



ROTARY ENGINEERING LIMITED

MEDIA RELEASE

Rotary Engineering reports 1Q profit

Highlights

- **Gross Profit Margin maintained at 18%, with effective cost management and improvements in operational efficiency**
- **Stays profitable and resilient with smaller projects from a wider range of customers**
- **NAV of 50.3 Singapore cents per ordinary share, net cash position of S\$92.3 million**

SINGAPORE, 6 May 2016 – 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\$0.5 million on the back of revenue of S\$64.6 million for the three months ended 31 March 2016 (“1QFY2016”).

In line with the oil and gas sector downturn, revenue and gross profit for 1QFY2016 declined by 28% and 30%, respectively. Gross profit margin for 1QFY2016 was 18%, unchanged from 1QFY2015 due to continuous efforts in cost management and improved operational efficiency.

Commenting on the results, **Mr. Roger Chia Kim Piow, Chairman and Managing Director of Rotary** said, *"The slump in the oil and gas sector industry may or may not have run its course, but indicators suggest that the decline has slowed down. Our balance sheet and cash reserves will ensure that we will weather this cycle."*

The Group holds cash and short-term deposits of S\$100.1 million with debt equity ratio at a low of 0.03 times. Equity attributable to shareholders is S\$285.6 million as at 31 March 2016 which works out to a net asset value per ordinary share ("NAV") of 50.3 Singapore cents per ordinary share.

As at the date of this announcement, the Group's order book, excluding maintenance contracts, stands at S\$118 million.

Business strategy and outlook

The market outlook for the Group remains challenging with the reduced capital spending in the oil and gas industry.

The Group is utilising its wide range of engineering skills to secure smaller single discipline projects from both within and outside the oil and gas industry. At the same time, the Group continuously innovates to reap productivity gains.

The Group is also currently exploring opportunities to add to the full spectrum of the liquid bulk storage value chain so as to provide a stable and recurring income stream.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 6 May 2016.

About Rotary Engineering Limited

Rotary Engineering Limited (罗德里工程有限公司) is one of the region's leading 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 approximately 4,200 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 9001, ISO14001, 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

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