

CIRCULAR DATED 6 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to the contents of this Circular or as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of AEI Corporation Ltd. (the “**Company**”), you should immediately forward this Circular, the Notice of EGM and the attached Proxy Form (all as defined herein) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



AEI CORPORATION LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198300506G)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

Financial Advisor to the Company
in respect of the Proposed Capital Reduction and the Proposed Cash Distribution



CEL Impetus Corporate Finance

CEL IMPETUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201631484Z)

IMPORTANT DATES AND TIMES:

Last date and time to pre-register online to attend the EGM : 25 April 2021, 9.30 a.m.

Last date and time for lodgement of Proxy Form : 26 April 2021, 9.30 a.m.

Date and time of Extraordinary General Meeting : 28 April 2021, 9.30 a.m.

Place of Extraordinary General Meeting : Meeting to be held by way of electronic means

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Approved Bank”** : Any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed and approved by the Monetary Authority of Singapore as may be selected by the Directors
- “Auditors”** : The auditors for the time being of the Company, or if there shall be joint auditors, any one or more of such auditors, or such other auditors as may be nominated by the Company
- “Board of Directors” or “Board”** : The board of Directors of the Company as at the Latest Practicable Date
- “Bonus Warrants”** : The 27,119,659 bonus warrants issued by the Company on 25 May 2018, each warrant carrying the right to subscribe for one (1) new Share at an exercise price of S\$1.00 for each warrant share
- “Bonus Warrants Deed Poll”** : The deed poll dated 8 May 2018 constituting the Bonus Warrants (as the same may be amended or supplemented from time to time)
- “Capital Reduction BCD”** : Such time and date as may be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the Transfer Books of the Company will be closed for the purpose of determining the entitlements of Shareholders to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 6 April 2021
- “Company”** : AEI Corporation Ltd.
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “Constitution”** : The constitution of the Company for the time being, as amended, supplemented or modified from time to time
- “Court”** : Has the meaning ascribed to it in Section 4(1) of the Companies Act
- “CPF”** : The Central Provident Fund
- “CPFIS”** : Central Provident Fund Investment Scheme
- “CPFIS Investors”** : Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
- “Directors”** : Directors of the Company as at the Latest Practicable Date, and a **“Director”** shall refer to each of such Directors
- “EGM”** : The extraordinary general meeting of the Company for the purpose of seeking the Shareholders’ approval for the Proposed Capital Reduction and the Proposed Cash Distribution, notice of which is set out in the Notice of EGM

DEFINITIONS

“EPS”	: Earnings per share
“Financial Advisor”	: CEL Impetus Corporate Finance Pte. Ltd.
“FY2019”	: The financial year ended 31 December 2019
“FY2020”	: The financial year ended 31 December 2020
“Group”	: The Company and its subsidiaries, and the term “Group Company” shall be construed accordingly
“Latest Practicable Date”	: 5 April 2021, being the latest practicable date prior to the release of this Circular
“Listing Manual”	: The Listing Manual of the SGX-ST Mainboard, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“MTBL”	: MTBL Global Pte. Ltd.
“MTBL Acquisition”	: Has the meaning ascribed to it in Section 2.5 of this Circular
“Notice of EGM”	: The notice of EGM as set out on pages 22, 23 and 24 of this Circular
“NTA”	: Net tangible assets
“Option”	: The option granted by the Company to MTBL Global Fund (formerly known as New Impetus Strategy Fund) in respect of the right to subscribe for up to 24,375,000 Option Shares in accordance with the terms and conditions of the Subscription Agreement
“Option Agreement”	: The option agreement entered into between the Company and the Purchaser on 30 December 2019 for the sale of the Property for a cash consideration of S\$19,000,000, as amended, supplemented or otherwise modified
“Option Shares”	: Such number of new Shares, in aggregate not exceeding 24,375,000 Shares, to be issued by the Company to MTBL Global Fund (formerly known as New Impetus Strategy Fund) on the terms and conditions of the Subscription Agreement
“Penjuru Disposal”	: Has the meaning ascribed to it in Section 2.5 of this Circular
“Property”	: 12 Penjuru Lane Singapore 609192
“Proposed Capital Reduction”	: The proposed capital reduction exercise to be carried out by the Company, pursuant to Section 78G read with 78I of the Companies Act to effect the Proposed Cash Distribution
“Proposed Cash Distribution”	: The proposed cash distribution by the Company to Shareholders of approximately S\$0.36 in cash for each Share held by Shareholders or on their behalf as at the Capital Reduction BCD
“Proxy Form”	: The proxy form in respect of the EGM as set out in the section “Proxy Form” in this Circular
“Purchaser”	: ACW Holdings Pte. Ltd.

