



# PEC LTD.

21 Shipyard Road, Singapore 628144  
Tel: 6268 9788 Fax: 6268 9488 www.peceng.com  
Co. Reg. No: 198200079M

## **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2021**

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

Results for second half ("2H") and full year ("FY") ended 30 June 2021:

	Note	Group			Group		
		2H 2021	2H 2020	Change	FY 2021	FY 2020	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	6	203,707	202,771	0%	379,384	495,067	(23%)
Cost of sales		(157,887)	(170,081)	(7%)	(291,903)	(410,629)	(29%)
<b>Gross profit</b>		<b>45,820</b>	<b>32,690</b>	<b>40%</b>	<b>87,481</b>	<b>84,438</b>	<b>4%</b>
Gross profit margin		22%	16%		23%	17%	
Other operating income		6,397	6,494	(1%)	12,697	8,433	51%
Administrative expenses		(17,333)	(12,533)	38%	(30,336)	(28,550)	6%
Write back/(impairment losses) on financial assets and contract assets		4,477	(16,334)	NM	4,535	(16,356)	NM
Other operating expenses		(20,249)	(27,211)	(26%)	(48,187)	(55,410)	(13%)
Finance expenses		(559)	(734)	(24%)	(1,188)	(1,181)	1%
Share of results of associate		572	428	34%	839	635	0
<b>Profit/(loss) before taxation</b>	8	<b>19,125</b>	<b>(17,200)</b>	<b>NM</b>	<b>25,841</b>	<b>(7,991)</b>	<b>NM</b>
Income tax expense	10	(693)	(2,660)	(74%)	(3,682)	(5,203)	(29%)
<b>Profit/(loss) after taxation</b>		<b>18,432</b>	<b>(19,860)</b>	<b>NM</b>	<b>22,159</b>	<b>(13,194)</b>	<b>NM</b>
<b>Profit/(loss) for the period attributable to:</b>							
Owners of the Company		17,214	(18,925)	NM	20,909	(12,760)	NM
Non-controlling interests		1,218	(935)	NM	1,250	(434)	NM
		<b>18,432</b>	<b>(19,860)</b>	<b>NM</b>	<b>22,159</b>	<b>(13,194)</b>	<b>NM</b>
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation		(317)	2,147	NM	(1,975)	2,104	NM
<i>Items that will not be reclassified to profit or loss:</i>							
Net fair value changes on equity instrument at fair value through other comprehensive income		–	1	NM	(1)	1	NM
<b>Total other comprehensive income for the period, net of tax</b>		<b>(317)</b>	<b>2,148</b>	<b>NM</b>	<b>(1,976)</b>	<b>2,105</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>		<b>18,115</b>	<b>(17,712)</b>	<b>NM</b>	<b>20,183</b>	<b>(11,089)</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		17,024	(16,998)	NM	19,068	(10,804)	NM
Non-controlling interests		1,091	(714)	NM	1,115	(285)	NM
		<b>18,115</b>	<b>(17,712)</b>	<b>NM</b>	<b>20,183</b>	<b>(11,089)</b>	<b>NM</b>
<b>Earnings/(loss) per share:</b>							
Basic and diluted (SGD in cent)	28	6.8	(7.4)		8.2	(5.0)	

Denotes: NM – not meaningful



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## B. Condensed interim statements of financial position

