INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO.198200079M

PEC LTD.

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MEDIA RELEASE

PEC reports improved 1QFY18 net profit

- Balance sheet remains healthy
- PEC expects some projects to materialise in 2018

SINGAPORE ♦ 10 NOVEMBER 2017

For immediate release

PEC Ltd.'s (PEC, and together with its subsidiaries and associated companies, the Group) revenue for the first quarter ended 30 September 2017 (1QFY18) came in at S$81.3 million, supported by additional maintenance work which helped to offset the impact of a decreased contribution from project works following their substantial completion in FY17.

Lower direct costs resulting from the fall in project works revenue led to a 6% decline in cost of sales. This, together with higher revenue from the additional maintenance work, contributed to the rise in net profit from 1QFY17's S$0.5 million to S$1.8 million in 1QFY18.

The Group remains in a healthy net cash position and reported a net cashflow from operations of S$6.0 million.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, said: "Notwithstanding the challenging market conditions, the Group continues to see a firm level of enquiries for both project works and maintenance services. We are actively participating in several project enquiries and are cautiously optimistic that some of these projects will materialise in 2018.

"The demand for maintenance services remains healthy, especially in Singapore, China, Malaysia and Vietnam. At the same time, the Group will tap on synergies of its integrated project and maintenance capabilities to extend its maintenance footprint in Southeast Asia and the UAE."

The orderbook increased to S$65.2 million as at 30 September 2017, excluding maintenance contracts.

OAKTREE ADVISERS, YOUR IR PARTNER

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ABOUT THE COMPANY

www.peceng.com ♦ SGX mainboard listing: August 2009

Established in 1982, PEC Ltd. (PEC or the Group) has rapidly expanded its capabilities and geographic reach to Asia and the Middle East. Today, it provides integrated project and maintenance solutions to the oil & gas, petrochemical, terminal and pharmaceutical industries.

PEC's core segments are project works and maintenance services, of which the latter offers a steady recurring income stream. The Group is one of the largest providers of maintenance services in Singapore.

With its established processes and methodologies, PEC aims to distinguish itself as an engineering specialist of choice for its global customers. One of its key strengths is its strong working relationship with clients and partners built over the years.

PEC has one of the best safety records in the industry. Backed by an experienced, knowledgeable and loyal workforce as well as a large fleet of engineering equipment, the Group has the flexibility to cross-deploy its resources as well as compete effectively for projects.

FOR FURTHER ENQUIRIES

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