

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

LV YANG (TIANJIN) OFFSHORE EQUIPMENT PTE. LTD.
– CAPITAL REDUCTION ON SHARES HELD BY MR LEE HANG MENG

The Board of Directors (the “**Board**”) of Gaylin Holdings Limited (the “**Company**”) refers to its announcements dated 19 March 2013, 2 July 2013 and 31 July 2013 relating to the acquisition by the Company’s subsidiary, Lv Yang (Tianjin) Offshore Equipment Pte Ltd (the “**Purchaser**”), of the entire equity interest and registered capital in Lv Yang (Tianjin) Offshore Equipment Co. Ltd (绿洋(天津)油田设备有限公司) (the “**Target**”) from Lenn Inc. The Board also refers to the announcement made on 12 February 2015 titled “Legal action against Lenn Inc and Loi Peng Soon in relation to Profit Guarantee”.

The issued share capital of the Purchaser consists of S\$9,001 comprising 10,000 ordinary shares (“**Shares**”), of which 1,000 Shares (the “**Executive Shares**”) are held by Mr Lee Hang Meng (the “**Executive**”) and the remaining 9,000 Shares are held by the Company.

Pursuant to the terms of the Executive Guarantee (the “**Executive Guarantee**”) entered into by the Executive and the Purchaser in connection with the acquisition of the Target (as subsequently amended, supplemented and varied by supplemental deed dated 2 July 2013), the Executive had, *inter-alia*, represented and undertaken to the Purchaser that the audited net profit after tax (“**ANPAT**”) in respect of the 12 months financial period commencing on 1 July 2013 and ending on 30 June 2014 shall be at least S\$1,000,000 (the “**Profit Guarantee**”).

The Executive Guarantee further provided that if the Profit Guarantee is not achieved, the Purchaser would be entitled to undertake a capital reduction exercise in accordance with the Companies Act, to cancel the Executive Shares.

The Board wishes to announce that the Profit Guarantee was not achieved, and the Purchaser has therefore exercised its rights under the terms of the Executive Guarantee to undertake a capital reduction to cancel the Executive Shares in accordance with the terms of the Executive Guarantee (the “**Capital Reduction**”).

The Board would like to further announce that the Capital Reduction has been completed. Subsequent to the completion of the Capital Reduction, the Purchaser is now a wholly-owned subsidiary of the Company.

By Order of the Board

Desmond Teo Bee Chiong
Executive Director and Chief Executive Officer

GAYLIN HOLDINGS LIMITED

17 March 2015