INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 198200079M

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MEDIA RELEASE

PEC posts revenue of S$341.1m for 9M FY2015

- **Higher maintenance services activity supported revenue; however, 3Q FY2015 was impacted by decline in project works**
- **Higher costs and difficulties in recovery of variation claims contributed to the decline in profits**

SINGAPORE ♦ 12 May 2015

For immediate release

PEC Ltd. (PEC, and together with its subsidiaries, associated companies and joint venture companies, the Group) reported a revenue of S$341.1 million for the nine months ended 31 March 2015 (9M FY2015) compared to S$327.2 million for 9M FY2014.

The higher revenue for 9M FY2015 was supported by an increase in maintenance services activity. However, this was impaired by lower revenue contribution from the Group's project works segment in 3Q FY2015.

Gross profit declined from S$71.1 million to S$61.7 million in 9MFY2015 due to higher costs and difficulties in recovery of variation claims from existing and completed projects. As a result, profit contribution from the project works segment fell. This led to a loss after tax of S$3.6 million in 3Q FY2015 and reduced the Group's profit after tax for 9M FY2015 to S$1.1 million.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, said: "This set of results reflects the still challenging operating environment of the process industry. While keen competition continues to exert pressure on margins, the sector is also affected by the tightening of capital and operating expenditure in the oil and gas industry due to weak oil prices.

"To weather these challenges, we have taken steps to integrate our support and administrative functions. We will also continue to improve our cost efficiency, maintain our competitiveness and manage our working capital requirements carefully in the current difficult operating environment."

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Mr Dompeling added: "The Group has made good inroads into the regional markets and we have been consistently adding to our orderbook. As we begin to execute these projects, they should contribute to our earnings from FY2016. We will continue to step up efforts to expand our presence in Asia and Middle East to extend our project pipeline."

Over the last three months, PEC successfully secured two major contracts from the Middle East. In February 2015, the Group won a fast track project valued at S$132 million with a leading refinery in the United Arab Emirates (UAE). In April this year, PEC won a second major contract worth S$176 million to provide engineering, procurement and construction works for a new state-of-the-art oil storage terminal in Fujairah, UAE.

As at 31 March 2015, the Group's orderbook stood at S$276 million, excluding maintenance contracts and the above mentioned April contract.

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.

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