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Co. Reg. No: 198200079M

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

The Directors are pleased to announce the operating results of the Group and the Company for the period ended 31 March 2019.

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 second quarter ("Q3") and nine months ("9M") ended 31 March 2019:

	Q3 2019	Group Q3 2018 (Restated)	Change	9M 2019	Group 9M 2018 (Restated)	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	87,044	94,321	(8%)	287,875	245,609	17%
Cost of sales	(69,040)	(74,503)	(7%)	(224,201)	(186,932)	20%
Gross profit	**18,004**	**19,818**	**(9%)**	**63,674**	**58,677**	**9%**
Gross profit margin	21%	21%		22%	24%	
Other operating income	580	514	13%	1,898	1,871	1%
Administrative expenses	(5,795)	(7,078)	(18%)	(19,682)	(20,328)	(3%)
Other operating expenses	(11,500)	(11,615)	(1%)	(36,974)	(34,712)	7%
Finance expenses	(145)	(144)	1%	(1,235)	(311)	297%
Share of results of associate	5	54	(91%)	131	281	(53%)
Profit before taxation	**1,149**	**1,549**	(26%)	**7,812**	**5,478**	43%
Income tax expense	(778)	(843)	(8%)	(2,409)	(1,737)	39%
Profit after taxation	**371**	**706**	(47%)	**5,403**	**3,741**	44%
Attributable to:						
Equity holders of the Company	436	94	364%	4,813	2,614	84%
Non-controlling interests	(65)	612	(111%)	590	1,127	(48%)
	371	**706**	(47%)	**5,403**	**3,741**	44%
Other comprehensive income:						
Item *that may be reclassified subsequently to profit or loss:*						
Net change in fair value reserve	(1)	1	NM	(2)	2	NM
Foreign currency translation	192	125	54%	(1,272)	(571)	123%
Total other comprehensive income for the year, net of tax	191	126	52%	(1,274)	(569)	124%
Total comprehensive income for the period	**562**	**832**	(32%)	**4,129**	**3,172**	30%
Total comprehensive income attributable to:						
Owners of the Company	544	165	230%	3,741	2,002	87%
Non-controlling interests	18	667	(97%)	388	1,170	(67%)
	562	**832**	(32%)	**4,129**	**3,172**	30%

Denotes: NM – not meaningful

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

	Group		Group	
	Q3 2019	Q3 2018 (Restated)	9M 2019	9M 2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Amortisation of land use rights	(6)	(6)	(18)	(18)
Amortisation of intangible assets	(4)	(33)	(69)	(100)
Depreciation of property, plant and equipment	(2,966)	(3,148)	(8,775)	(9,438)
Depreciation of investment property	(39)	(43)	(120)	(131)
Share-based compensation expenses	(21)	(66)	(85)	(231)
Impairment of trade receivables, net	(1)	–	(383)	30
Interest expense	(99)	(57)	(224)	(172)
Exchange loss, net	(241)	(706)	(231)	(1,841)
(Loss)/gain on disposal of property, plant and equipment, net	(153)	4	5	(60)
Gain on disposal of investment property	–	–	89	73
Gain on disposal of intangible asset	20	–	142	–
Interest income	266	203	640	693
Sundry income	74	(26)	263	459

