakhstan under the business name of "Rigmarine" ("**Rigmarine Business**").

(3)(a) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment.

The aggregate consideration ("**Consideration**") for the sale and purchase of the Sale Shares will be the aggregate amount of 0.51 multiplied by 6 multiplied by 2012 ANPAT, subject to the adjustments made pursuant to the Agreement, payable to the Vendors in relative proportion to their Sale Shares, and to be satisfied by way of issue of new ordinary shares in the capital of the Company ("**Gaylin Shares**") and cash.

Subject to certain adjustments set out in the Agreement, the Consideration is payable to the Vendors in relative proportion to their Sale Shares in the following manner and proportion:

i) An initial tranche of 60% of the Consideration ("**Completion Tranche**") on Completion in the form of cash of US$4,500,000 with the balance payable by way of the issue of Gaylin Shares to the Vendors,

ii) 20% of the Consideration ("**First Subsequent Tranche**"), within 21 days of the issue by the Accountants of the First Audit Report as follows:

- 50% x [(50% x Consideration) - US$4,500,000] will be paid in cash (the "**First Subsequent Tranche Cash Component**"), and

- The balance after deducting an amount equivalent to First Subsequent Tranche Cash Component from 20% of the Consideration, will be paid by way of issue of Gaylin Shares to the Vendors; and

iii) 20% of the Consideration ("**Second Subsequent Tranche**"), within 21 days of the issue by the Accountants of the Second Audit Report.

The Agreement further provides that ("**Consideration Adjustment**"):

i) If after the issue of the Second Audit Report, the aggregate of FP2013 ANPAT and FP2014 ANPAT is less than the Two-Year ANPAT Target, then the Vendors shall severally pay (in relative proportion to their Sale Shares) to the Purchaser the amount of 0.51 multiplied by 6 multiplied by the Difference from Two-Year ANPAT Target, such payment to be in the first instance set off against the Second Subsequent Tranche if payable and if the set off is insufficient, with the balance payable by the Vendors in cash.

ii) If the aggregate of FP2013 ANPAT and FP2014 ANPAT is greater than the Two-Year ANPAT Target, no adjustment shall be made to the Second Subsequent Tranche.

The Consideration, together with the Consideration Adjustment, were arrived based on arm's length negotiations between the parties after an assessment by the Purchaser of the Target and its Subsidiaries, the 2012 ANPAT of the Target and its Subsidiaries as well as the potential growth of the Target and its Subsidiaries in FP 2013 and FP 2014.

As at the date of this Announcement, the Company has an issued and paid-up share capital of S$49,200,000 comprising 432,000,000 ordinary shares. The Gaylin Shares will be issued and allotted pursuant to the general mandate to allot and issue shares in the Company (whether by way of rights, bonus or otherwise) granted by the shareholders of the Company by way of an ordinary resolution passed at the Company's annual general meeting held on 23 July 2013.

For the purpose of calculating the number of Gaylin Shares to be issued for payment of the Consideration, the Gaylin Shares shall be priced based on the volume weighted average traded price of the Gaylin Shares for the 20 days on which there are trades on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the Gaylin Shares:

i) preceding Completion, in respect of the Completion Tranche,

ii) preceding the due date of payment for the First Subsequent Tranche, in respect of the First Subsequent Tranche, and

iii) preceding the due date of payment for the Second Subsequent Tranche, in respect of the Second Subsequent Tranche.

If at the time of issue of any of the Gaylin Shares, the effective price at which the Gaylin Shares are issued, determined based on the following formula: - Quantum of Consideration to be satisfied by the issue of Gaylin Shares divided by the number of Gaylin Shares to be issued computed in the manner set out in the above, is less than the 90% ("**Floor Price**") of volume weighted average price of the traded Gaylin Shares immediately preceding the date that the Agreement is signed, then the number of Gaylin Shares to be issued shall be decreased so as not to result in such effective price being not less than the Floor Price, and the balance shall be paid by the Purchaser in cash.

Under the Agreement, each of the Vendors agrees that the issue of Gaylin Shares shall not result in such Vendor becoming a Controlling Shareholder (as defined under the listing manual ("**Listing Manual**") of the SGX-ST, and in such event, the Purchaser shall be entitled in lieu of issue of such Gaylin Shares to pay the corresponding amount of Consideration in cash to the minimum extent to reduce the quantum held by each Vendor below the "Controlling Shareholder" threshold.

3(b) To state how the acquisition will be funded. To include statement on working capital sufficiency.

The Company will fund the Proposed Acquisition through the proceeds from its initial public offering and by the issue of Gaylin Shares.

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

(4)(a) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof.

Call Option

Each of the Vendors has granted to the Purchaser an option ("**Call Option**") exercisable at any time from the later of (i) the second anniversary of Completion and (ii) the period of three months after the issue of the Second Audit Report ("**Option Period**") independently in respect of each Vendor, to buy from that Vendor, all but not part of the Shares ("**Option Shares**") held by that Vendor.

