PEC LTD.

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Co. Reg. No: 198200079M

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2017

The Directors are pleased to announce the operating results of the Group and the Company for the period ended 31 March 2017.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Results for third quarter ("Q3") and nine months ("9M") ended 31 March 2017:

	Group			Group		
	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	110,897	117,702	(6%)	312,297	432,394	(28%)
Cost of sales	(93,627)	(91,346)	2%	(257,407)	(359,426)	(28%)
Gross profit	**17,270**	**26,356**	**(34%)**	**54,890**	**72,968**	**(25%)**
Gross profit margin	16%	22%		18%	17%	
Other operating income	3,134	1,348	132%	4,907	13,689	(64%)
Administrative expenses	(5,907)	(5,805)	2%	(20,966)	(21,514)	(3%)
Other operating expenses	(12,829)	(17,199)	(25%)	(30,702)	(47,131)	(35%)
Finance expenses	(120)	(226)	(47%)	(468)	(746)	(37%)
Share of results of associate	165	140	18%	392	182	115%
Profit before taxation	**1,713**	**4,614**	(63%)	**8,053**	**17,448**	(54%)
Income tax expense	(108)	(1,686)	(94%)	(850)	(3,773)	(77%)
Profit after taxation	**1,605**	**2,928**	(45%)	**7,203**	**13,675**	(47%)
Attributable to:						
Equity holders of the Company	3,097	3,099	0%	8,665	10,649	(19%)
Non-controlling interests	(1,492)	(171)	773%	(1,462)	3,026	NM
	1,605	**2,928**	(45%)	**7,203**	**13,675**	(47%)
Other comprehensive income:						
Items *that may be reclassified subsequently to profit or loss:*						
Net change in fair value reserve	(2)	(3)	(33%)	(8)	(16)	(50%)
Net effect of exchange differences	(1,953)	(1,482)	32%	(1,453)	(1,503)	(3%)
Total other comprehensive income for the year, net of tax	(1,955)	(1,485)	32%	(1,461)	(1,519)	(4%)
Total comprehensive income for the year	**(350)**	**1,443**	NM	**5,742**	**12,156**	(53%)
Total comprehensive income attributable to:						
Equity holders of the Company	1,379	1,914	(28%)	7,320	9,670	(24%)
Non-controlling interests	(1,729)	(471)	267%	(1,578)	2,486	NM
	(350)	**1,443**	NM	**5,742**	**12,156**	(53%)

Denotes: NM – not meaningful

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1**(a)(ii) The income statement is arrived after crediting / (debiting) the following: -**

	Group		Group	
	Q3 2017	Q3 2016	9M 2017	9M 2016
	S$'000	S$'000	S$'000	S$'000
Amortisation of land use rights	(6)	(8)	(18)	(20)
Amortisation of intangible assets	(34)	(37)	(107)	(112)
Depreciation of property, plant and equipment	(3,484)	(3,854)	(11,210)	(11,269)
Depreciation of investment property	(46)	(46)	(138)	(139)
Share-based compensation expenses	(220)	–	(657)	–
Write-back/(allowance) of trade receivables, net	118	3	280	(2,314)
Write-back/(impairment) of accrued income	–	6	–	(695)
Interest expense	(90)	(164)	(276)	(517)
Exchange (loss)/gain, net	(2,063)	(3,495)	4,039	(2,924)
Gain/(loss) on disposal of property, plant and equipment, net	9	(136)	(21)	3,920
Gain on disposal of intangible asset	75	–	75	–
Gain on disposal of asset held for sale	–	–	–	6,015
Interest income	263	271	905	833
Sundry income	2,374	270	2,662	782