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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 2019	30 Jun 2018 (restated)	31 Mar 2019	30 Jun 2018
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	79,832	77,691	36,408	38,839
Investment property	6,011	6,911	–	–
Investment securities	5	6	5	6
Investment in subsidiaries	–	–	42,489	41,495
Investment in an associate	4,917	5,032	354	354
Intangible assets	1,650	1,657	88	38
Land use rights	613	645	–	–
Prepayments	775	–	–	–
Deferred tax assets	2,256	1,881	–	–
Trade receivables	1,539	1,652	–	–
	97,598	95,475	79,344	80,732
Current assets				
Contract assets	24,594	13,366	16,828	9,007
Accrued income	43,177	46,762	35,512	37,320
Inventories	364	373	–	–
Trade receivables	106,067	92,725	58,062	43,769
Other receivables and deposits	7,933	6,626	9,951	7,231
Prepayments	4,757	4,113	1,846	2,829
Amounts due from subsidiaries	–	–	16,341	10,532
Cash and short-term deposits	80,592	86,795	48,160	46,615
	267,484	250,760	186,700	157,303
Total Assets	**365,082**	**346,235**	**266,044**	**238,035**
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	13,240	1,305	13,240	728
Trade payables	26,031	17,668	31,987	18,772
Other payables and accruals	60,791	70,439	24,838	33,804
Provisions	5,656	6,029	1,677	1,760
Loans and borrowings	11,684	766	10,005	28
Income tax payable	1,951	475	1,000	–
	119,353	96,682	82,747	55,092
Net current assets	**148,131**	**154,078**	**103,953**	**102,211**
Non-current liabilities				
Provisions	1,238	1,238	1,238	1,238
Loans and borrowings	6,954	7,721	–	–
Deferred tax liabilities	315	521	39	39
	8,507	9,480	1,277	1,277
Total Liabilities	**127,860**	**106,162**	**84,024**	**56,369**
Net assets	**237,222**	**240,073**	**182,020**	**181,666**
Equity attributable to owners of the Company				
Share capital	58,836	58,836	58,836	58,836
Treasury shares	(445)	(120)	(445)	(120)
Statutory reserve	2,481	2,481	–	–
Fair value reserve	(13)	(11)	(13)	(11)
Retained earnings	170,545	171,620	123,642	122,839
Premium paid on acquisition of non-controlling interests	(2,189)	(2,189)	–	–
Foreign currency translation reserve	(650)	420	–	–
Share based payment reserve	–	122	–	122
	228,565	**231,159**	**182,020**	**181,666**
Non-controlling interests	8,657	8,914	–	–
Total Equity	**237,222**	**240,073**	**182,020**	**181,666**
Total equity and liabilities	**365,082**	**346,235**	**266,044**	**238,035**

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 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
11,684	–	766	–

Amount repayable after one year

As at 31 Mar 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
6,954	–	7,721	–

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 2019	9M 2018 (Restated)
	S$'000	S$'000
Cash flows from operating activities		
Profit before taxation	7,812	5,478
Adjustments for:		
Depreciation of property, plant and equipment	8,775	9,438
Depreciation of investment property	120	131
(Gain)/loss on disposal of property, plant and equipment, net	(5)	60
Gain on disposal of investment property	(89)	(73)
Gain on disposal of intangible asset	(142)	–
Net loss on liquidation of subsidiary	–	(61)
Share-based compensation expenses	85	231
Impairment of trade receivables, net	383	(30)
Provision, net	(365)	(305)
Transfer to capital reserve	–	96
Foreign exchange differences	547	911
Amortisation of land use rights	18	18
Amortisation of intangible assets	69	100
Share of results of associate	(131)	(281)
Interest income	(640)	(693)
Interest expense	224	172
Operating cash flows before working capital changes	**16,661**	**15,192**
Decrease/(increase) in contract assets net contract liabilities	615	(42,337)
Decrease in accrued income	3,424	7,707
Decrease/(increase) in inventories	7	(44)
(Increase)/decrease in trade and other receivables and prepayments	(17,483)	14,089
Decrease/(increase) in trade and other payables and accruals	(1,296)	6,726
Cash flows generated from operations	**1,928**	**1,333**
Tax paid	(1,703)	(1,841)
Interest paid	(224)	(172)
Interest received	640	693
Net cash flows generated from operating activities	**641**	**13**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	403	262
Proceeds from disposal of investment property	837	455
Proceeds from disposal of intangible asset	159	–
Dividend income from associate	245	245
Acquisition of intangible assets	(79)	–
Purchase of property, plant and equipment	(11,650)	(5,458)
Net cash flows used in investing activities	**(10,085)**	**(4,496)**
Cash flows from financing activities		
Repayment of borrowings	(983)	(1,176)
Purchase of treasury shares	(947)	–
Proceeds from borrowings	10,601	288
Dividends paid on ordinary shares	(5,094)	(6,365)
Net cash flows generated from/(used in) financing activities	**3,577**	**(7,253)**
Net decrease in cash and cash equivalents	**(5,867)**	**(11,736)**
Effect of exchange rate changes on cash and cash equivalents	(621)	(108)
Cash and cash equivalents at beginning of the period	86,733	107,022
Cash and cash equivalents at end of the period	**80,245**	**95,178**

