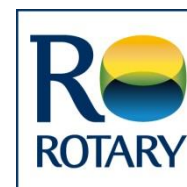


ROTARY ENGINEERING LIMITED

(Company Registration No. 198000255E)



THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1(a). A statement of comprehensive income (for the Group) together with a comparative statement for the third quarter and nine months ended 30 September 2017.

Consolidated income statement

(All figures in S\$'000)	Group			Group		
	3Q17	3Q16	% Increase/ (Decrease)	9M17	9M16	% Increase/ (Decrease)
Revenue	75,237	52,649	43%	197,673	169,046	17%
Cost of sales	(61,386)	(39,085)	57%	(155,307)	(128,885)	21%
Gross profit	13,851	13,564		42,366	40,161	
	18%	26%		21%	24%	
Other income	202	509	(60%)	1,071	3,096	(65%)
Foreign exchange differences	(801)	977	NM	(1,450)	(202)	618%
Selling and marketing costs	(201)	(217)	(7%)	(612)	(835)	(27%)
General and administrative costs	(9,540)	(10,670)	(11%)	(29,933)	(31,854)	(6%)
Other operating costs	(2,357)	(3,315)	(29%)	(6,547)	(7,091)	(8%)
Finance income	989	849	16%	3,224	2,572	25%
Finance costs	(100)	(134)	(25%)	(358)	(345)	4%
Share of results of associates	(71)	(146)	(51%)	(287)	(55)	422%
Profit before tax	1,972	1,417		7,474	5,447	
Income tax (expense)/credit	(380)	6	NM	(882)	(878)	0%
Profit after tax	1,592	1,423		6,592	4,569	
Profit for the period attributable to:						
Owners of the company	1,582	1,227	29%	6,440	3,795	70%
Non-controlling interests	10	196	(95%)	152	774	(80%)
	1,592	1,423		6,592	4,569	

*NM denotes not meaningful

Consolidated statement of comprehensive income

(All figures in S\$'000)	Group			Group		
	3Q17	3Q16	% Increase/(Decrease)	9M17	9M16	% Increase/(Decrease)
Profit after tax	1,592	1,423		6,592	4,569	
Other comprehensive income						
Foreign currency translation movement attributable to owners of the company	(634)	780	NM	(1,524)	(3,619)	(58%)
Foreign currency translation movement attributable to non-controlling interests	75	(1,272)	NM	345	4,903	(93%)
Other comprehensive income for the period	(559)	(492)		(1,179)	1,284	
Total comprehensive income for the period	1,033	931		5,413	5,853	
Total comprehensive income attributable to:						
Owners of the company	948	2,007	(53%)	4,916	176	NM
Non-controlling interests	85	(1,076)	NM	497	5,677	(91%)
	1,033	931		5,413	5,853	

Profit after tax is stated after (charging)/ crediting the following items:

(All figures in S\$'000)	Group			Group		
	3Q17	3Q16	% Increase/(Decrease)	9M17	9M16	% Increase/(Decrease)
(a) Other income						
Gain on disposal of property, plant and equipment	5	17	(71%)	110	478	(77%)
Government grants	36	156	(77%)	322	867	(63%)
Sale of scrap	84	103	(18%)	417	825	(49%)
(b) Foreign exchange differences						
Foreign exchange (loss)/gain	(366)	2,433	NM	(1,609)	(262)	514%
Fair value (loss)/gain on foreign currency contracts, net	(435)	(1,456)	(70%)	159	60	165%
Net foreign exchange differences	(801)	977		(1,450)	(202)	
(c) Other operating costs						
Allowance for doubtful debts	-	-	NM	-	(194)	NM
Amortisation of intangible assets	(54)	(79)	(31%)	(184)	(252)	(27%)
Bad debts written off	-	-	NM	(56)	-	NM
Depreciation of property, plant and equipment	(2,295)	(3,258)	(30%)	(6,838)	(7,094)	(4%)
Fair value (loss)/gain on investment in debt securities, net	(4)	22	NM	93	40	132%
Inventories written down	(4)	-	NM	(12)	-	NM
Write back of allowance for doubtful debts	-	-	NM	450	409	10%
(d) Finance costs						
Amortisation of prepaid loan appraisal fees	-	-	NM	-	(96)	NM
Interest expense	(100)	(134)	(25%)	(358)	(249)	44%