DEFINITIONS

“Register of Members”	:	The Register of Members of the Company
“Registration Cut-Off Time”	:	Has the meaning ascribed to it in Section 7.1(a) of this Circular
“Securities Accounts”	:	The securities accounts maintained by depositors with CDP, but excluding securities sub-accounts maintained with a depository agent
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shares”	:	The issued and paid-up ordinary shares in the share capital of the Company
“Shareholders”	:	Registered holders for the time being of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
“SPA”	:	Has the meaning ascribed to it in Section 2.5 of this Circular
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Subscription Agreement”	:	The conditional subscription agreement dated 8 August 2017 (as amended, supplemented or otherwise modified from time to time) between the Company and MTBL Global Fund (formerly known as New Impetus Strategy Fund) in respect of, <i>inter alia</i> , the proposed allotment and issue of up to 24,375,000 Option Shares by the Company to MTBL Global Fund (formerly known as New Impetus Strategy Fund)
“Transfer Books”	:	The share transfer books of the Company

Currencies and Units of Measurement

“%” or “per cent.”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore Dollars and cents respectively, the lawful currency of the Republic of Singapore for the time being

Unless the context otherwise requires:

- (i) the terms “**depositor**”, “**depository register**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act and the terms “**subsidiary**”, “**related company**” and “**substantial shareholder**” shall have the meanings ascribed to them in Sections 5, 6 and 81 of the Companies Act respectively;
- (ii) the terms “**associate**” and “**associated company**” shall have the meanings ascribed to them in the Section entitled “Definitions and Interpretation” of the Listing Manual;
- (iii) words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;

DEFINITIONS

- (iv) any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Listing Manual or such modification thereof, as the case may be, unless the context otherwise requires;
- (v) any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated;
- (vi) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them; and
- (vii) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

AEI CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198300506G)

Directors:

Mr. Yeung Koon Sang alias David Yeung (Non-Executive Chairman and Independent Director)
Mr. Sun Quan (Executive Director)
Mr. Wu Pingwei (Executive Director)
Mr. Li Zhibo (Non-Executive Director)
Dr. Vasoo Sushilan (Independent Director)
Mr. Teng Cheong Kwee (Independent Director)
Mr Siow Chee Keong (Independent Director)
Mr Chua Wei Ming (Independent Director)

Registered Office:

15 Tuas South Street 13
Singapore 636936

6 April 2021

To: The Shareholders of AEI Corporation Ltd.

Dear Sir/Madam

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

1. INTRODUCTION

1.1. Proposed Capital Reduction and Proposed Cash Distribution

On 31 December 2020, the Company announced that it is proposing to undertake a capital reduction exercise, pursuant to Section 78G read with Section 78I of the Companies Act, to return to Shareholders surplus capital of the Company in excess of its needs by way of a cash distribution (“**Proposed Cash Distribution**”) by the Company to Shareholders of S\$0.36 for each Share held by the Shareholders (“**Proposed Capital Reduction**”).

Section 78G of the Companies Act provides that a company limited by shares, may as an alternative to reducing its share capital under Section 78B or 78C, reduce it in any way by a special resolution approved by an order of the Court under Section 78I but the resolution and the reduction of the share capital shall not take effect until:

- (a) that order has been made;
- (b) the company has complied with Section 78I(3) by lodging the required information with ACRA; and
- (c) ACRA has recorded the information lodged under Section 78I(3) in the appropriate register.