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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 2018	**58,836**	**(120)**	**2,481**	**174,077**	**(11)**	**(2,189)**	**(2,037)**	**122**	**231,159**	**8,914**	**240,073**
Effect of adoption of SFRS(I)1	–	–	–	(2,457)	–	–	2,457	–	**–**	–	**–**
Effect of adoption of SFRS(I)9	–	–	–	(380)	–	–	–	–	**(380)**	–	**(380)**
At 1 July 2018 (restated)	**58,836**	**(120)**	**2,481**	**171,240**	**(11)**	**(2,189)**	**420**	**122**	**230,779**	**8,914**	**239,693**
Total comprehensive income	–	–	–	1,445	–	–	(1,163)	–	**282**	(27)	**255**
Grant of performance share to employees	–	(220)	–	–	–	–	–	32	**(188)**	–	**(188)**
At 30 September 2018	**58,836**	**(340)**	**2,481**	**172,685**	**(11)**	**(2,189)**	**(743)**	**154**	**230,873**	**8,887**	**239,760**
Total comprehensive income	–	–	–	2,932	(1)	–	(16)	–	**2,915**	397	**3,312**
Grant of performance share to employees	–	(611)	–	–	–	–	–	32	**(579)**	–	**(579)**
Dividends on ordinary shares	–	–	–	(5,094)	–	–	–	–	**(5,094)**	–	**(5,094)**
At 31 December 2018	**58,836**	**(951)**	**2,481**	**170,523**	**(12)**	**(2,189)**	**(759)**	**186**	**228,115**	**9,284**	**237,399**
Total comprehensive income	–	–	–	436	(1)	–	109	–	**544**	18	**562**
Purchase of treasury shares	–	(116)	–	–	–	–	–	–	**(116)**	–	**(116)**
Dividend paid to non-controlling interest by subsidiaries	–	–	–	–	–	–	–	–	**–**	(645)	**(645)**
Grant of performance share to employees	–	–	–	–	–	–	–	33	**33**	–	**33**
Treasury shares reissued pursuant to performance share plans	–	622	–	(414)	–	–	–	(219)	**(11)**	–	**(11)**
At 31 March 2019	**58,836**	**(445)**	**2,481**	**170,545**	**(13)**	**(2,189)**	**(650)**	**–**	**228,565**	**8,657**	**237,222**

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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**	**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 2017	**58,481**	**(214)**	**2,553**	**170,021**	**(12)**	**(2,189)**	**(2,457)**	**421**	**226,604**	**7,255**	**233,859**
Effect of adoption of SFRS(I)1	–	–	–	(2,457)	–	–	2,457	–	**–**	–	**–**
Effect of adoption of SFRS(I)15	–	–	–	930	–	–	–	–	**930**	–	**930**
At 1 July 2017 (restated)	**58,481**	**(214)**	**2,553**	**168,494**	**(12)**	**(2,189)**	**–**	**421**	**227,534**	**7,255**	**234,789**
Total comprehensive income	–	–	–	982	–	–	(511)	–	**471**	434	**905**
Grant of performance share to employees	–	–	–	–	–	–	–	82	**82**	–	**82**
At 30 September 2017	**58,481**	**(214)**	**2,553**	**169,476**	**(12)**	**(2,189)**	**(511)**	**503**	**228,087**	**7,689**	**235,776**
Total comprehensive income	–	–	–	1,539	1	–	(173)	–	**1,367**	70	**1,437**
Disposal of subsidiary	–	–	(72)	–	–	–	–	–	**(72)**	–	**(72)**
Grant of performance share to employees	–	–	–	–	–	–	–	83	**83**	–	**83**
Dividends on ordinary shares	–	–	–	(6,365)	–	–	–	–	**(6,365)**	–	**(6,365)**
At 31 December 2017	**58,481**	**(214)**	**2,481**	**164,650**	**(11)**	**(2,189)**	**(684)**	**586**	**223,100**	**7,759**	**230,859**
Total comprehensive income	–	–	–	94	1	–	70	–	**165**	667	**832**
Issued new ordinary shares	355	–	–	–	–	–	–	(355)	**–**	–	**–**
Grant of performance share to employees	–	–	–	–	–	–	–	66	**66**	–	**66**
Treasury shares reissued pursuant to performance share plans	–	214	–	(7)	–	–	–	(207)	**–**	–	**–**
At 31 March 2018	**58,836**	**–**	**2,481**	**164,737**	**(10)**	**(2,189)**	**(614)**	**90**	**223,331**	**8,426**	**231,757**