	Note	Group		Company	
		30 Jun 2021 S\$'000	30 Jun 2020 S\$'000	30 Jun 2021 S\$'000	30 Jun 2020 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	83,534	91,698	38,637	42,029
Investment property	15	5,618	5,782	–	–
Investment securities	13	1	1	1	1
Investment in subsidiaries		–	–	54,737	55,970
Investment in an associate		6,044	5,450	354	354
Intangible assets		57	64	57	64
Prepayments		1,076	1,427	–	–
Deferred tax assets		1,032	965	965	965
Right-of-use assets		19,456	21,489	15,009	16,258
Trade receivables		–	44	–	–
		<u>116,818</u>	<u>126,920</u>	<u>109,760</u>	<u>115,641</u>
<b>Current assets</b>					
Contract assets		41,690	34,924	20,468	19,740
Inventories		597	443	–	–
Trade receivables		81,966	141,080	55,142	30,402
Other receivables and deposits		8,232	10,011	19,288	13,134
Prepayments		2,202	2,244	531	824
Capitalised contract costs		11,867	20,496	–	–
Amounts due from subsidiaries		–	–	9,826	4,406
Cash and short-term deposits		145,320	100,069	46,826	50,840
		<u>291,874</u>	<u>309,267</u>	<u>152,081</u>	<u>119,346</u>
<b>Total Assets</b>		<b><u>408,692</u></b>	<b><u>436,187</u></b>	<b><u>261,841</u></b>	<b><u>234,987</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Contract liabilities		42,099	66,640	1,560	4,376
Trade payables		18,838	26,294	16,907	12,485
Other payables and accruals		63,707	75,353	33,962	27,022
Provisions		7,315	6,887	4,110	3,889
Loans and borrowings	16	11,304	14,385	10,000	10,000
Lease liabilities		1,525	1,897	1,025	1,247
Income tax payable		2,196	1,469	390	265
		<u>146,984</u>	<u>192,925</u>	<u>67,954</u>	<u>59,284</u>
<b>Net current assets</b>		<b>144,890</b>	<b>116,342</b>	<b>84,127</b>	<b>60,062</b>
<b>Non-current liabilities</b>					
Provisions		2,866	2,774	2,721	2,634
Loans and borrowings	16	4,347	4,634	–	–
Lease liabilities		17,619	18,994	14,399	15,210
Deferred tax liabilities		72	518	–	–
		<u>24,904</u>	<u>26,920</u>	<u>17,120</u>	<u>17,844</u>
<b>Total Liabilities</b>		<b><u>171,888</u></b>	<b><u>219,845</u></b>	<b><u>85,074</u></b>	<b><u>77,128</u></b>
<b>Net assets</b>		<b><u>236,804</u></b>	<b><u>216,342</u></b>	<b><u>176,767</u></b>	<b><u>157,859</u></b>
<b>Equity attributable to owners of the Company</b>					
Share capital	17	58,836	58,836	58,836	58,836
Treasury shares		(576)	(576)	(576)	(576)
Statutory reserve		2,481	2,481	–	–
Fair value reserve		(12)	(13)	(12)	(13)
Retained earnings		175,787	156,153	118,519	99,612
Premium paid on acquisition of non-controlling interests		(4,841)	(4,841)	–	–
Foreign currency translation reserve		(1,090)	750	–	–
		<u>230,585</u>	<u>212,790</u>	<u>176,767</u>	<u>157,859</u>
<b>Non-controlling interests</b>		<b>6,219</b>	<b>3,552</b>	<b>–</b>	<b>–</b>
<b>Total Equity</b>		<b><u>236,804</u></b>	<b><u>216,342</u></b>	<b><u>176,767</u></b>	<b><u>157,859</u></b>
<b>Total equity and liabilities</b>		<b><u>408,692</u></b>	<b><u>436,187</u></b>	<b><u>261,841</u></b>	<b><u>234,987</u></b>



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## C. Condensed interim statements of changes in equity

### GROUP

	----- Attributable to owners of the Company -----									
	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 July 2020</b>	<b>58,836</b>	<b>(576)</b>	<b>2,481</b>	<b>156,153</b>	<b>(13)</b>	<b>(4,841)</b>	<b>750</b>	<b>212,790</b>	<b>3,552</b>	<b>216,342</b>
Total comprehensive income	–	–	–	20,909	(1)	–	(1,840)	19,068	1,115	20,183
Transfer of loss on disposal of equity instruments at FVOCI	–	–	–	(2)	2	–	–	–	–	–
Dividends on ordinary shares	–	–	–	(1,273)	–	–	–	(1,273)	–	(1,273)
Dilution of interest in subsidiary	–	–	–	–	–	–	–	–	1,546	1,546
Disposal of subsidiary	–	–	–	–	–	–	–	–	6	6
<b>At 30 June 2021</b>	<b>58,836</b>	<b>(576)</b>	<b>2,481</b>	<b>175,787</b>	<b>(12)</b>	<b>(4,841)</b>	<b>(1,090)</b>	<b>230,585</b>	<b>6,219</b>	<b>236,804</b>

### GROUP

	----- Attributable to owners of the Company -----									
	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 July 2019</b>	<b>58,836</b>	<b>(445)</b>	<b>2,481</b>	<b>174,012</b>	<b>(14)</b>	<b>(2,189)</b>	<b>(1,205)</b>	<b>231,476</b>	<b>9,491</b>	<b>240,967</b>
Total comprehensive income	–	–	–	(12,760)	1	–	1,955	(10,804)	(285)	(11,089)
Dividend paid to non-controlling interest by subsidiaries	–	–	–	–	–	–	–	–	(891)	(891)
Dividends on ordinary shares	–	–	–	(5,099)	–	–	–	(5,099)	–	(5,099)
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	(2,652)	–	(2,652)	(4,763)	(7,415)
Purchase of treasury shares	–	(131)	–	–	–	–	–	(131)	–	(131)
<b>At 30 June 2020</b>	<b>58,836</b>	<b>(576)</b>	<b>2,481</b>	<b>156,153</b>	<b>(13)</b>	<b>(4,841)</b>	<b>750</b>	<b>212,790</b>	<b>3,552</b>	<b>216,342</b>



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### C. Condensed interim statements of changes in equity (cont'd)

<u>COMPANY</u>	<u>Share Capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Fair value reserve</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>At 1 July 2020</b>	<b>58,836</b>	<b>(576)</b>	<b>99,612</b>	<b>(13)</b>	<b>157,859</b>
Total comprehensive income	–	–	20,182	(1)	<b>20,181</b>
Transfer of loss on disposal of equity instruments at FVOCI	–	–	(2)	2	–
Dividends on ordinary shares	–	–	<b>(1,273)</b>	–	<b>(1,273)</b>
<b>At 30 June 2021</b>	<b>58,836</b>	<b>(576)</b>	<b>118,519</b>	<b>(12)</b>	<b>176,767</b>

