

ROTARY ENGINEERING LIMITED.
(Incorporated in Singapore)
(Company Registration Number 198000255E)

**PROPOSED VOLUNTARY DELISTING OF AND EXIT OFFER FOR
ROTARY ENGINEERING LIMITED.**

WAIVER OF RULE 705(1) OF THE LISTING MANUAL OF THE SGX-ST

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Rotary Engineering Limited. (the “**Company**”) refers to:

- (a) the circular dated 26 December 2017 (the “**Circular**”) issued by the Company in relation to, *inter alia*, the proposed voluntary delisting of the Company 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 (“**Listing Manual**”) (the “**Delisting**”);
- (b) the announcement dated 10 January 2018 by the Company on the results of the extraordinary general meeting of the Company held on 10 January 2018 (the “**EGM**”);
- (c) the announcement dated 23 January 2018 by DBS, for and on behalf of the Offeror, in relation to, *inter alia*, the extension of the closing date for the Exit Offer to 5.30 p.m. (Singapore time) on 31 January 2018 (the “**Final Closing Date**”) and the Offeror's right of compulsory acquisition under Section 215(1) of the Companies Act (the “**Final Closing Date Announcement**”); and
- (d) the announcement dated 24 January 2018 by the Company in relation to the loss of public float and the last day of trading and suspension of trading (the “**Last Trading Day Announcement**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Circular, unless the context otherwise requires.

2. WAIVER OF RULE 705(1) OF THE LISTING MANUAL

2.1 Under Rule 705(1) of the Listing Manual, the Company is required to announce its full year financial statements (the “**FY2017 Results**”) for the full year ended 31 December 2017 (“**FY2017**”) by 1 March 2018. The Company had on 24 January 2018 applied to the SGX-ST for a waiver of compliance with Rule 705(1) of the Listing Manual (the “**Waiver**”) for the following reasons:

- (a) the Company had on 10 January 2018 obtained the approval of Shareholders for the Delisting Resolution at the EGM, and will be delisted subsequent to the close of the Exit Offer, regardless of the level of acceptances pursuant to the Exit Offer;
- (b) based on the Final Closing Date and the expected date for the delisting of the Shares which is scheduled to take place by early March 2018, information contained in the FY2017 Results, if released on 1 March 2018, will not be meaningful to the Shareholders as they will no longer be able to trade in the Shares (as trading in Shares will be suspended from 25 January 2018) or accept the Exit Offer on 1 March 2018. Accordingly, there will not be any prejudice to the Shareholders if Rule 705(1) of the Listing Manual of the SGX-ST is waived;
- (c) as stated in the Last Trading Day Announcement, the percentage of Shares held in the hands of public Shareholders as at 23 January 2018 has fallen to below 10% and

is therefore less than the requisite 10% public float requirement under Rule 723 of the Listing Manual;

- (d) as stated in the Final Closing Date Announcement, the Offeror is entitled to, and will in due course, exercise its right to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Exit Offer pursuant to Section 215(1) of the Companies Act. In such a scenario, the Offeror will become the sole Shareholder of the Company; and
- (e) the release of the FY2017 Results in view of the Delisting will not be of material benefit to the minority Shareholders of the Company and would incur unnecessary compliance costs for the Company. As such, the Company would like to avoid incurring unnecessary costs in relation to the time and expense in preparing for the release of the FY2017 Results in view of the impending Delisting.

3. SGX-ST'S CONFIRMATION

The SGX-ST has on 6 February 2018 informed the Company that it has no objection to the application by the Company for the Waiver, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company for the Waiver.

The Company has on 7 February 2018 submitted the written confirmation sought by SGX-ST (as mentioned in paragraph 3(b) above) in connection with the Waiver.

4. DELISTING DATE

The Company will be announcing the actual date of delisting of the Shares in due course.

BY ORDER OF THE BOARD
ROTARY ENGINEERING LIMITED.

Toh Li Ping, Angela
Company Secretary

7 February 2018