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

ENTRY INTO SETTLEMENT AGREEMENT IN RELATION TO LITIGATION AND CLAIMS INVOLVING A SUBSIDIARY OF THE COMPANY

The board of directors (the "**Board**" or the "**Directors**") of PEC Ltd. ("**Company**") refers to the announcement dated 13 July 2021 ("**Announcement**") in relation to the statutory demand as well as the writ of summons and statement of claim filed in the High Court of Singapore filed by McKnight Engineering Pte. Ltd. ("**McKnight**") against Plant General Services Pte. Ltd. ("**Subsidiary**"), a wholly-owned subsidiary of the Company.

Unless otherwise stated, all capitalised terms shall have the meanings ascribed to them in the Announcement.

Further to the Announcement, the Board wishes to announce that the Subsidiary has, on 11 November 2021, entered into a settlement agreement with McKnight in relation to the legal proceedings commenced by McKnight against the Subsidiary and the statutory demand as well as a counterclaim made by the Subsidiary against McKnight. The settlement is on a full and final settlement basis, and the terms of the settlement are confidential.

The aforementioned settlement is not expected to have a material impact on the Company's earnings per share and net tangible assets per share for the current financial year ending 30 June 2022.

The Company will keep the shareholders informed of the progress of this matter and will make further announcements on any material developments in relation to the aforesaid as and when appropriate.

By Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary
18 November 2021