



ROTARY ENGINEERING LIMITED

MEDIA RELEASE

Rotary Engineering stays resilient with S\$17m net profit on S\$217m revenue for the nine months ended 30 September 2015

Highlights

- **Gross profit margin for 3Q2015 increases to 22% as a result of operational efficiency and effective cost management**
- **Strong balance sheet with net cash position of S\$122 million**
- **Continues to pursue business opportunities in ASEAN and the Middle East**
- **Actively seek for strategic investment opportunities to add to the Group's spectrum of services on the liquid bulk storage value chain**

SINGAPORE, 4 November 2015 – Mainboard-listed **Rotary Engineering Limited** and its subsidiaries ("**Rotary**" or the "**Group**"), a leading regional oil & gas engineering, procurement, construction ("EPC") and maintenance services value chain provider, today announced that it recorded net profit attributable to shareholders of S\$17.1 million on the back of revenue of S\$217.1 million for the nine months ended 30 September 2015 ("9M2015").

For the three months ended 30 September 2015 ("3Q2015"), Rotary reported revenue of S\$60.3 million and net profit attributable to shareholders of S\$6.3 million. Revenue for the quarter declined by 65% year-on-year as the Group completed some of its major projects.

In line with lower revenue, gross profit decreased by 50% year-on-year from S\$94.3 million in 9M2014 to S\$46.8 million in 9M2015. Notwithstanding, the Group's continued focus on effective cost management and operational efficiency drives the gross profit margin from 17% in 9M2014 to 22% in 9M2015.

Commenting on the results, **Mr. Roger Chia Kim Piow, Chairman and Managing Director of Rotary** said, ***"I am happy that we continue to be profitable in the current challenging business environment. We will continue to focus on consolidating our strength and increasing our productivity."***

The Group's balance sheet remains healthy with net assets of S\$263.3 million as at 30 September 2015, translating to net asset per share of 46.4 Singapore cents. Its cash and short term deposits stands healthy at S\$131.7 million, with net cash position of S\$122.2 million as at 30 September 2015.

Business strategy and outlook

While the slump in oil prices has led to a cut in the capital expenditure of oil companies on exploration and production activities, the demand for liquid bulk storage, which is based on the transportation, storage and distribution process is relatively less affected. Major shifts in the global trade flows of petroleum and petrochemical products, economic growth as well as urbanisation favours the development of more storage hubs in ASEAN and the Middle East.

The Group continues to actively pursue business opportunities through direct negotiations and bidding for projects in ASEAN and Gulf Cooperation Council countries. At the date of this announcement, the Group's order book stands at S\$144 million.

Concurrently, the Group is on the lookout for strategic investment opportunities that will add to its spectrum of services along the value chain, to provide stable and sustainable income streams.

"With our strong balance sheet, Rotary is in a good position to take advantage of strategic opportunities that can further grow the Group's business." added Mr. Chia.

Rotary intends to maintain its profitability through the challenging business environment with its key strategies of stringent cost management, continuous improvement in operational efficiency and providing a wider spectrum of services for liquid terminals, storage and its related value chain.

~~ End ~~

This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 4 November 2015.

About Rotary Engineering Limited

Rotary Engineering Limited (罗德里工程有限公司) is one of the region's oil and gas infrastructure Services Company with extensive international experience, offering engineering, procurement, construction (EPC) and maintenance services to the oil and gas, petroleum, petrochemical and pharmaceutical industries.

Headquartered in Singapore, Rotary has established a strong presence in the Asia Pacific and the Middle East, and continues to make its mark as a global player.

Established in 1972, Rotary has forged a reputation built on its hallmark traits of providing quality services, within budget and on-time delivery. Today, the Group boasts a total strength of about 7,000 employees, which includes a highly and multi-skilled workforce that forms the mainstay of its core EPCM services.

Singapore remains a focus for the Group while it actively seeks business opportunities overseas. The Group has subsidiaries in Malaysia, Thailand, Indonesia, India, China, Australia, Saudi Arabia and the United Arab Emirates.

The Group has won numerous awards and accolades. It was the winner for "Most Transparent Company" in the Construction Category at the Securities Investors Association (Singapore)'s Investors Choice Awards 2007, 2011 and 2012. It was also the winner in the Enterprise category in 2008. Mr. Roger Chia Kim Piow(谢金标), Rotary's Chairman and Managing Director, won in the Businessman category for 2011 at the Singapore Business Awards which was jointly organised by the Business Times and DHL Worldwide Express Singapore. He has also won the Best Chief Executive Officer for 2008 in the "S\$300 million to less than S\$1 billion in market capitalisation" category at the Singapore Corporate Awards 2009. Most recently, Rotary won the Singapore Corporate Awards for Best CFO in the "S\$300 million to less than S\$1 billion in market capitalization" category in July 2014.

Rotary is ISO 9000, ISO14000, OHSAS certified and has been listed on the Mainboard of the Singapore Exchange since 1993.

For more information about Rotary Engineering, please visit www.rotaryeng.com.sg

For Media and Analysts Contact:

Rotary Engineering Limited

Ms. Leong Sook Han
Chief Financial Officer
Tel: (+65) 6866-0806
Email: leong.sookhan@rotaryeng.com.sg

Waterbrooks Consultants Pte Ltd

Mr. Wayne Koo
Tel: (+65) 6100-2228
Mobile: (+65) 9338-8166
Email: wayne.koo@waterbrooks.com.sg