Under Section 78I of the Companies Act, on an application by a company under Section 78G, the Court may make an order approving the reduction in share capital unconditionally or on such terms and conditions as it thinks fit. Where an order is made under Section 78I approving a company’s reduction in share capital, it is provided under Section 78I(3) that the company shall, for the capital reduction to take effect, lodge with ACRA:

- (a) a copy of the order; and
- (b) a notice containing the reduction information,

within 90 days beginning with the date the order is made, or within such longer period as ACRA may, on the application of the company and on receiving the prescribed fee, allow.

LETTER TO SHAREHOLDERS

Based on the issued and paid-up share capital of the Company of S\$74,706,264 comprising 58,141,725 Shares (excluding treasury shares) as at the Latest Practicable Date, the Proposed Cash Distribution will amount to an aggregate distribution of approximately S\$20,931,021 (based on S\$0.36 per Share (excluding treasury shares) to Shareholders).

The Proposed Capital Reduction and Proposed Cash Distribution will not result in a cancellation of Shares, or a change in the number of Shares issued by the Company immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

1.2. Purpose of this Circular

The Board wishes to convene the EGM to seek Shareholders' approval for the Proposed Capital Reduction and the Proposed Cash Distribution.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to the Proposed Capital Reduction and the Proposed Cash Distribution, and to seek Shareholders' approval for the same at the EGM to be convened.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports or letters contained in this Circular.

1.3. Legal Adviser

ZICO Insights Law LLC is the legal adviser to the Company as to Singapore law in relation to the Proposed Capital Reduction and the Proposed Cash Distribution.

2. THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

2.1. Introduction

The purpose of the Proposed Capital Reduction is to return to Shareholders surplus capital of the Company in excess of its needs by way of a Proposed Cash Distribution by the Company to Shareholders of S\$0.36 for each Share held by the Shareholders.

The distribution amount was derived by dividing the aggregate of (i) the net cash proceeds from the Penjuru Disposal (as defined below) of S\$18,909,000 and (ii) excess cash in the Company, by the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 58,141,725 Shares (excluding treasury shares), to arrive at a rounded figure of S\$0.36 per Share.

It is a requirement under the Companies Act that a company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of their shareholders at a general meeting of shareholders by way of a special resolution, to be tabled at such general meeting.

2.2. Details of the Proposed Capital Reduction and the Proposed Cash Distribution

The Company proposes to carry out the Proposed Capital Reduction pursuant to Section 78G read with Section 78I of the Companies Act. The Proposed Capital Reduction will involve a Proposed Cash Distribution by the Company to Shareholders of S\$0.36 in cash for each Share held by a Shareholder as at the Capital Reduction BCD.

Based on the issued and paid-up share capital of the Company of S\$74,706,264 comprising 58,141,725 Shares (excluding treasury shares) as at the Latest Practicable Date, the Proposed Capital Reduction will be effected in the following manner:

- (a) by reducing the share capital of the Company by S\$20,931,021 from S\$74,706,264 to S\$53,775,243; and

LETTER TO SHAREHOLDERS

- (b) paying out the Proposed Cash Distribution of an aggregate sum of approximately S\$20,931,021 (based on the distribution of S\$0.36 per Share (excluding treasury shares) to Shareholders).

The Proposed Cash Distribution of an aggregate amount of approximately S\$20,931,021 comprises the issued and paid-up capital in excess of the immediate requirements of the Group. The actual aggregate amount of the capital to be returned to the Shareholders pursuant to the Proposed Capital Reduction will be based on the total number of issued and paid-up Shares (excluding treasury shares) of the Company as at the Capital Reduction BCD.

There will be no cancellation of Shares and no change in the total number of Shares held by the Shareholders immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

The Proposed Capital Reduction will be funded from cash proceeds from the Penjuru Disposal (as defined below) and the Group's existing internal resources.

