



PEC LTD.

14 International Business Park, Singapore 609922
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Co. Reg. No: 198200079M

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

Results for first half ("1H") ended 31 December 2024:

Note	Group		Change
	1H 2025	1H 2024	
	S\$'000	S\$'000	%
Revenue	186,846	287,021	(35%)
Cost of sales	(141,484)	(230,576)	(39%)
Gross profit	45,362	56,445	(20%)
Gross profit margin	24%	20%	
Other operating income	2,995	2,351	27%
Administrative expenses	(16,452)	(17,824)	(8%)
Write back on financial assets and contract assets	332	28	NM
Other operating expenses	(25,519)	(31,492)	(19%)
Finance expenses	(1,001)	(1,042)	(4%)
Profit before taxation	5,717	8,466	(32%)
Income tax expense	(2,040)	(1,585)	29%
Profit after taxation	3,677	6,881	(47%)
Profit for the period attributable to:			
Owners of the Company	2,850	5,208	(45%)
Non-controlling interests	827	1,673	(51%)
	3,677	6,881	(47%)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	549	(2,198)	NM
<i>Items that will not be reclassified to profit or loss:</i>			
Net fair value changes on equity instrument at fair value through other comprehensive income	12	–	NM
Total other comprehensive income for the period, net of tax	561	(2,198)	NM
Total comprehensive income for the period	4,238	4,683	(10%)
Total comprehensive income attributable to:			
Owners of the Company	3,358	3,062	10%
Non-controlling interests	880	1,621	(46%)
	4,238	4,683	(10%)
Earnings per share:			
Basic and diluted (SGD in cent)	1.1	2.0	

Denotes: NM – not meaningful



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B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment		68,418	72,239	25,419	27,941
Investment property		2,776	2,812	–	–
Investment securities		–	1	–	1
Investment in subsidiaries		–	–	44,269	44,270
Intangible assets		33	37	33	37
Prepayments		665	688	–	–
Deferred tax assets		2,911	2,933	2,959	2,938
Right-of-use assets		36,396	38,311	12,911	13,581
		<u>111,199</u>	<u>117,021</u>	<u>85,591</u>	<u>88,768</u>
Current assets					
Asset held for sale		301	635	–	–
Contract assets		46,836	57,313	18,104	26,633
Inventories		571	506	–	–
Trade receivables		86,558	68,367	48,589	42,875
Other receivables and deposits		8,080	7,330	2,425	2,250
Prepayments		2,308	1,799	1,125	700
Capitalised contract costs		2,005	2,005	–	–
Amounts due from subsidiaries		–	–	24,591	25,936
Cash and short-term deposits		145,420	146,603	62,186	65,288
		<u>292,079</u>	<u>284,558</u>	<u>157,020</u>	<u>163,682</u>
Total Assets		<u>403,278</u>	<u>401,579</u>	<u>242,611</u>	<u>252,450</u>
EQUITY AND LIABILITIES					
Current liabilities					
Contract liabilities		5,868	3,827	2,415	691
Trade payables		23,970	19,248	12,615	13,755
Other payables and accruals		65,109	65,393	31,094	34,308
Provisions		6,305	5,731	1,996	1,861
Loans and borrowings		1,687	1,750	833	1,458
Lease liabilities		3,136	3,412	1,111	1,153
Income tax payable		4,071	4,013	1,762	2,066
		<u>110,146</u>	<u>103,374</u>	<u>51,826</u>	<u>55,292</u>
Net current assets		181,933	181,184	105,194	108,390
Non-current liabilities					
Provisions		4,991	4,959	4,827	4,799
Loans and borrowings		1,761	1,912	–	–
Lease liabilities		35,880	36,646	12,761	13,333
Deferred tax liabilities		169	161	–	–
		<u>42,801</u>	<u>43,678</u>	<u>17,588</u>	<u>18,132</u>
Total Liabilities		<u>152,947</u>	<u>147,052</u>	<u>69,414</u>	<u>73,424</u>
Net assets		<u>250,331</u>	<u>254,527</u>	<u>173,197</u>	<u>179,026</u>
Equity attributable to owners of the Company					
Share capital		58,836	58,836	58,836	58,836
Treasury shares		(472)	(1,756)	(472)	(1,756)
Statutory reserve		2,480	2,480	–	–
Fair value reserve		–	(12)	–	(12)
Retained earnings		187,656	193,739	114,579	120,919
Premium paid on acquisition of non-controlling interests		(4,841)	(4,841)	–	–
Foreign currency translation reserve		(5,468)	(5,964)	–	–
Share-based compensation reserve		254	1,039	254	1,039
		<u>238,445</u>	<u>243,521</u>	<u>173,197</u>	<u>179,026</u>
Non-controlling interests		11,886	11,006	–	–
Total Equity		<u>250,331</u>	<u>254,527</u>	<u>173,197</u>	<u>179,026</u>
Total equity and liabilities		<u>403,278</u>	<u>401,579</u>	<u>242,611</u>	<u>252,450</u>



