



ROTARY ENGINEERING LIMITED

MEDIA RELEASE

Rotary Engineering Reports FY2016 Profit of S\$11.4m

Highlights

- Gross margin maintained at 24%
- Net cash position of S\$64.8 million
- Proposed final dividend of 0.5 cents per ordinary share

SINGAPORE, 22 February 2017 – 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\$11.4 million for the financial year ended 31 December 2016 (“FY2016”).

Revenue for FY2016 decreased by 29% to S\$233.9 million as the Group reaches completion on major projects. The order book was replenished with the securing of smaller, single discipline projects from an expanded customer base, and stood at S\$152.6 million, excluding maintenance services contracts. Gross profit margin was maintained at 24%.

The Group’s financial position remains strong with cash and short-term deposits of S\$86.0 million, a current ratio of 1.4 and a net cash position of S\$64.8 million as at 31 December 2016.

Equity attributable to shareholders stands at S\$160.6 million representing a net asset value per ordinary share (“NAV”) of 28.3 Singapore cents.

The Board has proposed a final dividend of 0.5 Singapore cents per ordinary share.

Business outlook

Despite indications of a recovery in the oil price, the Group's liquid storage terminal EPC business environment remains challenging due to continued global economic and financial uncertainties.

In the interim, the Group is making more efforts in applying our construction expertise to secure and execute smaller single discipline projects. It will intensify its business development and marketing to expand its customer base.

The Group will also invest in the future by exploring synergistic opportunities across the bulk liquid storage value chain.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 22 February 2017.

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 3,300 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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