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

Response to Query from SGX-ST on Notification by Director – Assistance with Investigation Announcement

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The Board of Directors (the "Board") of PEC Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to provide the response to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 6 October 2020 in relation to the Company's announcement made on 5 October 2020:

SGX-ST's Query:

The Company disclosed that "it has been informed by Dr Foo Fatt Kah ("Dr Foo"), the lead independent director of the Company, that he has attended an interview with the Market Conduct Investigations (Enforcement Department) of Monetary Authority of Singapore (the "MAS") in relation to the investigation conducted by MAS and CAD (Commercial Affairs Department) on ayondo Ltd regarding a possible offence under the Securities and Futures Act (Chapter 289) of Singapore. Dr Foo is currently a non-executive director of ayondo Ltd."

Listing Rule 720(1) of the Listing Manual provides that an issuer must also comply with Listing Rule 210(5) on a continuing bases, which requires among others, a consideration of the character and integrity of directors and management. Please provide the Nominating Committee's assessment on the suitability of Dr Foo Fatt Kah to continue as an independent director of the Company and disclose the basis for its opinion.

Company's Response:

Based on information available as at the date of this announcement, the Nominating Committee and the Board (with Dr Foo abstaining) are of the view that Dr Foo's assistance in the investigation regarding ayondo Ltd will not compromise the performance of his duties to the Company and the Group. Given that the investigation is still on-going, and no charges have been brought against Dr Foo, the Nominating Committee and the Board (with Dr Foo abstaining) consider there to be no present basis to take issue with Dr Foo's character and integrity, and are of the view that Dr Foo continues to remain suitable to be an independent director of the Company. The Nominating Committee and the Board will re-assess their position as necessary, as and when further information becomes available.

By Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary
6 October 2020