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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Mar 2017	30 Jun 2016	31 Mar 2017	30 Jun 2016
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	85,972	94,052	44,247	48,117
Investment property	7,390	7,639	–	–
Investment securities	10	18	10	18
Investment in subsidiaries	–	–	30,495	31,759
Investment in an associate	4,770	4,806	354	354
Intangible assets	1,825	1,981	63	134
Land use rights	665	684	–	–
Deferred tax assets	1,309	1,323	935	935
Amounts due from a subsidiary	–	–	12,896	11,896
	101,941	110,503	89,000	93,213
Current assets				
Contracts-in-progress (net of progress billings)	17,615	17,075	17,656	10,979
Accrued income	19,767	20,173	13,322	12,318
Inventories	429	621	–	–
Trade receivables	102,982	87,439	40,714	53,209
Other receivables and deposits	6,434	9,485	2,102	4,476
Prepayments	5,285	4,162	2,162	1,048
Amounts due from subsidiaries	–	–	4,700	7,952
Dividend receivable	–	–	–	4,164
Bank deposits pledged	26	51	–	–
Cash and short term deposits	102,500	150,562	43,374	42,888
	255,038	289,568	124,030	137,034
Total Assets	**356,979**	**400,071**	**213,030**	**230,247**
EQUITIES AND LIABILITIES				
Current liabilities				
Progress billings in excess of costs	23,964	45,169	1,230	1,474
Trade payables	29,769	31,139	16,199	15,505
Other payables and accruals	57,787	65,064	21,281	33,630
Provisions	2,585	2,624	1,748	1,594
Loans and borrowings	856	8,653	26	25
Income tax payable	640	3,504	119	107
	115,601	156,153	40,603	52,335
Net current assets	**139,437**	**133,415**	**83,427**	**84,699**
Non-current liabilities				
Provisions	1,363	1,363	1,238	1,238
Loans and borrowings	8,883	9,492	46	66
Deferred tax liabilities	748	756	–	–
	10,994	11,611	1,284	1,304
Total Liabilities	**126,595**	**167,764**	**41,887**	**53,639**
Net assets	**230,384**	**232,307**	**171,143**	**176,608**
Equity attributable to equity holders of the Company				
Share capital	58,481	58,481	58,481	58,481
Treasury shares	(214)	(822)	(214)	(822)
Statutory reserve	1,085	1,085	–	–
Fair value reserve	(8)	–	(8)	–
Retained earnings	164,457	163,420	112,500	118,648
Premium paid on acquisition of non-controlling interests	(2,189)	(2,189)	–	–
Foreign currency translation reserve	(2,220)	(884)	–	–
Share based payment reserve	384	301	384	301
	219,776	**219,392**	**171,143**	**176,608**
Non-controlling **interests**	10,608	12,915	–	–
Total Equity	**230,384**	**232,307**	**171,143**	**176,608**
Total equity and liabilities	**356,979**	**400,071**	**213,030**	**230,247**

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1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 2017		As at 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
856	–	8,653	–

Amount repayable after one year

As at 31 Mar 2017		As at 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
8,883	–	9,492	–

Detail of any collateral

The Group's borrowings were secured over corporate guarantee and property, plant and equipment.

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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	9M 2017	9M 2016
	S$'000	S$'000
Cash flows from operating activities		
Profit before taxation	8,053	17,448
Adjustments for:		
Depreciation of property, plant and equipment	11,210	11,269
Depreciation of investment property	138	139
Loss/(gain) on disposal of property, plant and equipment, net	21	(3,920)
Gain on disposal of intangible asset	(75)	–
Gain on disposal of asset held for sale	–	(6,015)
Loss on disposal of subsidiary	369	–
Share-based compensation expenses	657	–
(Write-back)/allowance of trade receivables, net	(280)	2,314
Impairment of accrued income	–	695
Provision, net	(39)	206
Foreign exchange differences	(2,725)	(287)
Amortisation of land use rights	18	20
Amortisation of intangible assets	107	112
Share of results of associate	(392)	(182)
Interest income	(905)	(833)
Interest expense	276	517
Operating cash flows before working capital changes	**16,433**	**21,483**
(Increase)/decrease in contracts-in-progress	(21,226)	27,257
Decrease in accrued income	413	3,812
Decrease in inventories	192	98
(Increase)/decrease in trade and other receivables, and prepayments	(13,694)	12,788
Decrease in trade and other payables and accruals, and provision	(11,718)	(33,212)
Cash flows (used in)/generated from operations	**(29,600)**	**32,226**
Tax paid	(3,614)	(1,921)
Interest paid	(276)	(517)
Interest received	905	833
Net cash flows (used in)/generated from operating activities	**(32,585)**	**30,621**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	96	5,238
Proceeds from disposal of asset held for sale	–	8,097
Proceeds from disposal of a subsidiary	22	–
Proceeds from disposal of intangible assets	126	–
Dividend income from associate	428	245
Purchase of property, plant and equipment	(3,389)	(5,636)
Net cash flows (used in)/generated from investing activities	**(2,717)**	**7,944**
Cash flows from financing activities		
Repayment of borrowings	(5,853)	(9,893)
Proceeds from borrowings	–	22
Purchase of treasury shares	–	(822)
Net cash outflow on acquisition of non-controlling interest	–	(1,406)
Changes in bank deposits pledged	25	–
Dividends paid to non-controlling interests	(1,304)	–
Dividends paid on ordinary shares	(7,594)	(2,543)
Net cash flows used in financing activities	**(14,726)**	**(14,642)**
Net (decrease)/increase in cash and cash equivalents	**(50,028)**	**23,923**
Effect of exchange rate changes on cash and cash equivalents	1,879	(739)
Cash and cash equivalents at beginning of the period	150,562	113,007
Cash and cash equivalents at end of the period	**102,413**	**136,191**