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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 2018	**58,836**	**(120)**	**122,839**	**(11)**	**122**	**181,666**
Total comprehensive income	–	–	1,673	–	–	1,673
Purchase of treasury shares	–	(220)	–	–	–	(220)
Grant of performance share to employees	–	–	–	–	32	32
At 30 September 2018	**58,836**	**(340)**	**124,512**	**(11)**	**154**	**183,151**
Total comprehensive income	–	–	4,377	(1)	–	4,376
Purchase of treasury shares	–	(611)	–	–	–	(611)
Grant of performance share to employees	–	–	–	–	32	32
Dividends on ordinary shares	–	–	(6,365)	–	–	(6,365)
At 31 December 2018	**58,836**	**(951)**	**122,524**	**(12)**	**186**	**180,583**
Total comprehensive income	–	–	1,532	(1)	–	1,531
Purchase of treasury shares	–	(116)	–	–	–	(116)
Grant of performance share to employees	–	–	–	–	33	33
Treasury shares reissued pursuant to performance share plans	–	622	(414)	–	(219)	(11)
At 31 March 2019	**58,836**	**(445)**	**123,642**	**(13)**	–	**182,020**

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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 2017	**58,481**	**(214)**	**123,703**	**(12)**	**421**	**182,379**
Effect of adoption of SFRS(I)15	–	–	949	–	–	**949**
At 1 July 2017 (restated)	**58,481**	**(214)**	**124,652**	**(12)**	**421**	**183,328**
Total comprehensive income	–	–	(97)	–	–	**(97)**
Grant of performance share to employees	–	–	–	–	82	**82**
At 30 September 2017	**58,481**	**(214)**	**124,555**	**(12)**	**503**	**183,313**
Total comprehensive income	–	–	(2,882)	1	–	**(2,881)**
Grant of performance share to employees	–	–	–	–	83	**83**
Dividends on ordinary shares	–	–	(6,365)	–	–	**(6,365)**
At 31 December 2017	**58,481**	**(214)**	**115,308**	**(11)**	**586**	**174,150**
Total comprehensive income	–	–	(3,286)	1	–	(3,285)
Issued new ordinary shares	355	–	–	–	(355)	**–**
Grant of performance share to employees	–	–	–	–	66	**66**
Treasury shares reissued pursuant to performance share plans	–	214	(7)	–	(207)	**–**
At 31 March 2018	**58,836**	–	**112,015**	**(10)**	**90**	**170,931**

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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 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.

	Number of Shares	
Issued and fully paid ordinary shares:	As at 31 Mar 2019	As at 31 Mar 2018
As at beginning of period	254,117,739	254,617,792
Issued new ordinary shares	–	557,763
Reissued of treasury shares	1,047,487	539,184
Purchase of treasury shares	(200,000)	–
As at end of period	254,965,226	255,714,739

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 2019	As at 30 June 2018
Total number of issued shares excluding treasury shares	254,965,226	255,714,739

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	
Treasury shares:	As at 31 Mar 2019	As at 31 Mar 2018
As at beginning of period	1,597,024	539,208
Purchase of treasury shares	200,000	–
Treasury shares reissued pursuant to share plans	(1,047,487)	(539184)
As at end of period	749,537	24

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

Not applicable. The Company did not have subsidiary holdings as at the end of the current financial period reported on.