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C. Condensed interim statements of changes in equity

GROUP

----- Attributable to owners of the Company -----

	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Share-based compensation reserve	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2023	58,836	(1,756)	2,480	193,739	(12)	(4,841)	1,039	(5,964)	243,521	11,006	254,527
Total comprehensive income	–	–	–	2,850	12	–	–	496	3,358	880	4,238
Dividends on ordinary shares	–	–	–	(8,844)	–	–	–	–	(8,844)	–	(8,844)
Treasury shares reissued pursuant to performance share plan	–	1,284	–	(89)	–	–	(1,195)	–	–	–	–
Grant of performance shares to employees	–	–	–	–	–	–	410	–	410	–	410
At 31 December 2024	58,836	(472)	2,480	187,656	–	(4,841)	254	(5,468)	238,445	11,886	250,331

GROUP

----- Attributable to owners of the Company -----

	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Share-based compensation reserve	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2023	58,836	(1,076)	2,480	182,858	(12)	(4,841)	600	(5,327)	233,518	8,940	242,458
Total comprehensive income	–	–	–	5,208	–	–	–	(2,146)	3,062	1,621	4,683
Dividends on ordinary shares	–	–	–	(5,075)	–	–	–	–	(5,075)	–	(5,075)
Treasury shares reissued pursuant to performance share plan	–	520	–	(39)	–	–	(481)	–	–	–	–
Purchase of treasury shares	–	(318)	–	–	–	–	–	–	(318)	–	(318)
Grant of performance shares to employees	–	–	–	–	–	–	320	–	320	(232)	88
At 31 December 2023	58,836	(874)	2,480	182,952	(12)	(4,841)	1,080	(7,473)	231,507	10,329	241,836



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C. Condensed interim statements of changes in equity (cont'd)

<u>COMPANY</u>	Share Capital	Treasury shares	Retained earnings	Share-based compensation reserve	Fair value reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2024	58,836	(1,756)	120,919	1,039	(12)	179,026
Total comprehensive income	–	–	2,594	–	12	2,604
Dividends on ordinary shares	–	–	(8,844)	–	–	(8,844)
Treasury shares reissued pursuant to performance share plan	–	1,284	(89)	(1,195)	–	–
Grant of performance shares to employees	–	–	–	410	–	410
At 31 December 2024	58,836	(472)	114,579	254	–	173,197

<u>COMPANY</u>	Share Capital	Treasury shares	Retained earnings	Share-based compensation reserve	Fair value reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2023	58,836	(1,076)	127,804	600	(12)	186,152
Total comprehensive income	–	–	(1,669)	–	–	(1,669)
Dividends on ordinary shares	–	–	(5,075)	–	–	(5,075)
Treasury shares reissued pursuant to performance share plan	–	520	(39)	(481)	–	–
Purchase of treasury shares	–	(318)	–	–	–	(318)
Grant of performance shares to employees	–	–	–	320	–	320
At 31 December 2023	58,836	(874)	121,021	439	(12)	179,410



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D. Condensed interim consolidated statement of cash flows