*NM denotes not meaningful

1(b)(i). A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

(All figures in S\$'000)

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Non-current assets				
Property, plant and equipment	66,578	64,897	12,179	10,275
Intangible assets	293	244	144	129
Investments				
Subsidiaries	-	-	55,657	50,829
Associates	20,608	22,027	12,527	12,527
Others	31,830	29,270	895	895
Deferred tax assets	1,086	747	-	-
	120,395	117,185	81,402	74,655
Current assets				
Gross amount due from customers for contract work-in-progress	47,332	26,427	3,339	995
Inventories	5,605	6,527	568	469
Other investments	6,007	9,201	5,256	6,006
Prepaid operating expenses	870	743	297	24
Downpayments made to suppliers	13,167	1,654	5,850	787
Trade and other receivables	73,535	105,829	156,545	186,113
Foreign currency contracts	-	140	-	51
Cash and cash equivalents	90,033	86,021	25,635	29,139
	236,549	236,542	197,490	223,584
Current liabilities				
Income tax payable	10,270	9,656	3,393	3,751
Loans and borrowings	6,599	6,332	3,029	3,226
Gross amount due to customers for contract work-in-progress	14,170	22,270	1,894	32,059
Trade and other payables	107,905	130,487	82,259	95,387
Trust receipt payables	10,265	-	5,299	-
Downpayments from customers	32,875	5,353	8,608	971
Foreign currency contracts	255	465	255	465
	182,339	174,563	104,737	135,859
Net current assets	54,210	61,979	92,753	87,725
Non-current liabilities				
Deferred tax liabilities	1,521	1,906	830	1,255
Loans and borrowings	9,339	14,888	9,074	11,178
	10,860	16,794	9,904	12,433
Net assets	163,745	162,370	164,251	149,947
Equity attributable to owners of the Company				
Share capital	89,365	89,365	89,365	89,365
Treasury shares	(161)	(161)	(161)	(161)
Retained earnings	200,771	197,169	75,047	60,743
Other reserves	(127,299)	(125,775)	-	-
	162,676	160,598	164,251	149,947
Non-controlling interests	1,069	1,772	-	-
Total equity	163,745	162,370	164,251	149,947

1(b)(ii). Aggregate amount Group's borrowings and debt securities.

(All figures in S\$'000 unless stated)

Amount repayable in one year or less, or on demand

30-Sep-17		31-Dec-16	
Secured	Unsecured	Secured	Unsecured
16,864	-	6,332	-

Amount repayable after one year

30-Sep-17		31-Dec-16	
Secured	Unsecured	Secured	Unsecured
9,339	-	14,888	-

Details of any collateral

Collateral for \$15.9 million (31 December 2016: \$21.2 million) loans include mortgage over property, plant and equipment. Trust receipt payables of \$10.3 million (31 December 2016: nil) are secured over materials procured for the purpose of project execution.

1(c). A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q17	3Q16	9M17	9M16
(All figures in S\$'000)				
Operating activities				
Profit before tax	1,972	1,417	7,474	5,447
Adjustments for :				
Allowance for doubtful debts	-	-	-	194
Amortisation of intangible assets	54	79	184	252
Amortisation of prepaid loan appraisal fees	-	-	-	96
Bad debts written off	-	-	56	-
Depreciation of property, plant and equipment	2,295	3,258	6,838	7,094
Fair value loss/(gain) on foreign currency contracts, net	435	1,456	(159)	(60)
Fair value loss/(gain) on investment in debt securities, net	4	(22)	(93)	(40)
Finance income	(989)	(849)	(3,224)	(2,572)
Gain on disposal of property, plant and equipment	(5)	(17)	(110)	(478)
Interest expense	100	134	358	249
Inventories written down	4	-	12	-
Write back of allowance for doubtful debts	-	-	(450)	(409)
Share of results of associates	71	146	287	55
Operating cash flows before changes in working capital	3,941	5,602	11,173	9,828
<i>(Increase)/Decrease in:</i>				
Trade and other receivables, prepaid operating expenses and downpayments made to suppliers	(1,589)	9,598	21,545	13,112
Inventories	537	(121)	863	219
<i>(Decrease)/Increase in:</i>				
Trade and other payables and downpayments from customers	17,528	13,041	6,152	(4,031)
Gross amount due to customers for contract work-in-progress, net	(14,875)	(27,027)	(28,607)	(9,566)
Cash flows from operations	5,542	1,093	11,126	9,562
Interest received	89	101	300	248
Interest paid	(324)	(134)	(1,004)	(249)
Income tax paid	(240)	(179)	(545)	(1,043)
Net cash flows from operating activities	5,067	881	9,877	8,518

