

**GAYLIN HOLDINGS LIMITED**  
(Company Registration No. 201004068M)  
(Incorporated in Singapore)

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**SUBSCRIPTION FOR 1,360,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF GAYLIN HOLDINGS LIMITED**

- **COMPLETION OF THE SHARE PLACEMENT**
  - **DEBT RESTRUCTURINGS**
  - **CHANGE IN USE OF PROCEEDS**
  - **APPOINTMENT OF NEW EXECUTIVE OFFICERS**
  - **RE-APPOINTMENT OF MR. DESMOND TEO BEE CHIONG AS ADVISOR TO THE EXECUTIVE CHAIRMAN**
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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the announcement dated 23 October 2017 by Gaylin Holdings Limited ("**Company**") in relation to the Share Placement.*

**1. COMPLETION OF THE SHARE PLACEMENT**

The Board of Directors of the Company wishes to announce that completion of the Share Placement ("**Completion**") has taken place today and 1,360,000,000 Subscription Shares have been allotted and issued to the Investor, in accordance with the terms of the Placement Agreement.

Following Completion, the issued share capital of the Company has increased from 438,000,000 Shares to 1,798,000,000 Shares. The Subscription Shares rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company (not being a treasury share), including without limitation, any dividend, right, allotment or other distributions, the record date for which falls on or after the date of Completion.

The Subscription Shares are expected to be listed and quoted on the Main Board of the SGX-ST with effect from 15 March 2018.

The approval in-principle granted by the SGX-ST for the listing and quotation of the Subscription Shares on the Official List of the Mainboard of the SGX-ST is not to be taken as an indication of the merits of the Share Placement, the Subscription Shares, the Company and/or its subsidiaries.

**2. DEBT RESTRUCTURINGS**

The Board is also pleased to announce that as at the date of this announcement, the Company has restructured bank debt facilities totalling S\$ 64 million by extending repayment dates and adjusting financial and other covenants governing such facilities (the "**Debt Restructurings**").

**3. CHANGE IN USE OF PROCEEDS**

In connection with the Debt Restructurings and further to the announcements made by the Company on 23 October 2017, 1 November 2017, 2 November 2017, 20 November 2017, 2 February 2018, 7 February 2018, 14 February 2018 and 7 March 2018, the Board wishes to update shareholders of the Company on the reallocation of the use of the net proceeds of approximately S\$ 67.8 million (after deducting expenses of approximately S\$ 200,000) (the "**Net Proceeds**") from the Share Placement.

After considering (a) the current financial position of the Group and (b) a relevant Group Company not being able to obtain the relevant prior written consents in connection with certain

facilities by Completion for (amongst others) the change in shareholders and control pursuant to the Share Placement, the Board has re-allocated up to S\$ 8.1 million of the Net Proceeds, which was originally allocated for growing the existing business of the Group, to the repayment of certain loans ("**Re-allocation**").

Subsequent to the Re-allocation, the Company has utilised an amount of S\$ 3,123,549.33 for the repayment of the outstanding sum under a credit facility from The Hongkong Banking Corporation Limited, Singapore Branch which is supported by International Enterprise Singapore. The status and Re-allocation of the use of the Net Proceeds as at the date of this announcement is as set out below.

Use of Net Proceeds	Allocation of Net Proceeds as set out in the Circular issued by the Company on 14 February 2018		Revised Allocation of the Net Proceeds		Net Proceeds utilised as at the date of this announcement	Balance of the Net Proceeds as at the date of this announcement
	S\$'000	%	S\$'000	%		
Repayment of loans	0	0	8,100	11.95	3,123.55	4,976.45
Strengthening the financial position of the Group by enlarging the Company's working capital and capital base <sup>(1)</sup>	20,340	30	20,340	30	0	20,340
Growing the existing business of the Group <sup>(2)</sup>	47,460	70	39,360	58.05	0	39,360

**Notes:**

- (1) For the purposes of financing (i) the purchase of new equipment, (ii) the recruitment and retention of new sales and engineering staff, to bring in new sales and to provide technical know-how and services and/or create value-added products needed for the new sales respectively, in order to reduce inventory, (iii) upgrades and resizing of the Group's existing facilities and/or offices in order to tailor to future business needs, and (iv) the procurement of additional SAP modules to enhance corporate management and accounting controls.
- (2) Including to (i) invest in marketing programs to enhance the Group's brand image in the marketplace and better position the Group for future business opportunities, (ii) pursue potential strategic growth opportunities (including alliances, mergers and acquisitions, joint ventures and investments as and when they may arise) and (iii) participate in tender bids with customers in the O&G and marine sectors.

The Company will continue to make periodic announcements on the utilisation of the Net Proceeds from the Share Placement as and when such proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in its annual report.

**4. APPOINTMENT OF NEW EXECUTIVE OFFICERS**

The Board wishes to announce the appointment of Mr. James Parsons as the Global Managing Director of the Company and Ms. Victoria Yong as the Senior Vice President of Finance of the Company with effect from the date of this announcement.

Please see separate announcements made by the Company on 13 March 2018 in relation to the appointments of Mr. Parsons and Ms. Yong as Executive Officers, as required under Rule 704(7) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**").

**5. RE-APPOINTMENT OF MR. DESMOND TEO BEE CHIONG AS ADVISOR TO THE EXECUTIVE CHAIRMAN**

The Company also wishes to announce the re-appointment of Mr. Desmond Teo Bee Chiong as advisor to the Executive Chairman with effect from the date of this announcement.

Please see separate announcement made by the Company on 13 March 2018 in relation to the resignation of Mr. Teo as Chief Executive Officer of the Company, as required under Rule 704(7) of the Listing Manual.

By Order of the Board

Kyle Arnold Shaw Jr  
Executive Chairman  
**GAYLIN HOLDINGS LIMITED**

13 March 2018