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	5,717	8,466
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	5,322	5,695
Depreciation of investment properties	44	43
(Gain)/loss on disposal of property, plant and equipment, net	(69)	37
Gain on disposal of asset held for sale	(32)	–
Loss on disposal of investment	13	–
Loss on de-recognition of leases	1	–
Write back on financial assets and contract assets	(332)	(28)
Provision, net	609	(982)
Unrealised exchange differences	(75)	(199)
Amortisation of intangible assets	4	4
Amortisation of capitalised contract costs	–	1,811
Depreciation of right-of-use assets	1,938	1,670
Share-based payment expense	410	320
Interest income	(1,672)	(1,363)
Interest expense	1,001	1,042
Operating cash flows before working capital changes	12,879	16,516
Decrease/(increase) in contract assets	10,756	(8,207)
Increase in contract liabilities	2,041	20,320
Increase in capitalised contract costs	–	(419)
(Increase)/decrease in inventories	(65)	107
Increase in trade receivables, other receivables and deposits, and prepayments	(18,641)	(29,100)
Increase in trade and other payables and accruals	3,994	6,246
Cash flows generated from operations	10,964	5,463
Tax paid	(1,939)	(728)
Interest paid	(950)	(1,249)
Interest received	1,672	1,363
Net cash flows generated from operating activities	9,747	4,849
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	208	144
Acquisition of intangible assets	–	(5)
Proceeds from disposal of asset held for sale	397	–
Purchase of property, plant and equipment	(1,559)	(8,896)
Net cash flows used in investing activities	(954)	(8,757)
Cash flows from financing activities		
Proceeds from loans and borrowings	713	553
Repayment of loans and borrowings	(943)	(2,422)
Purchase of treasury shares	–	(318)
Dividends paid on ordinary shares	(8,844)	(5,075)
Payment of principal portion of lease liabilities	(1,089)	(1,036)
Net cash flows used in financing activities	(10,163)	(8,298)
Net decrease in cash and cash equivalents	(1,370)	(12,206)
Effect of exchange rate changes on cash and cash equivalents	187	(1,602)
Cash and cash equivalents at beginning of the period	146,603	126,142
Cash and cash equivalents at end of the period	145,420	112,334



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E. Notes to the condensed interim consolidated financial statements

1. CORPORATE INFORMATION

PEC Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group).

The registered office and principal place of business of the Company is located at 14 International Business Park, Singapore 609922.

The principal activities of the Company are the provision of mechanical engineering and contracting services.

2. Basis of preparation

In accordance with Rule 705(3A), the condensed interim consolidated financial statements for the six months ended 31 December 2024 of the Group and the balance sheet of the Company have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2024.

The condensed interim consolidated financial statements are presented in Singapore Dollars (SGD or \$), and have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has not made any significant judgments, which have a significant effect on the carrying amounts of assets and liabilities recognised in the financial statements within the next financial period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

a) Recognition of contract revenue

Contract revenue comprises the initial amount of revenue agreed in the contracts, including variation orders. The Group recognises certain contract revenue over time, based on the contract costs incurred to date as a proportion of the estimated total contract costs to be incurred. Significant assumptions are required in determining the total contract costs and the recoverable amount of variation works that affect the completion progress and the amount of revenue recognised. In making these estimates, management has relied on past experience and knowledge of the project managers.



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3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (cont'd)

b) *Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The ECLs also incorporate forward-looking information such as forecasted oil prices.

The assessment of the historical observed default rates and forward-looking information involves significant estimates and judgement. The Group's historical credit loss experience and the forecasted oil prices may also not be representative of customer's actual default in the future.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment information

Segmented results for business or geographical segments (of the Group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediate preceding year.

The Group's segmental results for the period ended 31 December 2024 is as follows:

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Directors who are responsible for allocating resources and assessing performance of the operating segments.



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5. Segment information (cont'd)

A) Business Segment

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Eliminations S\$'000	Total S\$'000
1H 2025					
Revenue	82,778	103,371	697	–	186,846
Inter-segment sales	7,551	3,948	1,570	(13,069)	–
Total revenue	90,329	107,319	2,267	(13,069)	186,846
Gross profit:					
Segment results	21,212	23,909	241	–	45,362
Unallocated expenses and income, net					(33,340)
Interest income					1,672
Depreciation and amortisation	(3,577)	(863)	(16)	–	(4,456)
Unallocated depreciation and amortisation					(2,852)
Write back on financial assets and contract assets, net	332	–	–	–	332
Finance expenses					(1,001)
Profit before taxation					5,717
Income tax expense					(2,040)
Profit for the period					3,677
Assets:					
Additions to property, plant and equipment	893	624	41	–	1,558

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Eliminations S\$'000	Total S\$'000
1H 2024					
Revenue	153,353	133,487	181	–	287,021
Inter-segment sales	14,312	24,170	946	(39,428)	–
Total revenue	167,665	157,657	1,127	(39,428)	287,021
Gross profit:					
Segment results	27,933	28,478	34	–	56,445
Unallocated expenses and income, net					(40,916)
Interest income					1,363
Depreciation and amortisation	(4,212)	(899)	(40)	–	(5,151)
Unallocated depreciation and amortisation					(2,261)
Write back on financial assets and contract assets, net	36	–	(8)	–	28
Finance expenses					(1,042)
Profit before taxation					8,466
Income tax expense					(1,585)
Profit for the period					6,881
Assets:					
Additions to property, plant and equipment	7,288	1,540	68	–	8,896



