



ROTARY ENGINEERING LIMITED

MEDIA RELEASE

Rotary Engineering reports 3Q profit

3Q16 Highlights

- NAV of 51.0 Singapore cents per share
- Net cash position of S\$98.0 million
- Current Order book stands at S\$153.9 million

SINGAPORE, 8 November 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 owners of S\$1.2 million for the quarter ended 30 September 2016 (“3Q16”).

Gross profit margin for 3Q16 was 26% as compared with 22% in 3Q15. The Group’s improvement in gross profit margin is attributed to completion of major projects as well as its prudent financial management and continual efforts at maximising operational efficiency.

Revenue for the nine months ended 30 September 2016 was S\$169.0 million with a net profit attributable to owners of S\$3.8 million.

Strong Cash Position

The Group’s financial position remains strong with cash and short-term deposits of S\$98.0 million, a Current Ratio of 1.4 and a net cash position of S\$76.5 million as at 30 September 2016. Equity attributable to owners stands at S\$289.2 million representing a net asset value per ordinary share (“NAV”) of 51.0 Singapore cents.

Business outlook

Despite the gloomy business environment, Rotary has been securing a steady stream of smaller projects. Between June and September 2016, the Group won contracts worth S\$64.0 million, mainly from the Middle East and Thailand.

As at the date of this announcement, the Group's order book, excluding maintenance contracts, stands at S\$153.9 million.

The market outlook for the Group remains challenging as companies in the oil and gas sector continue to reduce their capital spending.

The Group will focus on executing smaller single discipline projects from both within and outside the oil and gas industry by drawing upon its extensive skills knowledge base.

The Group is also exploring opportunities to diversify its business into other parts of 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 8 November 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 4,000 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, 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 "\$300 million to less than \$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 "\$300 million to less than \$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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