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1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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**	**Foreign currency translation reserve**	**Share-based compensation 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 2016	**58,481**	**(822)**	**1,085**	**163,420**	-	**(2,189)**	**(884)**	**301**	**219,392**	**12,915**	**232,307**
Total comprehensive income	–	–	–	1,330	(6)	–	(885)	–	439	(776)	(337)
Grant of performance share to employees	–	–	–	–	–	–	–	215	215	–	215
At 30 September 2016	**58,481**	**(822)**	**1,085**	**164,750**	**(6)**	**(2,189)**	**(1,769)**	**516**	**220,046**	**12,139**	**232,185**
Total comprehensive income	–	–	–	4,238	-	–	1,265	–	5,503	927	6,430
Grant of performance share to employees	–	–	–	–	–	–	–	222	222	–	222
Dividends on ordinary shares	–	–	–	(7,594)	–	–	–	–	(7,594)	–	(7,594)
At 31 December 2016	**58,481**	**(822)**	**1,085**	**161,394**	**(6)**	**(2,189)**	**(504)**	**738**	**218,177**	**13,066**	**231,243**
Total comprehensive income	–	–	–	3,097	(2)	–	(1,716)	–	1,379	(1,729)	(350)
Grant of performance share to employees	–	–	–	–	–	–	–	220	220	–	220
Treasury shares reissued pursuant to performance share plans	–	608	–	(34)	–	–	–	(574)	-	–	-
Dividend paid to non-controlling interest by a subsidiaries	–	–	–	–	–	–	–	–	-	(729)	(729)
At 31 March 2017	**58,481**	**(214)**	**1,085**	**164,457**	**(8)**	**(2,189)**	**(2,220)**	**384**	**219,776**	**10,608**	**230,384**

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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**	**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**
At 1 July 2015	**58,481**	**–**	**1,085**	**147,218**	**17**	**(2,764)**	**991**	**205,028**	**13,334**	**218,362**
Total comprehensive income	–	–	–	3,044	(2)	–	964	4,006	375	4,381
Additional investment by non-controlling interest	–	–	–	–	–	–	–	–	672	672
Purchase of treasury shares	–	(374)	–	–	–	–	–	(374)	–	(374)
At 30 September 2015	**58,481**	**(374)**	**1,085**	**150,262**	**15**	**(2,764)**	**1,955**	**208,660**	**14,381**	**223,041**
Total comprehensive income	–	–	–	4,506	(11)	–	(745)	3,750	2,582	6,332
Acquisition of non-controlling interest	–	–	–	–	–	575	–	575	(1,982)	(1,407)
Purchase of treasury shares	–	(168)	–	–	–	–	–	(168)	–	(168)
Dividends on ordinary shares	–	–	–	(2,543)	–	–	–	(2,543)	–	(2,543)
At 31 December 2015	**58,481**	**(542)**	**1,085**	**152,225**	**4**	**(2,189)**	**1,210**	**210,274**	**14,981**	**225,255**
Total comprehensive income	–	–	–	3,099	(3)	–	(1,182)	1,914	(471)	1,443
Purchase of treasury shares	–	(280)	–	–	–	–	–	(280)	–	(280)
At 31 March 2016	**58,481**	**(822)**	**1,085**	**155,324**	**1**	**(2,189)**	**28**	**211,908**	**14,510**	**226,418**