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5. Segment information (cont'd)

B) Geographical Segment

	Singapore S\$'000	China S\$'000	Middle East S\$'000	South Asia S\$'000	Eliminations S\$'000	Total S\$'000
1H 2025						
Revenue	131,533	25,784	11,898	17,631	–	186,846
Inter-segment sales	9,940	–	258	2,871	(13,069)	–
Segment Revenue	141,473	25,784	12,156	20,502	(13,069)	186,846
Assets:						
Non-current assets	98,445	8,461	34,643	12,389	(45,650)	108,288
1H 2024						
Revenue	162,662	39,595	28,196	56,568	–	287,021
Inter-segment sales	11,915	–	4,875	22,638	(39,428)	–
Segment Revenue	174,577	39,595	33,071	79,206	(39,428)	287,021
Assets:						
Non-current assets	115,428	9,660	33,627	12,774	(55,188)	116,301

6. Dissaggregation of revenue

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Total S\$'000
1H 2025				
Primary geographical markets				
Singapore	63,248	67,594	691	131,533
Middle East	9,568	2,330	–	11,898
China	–	25,784	–	25,784
South Asia	9,962	7,663	6	17,631
	82,778	103,371	697	186,846
Timing of transfer of goods and services				
At a point in time	13,360	101,041	697	115,098
Over time	69,418	2,330	–	71,748
	82,778	103,371	697	186,846
1H 2024				
Primary geographical markets				
Singapore	102,338	60,155	169	162,662
Middle East	23,946	4,250	–	28,196
China	–	39,595	–	39,595
South Asia	27,069	29,487	12	56,568
	153,353	133,487	181	287,021
Timing of transfer of goods and services				
At a point in time	7,097	129,237	181	136,515
Over time	146,256	4,250	–	150,506
	153,353	133,487	181	287,021



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7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 30 June 2024.

	Group		Company	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
At fair value through other comprehensive income (FVOCI)				
- Investment securities	-	1	-	1
At amortised costs				
- Trade receivables, other receivables and deposits, loan due from subsidiaries and cash and short-term deposits	240,058	222,300	134,698	137,502
Financial Liabilities				
At amortised costs				
- Trade and other payables, lease liabilities, loans and borrowings	156,884	159,605	60,460	69,124

8. Profit before taxation

Significant items

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Depreciation of right-of-use assets	(1,938)	(1,670)
Amortisation of intangible assets	(4)	(4)
Depreciation of property, plant and equipment	(5,322)	(5,695)
Depreciation of investment property	(44)	(43)
Write back on financial assets and contract assets	332	28
Interest expense on loans	(54)	(71)
Interest expense on lease liabilities	(896)	(920)
Interest expense on reinstatement cost	(51)	(51)
Exchange gain/(loss), net	972	(46)
Gain/(loss) on disposal of property, plant and equipment, net	69	(37)
Gain on disposal of asset held for sale	32	-
Insurance claim	257	357
Interest income	1,672	1,363
Sundry income	422	444



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9. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
<i>Related parties:</i>		
Revenue from sale of information systems	34	8
Revenue from system installation	39	27

10. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Current year tax expense	1,971	1,159
Origination and reversal of deferred tax	3	1
Withholding tax	66	425
	<u>2,040</u>	<u>1,585</u>

11. Dividends

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Ordinary dividends paid:		
Final exempt 2024 dividend of 2.0 (2023: 2.0) cents per share	5,054	5,075
Special exempt 2024 dividend of 1.5 (2023: NIL) cents per share	3,790	–

12. Net asset value

	Group		Company	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
Net asset value per ordinary share based on issued shares at the end of the respective periods (in cents)	93.5	96.4	67.9	70.8
No. of shares in computing NAV ('000)	254,923	252,684	254,923	252,684



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13. Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

The following table shows an analysis of each class of assets carried at fair value by level of fair value hierarchy:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Financial assets:		
Equity instruments at FVOCI		
- Investment securities (quoted prices in active markets) (Level 1)	NIL	1

14. Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to about \$1,559,000 (31 December 2023: \$8,896,000) and disposed of assets amounting to about \$139,000 (31 December 2023: \$181,000)

15. Investment properties

Investment properties are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Fair value of the investment properties amounted to \$4,130,000 as at 31 December 2024(31 December 2023: \$4,104,000) by reference to comparable market transactions that consider recent sale of similar properties that have been transacted in the open market.

16. Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Dec 2024		As at 30 Jun 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,990	833	3,704	1,458

Amount repayable after one year

As at 31 Dec 2024		As at 30 Jun 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
37,641	–	38,558	–

Detail of any collateral

The Group's borrowings include loans and borrowings as well as lease liabilities. Certain of the Group's loans and borrowings were secured over corporate guarantee and certain property, plant and equipment.



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17. Share capital

	The Group and the Company			
	31 Dec 2024		30 Jun 2024	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares:				
As at beginning and end of the financial year	255,715	58,836	255,715	58,836

The company hold 791,886 treasury shares as at 31 December 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 30 June 2024.

18. Acquisition or sale of shares in associate or subsidiary

Not applicable.

19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.



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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2



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20. **Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued and fully paid ordinary shares:	Number of Shares	
	As at 31 Dec 2024	As at 31 Dec 2023
As at beginning of period	252,683,847	253,918,126
Purchase of treasury shares	-	(582,400)
Reissued of treasury shares	2,239,030	867,571
As at end of period	<u>254,922,877</u>	<u>254,203,297</u>

21. **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

	As at 31 Dec 2024	As at 30 Jun 2024
Total number of issued shares excluding treasury shares	<u>254,922,877</u>	<u>252,683,847</u>

22. **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period report on.**

Treasury shares:	Number of Shares	
	As at 31 Dec 2024	As at 31 Dec 2023
As at beginning of period	3,030,916	1,796,637
Purchase of treasury share	-	582,400
Reissued of treasury shares	(2,239,030)	(867,571)
As at end of period	<u>791,886</u>	<u>1,511,466</u>

23. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of PEC Ltd and its subsidiaries as at 31 December 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

24. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications, disclaimer of opinion, adverse opinion or emphasis of a matter).**

Not applicable.



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25. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

26. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards that are effective for annual financial periods beginning on or after 1 July 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

27. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

28. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1H 2025	1H 2024
Weighted average number of ordinary shares for basic earnings per share computation ('000)	253,119	254,389
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	255,324	255,352
Earnings per share (cents per share)		
- Basic	1.1	2.0
- Diluted	1.1	2.0



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29. Review of performance of the Group

A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Financial performance review for 1H FY2025

Revenue

The Group's revenue decreased by S\$100.2 million from S\$287.0 million in 1HFY2024 to S\$186.8 million in 1HFY2025. This was mainly due to work volume decrease in projects and maintenance works across the regions.

Cost of sales

The Group's cost of sales decreased by S\$89.1 million from S\$230.6 million in 1HFY2024 to S\$141.5 million in 1HFY2025. This was mainly due to a decrease in labour, subcontractors, materials and other direct costs.

Gross profit and gross profit margin

The Group's gross profit decreased by S\$11.0 million from S\$56.4 million in 1HFY2024 to S\$45.4 million in 1HFY2025. This was mainly due to a decrease in profit contribution from project works and maintenance services resulting from the decrease in revenue.

The increase in Group's profit margin from 20% in 1HFY2024 to 24% in 1HFY2025 was mainly attributable to settlement of project claims in 1HFY2025.

Other operating income

Other operating income increased by S\$0.6 million from S\$2.4 million in 1HFY2024 to S\$3.0 million in 1HFY2025. This was mainly due to an increase in interest income, gain on disposal of assets, grant and incentive received. The increase was partially offset by a decrease in insurance claim.

Administrative expenses

Administrative expenses decreased by S\$1.3 million from S\$17.8 million in 1HFY2024 to S\$16.5 million in 1HFY2025. This was mainly due to a decrease in salary remuneration, utilities and general administrative expenses.

Write back on financial assets and contract assets

The write back on financial assets of S\$0.3 million in 1HFY2025 was due mainly to recovery of debts which had been previously provided for.



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29. Review of performance of the Group (cont'd)

Other operating expenses

Other operating expenses decreased by S\$6.0 million from S\$31.5 million in 1HFY2024 to S\$25.5 million in 1HFY2025. This was mainly due to gain on forex and decrease in direct operating expenses such as workers accommodation, insurance, transport, travelling and freight forwarding expenses.