<u>COMPANY</u>	<u>Share Capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Fair value reserve</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>At 1 July 2019</b>	<b>58,836</b>	<b>(445)</b>	<b>118,693</b>	<b>(14)</b>	<b>177,070</b>
Total comprehensive income	–	–	(13,982)	1	(13,981)
Dividends on ordinary shares	–	–	(5,099)	–	(5,099)
Purchase of treasury shares	–	(131)	–	–	(131)
<b>At 30 June 2020</b>	<b>58,836</b>	<b>(576)</b>	<b>99,612</b>	<b>(13)</b>	<b>157,859</b>



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## D. Condensed interim consolidated statement of cash flows

	Group	
	FY 2021	FY 2020
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	25,841	(7,991)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	11,880	12,407
Depreciation of investment properties	155	155
Gain on disposal of property, plant and equipment, net	(911)	(362)
(Write back)/impairment losses on financial assets and contract assets	(4,535)	16,356
(Write back)/impairment losses on property, plant and equipment	(20)	38
Impairment losses on intangible assets	–	1,562
Provision, net	364	2,917
Unrealised exchange differences	1,407	(229)
Gain on disposal of subsidiary	(128)	–
Amortisation of intangible assets	8	19
Amortisation of capitalised contract costs	9,525	16,080
Depreciation of right-of-use assets	2,212	2,608
Share of results of associate	(839)	(635)
Interest income	(452)	(1,099)
Interest expense	1,188	1,181
<b>Operating cash flows before working capital changes</b>	<b>45,695</b>	<b>43,007</b>
(Increase)/decrease in contract assets	(5,580)	46,597
(Decrease)/increase in contract liabilities	(24,541)	8,843
Increase in capitalised contract costs	(938)	(1,402)
Increase in inventories	(147)	(122)
Decrease/(Increase) in trade receivables, other receivables and deposits, and prepayments	63,728	(47,455)
Decrease in trade and other payables and accruals	(18,479)	(9,076)
<b>Cash flows generated from operations</b>	<b>59,738</b>	<b>40,392</b>
Tax paid	(3,471)	(4,030)
Interest paid	(1,096)	(1,111)
Interest received	452	1,099
<b>Net cash flows generated from operating activities</b>	<b>55,623</b>	<b>36,350</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,058	946
Proceeds from disposal of intangible assets	–	2
Proceeds from liquidated subsidiary upon completion	504	187
Purchase of property, plant and equipment	(4,427)	(18,087)
Net cash inflow from disposal of subsidiaries	(2)	–
Dividend income from associate	245	130
<b>Net cash flows used in investing activities</b>	<b>(2,622)</b>	<b>(16,822)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	5,610	2,407
Repayment of loans and borrowings	(8,856)	(1,258)
Net cash outflow on acquisition of non-controlling interest	–	(7,415)
Payment of principal portion of lease liabilities	(1,897)	(2,252)
Dividends paid on ordinary shares	(1,273)	(5,099)
Dividends paid to non-controlling interest	–	(891)
Leases paid at lease commencement	–	(21)
Purchase of treasury shares	–	(131)
Changes in bank deposits pledged	–	15
<b>Net cash flows used in financing activities</b>	<b>(6,416)</b>	<b>(14,645)</b>
<b>Net increase in cash and cash equivalents</b>	<b>46,585</b>	<b>4,883</b>
Effect of exchange rate changes on cash and cash equivalents	(1,334)	1,816
<b>Cash and cash equivalents at beginning of the period</b>	<b>100,069</b>	<b>93,370</b>
<b>Cash and cash equivalents at end of the period</b>	<b>145,320</b>	<b>100,069</b>



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## E. Notes to the condensed interim consolidated financial statements

### 1. CORPORATE INFORMATION

PEC Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The registered office and principal place of business of the Company is located at 21 Shipyard Road, Singapore 628144.

The principal activities of the Company are the provision of mechanical engineering and contracting services.

### 2. Basis of preparation

In accordance with Rule 705(3A), the condensed interim consolidated financial statements for the six months ended 30 June 2021 of the Group and the balance sheet of the Company have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2020.

The condensed interim consolidated financial statements are presented in Singapore Dollars (SGD or \$), and have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

### 3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has not made any significant judgments, which have a significant effect on the carrying amounts of assets and liabilities recognised in the financial statements within the next financial period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### a) *Recognition of contract revenue*

Contract revenue comprises the initial amount of revenue agreed in the contracts, including variation orders. The Group recognises certain contract revenue over time, based on the contract costs incurred to date as a proportion of the estimated total contract costs to be incurred. Significant assumptions are required in determining the total contract costs and the recoverable amount of variation works that affect the completion progress and the amount of revenue recognised. In making these estimates, management has relied on past experience and knowledge of the project managers.

If the estimated total contract cost of major projects had been 10% higher/lower than management's estimate, the revenue recognised for project works for the current financial year would have been approximately \$15,500,000 (2020: \$23,800,000) lower and \$20,300,000 (2020: \$16,700,000) higher respectively.



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### 3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (cont'd)

#### b) *Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The ECLs also incorporate forward-looking information such as forecasted oil prices.

The assessment of the historical observed default rates and forward-looking information involves significant estimates and judgement. The Group's historical credit loss experience and the forecasted oil prices may also not be representative of customer's actual default in the future.

If the estimated ECL rate had been 1% higher than management's estimate, ECL on trade receivables would have been approximately \$168,000 (2020: \$1,015,000) higher.