The Company estimates that the total costs and expenses expected to be incurred in relation to the Proposed Capital Reduction and Proposed Cash Distribution are as follows:

<i>Professional fees (legal and financial advisors)</i>	: S\$95,000
<i>Fees relating to court approval process (excluding Professional fees)</i>	: S\$5,000
<i>SGX-ST processing fees</i>	: S\$8,000
<i>CDP's fees</i>	: S\$6,250
<i>Secretarial fees</i>	: S\$2,000
<i>Share Registrar's fees</i>	: S\$2,000
<i>Costs relating to holding of e-EGM</i>	: S\$5,000
<i>Total costs</i>	: S\$123,250

2.3. Illustration

The following illustrates the position of a Shareholder who holds 100 fully paid-up Shares as at the Capital Reduction BCD:

	Shareholder with 100 Shares
Shareholding before the Proposed Capital Reduction and the Proposed Cash Distribution	
Number of Shares currently held ⁽¹⁾	100
Shareholding after the Proposed Capital Reduction and the Proposed Cash Distribution	
Cash received (S\$) ⁽¹⁾	36
Number of Shares held after the Proposed Capital Reduction and the Proposed Cash Distribution ⁽¹⁾	100

Note:

- (1) On the assumption that such Shareholder does not deal in its Shares and holds 100 Shares as at the Capital Reduction BCD and the effective date of the Proposed Capital Reduction.

In summary, Shareholders will receive S\$36 in cash for every 100 Shares (or S\$0.36 in cash for each Share) held as at the Capital Reduction BCD. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 100 Shares) will likewise receive S\$0.36 in cash for each Share held by them or on their behalf as at the Capital Reduction BCD.

The aggregate amount of cash to be paid to each Shareholder pursuant to the Proposed Capital Reduction will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

LETTER TO SHAREHOLDERS

The shareholding of each Shareholder in the Company shall remain unchanged after the Proposed Capital Reduction and the Proposed Cash Distribution, assuming that the Shareholders have not dealt in the Shares.

2.4. Resultant effect on the Share Capital of the Company

At the Latest Practicable Date, the Company has a paid-up share capital of S\$74,706,264. Upon completion of the Proposed Capital Reduction, the paid-up share capital of the Company will be reduced to approximately S\$53,775,243.

Given that a distribution of S\$0.36 will be made for each Share held by the Shareholders and assuming the issued and paid-up share capital of the Company (excluding treasury shares) as at the Capital Reduction BCD comprises 58,141,725 Shares, the Proposed Cash Distribution will amount to approximately S\$20,931,021 in aggregate. The Proposed Capital Reduction will thus reduce the paid-up share capital of the Company by approximately S\$20,931,021.

There will be no change in the total number of issued Shares in the Company held by the Shareholders immediately after the Proposed Capital Reduction and Proposed Cash Distribution. Based on the issued and paid-up share capital of the Company comprising 58,141,725 Shares (excluding treasury shares) as at the Latest Practicable Date, the Proposed Cash Distribution will amount to approximately S\$20,931,021 in aggregate (based on the distribution of S\$0.36 per Share (excluding treasury shares) to Shareholders).

2.5. Rationale for the Proposed Capital Reduction and the Proposed Cash Distribution

As at the Latest Practicable Date, the Company has available cash of approximately S\$50,311,000.

On 30 December 2019, the Company announced that it had entered into an option agreement (the “**Option Agreement**”) with ACW Holdings Pte. Ltd. (the “**Purchaser**”) for the sale of 12 Penjuru Lane Singapore 609192 (the “**Property**”) for a cash consideration of S\$19,000,000 (“**Penjuru Disposal**”). On 31 December 2020, the Company announced that all conditions precedent to the exercise of the Option Agreement have been satisfied, fulfilled or waived (as applicable). On 5 March 2021, the Purchaser exercised the call option under the Option Agreement to require the Company to sell the Property to the Purchaser. On 31 March 2021, completion of the Penjuru Disposal took place and the Company received payment of the balance sale consideration from the Purchaser.

