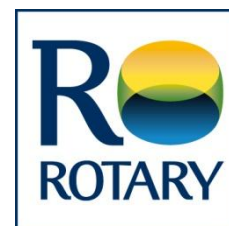


ROTARY ENGINEERING LIMITED.

(Company Registration Number: 198000255E)
(Incorporated in Singapore)



FURTHER INFORMATION ON THIRD QUARTER RESULTS ENDED 30 SEPTEMBER 2017

The Board of Directors of Rotary Engineering Limited. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement relating to the unaudited results for the third quarter ended 30 September 2017 (“**3Q17**”) released to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 14 November 2017 (“**3QFY2017 Results Announcement**”) and wishes to provide further information as follows:-

SGX-ST’s questions

a. It was disclosed in page 11 under the “**2017 Third Quarter (3Q17) Review**” that the increase in revenue in 3Q17 when compared with the same quarter last year was due to the newly secured projects being executed in 2017.

i. Please elaborate on what these newly secured projects are;

Company’s response

These newly secured projects are engineering, procurement and construction (EPC) and tank storage related.

ii. Please provide details of projects arising from the Company’s acquisition of the shares of Petrol Steel Company Limited (“**PSCL**”) which was announced on 12 December 2016 and prospects of PSCL; and

Company’s response

The Company refers to its announcement dated 12 December 2016 relating to the increase of the Company’s shareholdings in PSCL, now known as Rotary Engineering Saudi Arabia (“**RESA**”), from 51% to 98% by acquiring the shares of RESA held by its minority shareholders (the “**Acquisition**”).

Following the Acquisition, no significant projects had been undertaken by RESA which had materially contributed to the 3Q17 revenue of the Group.

As stated in paragraph 10 of the Company’s 3QFY2017 Results Announcement, amidst continued uncertainty in the global economy, the Group’s liquid storage terminal EPC business environment continues to remain challenging.

iii. In respect of the Company's acquisition of the shares of PSCL, please provide information on the impact of the increase of interest in PSCL to 98% on the revenue, pre-tax profit and earnings per share of the company attributable to its acquisition of PSCL.

Company's response

The Acquisition had no material impact on the revenue, pre-tax profit and earnings per share of the Company for 3Q17.

For the avoidance of doubt, RESA had not undertaken any significant project which contributed to the increase in revenue in 3Q17 when compared with the same quarter last year.

By Order of the Board

Toh Li Ping, Angela
Company Secretary
4 December 2017