Finance expenses

The decrease in finance expenses was mainly due to decrease in interest on loans and lease liabilities

Taxation

The Group's effective tax rate increased from 18.7% in 1HFY2024 to 35.7% in 1HFY2025. The increase in effective tax rate was mainly due to certain loss-making entities within the Group which, upon consolidation, reduced the overall profitability of the Group, and therefore increased the effective tax rate.



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29. Review of performance of the Group (cont'd)

Balance Sheet Review

The Group's non-current assets decreased by S\$5.8 million from S\$117.0 million in 1HFY2024 to S\$111.2 million in 1HFY2025. This was mainly due to a decrease in right-of-use assets, property, plant and equipment.

The Group's current assets increased by S\$7.5 million from S\$284.6 million in 1HFY2024 to S\$292.1 million in 1HFY2025. The increase was mainly due to an increase in trade receivables, prepayments, other receivables and deposits. The increase was partially offset by a decrease in assets held for sale, contract assets, cash and short-term deposits.

The Group's current liabilities increased by S\$6.7 million from S\$103.4 million in 1HFY2024 to S\$110.1 million in 1HFY2025. This was mainly due to an increase in contract liabilities, trade payables and provision. The increase was partially offset by a decrease in lease liabilities.

The Group's non-current liabilities decreased by S\$0.9 million from S\$43.7 million in 1HFY2024 to S\$42.8 million in 1HFY2025. This was mainly due to a decrease in lease liabilities, loans and borrowings.

Cash Flow Review

Net cash generated from operating activities for the Group in 1HFY2025 was S\$9.7 million.

The Group had used S\$0.9 million in investing activities in 1HFY2025. This was mainly attributable to investment in property, plant and equipment to support the business operation. The amount was partially offset by proceeds from disposal of assets.

The Group had used S\$10.2 million in financing activities in 1HFY2025 which was mainly due to net repayment of loans and borrowings, dividend payment to shareholders and payment of lease liabilities.

As a result of the above, there was a decrease in cash and cash equivalents of S\$1.4 million to S\$145.4 million in 1HFY2025.



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30. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

31. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The environment for energy and chemical industries is expected to remain challenging, amid slower growth, geopolitical tensions and macroeconomic uncertainties. In Singapore, cost pressures and declining demand for refined products are expected to constrain capital expenditures in the sector, leading to delays in the launch of some new projects and intensified competition for contract renewals and project tenders. Additionally, a shortage of engineers and skilled labour amid stringent regulations on foreign manpower will continue to exert cost pressure on local players.

The Middle East remains a growing market, as the region advances its economic diversification and industrial decarbonisation efforts, driven by state-owned energy and petrochemical companies. These developments will drive demand for engineering, procurement, and construction (EPC) services and modular projects in this region.

The Group continues to bid actively for projects in the Middle East, leveraging its existing capabilities and facilities to capture emerging opportunities.

The Group will continue to maintain a strong focus on cost control and operational efficiency as it navigates the complex web of opportunities and challenges to sustain competitiveness and long-term growth.

As at 31 December 2024, the Group's order book stood at S\$45.8 million, excluding maintenance contracts.

32. Dividend

If a decision regarding dividend has been made: -

- (a) Whether an interim (final) dividend has been declared (recommended); and

The Directors proposed to declare a dividend for the current financial year reported as follows:

No interim dividend has been declared/recommended.

- (b) Corresponding Period of the Immediate Preceding Financial Year

NIL.

- (c) The date the dividend is payable

Not applicable.

- (d) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

33. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.



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34. Interested person transaction

No general mandate has been obtained from shareholders for interested person transaction.

35. Relating to an announcement of interim financial statements (quarterly or half-yearly), confirmation from directors under Rule 705(5)

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to our attention which may render the interim financial statements of the Company and of the Group for the half year ended 31 December 2024 to be false or misleading in any material aspect.

36. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

37. Disclosure on Acquisitions and Realisations Pursuant to Rule 706A

During the half year ended 31 December 2024:

a) There was neither acquisition nor sale of:

- (i) shares resulting in a company becoming or ceasing to be a subsidiary or an associated company of the Company.
- (ii) shares resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or an associated company.

BY ORDER OF THE BOARD

Edna Ko Poh Thim
Executive Chairman
13th February 2025