#### c) *Impairment assessment of investment in subsidiaries*

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgement is required to determine if any such indication exists. Based on the evaluation of both internal and external sources of information, if any such indication exists, management assess the recoverable amount of the investment in subsidiaries.

During the financial year end, management has performed an impairment test for the Company's investment in a subsidiary. In management's assessment, there is no need for additional impairment (2020: \$6,750,000) for the year ended 30 June 2021.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### d) *Impairment assessment of property, plant and equipment and right-of-use assets*

The carrying amount of the property, plant and equipment and right-of-use assets are reviewed annually by management to assess whether there are indicators of impairment. In assessing whether there is any indicator of impairment, management has assessed both external and internal sources of information as well as consideration of the business impact from the COVID-19 pandemic. Based on management's assessment, other than \$18,479 (2020: \$38,272) of site equipment which was assessed to be obsolete, there was no indicator of impairment of the Group's other property, plant and equipment and right-of-use assets.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 5. Segment information

Segmented results for business or geographical segments (of the Group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediate preceding year.

The Group's segmental results for the year ended 30 June 2021 is as follows:

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Directors who are responsible for allocating resources and assessing performance of the operating segments.





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## 5. Segment information (cont'd)

### A) Business Segment

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Eliminations S\$'000	Total S\$'000
<b>2H 2021</b>					
Revenue	107,677	95,875	155	–	203,707
Inter-segment sales	8,100	5,415	1,544	(15,059)	–
<b>Total revenue</b>	<b>115,777</b>	<b>101,290</b>	<b>1,699</b>	<b>(15,059)</b>	<b>203,707</b>
<b>Gross profit:</b>					
Segment results	22,713	23,079	28	–	45,820
Unallocated expenses and income, net					(24,678)
Interest income					292
Depreciation and amortisation	(3,267)	(908)	(62)	–	(4,237)
Unallocated depreciation and amortisation					(2,582)
Write back of impairment losses on property, plant and equipment	20	–	–	–	20
Write back of impairment losses on financial assets and contract assets, net	3,871	–	606	–	4,477
Finance expenses					(559)
Share of results of associates	–	–	572	–	572
Profit before taxation					19,125
Income tax expense					(693)
<b>Profit for the year</b>					<b>18,432</b>
<b>Assets:</b>					
Additions to property, plant and equipment	402	672	226	–	1,300
Investment in an associate	–	–	6,044	–	6,044
<b>2H 2020</b>					
Revenue	121,492	81,096	183	–	202,771
Inter-segment sales	5,337	12,117	676	(18,130)	–
<b>Total revenue</b>	<b>126,829</b>	<b>93,213</b>	<b>859</b>	<b>(18,130)</b>	<b>202,771</b>
<b>Gross profit:</b>					
Segment results	13,369	19,284	37	–	32,690
Unallocated expenses and income, net					(24,009)
Interest income					601
Depreciation and amortisation	(3,995)	(946)	(89)	–	(5,030)
Unallocated depreciation and amortisation					(3,212)
Impairment losses on property, plant and equipment	(38)	–	–	–	(38)
Impairment losses on financial assets and contract assets	(15,466)	(868)	–	–	(16,334)
Impairment losses on intangible assets					(1,562)
Finance expenses					(734)
Share of results of associates	–	–	428	–	428
Loss before taxation					(17,200)
Income tax expense					(2,660)
<b>Loss for the year</b>					<b>(19,860)</b>
<b>Assets:</b>					
Additions to property, plant and equipment	11,279	915	569	–	12,763
Investment in an associate	–	–	5,450	–	5,450



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## 5. Segment information (cont'd)

### A) Business Segment (cont'd)

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Elimina- tions S\$'000	Total S\$'000
<b>FY 2021</b>					
Revenue	203,123	175,962	299	–	379,384
Inter-segment sales	15,270	11,232	2,838	(29,340)	–
<b>Total revenue</b>	<b>218,393</b>	<b>187,194</b>	<b>3,137</b>	<b>(29,340)</b>	<b>379,384</b>
<b>Gross profit:</b>					
Segment results	43,536	43,903	42	–	87,481
Unallocated expenses and income, net					(52,043)
Interest income					452
Depreciation and amortisation	(6,691)	(1,795)	(148)	–	(8,634)
Unallocated depreciation and amortisation					(5,621)
Write back of Impairment losses on property, plant and equipment	20	–	–	–	20
Write back of impairment losses on financial assets and contract assets	3,923	6	606	–	4,535
Finance expenses					(1,188)
Share of results of associates	–	–	839	–	839
Profit before taxation					25,841
Income tax expense					(3,682)
<b>Profit for the year</b>					<b>22,159</b>
<b>Assets:</b>					
Additions to property, plant and equipment	2,651	1,118	658	–	4,427
Investment in an associate	–	–	6,044	–	6,044
<b>FY 2020</b>					
Revenue	274,657	219,977	433	–	495,067
Inter-segment sales	20,955	26,639	3,030	(50,624)	–
<b>Total revenue</b>	<b>295,612</b>	<b>246,616</b>	<b>3,463</b>	<b>(50,624)</b>	<b>495,067</b>
<b>Gross profit:</b>					
Segment results	38,362	45,964	112	–	84,438
Unallocated expenses and income, net					(59,837)
Interest income					1,099
Depreciation and amortisation	(7,411)	(1,800)	(176)	–	(9,387)
Unallocated depreciation and amortisation					(5,802)
Impairment losses on property, plant and equipment	(38)	–	–	–	(38)
Impairment losses on financial assets and contract assets	(15,488)	(868)	–	–	(16,356)
Impairment losses on intangible assets					(1,562)
Finance expenses					(1,181)
Share of results of associates	–	–	635	–	635
Loss before taxation					(7,991)
Income tax expense					(5,203)
<b>Loss for the year</b>					<b>(13,194)</b>
<b>Assets:</b>					
Additions to property, plant and equipment	15,054	2,912	1,586	–	19,553
Investment in an associate	–	–	5,450	–	5,450



