

**LEASE OF LAND AT TANJUNG LANGSAT INDUSTRIAL COMPLEX
- EXECUTION OF LEASE AGREEMENT**

Capitalised terms used herein shall have the definitions ascribed to them in the Company's announcement dated 4 April 2014, unless otherwise stated or the context otherwise requires.

The Board is pleased to announce that on 29 September 2014, the Company has received the executed Lease Agreement dated 24 September 2014.

1. THE LAND

The Lessee had on 4 April 2014 accepted a Letter of Offer from the Lessor to lease the land at PLO 225 at Tanjung Langsat Industrial Complex, Sungai Tiram, Johor Bahru, Malaysia for a registrable lease of thirty (30) years. The Lessee has an option to renew the Lease of Land for another thirty (30) years. The total area of the Land is approximately 439,956 square feet.

2. CONSIDERATION

The total consideration for the Lease of Land is RM10,144,350.00 (the "**Consideration**") subject to the payment schedule as follows:-

- (i) 10 percent or RM1,014,435.00 has been paid upon the acceptance of the Letter of Offer;
- (ii) 20 percent or RM2,028,870.00 has been paid upon the signing of the Lease Agreement; and
- (iii) 70 percent of RM7,101,045.00 to be paid within three (3) months from the date of the Lease Agreement.

The Consideration is funded through the proceeds from its initial public offering and bank loan.

3. MATERIAL TERMS AND CONDITIONS OF THE LEASE OF LAND

The Lease Agreement is based on the following terms, inter alia:

- (i) the Land shall be used for medium industry, office, test bed and as the site for 'Lifting Equipment Namely Slings and Lifting Grommets, Sling Wire Cable, Crane Wire, Hook Equipment and Ship Accessories' and for any other related purposes constructed in accordance to the plans approved by the relevant local authority;
- (ii) the Lessee shall channel all effluent discharge to places as determined and approved by the local authority;
- (iii) the Lessee shall adhere to all policies and regulations as stipulated and imposed from time to time by the relevant local authority;
- (iv) the Lessee is not permitted to transfer, rent or sub-lease the Land without the written consent from Johor Corporation and State Authority.

4. FINANCIAL EFFECTS OF THE LEASE OF LAND

The Lease of Land is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 March 2015.

5. LISTING MANUAL COMPUTATION

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual for the Lease of Land are as follows:-

		(A) S\$	(B) S\$	Relative Figures (A)/(B) in %
Rule 1006(a)	Net asset value of the Land to be disposed of (A) as compared with the Group's net asset value as at 31 March 2014 (B).	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)
Rule 1006(b)	Net profit attributable to the Land acquired (A) compared with the Group's net profits as at 31 March 2014 (B).	(NA as the acquisition is for internal use)	(NA as the acquisition is for internal use)	(NA as the acquisition is for internal use)
Rule 1006(c)	The aggregate value of the Consideration given (A) compared with the Company's market capitalisation on 23 September 2014 (B).	3,965,528	227,760,000	1.7%
Rule 1006(d)	The number of equity securities issued by the Company as Consideration for an acquisition, compared with the number of equity securities previously in issue.	NA	NA	NA

** Based on average price on 23 September 2014, the market day preceding the date of the signing of the Lease Agreement.*

Based on the relative figures computed above, the Lease of Land would constitute a non-disclosable transaction pursuant to Chapter 10 of the Listing Manual.

6. RATIONALE FOR THE PURCHASE OF PROPERTY

The Lease of Land is part of the Group's expansion plan in Malaysia which will bring us in close geographical proximity to customers in the offshore oil and gas industry in Malaysia and in the region, thereby reducing delivery time for our products and improving our service to our customers.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the above transaction.

8. DOCUMENT FOR INSPECTION

The Lease Agreement is available for inspection during normal business hours at the Company's registered office at 7 Gul Avenue, Singapore 629651 for 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

1 October 2014

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.