The consideration ("**Option Consideration**") shall upon exercise of the Call Option or Put Option (as defined below) be set based on the following formula:

- For the First Vendor's Option Shares **-** 0.294 multiplied by 6 multiplied by the ANPAT for the most recently completed financial period 1 January to 31 December.

- For the Second Vendor's Option Shares – 0.196 multiplied by 6 multiplied by the ANPAT for the most recently completed financial period 1 January to 31 December.

Put Option

The Purchaser has granted, independently in respect of each Vendor, the right for either Vendor to require the Purchaser to purchase the Option Shares (the "**Put Option**") exercisable at any time during the Option Period. The Put Option may be exercised by the Vendors only upon the Two-Year ANPAT Target being met.

The Agreement provides that the exercise of the Call Option and Put Option shall be subject to approval of shareholders of the Company, if required by the Company.

Rights of Pre-emption and Tag Along Rights

Where any Vendor intends to transfer his Shares to a third party upon the expiration of the Option Period, the Purchaser is entitled to exercise either, but not both, of the following rights under the Agreement:

- Pre-emption rights – to exercise the rights of pre-emption to acquire all, but not part of, the Shares to be transferred by the Vendor.

- Tag along rights – to require its Shares to be transferred simultaneously with Shares of the Vendor.

Drag Along Rights

Under certain circumstances involving the transfer of Shares by the Purchaser, the Purchaser is entitled to exercise drag-along rights to require both the Vendors to transfer their Shares to the third party buyer.

(4)(b) Whether the transaction is subject to any conditions precedent.

The obligations of the Purchaser to complete the Proposed Acquisition are conditional upon, inter alia:

a) the Target has acquired all of the equity in its Subsidiaries, on terms acceptable to the Purchaser and there being upon completion of such acquisition no outstanding liabilities payable or due from the Target to the Vendors of such equity arising out of such acquisition;

b) the 2012 ANPAT being at least US$2.5 million;

c) the Target and its Subsidiaries having no liabilities or obligations (whether actual, contingent, deferred or potential) other than in the ordinary course of trade, save as disclosed in writing to the Purchaser prior to execution of the Agreement and such additional liabilities incurred between execution of the Agreement and Completion as are permitted under the Agreement;

d) the Vendors not being in breach of any of their obligations or undertakings under the Agreement;

e) no governmental or court act, decree or order of any applicable jurisdiction has been issued or enacted which in the Purchaser's reasonable view may materially hinder, limit or restrict the Completion, the transfer of the Sale Shares to the Purchaser or the performance by the parties of their obligations under the Agreement;

f) there has been no Material Adverse Change (as defined under the Agreement) in the prospects, operations, assets, business, liabilities or financial or operating conditions of the Target and its Subsidiaries occurring on or before the Completion Date and there has been no event occurring on or before the Completion Date which would be likely to result in such Material Adverse Change after the Completion Date;

g) the results of the Purchaser’s legal, financial and commercial due diligence into the Target and its Subsidiaries;

h) the Purchaser having obtained the approval of the board and the shareholders of the Company, as well as of the SGX-ST if required or desirable in the opinion of the Purchaser, and the approval of the SGX-ST to the listing and quotation of the Gaylin Shares, such approval not being withdrawn at the time of the issue of the Gaylin Shares, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;

i) there not being at any time prior to Completion any restriction, limitation, prohibition or directive, whether written or verbal, from the SGX-ST limiting prohibiting the entry into or performance by the Company or by the Target of its obligations under the Agreement or any other relevant regulatory authorities;

j) the Vendors’ warranties being true and correct in all material respects at all times up to and on Completion Date save as disclosed in the disclosure letter;

k) any third parties having given its consent to the transactions contemplated under the Agreement, where such consent is in the reasonable opinion of the Purchaser required, with such consent given on terms satisfactory to the Purchaser and such transactions, including without limitation acquisition by the Target of the equity in its Subsidiaries, not being contested or disputed by any competent authority in any jurisdiction where the Subsidiaries operate; and

l) the Vendors having obtained the initial and/or in principle approval by the Hamriyah Free Zone Authority to the transfer of the Sale Shares to the Purchaser and/or its nominee.

Under the terms of the Agreement, the “Long Stop Date” is defined to mean 28 February 2014 or extended to 31 March 2014 under the terms of the Agreement. In the event that any of the above conditions is not fulfilled by the Long Stop Date, then save as expressly provided in the Agreement, the Agreement shall automatically terminate and neither party shall have any claim of any nature whatsoever against the other party under the Agreement.

(5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation.

As at 31 December 2012, and based on management accounts provided by the Vendors, the net tangible asset ("**NTA**") value represented by the Sale Shares, prepared on a proforma consolidated basis, is US$3,674,000.

(6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition.

Not applicable.

(7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal.

The net profit after tax, for the financial year ended 31 December 2012, and based on management accounts provided by the Vendors, of the Sales Shares, prepared on an unaudited proforma consolidated basis, is US$1,794,600.

(8) The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year.

The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Group after the completion of the Proposed Acquisition.