On 31 December 2020, the Company announced that it had entered into an agreement (“**SPA**”) to acquire 100% shareholding interest in MTBL Global Pte. Ltd. (“**MTBL**”) for an aggregate consideration of up to S\$20,000,000 payable in cash, subject to certain terms and conditions under the SPA (“**MTBL Acquisition**”).

In determining the level of capital to be returned to the Shareholders, the Company has ensured that it retains sufficient capital for the Group’s business and operational needs. The Board is of the view that taking into consideration, *inter alia*, the following:

- (a) cash consideration received upon completion of the Penjuru Disposal;
- (b) the estimated working capital needs of the Group for the next 12 months commencing from the Latest Practicable Date; and
- (c) assuming the MTBL Acquisition is completed on or before such date falling twelve (12) months from 31 December 2020: (1) the cash consideration payable by the Company; and (2) the estimated working capital needs of MTBL for the next 12 months,

the Proposed Capital Reduction and the Proposed Cash Distribution is in the best interests of the Company as the Proposed Cash Distribution (after accounting for receipt of the cash consideration upon completion of the Penjuru Disposal) comprises the issued and paid-up

LETTER TO SHAREHOLDERS

capital in excess of the immediate requirements of the Company.

The Proposed Capital Reduction and Proposed Cash Distribution, if effected, would result in the Company having a more efficient capital structure, thereby enhancing the potential for Shareholders' return on equity. This is because the Proposed Capital Reduction and Proposed Cash Distribution allows the Company to return under-utilised capital (or excess capital) to Shareholders. This will improve the capital structure of the Company since the remaining capital will be more fully utilised by the Company in its business operations. Mathematically, this results in the Company having a lower shareholders' equity, and assuming that net income attributable to shareholders remains the same, the Return on Equity (calculated as: Net income attributable to shareholders / Shareholders' equity) will be higher.

2.6. Financial Effects of the Proposed Capital Reduction and the Proposed Cash Distribution

The Proposed Capital Reduction is an accounting procedure that reduces the existing paid-up share capital of the Company to return to Shareholders surplus capital of the Company in excess of its needs by way of a Proposed Cash Distribution by the Company to Shareholders.

The financial effects of the Proposed Capital Reduction and the Proposed Cash Distribution as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group. The financial effects are prepared according to the relevant accounting standards, following the Proposed Capital Reduction and the Proposed Cash Distribution.

2.6.1. Bases

The financial effects of the Proposed Capital Reduction and the Proposed Cash Distribution have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("FY2020").

2.6.2. Assumptions

For the purposes of illustrating the financial effects of the Proposed Capital Reduction and the Proposed Cash Distribution, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:

- (a) the financial effects of the Proposed Capital Reduction and the Proposed Cash Distribution on the Group's net tangible assets ("**NTA**") is computed assuming that the Proposed Capital Reduction is completed on 31 December 2020;
- (b) the financial effects of the Proposed Capital Reduction and the Proposed Cash Distribution on the Group's earnings per share ("**EPS**") is computed assuming that the Proposed Capital Reduction is completed on 1 January 2020;
- (c) the MTBL Acquisition has not completed;
- (d) the Penjuru Disposal is completed and the consideration of S\$19,000,000 is received by the Company on 31 December 2020;
- (e) costs and expenses in connection with the Proposed Capital Reduction, the Proposed Cash Distribution, the Penjuru Disposal, the MTBL Acquisition and the Bonus Warrants Exercise (as defined below) are disregarded for the purposes of calculating the financial effects;
- (f) the allotment and issue of an aggregate of 3,418,766 new Shares pursuant to the exercise of 3,418,766 Bonus Warrants at the exercise price of S\$1.00 per new Share as announced by the Company on 24 February 2021, 1 March 2021, 3 March 2021, 9 March 2021, 12 March 2021, 16 March 2021, 18 March 2021, 22 March 2021, 25 March 2021, 30 March 2021 and 5 April 2021 (the "**Bonus Warrants Exercise**"), is completed in FY2020; and

LETTER TO SHAREHOLDERS

- (g) there is no change in the number of Shares (excluding treasury shares) held by Shareholders between the Latest Practicable Date and the Capital Reduction BCD (both dates inclusive).

