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COMPANY REGISTRATION NO. 198200079M

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MEDIA RELEASE

PEC reports net profit of S$10.0m on revenue of S$439.7m for FY14

- Operating profits increased by S$7.1 million
- Stronger orderbook of S$220.9 million

SINGAPORE ♦ 27 August 2014

For immediate release

PEC Ltd. (PEC, and together with its subsidiaries, associated companies and joint venture companies, the Group) achieved net profit of S$10.0 million on a revenue of S$439.7 million for the financial year ended 30 June 2014 (FY14). The operating profits in FY14 increased by S$7.1 million as compared to FY13 (which included a one-off capital gain of S$8.4 million).

Revenue from the Group's projects segment came in at S$298.7 million, while the maintenance segment achieved revenue of S$140.2 million. Gross profit rose 6% to S$96.5 million, largely attributable to the recognition of variation works on projects.

The Group's net cash flow from operating activities in FY14 was S$22.3 million as compared with S$30,000 in the previous year.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, commented: "It was another challenging year, with little relief from rising costs and keen competition. To counter these, we are reviewing every aspect of our business with a view to streamline and further integrate our operations to improve efficiencies."

Looking forward, Mr Dompeling added: "To boost revenues, we are building on the PEC brand to strengthen our network in Asia and the Middle East."

The Group has been actively bidding for contracts, resulting in a stronger orderbook of S$220.9 million as at 30 June 2014, excluding maintenance contracts. In FY14, PEC has successfully won several projects from existing clients. The jobs range from engineering, procurement and construction works for a storage terminal in Singapore to field piping erection works for a liquefied natural gas (LNG) plant in Malaysia and construction of large crude oil storage and handling facilities in the United Arab Emirates.

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, the Middle East and Europe. Today, it provides integrated project and maintenance solutions to the oil & gas, petrochemical, terminal and pharmaceutical industries.

PEC's core divisions are project works and maintenance services. Engineering, procurement and construction works account for a large share of the Group's revenue. Plant maintenance services offer a steady recurring income stream. These maintenance contracts are long-term, reflecting clients' confidence in PEC's ability as a competent and reliable service provider to meet the entire maintenance needs of a production plant.

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. Many of its customers in the oil & gas industry have not only extended existing contracts with PEC but also signed all-new ones.

To better meet customer needs, PEC is constantly enhancing and expanding its capabilities through acquisitions and technological upgrading. It has also located its fabrication facilities closer to its overseas customers in an effort to improve response time to customer needs and cost-efficiency.

An experienced, knowledgeable and loyal workforce is one of the cornerstones of PEC. In addition, it has one of the best safety records in the industry. Together with its large and growing fleet of about 2,000 pieces of engineering equipment, PEC has the flexibility to cross-deploy its resources as well as compete effectively for large-scale projects.

In August 2011, PEC was named on Forbes Asia's 'Best Under a Billion' list, an honour given to the 200 top-performing Asia-Pacific companies that have demonstrated consistent growth in both sales and profits over the previous three years.

FOR FURTHER ENQUIRIES

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