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## 5) Segment information (cont'd)

### B) Geographical Segment

	Singapore	Malaysia	Middle East	Others	Eliminations	Total
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
<b>2H 2021</b>						
Revenue	115,268	389	49,210	38,840	–	203,707
Inter-segment sales	9,548	96	–	5,415	(15,059)	–
<b>Segment Revenue</b>	<b>124,816</b>	<b>485</b>	<b>49,210</b>	<b>44,255</b>	<b>(15,059)</b>	<b>203,707</b>
<b>Assets:</b>						
Non-current assets	133,169	3,269	7,072	27,012	(54,736)	115,786
<b>2H 2020</b>						
Revenue	87,208	27,744	45,378	42,441	–	202,771
Inter-segment sales	6,428	83	–	11,619	(18,130)	–
<b>Segment Revenue</b>	<b>93,636</b>	<b>27,827</b>	<b>45,378</b>	<b>54,060</b>	<b>(18,130)</b>	<b>202,771</b>
<b>Assets:</b>						
Non-current assets	126,650	3,507	8,589	29,387	(42,222)	125,911
<b>FY 2021</b>						
Revenue	201,210	23,877	76,865	77,432	–	379,384
Inter-segment sales	18,213	209	–	10,918	(29,340)	–
<b>Segment Revenue</b>	<b>219,423</b>	<b>24,086</b>	<b>76,865</b>	<b>88,350</b>	<b>(29,340)</b>	<b>379,384</b>
<b>Assets:</b>						
Non-current assets	133,169	3,269	7,072	27,012	(54,736)	115,786
<b>FY 2020</b>						
Revenue	234,905	67,765	102,523	89,874	–	495,067
Inter-segment sales	24,793	161	–	25,670	(50,624)	–
<b>Segment Revenue</b>	<b>259,698</b>	<b>67,926</b>	<b>102,523</b>	<b>115,544</b>	<b>(50,624)</b>	<b>495,067</b>
<b>Assets:</b>						
Non-current assets	126,650	3,507	8,589	29,387	(42,222)	125,911



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## 6. Dissaggregation of revenue

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Total S\$'000
<b>2H 2021</b>				
<b>Primary geographical markets</b>				
Singapore	58,597	56,557	114	115,268
Middle East	41,579	7,631	–	49,210
Malaysia	330	18	41	389
Others	7,171	31,669	–	38,840
	<b>107,677</b>	<b>95,875</b>	<b>155</b>	<b>203,707</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	11,658	88,244	155	100,057
Over time	96,019	7,631	–	103,650
	<b>107,677</b>	<b>95,875</b>	<b>155</b>	<b>203,707</b>
<b>2H 2020</b>				
<b>Primary geographical markets</b>				
Singapore	47,503	39,559	146	87,208
Middle East	41,762	3,616	–	45,378
Malaysia	27,706	4	34	27,744
Others	4,521	37,917	3	42,441
	<b>121,492</b>	<b>81,096</b>	<b>183</b>	<b>202,771</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	4,295	82,708	183	87,186
Over time	117,197	(1,612)	–	115,585
	<b>121,492</b>	<b>81,096</b>	<b>183</b>	<b>202,771</b>
<b>FY 2021</b>				
<b>Primary geographical markets</b>				
Singapore	101,137	99,819	254	201,210
Middle East	63,631	13,234	–	76,865
Malaysia	23,740	92	45	23,877
Others	14,615	62,817	–	77,432
	<b>203,123</b>	<b>175,962</b>	<b>299</b>	<b>379,384</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	23,240	162,727	299	186,266
Over time	179,883	13,235	–	193,118
	<b>203,123</b>	<b>175,962</b>	<b>299</b>	<b>379,384</b>
<b>FY 2020</b>				
<b>Primary geographical markets</b>				
Singapore	107,032	127,558	315	234,905
Middle East	90,275	12,248	–	102,523
Malaysia	67,425	222	118	67,765
Others	9,925	79,949	–	89,874
	<b>274,657</b>	<b>219,977</b>	<b>433</b>	<b>495,067</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	18,049	207,729	433	226,211
Over time	256,608	12,248	–	268,856
	<b>274,657</b>	<b>219,977</b>	<b>433</b>	<b>495,067</b>



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## 6. Dissaggregation of revenue (cont'd)

A breakdown of sales as follows:

	Group		
	FY2021	FY2020	
	S\$'000	S\$'000	Change %
(a) Sales reported for first half year	175,677	292,296	(40%)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,727	6,666	(44%)
(c) Sales reported for second half year	203,707	202,771	0%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	18,432	(19,860)	NM

