INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 198200079M

PEC LTD.

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MEDIA RELEASE

PEC reports lower revenue for 1QFY17

- Industry to remain challenging over the medium term
- Maintains healthy cashflow and strong balance sheet

SINGAPORE ♦ 10 NOVEMBER 2016

For immediate release

PEC Ltd. (PEC, and together with its subsidiaries and associated companies, the Group) reported a lower revenue of S$82.8 million for the first quarter ended 30 September 2016 (1QFY17), against S$162.3 million for 1QFY16, due to lower turnover from overseas project works following significant completions in the previous financial year.

The Group also reported a decline in net profit after tax to S$0.5 million for the quarter from 1QFY16's S$3.5 million, due to a decrease in profit contribution from overseas project works.

Despite the difficult operating environment, PEC maintained a healthy cashflow and strong balance sheet as at 30 September 2016. By the end of 1QFY17, the Group had also reduced its total loans and bank borrowings by S$4.3 million to S$13.8 million.

Mr Robert Dompeling, PEC's Group Chief Executive Officer, said: "Against the backdrop of slower world economic growth and lower oil prices, CAPEX investments and demand in the global process sector have been adversely impacted. This has translated into fewer projects and more intense competition.

Oil prices have since stabilised and there has been an increase in project enquires, especially in the Southeast Asian and Middle Eastern regions.

In this challenging environment, we aim to realise more opportunities from our existing network and customers in the above regions. However, these enquires may take time to materialise and may not contribute immediately to our financial results.

In the meantime, we will continue to deepen our capabilities to enhance our service offerings so as to capture such opportunities."

The Group's orderbook stood at S$139.7 million as at 30 September 2016, excluding maintenance contracts.

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 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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