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

DISPOSAL OF SHARES IN CTS (FAR EAST) PTE. LTD. BY AUDEX PTE LTD

The Board of Directors of PEC Ltd. (the "**Company**") wishes to announce that its wholly-owned subsidiary, Audex Pte Ltd ("**Audex**"), has on 28 May 2014 disposed its entire shareholding in CTS (Far East) Pte. Ltd. ("**CTS**"), comprising 50,000 fully paid-up ordinary shares (the "**Disposal Shares**") representing 50% of the total issued shares of CTS, to CTS Cargo Transfer Systems B.V. ("**CTS Cargo**"), for an aggregate cash consideration of S$50,000.00 (the "**Disposal**").

The consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations between Audex and CTS Cargo.

The Board of Directors of the Company is of the view that the Disposal is in the best interests of the Company and its shareholders as it is increasingly difficult to recruit suitable management personnel and staff to run CTS. The Disposal shares were acquired by the Company in 2007 but the projected rate of returns of investment in CTS had not materialized.

The above transaction is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

Submitted by Edna Ko Poh Thim, Executive Chairman on 28 May 2014 to the Singapore Exchange Securities Trading Limited.