PEC LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 198200079M)

APPROVAL FOR EXTENSION OF TIME TO HOLD THE 2020 ANNUAL GENERAL MEETING TO 30 DECEMBER 2020

The Board of Directors ("**Directors**") of PEC Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements by the Company on 20 August 2020 and 28 August 2020 (the "**August Announcements**") and wishes to further announce that the Company had on 2 October 2020 applied to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for an extension of sixty (60) days from 31 October 2020 to 30 December 2020 ("**AGM Extension**") to comply with Rule 707(1) of the Listing Manual of the SGX-ST for holding its Annual General Meeting ("**AGM**") for the financial year ended 30 June 2020 ("**FY2020**").

The SGX-ST has on 14 October 2020 informed the Company that it has no objection to the Company's application for the said extension ("**Waiver**") for the Company to hold its AGM for FY2020 by 30 December 2020, subject to the following:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and

(b) the confirmation from the auditors that their statutory audits for FY2020 were affected due to the travel restrictions and/or other measures imposed by the authorities in response to the COVID-19 ("**Auditors' Confirmation**").

The Company will be providing the Auditors' Confirmation to the SGX-ST and will be writing in to the Accounting and Corporate Regulatory Authority of Singapore under Section 175(2) of the Companies Act (Chapter 50 of Singapore) for approval of an extension of time to present its accounts at its AGM. Subject to receipt of such approval from ACRA, the Company will conduct the AGM on or prior to 30 December 2020. The Board will keep shareholders updated on the same.

As required by the SGX-ST, the Company wishes to confirm that it is not and will not be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Waiver.

The Company had requested for the AGM Extension for the following reasons:

(i) In light of the outbreak of the COVID-19 pandemic and the circuit breaker and control measures implemented in Singapore and elsewhere which led to a disruption of the Group's business operations, the Company's finance team and the auditors have not been able to operate at full capacity and their physical access to financial records has been greatly constrained, leading to a delay in the finalisation of the audited financial statements of the Group.

(ii) Further, as mentioned in the August Announcements, the COVID-19 pandemic has brought economic activity to a near-standstill as countries impose travel restrictions, lockdowns and quarantines to halt the spread of the virus. This, coupled with oversupply and the unprecedented collapse in oil demand, have resulted in a sharp decline in new investments

with oil and gas majors slashing capital expenditures and jobs, and even postponing or cancelling projects. In this regard, also as announced by the Company, the Company had provided for full impairment of outstanding trade receivables from a customer amounting to approximately S$43.0 million for a completed overseas project. The Company remains in further discussions with the said customer for payment of further outstanding trade receivables incurred and being incurred. While there is still no assurance that the receivables owing to the Company will be fully or partially repaid, the Company had recently been informed of the completion of the customer's successful fund-raising exercise and it is envisaged that any such repayment or treatment of the outstanding sums (whether in part or in whole) will result in major adjustments to the Group's financial statements for FY2020, and in turn cause further delay in the completion of the audit for the audited financial statements for FY2020.

(iii) The AGM Extension was required in order to allow adequate time for the Company's auditors to complete and finalise the audit of the Group's financial statements and thereafter issue their audit opinion. For the reasons stated above, the Company would not be able to finalise the annual report ("**FY2020 Annual Report**") with the audited financial statements in time for the AGM to be held on or before 31 October 2020. This is a view shared by the Company's auditors. Under such circumstances, the Company would not be able to meet the deadline under Rule 707(1) of the Listing Manual for an issuer to hold the AGM within four (4) months from the end of its financial year end.

(iv) Taking into consideration the lead time required for the Company's auditors to complete the audit and for the Company to finalise the FY2020 Annual Report and the notice period required for the AGM (being at least 14 days' notice exclusive of the date of notice itself and the date of the AGM), the Company had requested for the AGM Extension.

By The Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary
15 October 2020