

**PROPOSED ACQUISITION OF 100% SHAREHOLDING INTEREST IN MTBL GLOBAL PTE.
LTD. – SUPPLEMENTAL AGREEMENT**

Capitalised terms used herein shall have the definitions ascribed to them in the SPA Announcement (as defined below), unless otherwise stated or the context otherwise requires.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of AEI Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 31 December 2020 (“**SPA Announcement**”) in relation to the SPA for the Proposed Acquisition of all the issued shares in the issued share capital of the Target, MTBL Global Pte. Ltd.

As announced in the SPA Announcement, the Company and the Vendor had originally agreed in the SPA that: (a) the Long-Stop Date shall be 12 months from the date of the SPA; (b) the Balance Consideration (if any) shall be payable upon the satisfaction of certain profit targets in relation to the Target Group’s Adjusted PBT for FY21 and FY22; (c) the Company shall have the right to exercise the Option in respect of Option Trigger Event 1 if the Target Group does not satisfy the stipulated profit target in relation to the Target Group’s Adjusted PBT for FY22; and (d) the Company shall have the right to exercise the Option in respect of Option Trigger Event 2 if the Target Group does not satisfy the stipulated profit target in relation to the Target Group’s accumulated Adjusted PBT for FY22, FY23 and FY24.

As announced by the Company on 28 January 2022, the SGX had on 27 January 2022 provided its clearance to the draft circular submitted by the Company to the SGX in relation to, *inter alia*, the Proposed Acquisition. In view of the extended transaction timeline to fulfilment of the relevant Conditions Precedent under the SPA, the Company and the Vendor have, on 3 February 2022, entered into a supplemental agreement (“**Supplemental Agreement**”) to amend certain terms and conditions of the SPA.

2. AMENDMENTS TO THE SPA

Pursuant to the Supplemental Agreement, the Company and the Vendor have, *inter alia*, agreed to:

- (a) amend the profit targets in respect of the payment of the Balance Consideration;
- (b) amend the profit targets in respect of the exercise of the Option; and
- (c) extend the Long-Stop Date to 30 June 2022.

For further details of the key amendments made under the Supplemental Agreement, please refer to Appendix A of this Announcement.

3. DOCUMENTS FOR INSPECTION

A copy of the SPA and the Supplemental Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

4. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed or that no changes will be made to the respective terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

5. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof and that this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

By Order of the Board

Foo Soon Soo
Company Secretary

4 February 2022

APPENDIX A

KEY AMENDMENTS TO THE SPA

1. Long-Stop Date

The Long-Stop Date as referred to in Section 4.10 of the SPA Announcement shall be amended such that subject to the terms of the SPA, the Company and the Vendor shall each be entitled to terminate the SPA at any time on or prior to 30 June 2022, in the event, *inter alia*, any of the Conditions Precedent is or is reasonably likely to become incapable of satisfaction and such Condition Precedent has not been waived.

2. Balance Consideration

The Balance Consideration as referred to in Section 4.3(b) of the SPA Announcement shall be amended such that the Balance Consideration, which shall be satisfied by way of cash, subject to, *inter alia*, the Distribution Rights held by the Target being valid and subsisting, and satisfaction of specified profit targets for the financial year ending 31 December 2022 (“FY22”) and/or the financial year ending 31 December 2023 (“FY23”).

The profit targets as referred to in Paragraph 1.2 of Appendix B of the SPA Announcement shall be amended such that the Balance Consideration (if any) shall be payable only upon the satisfaction of the profit target(s) set out in the table below. For the avoidance of doubt, the Company shall not be required to pay more than 100% of the Balance Consideration.

Profit Target	Balance Consideration payable	Payment Date
(a) The Target Group recording an Adjusted PBT for FY22 of <u>at least S\$2,000,000</u> (but less than S\$6,000,000) based on the Target Group Audited Accounts for FY22 (“FY22 Base Target”)	40% of Balance Consideration	The applicable Balance Consideration shall be payable within seven (7) business days after the release date of the audited financial statements of the Target Group for the corresponding financial year (or such other later date as the Vendor and the Company may agree in writing).
(b) The Target Group recording an Adjusted PBT for FY23 of <u>at least S\$4,000,000</u> based on the Target Group Audited Accounts for FY23 (“FY23 Target”)	60% of Balance Consideration	
(c) The Target Group recording an Adjusted PBT for FY22 of <u>at least S\$6,000,000</u> based on the Target Group Audited Accounts for FY22 (“FY22 Target”)	100% of Balance Consideration	
(d) In the event: (i) The FY22 Base Target and FY22 Target are not satisfied; <u>and</u> (ii) the Target Group records an Adjusted PBT for FY23 of <u>at least S\$6,000,000</u> based on the Target	100% of Balance Consideration, provided that no payment has been made under paragraphs (a) or (c) herein	

Group Audited Accounts for FY23.		
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3. Option Trigger Events 1 and 2

Option Trigger Event 1 as referred to in Section 4.6(a) and Paragraph 2.2(a) of Appendix B of the SPA Announcement shall be amended such that the Company shall have the right to exercise the Option (in respect of Option Trigger Event 1) if the Target Group does not satisfy the FY23 Target.

Option Trigger Event 2 as referred to in Section 4.6(b) and Paragraph 2.2(b) of Appendix B of the SPA Announcement shall be amended such that the Company shall have the right to exercise the Option (in respect of Option Trigger Event 2) if the Target Group does not record an accumulated Adjusted PBT for FY23, FY24 and the financial year ending 31 December 2025 (“**FY25**”) (“**Actual FY23-FY25 APBT**”) of at least S\$8,000,000 based on the corresponding audited financial statements of the Target Group (“**FY23-FY25 Target**”).

4. Option Trigger Date

The reference to “Option Trigger Date” as referred to in Paragraphs 2.3(a) and (b) of Appendix B of the SPA Announcement shall be amended such that:

- (a) in respect of Option Trigger Event 1, the release date of the audited financial statements of the Target Group for FY23; and
- (b) in respect of Option Trigger Event 2, the release date of the audited financial statements of the Target Group for FY25.