## 7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020.

	Group		Company	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>				
At fair value through other comprehensive income (FVOCI)				
- Investment securities	1	1	1	1
At amortised costs				
- Trade receivables, other receivables and deposits, loan due from subsidiaries and cash and short-term deposits	235,518	251,204	131,082	98,782
<b>Financial Liabilities</b>				
At amortised costs				
- Trade and other payables, lease liabilities, loans and borrowings	114,214	137,272	72,731	61,748



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## 8. Profit before taxation

Significant items

	Group		Group	
	2H 2021	2H 2020	FY 2021	FY 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of right-of-use assets	(852)	(1,738)	(2,212)	(2,608)
Amortisation of intangible assets	(4)	(10)	(8)	(19)
Depreciation of property, plant and equipment	(5,885)	(6,417)	(11,880)	(12,407)
Depreciation of investment property	(78)	(77)	(155)	(155)
Write back/(impairment losses) on financial assets and contract assets	4,477	(16,334)	4,535	(16,356)
Write back/(impairment losses) on property, plant and equipment	20	(38)	20	(38)
Recovery of cash previously written off	–	–	203	–
Gain on disposal of subsidiary	128	6	128	–
Interest expense	(156)	(238)	(350)	(546)
Interest expense on lease liabilities	(357)	(427)	(747)	(565)
Interest expense on reinstatement cost	(45)	(70)	(91)	(70)
Exchange gain/(loss), net	1,966	2,204	(2,191)	1,048
Gain/(loss) on disposal of property, plant and equipment, net	553	(299)	911	362
Insurance claim	189	196	288	355
Interest income	292	601	452	1,099

## 9. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Group	
	2H 2021	2H 2020	FY 2021	FY 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Related parties:</i>				
Revenue from sale of information systems	5	7	13	12
Revenue from system installation	1	1	5	1
Office rental expenses	(123)	(152)	(254)	(256)
Recharge of utility expenses	(21)	(16)	(39)	(35)
<i>Associate:</i>				
Revenue from manpower supply and engineering works	15	1	25	5
Revenue from IT services	35	33	58	41
Subcontractors charges and manpower charges	(50)	(232)	(54)	(2,747)



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## 10. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	2H 2021	2H 2020	FY 2021	FY 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current year tax expense	370	90	3,069	2,364
Origination and reversal of deferred tax	(576)	1,326	(576)	1,326
Withholding tax	899	1,244	1,189	1,513
	<u>693</u>	<u>2,660</u>	<u>3,682</u>	<u>5,203</u>

## 11. Dividends

	Group	
	FY 2021	FY 2020
	S\$'000	S\$'000
Ordinary dividends paid:		
Final exempt 2020 dividend of 0.5 (2019: 2.0) cents per share	1,273	5,099

## 12. Net asset value

	Group		Company	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Net asset value per ordinary share based on issued shares at the end of the respective periods (in cents)	90.6	83.6	69.4	62.0
No. of shares in computing NAV ('000)	254,644	254,644	254,644	254,644

## 13. Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

The following table shows an analysis of each class of assets carried at fair value by level of fair value hierarchy:

	Group	
	FY 2021	FY 2020
	S\$'000	S\$'000
<b>Financial assets:</b>		
Equity instruments at FVOCI		
- Investment securities (quoted prices in active markets) (Level 1)	1	1



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## 14. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$1,300,389 (30 June 2020: \$12,762,634) and disposed of assets amounting to \$5,880,846 (30 June 2020: \$3,762,671)

## 15. Investment properties

Investment properties are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Fair value of the investment properties amounted to \$7,120,000 (2020: \$7,200,000) by reference to comparable market transactions that consider recent sale of similar properties that have been transacted in the open market.

## 16. Aggregate amount of Group's borrowings and debt securities

### Amount repayable in one year or less, or on demand

As at 30 June 2021		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,829	10,000	6,282	10,000

### Amount repayable after one year

As at 30 June 2021		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
21,966	–	23,628	–

### Detail of any collateral

The Group's borrowings include loans and borrowings as well as lease liabilities. Certain of the Group's loans and borrowings were secured over corporate guarantee and certain property, plant and equipment.

## 17. Share capital

	The Group and the Company			
	30 June 2021		30 June 2020	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares:				
As at beginning and end of the financial year	255,715	58,836	255,715	58,836

The company hold 1,070,937 treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.





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### 18. Disposal of ownership in interest in subsidiary, without loss of control

Disposal of 25% equity in wholly-owned subsidiary, Huizhou Tianxin Petrochemical Engineering Co., Ltd.

The Company has on 6 May 2021, entered into a sale and purchase agreement ("SPA") with Huizhou Qi An Enterprise Management Co., Ltd), Huizhou Mu Sheng Enterprise Management Co., Ltd and Huizhou Ze Xi Enterprise Management Co., Ltd) (together, "Purchasers"), pursuant to which the Company will sell to the Purchasers an aggregate of 25% of the total equity interest ("Equity") in the registered capital of Huizhou Tianxin Petrochemical Engineering Co., Ltd. For more information, please refer to the announcement dated 7 May 2021.