(All figures in S\$'000)

	Group		Group	
	3Q17	3Q16	9M17	9M16
Investing activities				
Additions to intangible assets	(39)	(39)	(233)	(46)
Additional investment in associate	-	-	-	(82)
Proceeds from disposal of other investments	-	-	759	-
Proceeds from disposal of property, plant and equipment	57	29	683	1,016
Purchase of investment securities	-	-	-	(6,783)
Purchase of property, plant and equipment	(5,457)	(1,390)	(9,762)	(24,496)
Repayment of loan from other investment	-	-	2,119	-
Net cash flows used in investing activities	(5,439)	(1,400)	(6,434)	(30,391)
Financing activities				
Dividends paid:				
- by the Company	-	-	(2,838)	(8,513)
- by subsidiaries to non-controlling interests	-	-	(1,200)	(800)
Proceeds from trust receipt payables	10,265	-	10,265	-
Proceeds from bank loans	-	-	-	14,851
Repayment of bank loans, net	(1,828)	(1,321)	(4,431)	(2,649)
Repayment of finance lease obligations, net	(29)	(10)	(62)	(22)
Net cash flows from/(used in) financing activities	8,408	(1,331)	1,734	2,867
Net increase/(decrease) in cash and cash equivalents	8,036	(1,850)	5,177	(19,006)
Effect of exchange rate changes on cash and cash equivalents	(407)	97	(1,165)	(1,162)
Cash and cash equivalents at beginning of quarter/period	82,404	99,800	86,021	118,215
Cash and cash equivalents at end of the period	90,033	98,047	90,033	98,047

1(d)(i). A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(All figures in S\$'000)

Group	Attributable to owners of the company									
	Share capital	Treasury shares	Retained earnings	Capital reserve	Statutory reserve	Foreign currency translation reserve	Premium paid on acquisition of non-controlling interests	Total	Non-controlling interests	Total equity
At 1 January 2017	89,365	(161)	197,169	8,930	300	6,100	(141,105)	160,598	1,772	162,370
Profit for the period	-	-	4,858	-	-	-	-	4,858	142	5,000
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	-	(890)	-	(890)	270	(620)
Total comprehensive income for the period	-	-	4,858	-	-	(890)	-	3,968	412	4,380
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,838)	-	-	-	-	(2,838)	-	(2,838)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(1,200)	(1,200)
Total contributions by and distributions to owners	-	-	(2,838)	-	-	-	-	(2,838)	(1,200)	(4,038)
At 30 June 2017	89,365	(161)	199,189	8,930	300	5,210	(141,105)	161,728	984	162,712
Profit for the period	-	-	1,582	-	-	-	-	1,582	10	1,592
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	-	(634)	-	(634)	75	(559)
Total comprehensive income for the period	-	-	1,582	-	-	(634)	-	948	85	1,033
At 30 September 2017	89,365	(161)	200,771	8,930	300	4,576	(141,105)	162,676	1,069	163,745

(All figures in S\$'000)

