

**PROPOSED SETTING UP OF NEW COMPANY IN MALAYSIA**

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**1. Introduction**

The board of directors (“**Directors**”) of Gaylin Holdings Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Gaylin Malaysia Sdn. Bhd. (“**GMSB**”) has on 1 April 2014 entered into a shareholders’ agreement (“**Agreement**”) with Husky Enviro Services Sdn. Bhd. (“**Husky**”) in connection with the setting up of a new company in Malaysia.

**2. Terms of the Agreement**

Under the terms of the Agreement, GMSB and Husky will establish and incorporate a new company to be incorporated in Malaysia (the “**Newco**”) with an issued and paid-up capital of Malaysian Ringgit (MYR) 100,000 comprising of 100,000 ordinary shares (“**Shares**”) to collaborate and undertake, *inter alia*, the supply of rigging and lifting equipment and provision of related services.

Under the Agreement, GMSB shall subscribe for 49,000 Shares and Husky shall subscribe for 51,000 Shares, representing 49% and 51% of the total issued Shares respectively, at the subscription price of MYR 1.00 per Share.

In addition, Husky will grant GMSB a call option under the Agreement to purchase 2,000 Shares from Husky, representing 2% of the total number of issued Shares, for an aggregate purchase price of MYR 2,000, such call option being exercisable by GMSB at any time during the period commencing from the date of the Agreement and ending on the tenth (10th) anniversary of the Agreement.

**3. Rationale**

Husky is a private limited company incorporated in Malaysia in 2000 with an authorised share capital of MYR 10 million and a paid-up share capital of MYR 6 million as at the date of this Announcement. The principal activities of Husky include provision of waste and environmental services to the oil and gas industry sector in Malaysia.

GMSB was incorporated in Malaysia in 2010 and is a wholly-owned subsidiary of the Company. The principal activities of GMSB include supply and manufacture of rigging and lifting equipment and provision of related services.

The Directors are of the view that the transaction presents an excellent opportunity for the Company and GMSB to expand its operations within the Asia-Pacific region by way of collaboration with a local Malaysian partner, through Newco.

**4. Financial effects**

The incorporation of the Newco and the subscription of Shares by GMSB 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 2015.

**5. Interests of directors and substantial shareholders**

None of the Directors or substantial shareholders of the Company have any direct or indirect interest in the abovesaid transactions.

A copy of the Agreement is available for inspection during normal business hours at the Company's registered office at 7 Gul Avenue, Singapore 629651 for three (3) months from the date of this Announcement.

**By Order of the Board**

Desmond Teo Bee Chiong  
Executive Director and Chief Executive Officer

**GAYLIN HOLDINGS LIMITED**

1 April 2014

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CIMB Bank Berhad, Singapore Branch was the Issue Manager for the initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.