The financial effects have been prepared on a proforma basis using the latest audited consolidated full year financial statements of the Group for the 12 months ended 31 March 2013 ("**FY2013**").

Assuming that the Proposed Acquisition had been completed on 31 March 2013 and based on the Company's audited consolidated financial statements for FY2013, the effects on the NTA per share of the Company are approximately as follows:

As at 31 March 2013	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S$'000)	89,691	94,284
Number of shares issued ('000)	432,000	432,000
NTA per share (Singapore cents)	20.76	21.82

Note:

(1) The NTA per share was calculated based on the number of shares of the Company in issue as at 31 March 2013, not taking into account the issue of Gaylin Shares arising from the Proposed Acquisition.

(9)(a) The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year.

Assuming that the Proposed Acquisition has taken place on 1 April 2012 and based on the Group's audited consolidated financial statements for FY2013 and the unaudited proforma consolidated financial statements of the Target and its Subsidiaries for the financial year ended on 31 December 2012, the Proposed Acquisition would have the following approximate effects on the Group's earnings per share ("**EPS**") as presented in the following table:

As at 31 March 2013	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated net profit attributable to shareholders (S$'000)	10,491	12,734
Weighted average number of shares ('000)	355,633	355,633
EPS (Singapore cents)	2.95	3.58

Note:

(1) The EPS per share was calculated based on the weighted average number of shares of the Company being 355,633,000, not taking into account the issue of Gaylin Shares arising from the Proposed Acquisition.

(9)(b) The effect of the transaction on the gearing of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year.

Assuming that the Proposed Acquisition had been completed on 31 March 2013, and based on the Group's audited consolidated financial statements for FY2013, there would be no material effects on the gearing of the Group.

(10) The effect of the transaction on the issued share capital and number of shares of the issuer as at the date of the announcement

On the basis that the 2012 ANPAT is US$3.5 million and the aggregate of the FP2013 ANPAT and FP2014 ANPAT is 230% of the 2012 ANPAT, the aggregate amount of Consideration payable under the Agreement will be US$10.8 million (approximately equivalent to S$13.5 million). Assuming further that all the Gaylin Shares to be issued as part of the Consideration are issued at the price of S$0.57 per Gaylin Share, being the volume weighted average price at which the Gaylin Shares are traded on the SGX-ST immediately preceding the execution of the Agreement, there will be a total of 11.8 million Gaylin Shares issued and the Company's issued share capital will increase from 432.0 million shares as at the date of this Announcement to 443.8 million shares. The Gaylin Shares represent approximately 2.73% of the existing issued share capital of the Company as at the date of this Announcement, and approximately 2.66% of the enlarged issued share capital of the Company following completion of the Proposed Acquisition.

(11) The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction.

The Company is of the view that the Proposed Acquisition represents an opportunity for the Company to expand in the Caspian Sea region as well as to provide an investment return for the Company.

(12) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests.

None of the Directors or Controlling shareholders of the Company have any direct or indirect interest in the Agreement or the Proposed Acquisition, other than through their respective shareholdings in the Company.

(13) Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction.

Upon Completion, the Purchaser shall be entitled to appoint a majority of directors (or equivalent position) to the Target and its Subsidiaries. The Vendors, as the then 49% owners of the Target, will also serve as directors of the Target and shall enter into service agreements with terms to be agreed.

(14) The relative figures that were computed on the bases set out in Rule 1006

	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
Rule 1006 (b) [(1)] The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits as at 31 March 2013	21.4%
Rule 1006 (c) [(2)] Aggregate value of consideration given or received, compared with the market capitalisation of the Company as at 11 November 2013, being the last full market day immediately preceding the execution of the Agreement	5.5%
Rule 1006 (d)[(3)] The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	11,804,000
Rule 1006 (e) The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

(1) Based on the assumption that the Call Option and Put Option under the Agreement are not exercised.

(2) Based on the assumption that the Call Option and Put Option under the Agreement are not exercised and further assuming that the 2012 ANPAT is US$3.5 million and the aggregate of the FP2013 ANPAT and FP2014 ANPAT is 230% of the 2012 ANPAT, the aggregate amount of Consideration payable under the Agreement will be US$10.8 million (approximately equivalent to S$13.5 million).

(3) Based on the assumption that the Call Option and Put Option under the Agreement are not exercised and further assuming that all the Gaylin Shares to be issued as part of the Consideration are issued at the price of S$0.57 per Gaylin Share, being the volume weighted average price at which the Gaylin Shares are traded on the SGX-ST immediately preceding the execution of the Agreement, resulting in a total of 11.8 million Gaylin Shares issued.

As Rule 1006(b) is the only basis exceeding 20%, pursuant to Rule 1014(2), the Proposed Acquisition will not be required to be subject to the approval of shareholders of the Company.

(15) Documents for Inspection

Shareholders should note that a copy of the Agreement will be 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.

BY ORDER OF THE BOARD
Desmond Teo Bee Chiong
Executive Director and Chief Executive Officer

GAYLIN HOLDINGS LIMITED
12 November 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.