

ANNOUNCEMENT

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

AEI Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 December 2019.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide an update as follows:

- (1) With reference to the announcement on 30 December 2019, the Company had entered into a put and call option agreement with ACW Holdings Pte. Ltd. for the sale of its existing premises at 12 Penjuru Lane Singapore 609192. The sale is subject to fulfilment of a number of conditions precedent, including the approval of JTC and the approval of shareholders at a general meeting. The Board will update the shareholders on the development in relation to the sale of the property as and when appropriate.
- (2) The Company announced on 16 March 2020 that Mr Li Zhibo had relinquished his executive duties in the Company, and was re-designated from Executive Director to Non-Executive Non-Independent Director with effect from 16 March 2020.
- (3) The Company announced the reconstitution of the Board on 23 March 2020:
 - (a) Mr Sun Quan was re-designated from Non-Executive Chairman to Executive Director on 23 March 2020.
 - (b) Mr Yeung Koon Sang alias David Yeung was appointed Independent Chairman of the meeting w.e.f 23 March 2020.
 - (c) With the appointment of Mr Yeung’s appointment as the Independent Chairman of the Board, there is no longer a requirement for a designated Lead Independent Director under the 2018 Code of Corporate Governance. The Company will cease to have a Lead Independent Director with effect from 23 March 2020, a position previously held by Mr Yeung.
- (4) The Company has announced on 31 March 2020 that ACRA had given approval to an extension of time for the Company to hold its annual general meeting by 29 June 2020, and that it has made an application of the same to the Singapore Exchange Regulation.

Update on financial performance and financial position

The net loss after tax of the Group was S\$5,.86 million for the financial year ended 31 December 2019. As at 31 December 2019, the net assets of the Group were S\$44.96 million while its cash and cash equivalents were S\$33.91 million.

Please refer to the results announcement of the Group for the financial year ended 31 December 2019 released on 28 February 2020 for more details.

The Board expects the worsening of the COVID-19 situation to impact negatively the operations of the Company and the Company is taking steps to abide by the advisories given by the Ministry of Health on precautionary measures on COVID-19. The Group will monitor market development and respond appropriately.

Update on future direction and other material development

The Company will continue to drive our business diversification and seek new profit generating businesses with the objective to achieve growth and profitability.

BY ORDER OF THE BOARD

Lum Soh Ping
Foo Soon Soo
Company Secretaries

31 March 2020