



Trusted For Lifting & Rigging

FOR IMMEDIATE RELEASE

Gaylin’s revenue rises 11.4% to S\$28.7 million for 1Q FY2016

- *Bottomline impacted by the slowdown in the O&G market*
- *Remains confident of the stable long-term fundamentals supporting the O&G market*

Summary of Financial Results For the Period Ended 30 June:

S\$'million	1Q FY2016 (3M)	1Q FY2015 (3M)	+ / (-) %
Revenue	28.7	25.8	11.4
Gross Profit	6.9	7.4	(6.8)
GP Margin (%)	24.1	28.8	(4.7) pt
EBITDA	1.3	4.1	(67.4)
EBITDA Margin (%)	4.7	16.0	(11.3) pt
Net Profit / (Loss) Attributable to Shareholders	(0.5)	2.7	NM
Net Profit/ (Loss) Margin (%)	(1.7)	10.6	NM

NM: Not Meaningful; Pt: percentage points

Singapore, 14 August 2015 - Gaylin Holdings Limited (藝林控股有限公司) (“Gaylin” or the “Group”), 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, today reported a 11.4% increase in revenue to S\$28.7 million for the first quarter ended 30 June 2015 (“1Q FY2016”), compared to S\$25.8 million for the first quarter ended 30 June 2014 (“1Q FY2015”).

The Group’s topline growth in 1Q FY2016 was largely due to the contribution of rigging and lifting revenue from Rig Marine Holdings FZE and its subsidiaries (“Rigmarine”), which was not included in 1Q FY2015. This was, however, partially offset by a dip in the Group’s ship chandling segment and slower sales from its Singapore and China operations arising from project delays caused by a bearish O&G industry.

This subdued O&G landscape, coupled with a higher proportion of lower margin products sold during the period, resulted in a 6.8% decline in the Group’s gross profit to S\$6.9 million in 1Q FY2016. Corresponding to this, Gaylin’s gross profit margin also decreased 4.7 percentage points to 24.1%.



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Costs overheads were generally higher in 1Q FY2016, which was in line with the Group's dynamic business acquisitions and expansion activities a year ago. As a result, its distribution costs and administrative expenses went up 33.1% and 70.7% to S\$1.3 million and S\$4.6 million respectively for the reporting period.

As a result of the above factors, the Group recorded a net loss attributable to shareholders of S\$0.5 million in 1Q FY2016.

Commenting on the results, Mr Desmond Teo (张美昌), Executive Director and CEO of Gaylin, said "Our overheads have risen as we now have more subsidiaries and staff post-acquisition. This together with the recent slowdown of the O&G market has put pressure on our bottomline for now. We take a longer term perspective of the O&G industry however, and will continue to exercise prudence to manage and balance costs with growth in order to deliver long-term value for our shareholders."

Based on this set of results and 438 million ordinary shares in issue, the Group's net asset value per share as at 30 June 2015 was 23.94 Singapore cents compared to 24.12 Singapore cents as at 31 March 2015.

Outlook

Gaylin's products and services are generally driven by the level of activities in the exploration and production of O&G in the global O&G industry. The fall in oil prices and the expected reduction in global O&G upstream spending have created a challenging environment.

Mr Teo elaborated further on the Group's confidence in the O&G industry, "Energy demand is perennial and as such, despite the current oil price environment, we believe the long-term fundamentals supporting the O&G market remain stable. Looking ahead to the rest of FY2016, we will continue to actively integrate our newly-acquired businesses to unlock optimal synergies and efficiencies for the larger Group."

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About Gaylin Holdings Limited

Founded in 1974, Gaylin Holdings Limited 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. With a current staff strength of approximately 450 and 1.4 million square feet of office, manufacturing and warehousing facilities in Singapore, Malaysia, Vietnam, Indonesia, China, South Korea, the United Arab Emirates ("the UAE"), Azerbaijan and Kazakhstan, the Group is a trusted one-stop service provider. Through our global network of offices, Gaylin serves a diverse base of customers from Asia, Oceania, Europe, the Middle East and Africa. In 2012, Gaylin became a public-listed company on the Mainboard of the Singapore Exchange ("SGX-ST") (Stock code: RF7).

We provide rigging and lifting equipment such as heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment and related fittings and accessories; and related services such as project engineering services for deepwater mooring systems, workforce development, load testing, spooling services, rental services and other fabrication services. The Group also operates a ship chandling business.

Gaylin was awarded the bizSAFE STAR and SS506: Part 1:2009, OHSAS 18001:2007 certifications in 2013 for the manufacture of wire rope slings. Gaylin is also ISO 9002-certified since 1998 for the manufacture of wire rope slings and ISO 9001:2008-certified since 2012 for its quality management system. In 2014, Gaylin received ISO/IEC 17020:2012 certification for lifting equipment inspection from the Singapore Accreditation Council (SAC). In recognition of its drive for excellence, Gaylin has been conferred the "Enterprise 50 (E50) Award" in 2009, the "2011 Singapore Brand Award" and the "Promising SME 500 Award" in the platinum category in 2012.

Issued on behalf of Gaylin Holdings Limited:

August Consulting

Silvia Heng, silviaheng@august.com.sg

Serene Chia, serenechia@august.com.sg

T: 65 6733 8873