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COMPANY	Share Capital	Treasury shares	Retained earnings	Fair value reserve	Share-based compensation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 July 2016	**58,481**	**(822)**	**118,648**	**–**	**301**	**176,608**
Total comprehensive income	–	–	2,109	(6)	–	2,103
Grant of performance share to employees	–	–	–	–	215	215
At 30 September 2016	**58,481**	**(822)**	**120,757**	**(6)**	**516**	**178,926**
Total comprehensive income	–	–	(1,113)	–	–	(1,113)
Grant of performance share to employees	–	–	–	–	222	222
Dividends on ordinary shares	–	–	(7,594)	–	–	(7,594)
At 31 December 2016	**58,481**	**(822)**	**112,050**	**(6)**	**738**	**170,441**
Total comprehensive income	–	–	484	(2)	–	482
Grant of performance share to employees	–	–	–	–	220	220
Treasury shares reissued pursuant to performance share plans	–	608	(34)	–	(574)	–
At 31 March 2017	**58,481**	**(214)**	**112,500**	**(8)**	**384**	**171,143**

COMPANY	Share Capital	Treasury shares	Retained earnings	Fair value reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 July 2015	**58,481**	**–**	**125,543**	**17**	**184,041**
Total comprehensive income	–	–	(3,592)	(2)	(3,594)
Purchase of treasury shares	–	(374)	–	–	(374)
At 30 September 2015	**58,481**	**(374)**	**121,951**	**15**	**180,073**
Total comprehensive income	–	–	(1,125)	(11)	(1,136)
Purchase of treasury shares	–	(168)	–	–	(168)
Dividends on ordinary shares	–	–	(2,542)	–	(2,542)
At 31 December 2015	**58,481**	**(542)**	**118,284**	**4**	**176,227**
Total comprehensive income	–		(1,672)	(3)	(1,675)
Purchase of treasury shares	–	(280)	–	–	(280)
At 31 March 2016	**58,481**	**(822)**	**116,612**	**1**	**174,272**

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1(d)(ii) 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasure shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of Shares	
Issued and fully paid ordinary shares:	As at 31 Mar 2017	As at 31 Mar 2016
As at beginning of period	253,125,600	255,157,000
Purchase of treasury shares	–	(2,031,400)
Reissued of treasury shares	1,492,192	–
As at end of period	254,617,792	253,125,600

1(d)(iii) 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 Mar 2017	As at 30 June 2016
Total number of issued shares excluding treasury shares	254,617,792	253,125,600

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period report on.

	Number of Shares As at 31 Mar 2017
As at beginning of period	2,031,400
Treasury shares reissued pursuant to share plans	(1,492,192)
As at end of period	539,208

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as of 30 June 2016.

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5. 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.

6. 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		Group	
	Q3 2017	Q3 2016	9M 2017	9M 2016
Weighted average number of ordinary shares for basic earnings per share computation	253,371	254,415	253,371	254,415
Effect of dilution				
-Performance share plan	2,238	-	2,238	-
Weighted average number of ordinary shares for diluted earnings per share computation	255,609	254,415	255,609	254,415
Earnings per share (cents per share)				
- Basic	1.2	1.2	3.4	4.2
- Diluted	1.2	1.2	3.4	4.2

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Mar 2017	30 Jun 2016	31 Mar 2017	30 Jun 2016
Net asset value per ordinary share based on issued shares at the end of the respective periods (in cents)	86.3	86.7	67.2	69.8
No. of shares in computing NAV ('000)	254,618	253,126	254,618	253,126

8. 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 Q3 and 9M 2016-17

Revenue

The Group's revenue decreased by 28% from S$432.4 million in 9M FY2016 to S$312.3 million in 9M FY2017. This was mainly due to a decrease in revenue from overseas project works following the completion of projects in FY2016.

Cost of sales

The Group's cost of sales decreased by S$102.0 million from S$359.4 million in 9M FY2016 to S$257.4 million in 9M FY2017 due to lower volume of project works. The decrease was mainly due to lower direct costs following the completion of overseas project works.

Gross profit and gross profit margin

The Group's gross profit decreased by S$18.1 million from S$73.0 million in 9M FY2016 to S$54.9 million in 9M FY2017. This was mainly due to a decrease in profit contribution from completed overseas project works.

