

ROTOL SINGAPORE LTD
(Incorporated in the Republic of Singapore)
(Registration Number: 198000473W)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Introduction

With effect from 04 June 2008, Rotol Singapore Ltd (“RSL” or the “Company”) was included in the Watch-List pursuant to Listing Rule 1311.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company wishes to provide the following updates on the Company and its subsidiary companies (collectively “the Group”) for the nine months period ended 31st December 2008 (the ‘period’).

Update on Financial Position Ended 31st December 2008

(a) Income Statement

The Group has recorded an unaudited loss before tax of \$2.5 million for the period with revenue of \$4.2 million compared with an unaudited loss before tax of \$1.3 million with revenue of \$3.0 million for the same period in the previous year. The increase in revenue was mainly due to the sales generated by the Group’s JiaXing operations as well as increased marketing efforts by the Group.

Notwithstanding higher sales, loss before tax increased by \$1.2 million as a result of a squeeze in gross margin, increase in administrative expenses and an impairment loss of investment of \$1.1 million. The higher administrative expenses for the period were mainly attributable to the increase in staff costs, professional fees, and expenses associated with the re-commissioning of the Group’s manufacturing facilities in JiaXing, China.

(b) Balance Sheet and Cash Flow

As at 31 December 2008, the Group has cash and cash equivalents of \$10.0 million and net current assets of \$12.5 million.

Update on Future Direction

The Group continues to operate under difficult economic and competitive market conditions due to the slowdown in the construction industry. As part of the Group's plan to reduce costs, it has relocated most of its manufacturing operations to JiaXing in China in order to take advantage of China's well established supply chain and lower cost base.

The Group continues to pursue new business opportunities locally and overseas to enhance shareholders' value.

By Order of the Board

Sheng Mong Chih
Managing Director

Date: 11 February 2009