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M E D I A R E L E A S E

PEC secures S$130 million in new contracts; reports 19% rise in FY2019 revenue

- **Latest project wins from existing clients in Asia will add to Group's orderbook of $362.6m as of end June 2019**
- **Higher revenue supported by improved contributions from both project works and maintenance businesses**

SINGAPORE ♦ 28 AUGUST 2019

For immediate release

Since the end of June 2019, PEC Ltd. (PEC, and together with its subsidiaries and associated companies, the Group) has secured S$130 million worth of new contracts in Asia with existing clients. This will add to its reported orderbook of S$362.6 million for the financial year ended 30 June 2019 (FY2019).

One of the project contracts requires PEC to provide mechanical works for a MNC client's expansion of an integrated manufacturing complex in Singapore. Other contracts, also for the provision of mechanical works, are for clients in Myanmar and Vietnam.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, said: "These contracts demonstrate clients' confidence in us and underline our strategy of tapping on the synergies of our project and maintenance engineering capabilities to grow our business, backed by our reputation and established track record."

The Group also reported a 19% higher revenue of S$392.7 million for FY2019 from both project works and maintenance services, reflecting the recovery in the process industry. In line with the Group's strategy to grow its recurrent income base, revenue from maintenance has risen steadily from S$149.3 million in FY2016 to S$246.0 million in FY2019, supported by firm demand in Singapore and the region. The Group achieved a net profit after tax of S$9.8 million in FY2019 compared with FY2018's S$10.8 million.

Commenting on prospects, Mr Dompeling said, "Recent awards of significant projects in the refining and petrochemical industries are a positive indication of brighter prospects for the process industry over the near to medium term. These developments, along with the rising global demand for petrochemicals and 'cleaner' fuels, augur well for the industry.

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MEDIA RELEASE

"Despite the brighter outlook, the operating environment remains challenging with intense competition and a protracted US-China trade war. Nevertheless, we are confident that the Group's ongoing digitalisation efforts and the building of deep engineering capabilities have placed PEC well for the rising opportunities in both maintenance and project works in key Asian and Middle East markets. The Group's recently completed 9th engineering and fabrication facility in Vietnam will also enable us to better serve our clients in and around the region."

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, of which the latter offers a steady recurring income stream. The Group is one of the largest providers of maintenance services in Singapore.

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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