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

MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

The Board of Directors ("**Directors**") of PEC Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the unaudited full year results announcements for the financial year ended 30 June 2020 ("**FY2020**") released on 28 August 2020 ("**Unaudited Results**"). Further reference is made to the Company's announcements on 15 October 2020 and 30 October 2020 in relation to the extension of time granted to the Company to hold the Company's Annual General Meeting for FY2020 and the audited financial statements of the Group for FY2020 contained in the Company's annual report for FY2020 which will be released via the SGXNET in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Company would like to announce that subsequent to the release of the Unaudited Results, certain adjustments and reclassifications were made to the Unaudited Results following the finalisation of the audit, which are considered material.

The material variances between the audited financial statements for FY2020 and the Unaudited Results and the explanation thereon are set out as follows.	**Audited Financial Statements**	**Unaudited Results**	**Variance**		**Explanation**
	(S$)	**(S$)**	**(S$)**	**(%)**	
Revenue	495,067,368	495,067,368	0	0%	
Cost of sales	-410,628,546	-410,628,546	0	0%	
Gross profit	84,438,822	84,438,822	0	0%	
Other operating income	8,433,296	7,385,015	1,048,281	14%	Note 1
Other items of expenses					
Administrative expenses	-28,550,923	-28,550,923	0	0%	
Impairment losses on financial assets and contract assets	-16,355,787	-48,587,983	32,232,196	-66%	Note 2
Other operating expenses	-55,410,432	-54,429,955	-980,477	2%	Note 3
Finance expenses	-1,181,220	-1,181,220	0	0%	
Share of results of associate	635,137	635,137	0	0%	
Loss before tax	-7,991,107	-40,291,107	32,300,000	-80%	
Income tax expense	-5,202,548	-5,202,548	0	0%	
Loss for the year	-13,193,655	-45,493,655	32,300,000	-71%	

Loss for the year attributable to:					
Owners of the Company	-12,759,798	-45,059,798	32,300,000	-72%	
Non-controlling interests	-433,857	-433,857	0	0%	
	-13,193,655	-45,493,655	32,300,000	-71%	

Note 1
Reclassification of S$1,048,281 foreign exchange gain from Other Operating Expenses to Other Operating Income.

Note 2
In the Unaudited Results, the Group had decided to provide for the full impairment of receivables due from a customer for a completed overseas project. Subsequent to the release of the Unaudited Results, the Group received partial payment from the said customer and after discussions with the external auditor, the impairment on receivables was reduced.

Note 3
Reclassifications of (i) S$1,048,281 foreign exchange gain from Other Operating Expenses to Other Operating Income as per Note 1 above and (ii) impairment losses of S$67,804 from Other Operating Expenses to Impairment Losses on Financial Assets and Contract Assets.

By The Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary
3 December 2020