INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 198200079M

PEC LTD.

PEC LTD.

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MEDIA RELEASE

PEC starts FY16 with higher revenue and profit in the 1st quarter

- Profit after tax of S$3.5m driven by higher overseas project works
- Net cashflow remains strong

SINGAPORE ♦ 12 November 2015

For immediate release

PEC Ltd. (PEC, and together with its subsidiaries, associated companies and joint venture companies, the Group) reported a strong start to FY16, with both revenue and profit for the first quarter ended 30 September 2015 (1QFY16) recording healthy gains.

Revenue for 1QFY16 was 46% higher at S$162.3 million, largely contributed by overseas projects currently under construction. The higher revenue, coupled with the reduction in overheads resulting from the integration of administrative functions, lifted profit after tax to S$3.5 million.

The Group has made an additional doubtful debt provision of S$2.1 million for Jurong Aromatics Corporation Pte Ltd (JAC), for work done in the current quarter before JAC was placed under receivership in end September 2015.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, said: "The Group suffered a setback from the receivership of JAC. For prudence, we have made full provision for work done prior to the receivership, and we are in active discussion with the receiver on the recovery of these amounts, including prompt payment for ongoing works.

The Group continues to generate strong cashflow of S$17.8 million from its operations in 1QFY16. This has resulted in an increase of net cash from S$85.0 million at end FY15 to S$99.7 million as at 1QFY16.

Commenting on the Group's focus, Mr Dompeling said: "We will concentrate on executing our existing projects well, while managing our costs prudently. We will also step up efforts to build our project pipeline from targeted markets in the Middle East and Asia."

OAKTREE ADVISERS, YOUR IR PARTNER

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As at 30 September 2015, the Group's order book stood at S$315.0 million, excluding maintenance contracts.

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. Project works account for a large share of the Group's revenue while plant maintenance services offer a steady recurring income stream.

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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