

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

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

CLARIFICATION TO THE CIRCULAR

1. INTRODUCTION

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

- (a) the circular dated 26 December 2017 (“**Circular**”) issued by the Company in relation to 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**”); and
- (b) the clarification announcement made by DBS Bank Ltd., for and on behalf of OROCHEM Pte. Ltd. (the “**Offeror**”), on 7 January 2018, clarifying, *inter alia*, the interest of Mr. Chia Kim Chiang Paul in the issued ordinary shares in the capital of the Company (the “**Offeror’s Clarification Announcement**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Circular.

2. CLARIFICATION TO THE CIRCULAR

It is noted from Paragraph 1 of the Offeror’s Clarification Announcement that:

- “1.1 Following the despatch of the Exit Offer Letter on 26 December 2017, it has come to the attention of the Offeror that Mr. Chia Kim Chiang Paul has an interest in 65,000 Shares (instead of 60,000 Shares as reflected in the table in paragraph 8.1 of Appendix II (Additional Information on the Offeror and the Parties Acting in Concert with It) to the Exit Offer Letter), as set out below:

Name		Shareholding Interest
Other Parties Acting or deemed to be Acting in Concert	Number of Shares	%⁽¹⁾
Mr. Chia Kim Chiang Paul ⁽⁶⁾	65,000	0.01

Notes:

- (1) The percentage shareholding interest is based on the issued share capital of 567,518,000 Shares (excluding 336,000 Shares held by the Company as treasury shares) as at the Latest Practicable Date, and rounded to two decimal places.
- (6) Chia Kim Chiang Paul is the brother of Mr. Roger Chia Kim Piow and Mr. Chia Kim Chua.

- 1.2 Accordingly, the Offeror wishes to clarify that:

- (a) paragraph 8.1 of Appendix II (Additional Information on the Offeror and the Parties Acting in Concert with It) to the Exit Offer Letter should be read in conjunction with the clarification set out in paragraph 1.1 above; and

- (b) *the Relevant Securities owned, controlled or agreed to be acquired by the Offeror, the Offeror Directors or any of the parties acting or deemed to be acting in concert with the Offeror as at the Latest Practicable Date, as reflected in the last row of the table in paragraph 8.1 of Appendix II (Additional Information on the Offeror and the Parties Acting in Concert with It) to the Exit Offer Letter, should be as follows:*

<i>Total Shareholding Interest</i>	351,339,332	61.91%	"
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Based on the Offeror's aforesaid clarification, Appendix III (Additional Information on the Offeror and Persons Acting in Concert with It) to the Circular should be read in conjunction with the Offeror's aforesaid clarification.

3. NO OTHER CHANGES

Save as set out in this Announcement, there are no other changes to the information set out in the Circular.

4. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror and persons acting in concert with it) are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading. Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement. The Directors jointly and severally accept responsibility accordingly.

**BY ORDER OF THE BOARD
ROTARY ENGINEERING LIMITED.**

Mr. Lam Khin Khui
Independent Director

8 January 2018