Attributable to owners of the company

<u>Group</u>	Share capital	Treasury shares	Retained earnings	Capital reserve	Statutory reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2016	89,365	(161)	194,329	547	300	4,769	289,149	(136,068)	153,081
Profit for the period	-	-	2,568	-	-	-	2,568	578	3,146
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	-	(4,399)	(4,399)	6,175	1,776
Total comprehensive income for the period	-	-	2,568	-	-	(4,399)	(1,831)	6,753	4,922
<u>Contributions by and distributions to owners</u>									
Dividends on ordinary shares	-	-	(8,513)	-	-	-	(8,513)	-	(8,513)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(800)	(800)
Total contributions by and distributions to owners	-	-	(8,513)	-	-	-	(8,513)	(800)	(9,313)
At 30 June 2016	89,365	(161)	188,384	547	300	370	278,805	(130,115)	148,690
Profit for the period	-	-	1,227	-	-	-	1,227	196	1,423
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	-	780	780	(1,272)	(492)
Total comprehensive income for the period	-	-	1,227	-	-	780	2,007	(1,076)	931
<u>Contributions from owners of the associate</u>									
Share of capital reserves in associate	-	-	-	8,370	-	-	8,370	-	8,370
Total contributions from owners of the associate	-	-	-	8,370	-	-	8,370	-	8,370
At 30 September 2016	89,365	(161)	189,611	8,917	300	1,150	289,182	(131,191)	157,991

<u>Company</u>	Share capital	Treasury shares	Retained earnings	Total equity
At 1 January 2017	89,365	(161)	60,743	149,947
Profit for the period, representing total comprehensive income for the period	-	-	7,600	7,600
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	-	-	(2,838)	(2,838)
Total transactions with owners in their capacity as owners	-	-	(2,838)	(2,838)
At 30 June 2017	89,365	(161)	65,505	154,709
Profit for the period, representing total comprehensive income for the period	-	-	9,542	9,542
At 30 September 2017	89,365	(161)	75,047	164,251
At 1 January 2016	89,365	(161)	97,484	186,688
Profit for the period, representing total comprehensive income for the period	-	-	3,594	3,594
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	-	-	(8,513)	(8,513)
Total transactions with owners in their capacity as owners	-	-	(8,513)	(8,513)
At 30 June 2016	89,365	(161)	92,565	181,769
Profit for the period, representing total comprehensive income for the period	-	-	7,622	7,622
At 30 September 2016	89,365	(161)	100,187	189,391

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company as at 30 September 2017.

As at 30 September 2017, the Company has 336,000 (30 September 2016: 336,000) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held them as treasury shares. The number of treasury shares represented 0.06% (30 September 2016: 0.06%) of the total number of issued shares, excluding treasury shares.

There are no subsidiary holdings as at 30 September 2017.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

Total number of issued shares, excluding treasury shares, as at 30 September 2017 is 567,518,000 (31 December 2016: 567,518,000).

1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Nil.

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The statements of financial position of the Group and the Company as at 30 September 2017, the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the nine-month financial period ended 30 September 2017, prepared in this result announcement are presented in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting* and have not been audited, but have been reviewed by the auditors of the Group, in accordance with Singapore Standards on review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Certain financial information of this announcement has been extracted from the interim financial information for the financial period ended 30 September 2017.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Please refer to the attached independent auditors' review report for the nine months ended 30 September 2017.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company had considered and consistently applied all applicable revised and new Singapore Financial Reporting Standards.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

See point 4 as above.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

(In S\$'000 unless stated)	Group		Group	
	3Q17	3Q16	9M17	9M16
Earnings per ordinary share of the group for the period after deducting any provision for preference dividends: Based on weighted average number of ordinary shares in issue (in cent)	0.3	0.2	1.1	0.7
On a fully diluted basis (in cent)	0.3	0.2	1.1	0.7
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	1,582	1,227	6,440	3,795
Weighted average number of ordinary shares applicable to basic and diluted earnings per share ('000)	567,518	567,518	567,518	567,518

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the year reported on	28.7	28.3	28.9	26.4

The calculation of net asset value per ordinary share is based on 567,518,000 shares as at 30 September 2017 (31 December 2016: 567,518,000).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

2017 Third Quarter (3Q17) Review

Revenue in 3Q17 increased when compared with the same quarter last year, due to newly secured projects being executed in 2017. Gross profit margin for 3Q17 was lower at 18% compared to the same quarter last year. The higher gross profit margin in 3Q16 was due to closure of completed projects.

