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

WINDING-UP OF MAJOR INSULATION & LINKS (MIL) MARKETING PTE. LTD.

Reference is made to the announcements of PEC Ltd. ("**Company**") on 8 February 2017 and 22 February 2017 (together, "**Previous Announcements**"). Unless otherwise defined, capitalised terms used herein shall have the meaning ascribed to it in the Previous Announcements.

The Board of Directors of the Company wishes to update shareholders of the Company ("**Shareholders**") that, by an order of the High Court of the Republic of Singapore dated 24 March 2017, the Company's 51%-owned subsidiary, Major Insulation & Links (MIL) Marketing Pte. Ltd. ("**MIL**") was ordered to be wound up. RSM Corporate Advisory Pte Ltd has been appointed liquidator of MIL.

The Company has made a provision for the full impairment of its investment of approximately S$3 million in MIL, and the winding up of MIL is not expected to have a material impact on the net earnings per share or net tangible assets of the Company for the current financial year ending 30 June 2017.

The Company will update Shareholders via SGXNET on any further development of the winding up process as and when appropriate.

Submitted by Edna Ko Poh Thim, Executive Chairman on 24 March 2017 to the SGX-ST.