

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

LV YANG (TIANJIN) OFFSHORE EQUIPMENT CO. LTD (绿洋(天津)油田设备有限公司) – LEGAL ACTION AGAINST LENN INC AND LOI PENG SOON IN RELATION TO PROFIT GUARANTEE

The board of directors (“**Board**”) of Gaylin Holdings Limited (the “**Company**”) refers to its announcement dated 12 February 2015 (the “**February 2015 Announcement**”) relating to the legal action which the Company’s subsidiary, Lv Yang (Tianjin) Offshore Equipment Pte Ltd (the “**Purchaser**”) had commenced against Lenn Inc (the “**Vendor**”) and Loi Peng Soon (the “**Covenantor**”). Unless otherwise defined herein, terms used in this announcement shall bear the same meaning as defined or construed in the February 2015 Announcement.

Subsequently, the Profit Guarantee in respect of the Second Earnout Period was also not achieved. Accordingly, the Purchaser had on 4 February 2016, included, as part of the said legal action, the relevant claim in respect of the Second Earnout Period against the Vendor and the Covenantor under the Framework Agreement and the Guarantee and Indemnity.

The Board wishes to announce that the disputes under the said legal action have been resolved amicably by way of a settlement agreement dated 30 December 2016 between the Purchaser, the Vendor and the Covenantor.

Pursuant to the settlement, the said legal action will be discontinued shortly; and the full settlement sum is to be received by the Purchaser by 31 May 2017. The settlement is not expected to have any material impact on the financial position of the Group for the current financial year ending 31 March 2017.

By Order of the Board

Desmond Teo Bee Chiong
Executive Director and Chief Executive Officer

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4 January 2017