The Group recognised a net foreign exchange loss of S\$0.8M during 3Q17. This comprises an exchange loss which relates mainly to the depreciation of USD against SGD as at balance sheet date.

General and administrative costs were higher in 3Q16 due to higher professional fees incurred. Other operating costs decreased due to decline in depreciation expense as certain fixed assets were disposed in the prior year.

Foreign currency translation movement attributable to owners of the Company mainly relates to the translation of the Group's subsidiaries in Thailand, Saudi Arabia and United Arab Emirates. This amounted to a loss of S\$0.6M for the quarter as reflected in the other comprehensive income.

Foreign currency translation movement attributable to non-controlling interests mainly relates to the translation of the Group's subsidiary in Saudi Arabia.

2017 Nine Months (9M17) Review

Revenue in 9M17 increased when compared with the same period last year, due to newly secured projects being executed in the current period. Gross profit margin for the 9M17 was lower at 21% compared to the same period last year. The higher gross profit margin in 9M16 was due to closure of completed projects.

Other income was higher in 9M16 mainly contributed by a gain on disposal of an office building, higher wage credit grants received and sale of scrap.

General and administrative costs were higher in 9M16 due to higher professional fees incurred. Other operating costs in 9M17 decreased due to decline in depreciation expense as certain fixed assets were disposed in the prior year.

Finance income relates mainly to interest income from an investment loan.

The Group recognised a net foreign exchange loss of S\$1.5M during 9M17. The exchange loss relates to the depreciation of USD against SGD as at balance sheet date, partially offset by the exchange gain of S\$0.2M from foreign currency contracts.

Foreign currency translation movement attributable to owners of the Company mainly relates to the translation of the Group's subsidiaries in Thailand, Saudi Arabia and United Arab Emirates. This amounted to a loss of S\$1.5M for the period as reflected in the other comprehensive income.

Foreign currency translation movement attributable to non-controlling interests mainly relates to the translation of the Group's subsidiary in Saudi Arabia. This amounted to a gain of S\$0.3M for the period as reflected in the other comprehensive income.

Balance Sheet Review

- Gross amount due from customers for contract work-in-progress
- Gross amount due to customers for contract work-in-progress

These relate to contract accounting to record revenue and cost on accrual basis. These figures can be reconciled to the trade receivables and trade payables. Gross amount due from customers for contract work-in-progress increased due to unbilled receivables from new projects being executed.

Trade and other receivables decreased due to collections received from customers of projects that were completed.

Trust receipt payables pertain to working capital facilities used for projects under execution.

Down payments from customers increased due to advances received from new projects.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously made.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Amidst continued uncertainty in the global economy, the Group's liquid storage terminal EPC business environment continues to remain challenging.

At the date of this announcement, the Group's order book, excluding maintenance, stands at S\$474.8M.

On 2 October 2017, OROCHEM PTE. LTD. (the "Offeror") and the Company, jointly announced that the Offeror had presented to the Company's Directors a formal proposal (the "Delisting Proposal") to seek the voluntary delisting of the Company (the "Delisting") from the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST.

Under the Delisting Proposal, DBS Bank Ltd will make, for and on behalf of the Offeror, an exit offer (the "Exit Offer") in cash, conditional on the approval of shareholders of the Company (the "Shareholders") for the Delisting being obtained, to acquire all the issued ordinary shares in the capital of the Company (the "Shares"), other than those held by the Company as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer.

The Company has submitted an application in relation to the Delisting, which is subject to approval from the SGX-ST. The Board will update the Shareholders on the status of the Delisting in due course.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/ recommended for the financial period ended 30 September 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' mandate for interested person transactions.

14. Confirmation pursuant to Rule 720(1)

The Group has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).

15. Negative confirmation

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention, which may render the third quarter financial results for the period ended 30 September 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
TOH LI PING, ANGELA
COMPANY SECRETARY**

14 November 2017