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.

Except as disclosed in Section 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's and the Company's most recently audited financial statements for the year ended 30 June 2018.

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.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the Singapore Financial Reporting Standards (International) (SFRS(I)s), that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after 1 January 2018. The Group and the Company have adopted the new financial reporting framework, SFRS(I)s, on 1 July 2018 and have prepared its first set of financial information under SFRS(I)s for the financial period ended 31 March 2019.

SFRS(I)1 First-time Adoption of SFRS(I)
The Group has elected the optional exemption in SFRS(I)1 to deem cumulative translation differences for foreign operations to be zero on 1 July 2017 and reclassified S$2.457 million of foreign currency translation reserve to the opening retained earnings as at 1 July 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation reserves that arose before the date of transition.

SFRS(I)9 Financial Instruments
The Group has adopted the expected credit loss requirements in SFRS(I)9 on the required effective date without restating prior periods' information and recognised any difference between the previous carrying amount as at the end of previous reporting period and the carrying amount as at the beginning of the current reporting period in the opening revenue reserves. As a result, trade receivables and retained earnings as at 1 July 2018 were adjusted by S$0.38 million.

SFRS(I)15 Revenue from Contracts with Customers
In accordance with the requirements of SFRS(I)1, the Group has adopted the SFRS(I)15 retrospectively.

Before SFRS(I)15, the Group recognised revenue to the extent of contract costs that are likely to be recoverable and contract costs as an expense in the period in which they are incurred.

Under SFRS(I)15, the Group recognises revenue inclusive of estimated variable consideration in exchange of transferring the promised goods or services to a customer. Under SFRS(I)15, the Group recognises costs amortised on a systematic basis that is consistent with the transfer of goods or services transferred. As a result, revenue increased by S$5.106 million for the financial year ended 30 Jun 2017 (9M FY2018 – decrease S$1.83 million) and costs increased by S$4.176 million (9M FY2018 – S$0.11 million), resulting in a net increase of S$$0.93 million in contract assets and S$0.93 million in retained earnings as at 30 June 2017.

PEC LTD.

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Co. Reg. No: 198200079M

	Group			Group		
	Q3 2018	Effects of SFRS(I)15	Q3 2018 (Restated)	9M 2018	Effects of SFRS(I)15	9M 2018 (Restated)
	S$'000		S$'000	S$'000		S$'000
Revenue	95,608	(1,287)	94,321	247,436	(1,827)	245,609
Cost of sales	(74,503)		(74,503)	(186,932)		(186,932)
Gross profit	**21,105**	(1,287)	**19,818**	**60,504**	(1,827)	**58,677**
Gross profit margin	22%		21%	24%		
Other operating income	514		514	1,871		1,871
Administrative expenses	(7,187)	109	(7,078)	(20,437)	109	(20,328)
Other operating expenses	(11,615)		(11,615)	(34,712)		(34,712)
Finance expenses	(144)		(144)	(311)		(311)
Share of results of associate	54		54	281		281
Profit before taxation	**2,727**	(1,178)	**1,549**	**7,196**	(1,718)	**5,478**
Income tax expense	(843)		(843)	(1,737)		(1,737)
Profit after taxation	**1,884**	(1,178)	**706**	**5,459**	(1,718)	**3,741**
Attributable to:						
Equity holders of the Company	1,272	(1,178)	94	4,332	(1,718)	2,614
Non-controlling interests	612		612	1,127		1,127
	1,884	(1,178)	**706**	**5,459**	(1,718)	**3,741**

