PEC LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 198200079M)
(the "**Company**")

REPLY TO SGX QUERY ON THE FULL YEARLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017 ('Results Announcement')

In response to queries by the SGX in its notification on 20 September 2017, the Board of Directors of the Company would like to provide the following explanations in relation to the Results Announcement:-

SGX's Query:

It is noted on page 12 of the Results Announcement under Balance Sheet Review that the Company's trade receivables as at 30 June 2017 is S$113.8 million, "approximately S$70.7 million relates to past due receivables". (emphasis added)

i) Please provide an aging analysis of the trade receivables.
ii) Please disclose if there are any efforts undertaken by the Company in recovering the due trade receivables.

Company's response:

i) The aging analysis for trade debtors as at 30 June 2017 is as follows:

	2017 $
Trade receivables past due but not impaired:	
Less than 30 days	18,101,045
31 - 60 days	3,478,439
61 - 90 days	19,145,540
More than 90 days	29,332,774
	70,057,798

Note: The past due receivables should be S$70.1 million instead of S$70.7 million in accordance to the latest audited results.

ii) Efforts have been undertaken by the Group to recover the aged debt. The management has been in regular discussion with the debtors on the payment for past due receivables and to date, no impairment on the aged debt is required.

Submitted by Edna Ko Poh Thim, Executive Chairman on 22 September 2017 to the Singapore Exchange Securities Trading Limited.