The decrease in margin from 22% in Q3 FY2016 to 16% in Q3 FY2017 was mainly due to lower margin in Q3 FY2017 as a result of high operating cost. The higher margin in Q3 FY2016 was mainly attributable to recognition of variation orders.

Other operating income

Other operating income decreased by S$8.8 million from S$13.7 million in 9M FY2016 to S$4.9 million in 9M FY2017. This was mainly due to gain on disposal of properties and assets held for sale in 9M FY2016.

The increase in Q3 FY2017 was mainly from an increase in sundry income arising from a GST tax refund.

Administrative expenses

Administrative expenses decreased by S$0.5 million from S$21.5 million in 9M FY2016 to S$21.0 million in 9M FY2017, This was mainly due to a decrease in bonus incentive and general administrative expenses.

Other operating expenses

Other operating expenses decreased by S$16.4 million from S$47.1 million in 9M FY2016 to S$30.7 million in 9M FY2017. The decrease was mainly due to a decrease in currency exchange losses, primarily due to the appreciation in USD. There was also a decrease in allowance on doubtful debts and lower direct operating costs in 9M FY2017.

Finance expenses

Finance expenses decreased by S$0.2 million from S$ 0.7 million in 9M FY2016 to S$0.5 million in 9M FY2017. This was mainly due to decrease in interest on loans and short term financings.

Share of results of associate

Share of results of associate increased by S$0.2 million in 9M FY2017 was mainly due to higher work volume and improved margin.

Taxation

The effective tax rate decreased from 21.6% in 9M FY2016 to 10.6% in 9M FY2017. The decrease was mainly attributable to a lower tax provision for overseas entities within the Group.

Balance Sheet Review

The Group's non-current assets decreased by S$8.6 million to S$101.9 million in 9M FY2017. This was mainly due to decrease in property, plant and equipment as a result of the annual depreciation charge.

The Group's current assets decreased by S$34.5 million to S$255.0 million in 9M FY2017. This was mainly due to decrease in other receivables and deposits, cash and short term deposits. The decrease in cash was primarily a result of increase in trade receivables and prepayments and the payment of loans and borrowings and other payables.

The Group's current liabilities decreased by S$40.6 million to S$115.6 million in 9M FY2017. This was due to decrease in progress billings in excess of costs, trade payables, other payables and accruals, loans and borrowings as well as income tax payable.

The Group's non-current liabilities decreased by S$0.6 million to S$11.0 million in 9M FY2017. This was mainly due to partial loan repayment to the banks.

Cash Flow Review

Net cash used in operating activities for the Group in 9M FY2017 was S$32.6 million including the payment of income tax of S$3.6 million.

The Group had used S$2.7 million in investing activities in 9M FY2017. This was mainly for the purchase of construction equipment, motor vehicles and office equipment to support the business operation. The amount was partially offset by dividend income from associate.

The Group had used S$14.7 million in financing activities in 9M FY2017 which was mainly due to the repayment of bank borrowings and dividends payment to shareholders.

As a result of the above, there was a decrease in cash and cash equivalents of S$50.0 million to S$102.4 million in 9M FY2017. The decrease in cash was primarily a result of increase in trade receivables and prepayments and the payment of loans and borrowings and other payables.

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

Not Applicable.

10. 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 level of enquiries from the downstream sector for both maintenance and project works has risen. However, current operating conditions remain challenging and competitive.

PEC's long term strategy is to replicate its proven maintenance-cum-project business model in overseas markets where it has a presence, leveraging on synergies to secure potential spin-offs for project works from maintenance services. The maintenance division has contributed steadily to the Group's recurrent income and PEC intends to continue growing this business in and outside Singapore.

The Group is actively pursuing opportunities in maintenance and project works, including gas facilities, in Asia and the Middle East. The orderbook stands at S$73.1 million as at 31 March 2017, excluding maintenance contracts.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

NIL.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

NIL.

(c) Date payable

Not applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No interim dividend has been declared/recommended.

13. Interested person transaction

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

14. Confirmation

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter financial results to be false or misleading in any material aspect.

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15. Confirmation under Rule 720 (1) of the Listing Rules

The Company has procured an undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) as required under Rule 720(1).

BY ORDER OF THE BOARD
Edna Ko Poh Thim
Executive Chairman
9th May 2017