

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

**STRIKING OFF OF OLD-TECH HOLDINGS PTE. LTD.
DISSOLUTION OF HALO WIRE ROPE L.L.C.
- TERMINATION OF CALL OPTION AGREEMENT AND NON-COMPETITION DEED**

The Board of Directors (the “**Board**”) of Gaylin Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s Initial Public Offering Prospectus dated 17 October 2012 (the “**IPO Prospectus**”) and the material contract as disclosed in the Company’s Annual Report for the financial year ended 31 March 2016 pertaining to the Call Option Agreement dated 26 September 2012 entered into between the Company and Keh Swee Investment Pte. Ltd. (“**Keh Swee**”), the controlling shareholder of the Company (the “**Call Option Agreement**”).

Under the Call Option Agreement, the Company was granted the Call Option to acquire the equity shares in Old-Tech Holdings Pte. Ltd. (“**OTH**”) at any time from the date of the Call Option Agreement in accordance with the terms thereof. Keh Swee owns 100% of the issued share capital in OTH and OTH owns 60% of the issued share capital in Halo Wire Rope L.L.C. (“**Halo Wire Rope**”) and accordingly Keh Swee held an indirect interest of 60% of the issued share capital in Halo Wire Rope.

OTH was an investment holding company that had no other business activities apart from holding a 60% shareholding interest in Halo Wire Rope. Halo Wire Rope was a company incorporated in the USA which was in the business of supplying wire rope and rigging hardware and provision of related services. Halo Wire Rope was in a loss making and negative equity position. In addition, Halo Wire Rope operated in the US market, which was not a significant market for the Group at the time of the initial public offering of the Company (“**IPO**”). In view of the above OTH and Halo Wire Rope were not included as part of the Group for the IPO. It was intended that, should the US market increase in significance for the Group or should the business of Halo Wire Rope improve significantly, the Call Option Agreement would provide the Group with the option of including OTH and Halo Wire Rope within the Group.

The Call Option Agreement will terminate (i) upon OTH ceasing to have any interest in Halo Wire Rope or Keh Swee ceasing to have an interest in the OTH equity (as the case may be) or (ii) if the Call Option has been exercised, on fulfilment of the parties’ obligations under the Call Option Agreement (Please refer to pages 113 and 114 of the IPO Prospectus for more details).

While Halo Wire Rope was not considered to be a direct competitor to the Group based on reasons as stated in the Company’s IPO Prospectus, to mitigate any potential conflicts of interest arising from competition between the businesses of Halo Wire Rope and the Group, the Company had then entered into a non-competition deed with Halo Wire Rope (the “**Deed**”) (Please refer to pages 121 to 124 of the IPO Prospectus for more details).

The Company has not exercised any call option under the Call Option Agreement.

The Company has been notified of the status of OTH and Halo Wire Rope as follows:-

Striking off of OTH

OTH was struck off from the register of the Accounting and Corporate Regulatory Authority on 8 August 2016.

Dissolution of Halo Wire Rope

Halo Wire Rope, had been liquidated and dissolved on 23 June 2015 pursuant to Louisiana Revised Statutes 12:1340(A)(2) by Twenty-Fourth Judicial District Court for the Parish of Jefferson, State of Louisiana.

Notwithstanding the terms of the termination as stated in Call Option Agreement, in view of the striking off and dissolution of OTH and Halo Wire Rope respectively as aforementioned, the Call Option Agreement shall ipso facto be terminated. Accordingly, all obligations under the Deed shall cease.

The termination of the Call Option Agreement and the cessation of the Deed are not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year ending 31 March 2017.

None of the Directors or substantial shareholders of the Company have any direct or indirect interest in the abovesaid, save through their shareholdings (if any) in the Company and/or Keh Swee.

By Order of the Board

Desmond Teo Bee Chiong
Executive Director and Chief Executive Officer
GAYLIN HOLDINGS LIMITED

11 October 2016