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	Group		
	30 Jun 2017	Effects of SFRS(I)1, 15	30 Jun 2017 (restated)
	S$'000		S$'000
ASSETS			
Non-current assets			
Property, plant and equipment	83,723		83,723
Investment property	7,372		7,372
Investment securities	6		6
Investment in an associate	4,965		4,965
Intangible assets	1,792		1,792
Land use rights	661		661
Deferred tax assets	1,102		1,102
Trade receivables	2,218		2,218
	101,839		101,839
Current assets			
Contract assets	6,167	930	7,097
Accrued income	38,949		38,949
Inventories	277		277
Trade receivables	111,633		111,633
Other receivables and deposits	5,459		5,459
Prepayments	4,605		4,605
Cash and short-term deposits	107,022		107,022
	274,112	930	275,042
Total Assets	**375,951**	930	**376,881**
EQUITIES AND LIABILITIES			
Current liabilities			
Contract liabilities	38,851		38,851
Trade payables	27,011		27,011
Other payables and accruals	61,981		61,981
Provisions	2,654		2,654
Loans and borrowings	788		788
Income tax payable	303		303
	131,588		131,588
Net current assets	142,524	930	143,454
Non-current liabilities			
Provisions	1,364		1,364
Loans and borrowings	8,713		8,713
Deferred tax liabilities	427		427
	10,504		10,504
Total Liabilities	**142,092**		**142,092**
Net assets	**233,859**	930	**234,789**
Equity attributable to owners of the Company			
Share capital	58,481		58,481
Treasury shares	(214)		(214)
Statutory reserve	2,553		2,553
Fair value reserve	(12)		(12)
Retained earnings	170,021	930	170,951
Premium paid on acquisition of non-controlling interests	(2,189)		(2,189)
Foreign currency translation reserve	(2,457)		(2,457)
Share based payment reserve	421		421
	226,604	930	227,534
Non-controlling interests	7,255		7,255
Total Equity	**233,859**	930	**234,789**
Total equity and liabilities	**375,951**	930	**376,881**

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 2019	Q3 2018 (Restated)	9M 2019	9M 2018 (Restated)
Weighted average number of ordinary shares for basic earnings per share computation ('000)	254,668	254,802	254,668	254,802
Effect of dilution				
-Performance share plan ('000)	-	1,141	-	1,141
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	254,668	255,943	254,668	255,943
Earnings per share (cents per share)				
- Basic	0.2	-	1.9	1.0
- Diluted	0.2	-	1.9	1.0

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 2019	30 Jun 2018 (restated)	31 Mar 2019	30 Jun 2018
Net asset value per ordinary share based on issued shares at the end of the respective periods (in cents)	89.6	90.5	71.4	71.1
No. of shares in computing NAV ('000)	254,965	255,515	254,965	255,515

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 2018-19

Revenue

The Group's revenue increased by S$42.3 million from S$245.6 million in 9M FY2018 to S$287.9 million in 9M FY2019. This was mainly due to revenue contribution from project works and maintenance services resulted from higher volume of activities in 9M FY2019.

Cost of sales

The Group's cost of sales increased by S$37.3 million from S$186.9 million in 9M FY2018 to S$224.2 million in 9M FY2019 mainly due to an increase in manpower, materials and equipment rental cost resulted from the higher volume of activities in 9M FY2019.

Gross profit and gross profit margin

The Group's gross profit increased by S$5.0 million from S$58.7 million in 9M FY2018 to S$63.7 million in 9M FY2019. The increase in gross profit was mainly due to contribution from project works.

As a result of lower margin contribution from maintenance services in 9M FY2019, the Group's gross profit margin decreased from 24% in 9M FY2018 to 22% in 9M FY2019.

Other operating income

Other operating income increased by S$0.03 million from S$1.87 million in 9M FY2018 to S$1.90 million in 9M FY2019. This was mainly due to increase in insurance claim, gain on disposal of assets, the increase was partially offset by a decrease in interest income and sundry income.

Administrative expenses

Administrative expenses decreased by S$0.6 million from S$20.3 million in 9M FY2018 to S$19.7 million in 9M FY2019. This was mainly due to decrease in salaries and general administrative expenses, the increase was partially offset by an increase in utilities.

