

**PURCHASE OF PROPERTY AT
14 INTERNATIONAL BUSINESS PARK SINGAPORE 609922**

1. Introduction

The Board of Directors of PEC Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") (the "**Board**") wishes to announce that the Company has on 28 August 2019 entered into a sale and purchase agreement (the "**SPA**") with an unrelated party, Chiyoda Singapore (Pte) Limited (the "**Vendor**"), relating to the purchase of the property located at 14 International Business Park Singapore 609922 (the "**Property**") (the "**Purchase**").

2. Information on Property

The Property is a leasehold property with an initial leasehold term of 30 years commencing from 1 March 1996 together with a covenant by Jurong Town Corporation ("**JTC**") to grant a further term of 30 years, subject to the terms and conditions under the JTC lease for the Property ("**JTC Lease**"). The Property has a land area of approximately 8,838.8 square metres, and comprises a part-three / part-four storey business park development building.

3. Consideration

3.1 The total purchase consideration for the Property is S\$7,200,000 (the "**Consideration**") exclusive of goods and services tax. The Consideration was arrived at on a willing-buyer willing-seller basis after arm's length negotiations between the Company and the Vendor, and after taking into account, amongst others, the indicative market value of the Property based on independent sources. The Company has not commissioned a separate valuation of the Property for purposes of the Purchase.

3.2 The Consideration is to be paid to the Vendor as follows:

- (i) a sum of S\$4,320,000 (being 60% of the Consideration) to be paid within three (3) business days of the notice from the Vendor notifying the Company of the Vendor's receipt of the JTC Final Approval (as defined below); and
- (ii) the balance sum of S\$2,880,000 (being 40% of the Consideration), together with goods and services tax on the Consideration, to be paid on completion of the Purchase (the "**Completion**").

3.3 The Consideration payable by the Company for the Property will be funded through internal resources.

4. JTC Approval

The Purchase is subject to and conditional upon, amongst others, the Vendor obtaining (a) the approval from JTC for, *inter alia*, the sale of the Property to the Company, and (b) JTC's written confirmation that it has no objection to the execution of the assignment or transfer of the JTC Lease (as the case may be) (the "**JTC Final Approval**").

5. Rationale for the Purchase

The Company intends to use the Property as its headquarters. The Board considers the Purchase to be in the interests of the Company, primarily due to the more accessible location of the Property, which the Board believes would provide the Company's employees with easier access to work and amenities, and would help to attract new talents to join the Company.

6. Financial Effects

The Purchase is not expected to have any material impact on the Group's net tangible assets and earnings per share for the current financial year ending 30 June 2020.

7. Relative Figures Pursuant to Rule 1006 of the Listing Manual

As none of the relative figures for the Purchase computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") exceeds 5%, the Purchase constitutes a "Non-Disclosable Transaction" under Chapter 10 of the Listing Manual of the SGX-ST.

8. Interest of Directors and Controlling Shareholders

Save for their shareholding interests in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Purchase.

9. Documents for Inspection

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 21 Shipyard Road Singapore 628144 for a period of three (3) months from the date of this announcement.

Submitted by Edna Ko Poh Thim, Executive Chairman on 29 August 2019 to the SGX-ST.