	<u>FY 2021</u>
	<u>S\$'000</u>
Proceeds from sale of 25% ownership interest	1,546
Net assets attributable to NCI	<u>(1,546)</u>
Equity attributable to parent	<u>—</u>

### 19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.



## **PEC LTD.**

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### **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**



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20. **Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued and fully paid ordinary shares:	Number of Shares	
	As at 30 June 2021	As at 30 June 2020
As at beginning of year	254,643,826	254,965,226
Purchase of treasury shares	–	(321,400)
As at end of year	<u>254,643,826</u>	<u>254,643,826</u>

21. **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

	As at 30 June 2021	As at 30 June 2020
Total number of issued shares excluding treasury shares	<u>254,643,826</u>	<u>254,643,826</u>

22. **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period report on.**

Treasury shares:	Number of Shares	
	As at 30 June 2021	As at 30 June 2020
As at beginning of year	1,070,937	749,537
Purchase of treasury shares	–	321,400
As at end of year	<u>1,070,937</u>	<u>1,070,937</u>

23. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of PEC Ltd and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

24. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications, disclaimer of opinion, adverse opinion or emphasis of a matter).**

Not applicable.

25. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.



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**26. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards that are effective for annual financial periods beginning on or after 1 July 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

**27. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

**28. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		Group	
	2H 2021	2H 2020	FY 2021	FY 2020
Weighted average number of ordinary shares for basic earnings per share computation ('000)	254,644	254,885	254,644	254,885
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	254,644	254,885	254,644	254,885
Earnings per share (cents per share)				
- Basic	6.8	(7.4)	8.2	(5.0)
- Diluted	6.8	(7.4)	8.2	(5.0)

**29. Review of performance of the Group**

A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

**Financial performance review for FY2021**

**Revenue**

The Group's revenue decreased by S\$115.7 million from S\$495.1 million in FY2020 to S\$379.4 million in FY2021. This was mainly due to decrease in revenue from project works and maintenance services resulting from the delay in restarting operations caused by Covid-19.

**Cost of sales**

The Group's cost of sales decreased by S\$118.7 million from S\$410.6 million in FY2020 to S\$291.9 million in FY2021 mainly due to decrease in labour, subcontractors, material and other direct operating costs. Government grants helped to partially offset the cost of Covid-19 related disruptions.



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### 29. Review of performance of the Group (cont'd)

#### Gross profit and gross profit margin

The Group's gross profit increased by S\$3.1 million from S\$84.4 million in FY2020 to S\$87.5 million in FY2021. The Group's profit margin increased from 17% in FY2020 to 23% in FY2021

The increase was mainly attributable to project settlements in FY2021.

#### Other operating income

Other operating income increased by S\$4.2 million from S\$8.4 million in FY2020 to S\$12.6 million in FY2021. This was mainly due to gain on disposal of assets, partial write back of cash written off (refer to SGX announcement dated 11 August 2020), partial write back on impairment of property, plant and equipment, gain on disposal of subsidiary and government grants and subsidies received. The increase was partially offset by a decrease in interest income and insurance claim.

#### Administrative expenses

Administrative expenses increased by S\$1.7 million from S\$28.6 million in FY2020 to S\$30.3 million in FY2021. This was mainly due to increase in provision for bonus incentive, legal and professional fees. The increase was partially offset by decrease in salaries remuneration and general administrative expenses.

#### Impairment losses on financial assets and contract assets

The write back of impairment losses on financial assets and contract assets was \$4.5 million in FY2021 as compared to a provision of \$16.4 million in FY2020.

This write back was mainly due to a reduction in the total receivable balance and the Group's assessment of the overall probability of default being reduced.

#### Other operating expenses

Other operating expenses decreased by S\$7.2 million from S\$55.4 million in FY2020 to S\$48.2 million in FY2021. This was mainly due to decrease in amortisation of intangible assets, impairment of goodwill, reduction in other operating cost such as workers accommodation, insurance, personal protective equipment cost, depreciation of right-of-use assets, tax clearance and training expenses. The decrease was also due to a write off in PEC CEL of approximately S\$1.6 million in FY2020 (as previously announced on 11 August 2020).

The decrease was partially offset by an increase in a loss on forex (primarily due to depreciation of USD) and transport expenses.

#### Finance expenses

Finance expenses was approximately S\$1.2 million in FY2020 and FY2021. There was an increase in interest expense on lease liabilities and reinstatement. The increase was partly offset by a decrease in interest on loans and short-term financings.

#### Share of results of associate

Share of results of associate increase from S\$0.6 million in FY2020 to S\$0.8 million in FY2021. The increase in share of results of associate was mainly due to project closure settlements in FY2021.

#### Taxation

The income tax expenses decreased by S\$1.5 million from S\$5.2 million in FY2020 to S\$3.7 million in FY2021. The reduction of income tax expenses was mainly due to decrease in reversal of deferred tax assets, withholding tax for foreign income received in Singapore and tax refund from tax authority in FY2021.



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### 29. Review of performance of the Group (cont'd)

#### **Balance Sheet Review**

The Group's non-current assets decreased by S\$10.1 million from S\$126.9 million in FY2020 to S\$116.8 million in FY2021. This was mainly due to decrease in property, plant and equipment, intangible assets, prepayments, trade receivables and right-of-use asset. The decrease was partially offset by an increase in Investment in associate and deferred tax assets.