Other operating expenses

Other operating expenses increased by S$2.3 million from S$34.7 million in 9M FY2018 to S$37.0 million in 9M FY2019. This was mainly due to higher direct operating cost such as workers accommodation, employee welfare, insurance, transport, personal protective equipment and allowance for doubtful debt.

The increase was partly offset by a decrease in depreciation and forex loss in 9M FY2019, the forex changes was primarily due to appreciation of USD.

Finance expenses

Finance expenses increased by S$ 0.9 million from S$ 0.3 million in 9M FY2018 to S$ 1.2 million in 9M FY2019. This was mainly due to issuance of bank guarantees.

Share of results of associate

The decrease in share of results of associate was mainly due to lower margin resulting from the competitive environment.

Taxation

The effective tax rate decreased from 31.7% in 9M FY2018 to 30.8% in 9M FY2019.

The higher tax rate in 9M FY2018 and 9M FY2019 were mainly due to withholding tax for foreign revenue received in Singapore and certain loss-making entities within the Group upon consolidation, reduced the overall profitability of the Group, and therefore increased the effective tax rate

Balance Sheet Review

The Group's non-current assets increased by S$2.1 million from S$95.5 million in FY2018 to S$97.6 million in 9M FY2019. This was mainly due to increase in property, plant and equipment, prepayment and deferred tax assets. The increase was partially offset by a decrease in investment property.

The Group's current assets increased by S$16.7 million from S$250.8 million in FY2018 to S$267.5 million in 9M FY2019. This was mainly due to increase in contract assets, trade receivables, prepayments, other receivables and deposits. The increase was offset by a decrease in accrued income, cash and short- term deposits.

Of the S$106.1 million trade receivables as at 31 March 2019, approximately S$33.5 million relates to current receivables that are not overdue, while S$72.6 million relates to past due receivables. As at 10 May 2019, the Group has collected approximately S$17.1 million of the S$72.6 million and collections are continuing.

The Group's current liabilities increased by S$22.7 million from S$96.7 million in FY2018 to S$119.4 million in 9M FY2019. This was mainly due to increase in contract liabilities, trade payables, loan and borrowings, income tax payable. The increase was offset by a decrease in provisions, other payables and accruals.

The Group's non-current liabilities decreased by S$1.0 million from S$9.5 million in FY2018 to S$8.5 million in 9M FY2019. This was mainly due to decrease in deferred tax liabilities and partial loan repayment to the banks.

Cash Flow Review

Net cash generated from operating activities for the Group in 9M FY2019 was S$0.6 million.

The Group had used S$10.1 million in investing activities in 9M FY2019. This was mainly attributable to purchase of construction equipment, motor vehicles and office equipment to support the business operation. The amount was partially offset by dividend income from associate and proceeds from disposal of investment property, disposal of intangible asset and disposal of property, plant and equipment.

The Group had generated S$3.6 million in financing activities in 9M FY2019 which was mainly due to proceeds from borrowings to support the construction of fabrication facilities in Vietnam. The amount was offset by repayment of bank borrowings, purchase of treasury shares and dividends payment to shareholders.

As a result of the above, there was a decrease in cash and cash equivalents of S$5.9 million to S$80.2 million in 9M FY2019.

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 outlook for the process industry has improved as demand for oil and gas and especially petrochemicals/chemical products continues to grow. This is likely to translate into higher capex spending in the near to medium term, barring a significant setback in global growth as well as ongoing trade tensions and other geopolitical factors.

We remain confident that the Group's capabilities and track record have positioned PEC well to benefit from these opportunities and expand its reach in maintenance and project works in key Asia and Middle East markets. However, operating conditions remain competitive and the Group will continue to exercise prudence in its bidding and leveraging digital technology to drive efficiencies.

The orderbook stands at S$257.4 million as at 31 March 2019, excluding maintenance contracts.

11. Dividend

If a decision regarding dividend has been made: -

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

No interim dividend has been declared/recommended.

(b) Previous corresponding period (cents)

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.

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

No interim dividend has been declared for the current quarter. The Company will review and consider a final dividend as may be recommended by the Board and approved by shareholders at the Annual General Meeting.

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.

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
10th May 2019