



ROTARY ENGINEERING LIMITED

MEDIA RELEASE

Rotary Engineering reports 2Q profit

Highlights

- **NAV of 49.1 Singapore cents per ordinary share**
- **Net cash position of S\$99.8 million**
- **Stays resilient while executing smaller projects**

SINGAPORE, 4 Aug 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\$2.0 million for the quarter ended 30 Jun 2016 (“2QFY2016”).

Although revenue declined 23% to S\$51.8 million, gross profit margin increased to 29% in 2QFY2016, compared to 25% for 2QFY2015. The Group attributes its improvement in gross profit margin to effective cost management and operational efficiency.

Commenting on the results, **Mr. Roger Chia Kim Piow, Chairman and Managing Director of Rotary** said, **“We are continuously improving our operational efficiency and cost management to remain resilient in the challenging economic environment. At the same time, our balance sheet and cash reserves will enable us to weather the current challenging market conditions.”**

The Group holds cash and short-term deposits of S\$99.8 million with debt equity ratio of 0.08 times as at 30 June 2016. Equity attributable to shareholders stands at S\$278.8 million representing a net asset value per ordinary share ("NAV") of 49.1 Singapore cents.

As at the date of this announcement, the Group's order book, excluding maintenance contracts, stands at S\$89.8 million.

Business outlook

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

In the meantime, to remain vigilant in the competitive environment, the Group will focus on executing smaller single discipline projects from both within and outside the oil and gas industry.

The Group is also exploring opportunities to diversify its business and complete the integrated 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 4 Aug 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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