The Group's current assets decreased by S\$17.4 million from S\$309.3 million in FY2020 to S\$291.9 million in FY2021. This was mainly due to a significant reduction in the trade receivables (as a result of payment from a customer as previously announced), decrease in capitalised contract costs, other receivables and deposits. The decrease was partially offset by an increase in contract assets, inventories, cash and short-term deposits.

The Group's current liabilities decreased by S\$45.9 million from S\$192.9 million in FY2020 to S\$147.0 million in FY2021. This was mainly due to decrease in contract liabilities, trade payables, other payables and accruals, lease liabilities, loan and borrowings. The decrease was partially offset by an increase in provisions and income tax payable.

The Group's non-current liabilities decreased by S\$2.0 million from S\$26.9 million in FY2020 to S\$24.9 million in FY2021. This was mainly due to a decrease in loans and borrowings, lease liabilities and deferred tax liabilities. The increase was partially offset by an increase in provisions.

#### **Cash Flow Review**

Net cash generated from operating activities for the Group in FY2021 was S\$55.6 million (mainly a result of partial payment from an oversea receivable as previously announced).

The Group had used S\$2.6 million in investing activities in FY2021. This was mainly attributable to purchase of construction equipment, motor vehicles and office equipment to support the business operation. The amount was partially offset by proceeds from disposal of property, plant and equipment, proceeds from liquidated subsidiary upon completion and dividend income from associate.

The Group had used S\$6.4 million in financing activities in FY2021 which was mainly due to the net repayment of borrowings, dividend payment to shareholders and payment of lease liabilities.

As a result of the above, there was an increase in cash and cash equivalents of S\$46.6 million to S\$145.3 million in FY2021.

### 30. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.



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**31. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

In spite of the tough operating conditions due to intense price competition and the impact of COVID-19 related disruptions to our projects and operations, the Group was able to complete its projects and turnaround jobs while adhering strictly to prevailing safe management measures. The Group has also made good progress into the clean energy sector through its newly formed subsidiary, PEC Process Systems Pte. Ltd, which designs and fabricates modular process and gas compression solutions.

While some projects have either been cancelled or deferred mainly due to the challenges brought on by the COVID-19 pandemic, the level of enquiries have started to pick up in recent months and we are cautiously optimistic of the outlook of new projects and maintenance works in our key markets, particularly in Singapore, Vietnam and the Middle East.

Rising concerns over adverse climate change are pushing more investments into the 'green' energy sector. The Group will continue to expand its capabilities to ride on the opportunities presented by this energy transition as it diversifies its income stream.

However, margin and cost pressures persist, especially in Singapore, and competition remains intense. We remain committed to executing our projects well and remain diligent in managing our cost through prudent financial discipline.

The orderbook stood at S\$110.7 million as at 30 June 2021, excluding maintenance contracts.

**32. Dividend**

**If a decision regarding dividend has been made: -**

- (a) Whether an interim (final) dividend has been declared (recommended); and

The Directors proposed to declare a dividend for the current financial year reported as follows:

	<b>FY2021</b>
Name of dividend	Final
Dividend type	Cash
Dividend	2.5 cents per share
Tax rate	One-Tier

- (b) Corresponding Period of the Immediate Preceding Financial Year

	<b>FY2020</b>
Name of dividend	Final
Dividend type	Cash
Ordinary Dividend	0.5 cents per share
Tax rate	One-Tier

- (c) The date the dividend is payable

Not applicable.

- (d) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

**33. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.



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**34. Interested person transaction**

No general mandate has been obtained from shareholders for interested person transaction.

**35. Relating to an announcement of interim financial statements (quarterly or half-yearly), confirmation from directors under Rule 705(5)**

Not applicable.

**36. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

**37. Disclosure on Acquisitions and Realisations Pursuant to Rule 706A**

- a) Please refer to note 18.
- b) There were the following announcements relating to incorporation / winding up of companies:

Date	Details	Announcement No.	Reference
16 December 2020	Incorporation of subsidiary PEC international LLC	SG201216OTHLHFO	
28 October 2020	Incorporation of subsidiary PEC Process Systems Pte. Ltd.	SG201028OTHROHSV	
22 September 2020	Member's voluntary winding up of a subsidiary, PT Audex Indonesia	SG200922OTHR1Z3E	





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38. **Disclosure of persons occupying managerial position in the issuer or any of its principal subsidiaries who are a relative of a Director or Chief Executive Officer ('CEO') or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any Director, CEO and/or Substantial Shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Patricia Ko Poh Cheng	56	Sister of Edna Ko Poh Thim, Chairman and Substantial Shareholder of the Company	(i) Employed on consultancy basis for the Company in relation to its China business since 2002.  (ii) Director of PEC Technology Consultancy Services (Huizhou) Ltd since 2004.  (iii) Director of PEC Construction Equipment Leasing Company (Huizhou) Ltd since 2005.  (iv) Director of Huizhou Tianxin Petrochemical Engineering Co., Ltd since 2005.	None

**BY ORDER OF THE BOARD**

**Edna Ko Poh Thim**  
**Executive Chairman**  
27<sup>th</sup> August 2021