2.6.3. Financial Effects

(a) **Share Capital**

	As at 31 December 2020 [#]	Immediately following completion of the Penjuru Disposal	Immediately following completion of the Penjuru Disposal, the Proposed Capital Reduction and the Proposed Cash Distribution
Number of Shares including Treasury Shares	61,150,925	61,150,925	61,150,925
Number of Treasury Shares	3,009,200	3,009,200	3,009,200
Number of Shares excluding Treasury Shares	58,141,725	58,141,725	58,141,725
Share Capital (S\$)	74,706,264*	74,706,264	53,775,243

[#]Based on the assumption that the Bonus Warrants Exercise was completed in FY2020

*Net of direct share issuance costs

The Proposed Capital Reduction will reduce the paid-up share capital of the Company by approximately S\$20,931,021 to return to Shareholders surplus capital of the Company in excess of its needs. **The number of issued Shares and the percentage of Shares held by Shareholders will remain unchanged immediately after the Proposed Capital Reduction.** A Proposed Cash Distribution of approximately S\$20,931,021 will be returned to the Shareholders.

LETTER TO SHAREHOLDERS

(b) **Net tangible assets (“NTA”)**

	As at 31 December 2020 [#]	Immediately following completion of the Penjuru Disposal	Immediately following completion of the Penjuru Disposal, the Proposed Capital Reduction, and the Proposed Cash Distribution
NTA of the Group (S\$'000)	42,534	59,770	38,839
Number of Shares excluding Treasury Shares	58,141,725	58,141,725	58,141,725
NTA Per Share (S\$ cents)	73.2	102.8	66.8

[#]Based on the assumption that the Bonus Warrants Exercise was completed in FY2020

(c) **Earnings per share (“EPS”)**

	FY2020 [#]	Immediately following completion of the Penjuru Disposal	Immediately following completion of the Penjuru Disposal, the Proposed Capital Reduction, and the Proposed Cash Distribution
Net profit/(loss) of the Company and its subsidiaries for FY2020 (S\$'000)	(5,638)	11,598	11,598
Weighted average number of Shares in issue	58,141,725	58,141,725	58,141,725
Net profit/(loss) per Share (S\$ cents) – Basic and diluted	(9.7)	19.9	19.9

[#]Based on the assumption that the Bonus Warrants Exercise was completed in FY2020

LETTER TO SHAREHOLDERS

(d) **Gearing**

	FY2020 [#]	Immediately following completion of the Penjuru Disposal	Immediately following completion of the Penjuru Disposal, the Proposed Capital Reduction, and the Proposed Cash Distribution
Total borrowings (S\$'000)	2,251	2,251	2,251
Net assets (S\$'000)	42,721	59,957	39,026
Gearing (%)	5.27	3.75	5.77

[#]Based on the assumption that the Bonus Warrants Exercise was completed in FY2020

2.7. Conditions for the Proposed Capital Reduction and the Proposed Cash Distribution

The Proposed Capital Reduction and the Proposed Cash Distribution is subject to, *inter alia*, the following:

- (a) the clearance of this Circular by the SGX-ST;
- (b) Shareholders' approval having been obtained for the Proposed Capital Reduction and the Proposed Cash Distribution at the EGM to be convened;
- (c) such other approvals, authorisations, consents and confirmations from the regulatory authorities as may be required or advisable and the same remaining in force, including without limitation such approvals from the High Court of Singapore, SGX-ST and other third parties being obtained for or in connection with the Proposed Capital Reduction, and if such approvals are given subject to any conditions, such conditions being acceptable to the Company;
- (d) the Company complying with the requirements under the Companies Act, including lodging:
 - (i) the Order of Court; and
 - (ii) a notice containing the required information in relation to the Proposed Capital Reduction specified under the Companies Act,

with ACRA, within ninety (90) days beginning from the date the Order of Court is made, or within such longer period as ACRA may, on application of the Company and on ACRA receiving the prescribed fee, allow; and
- (e) completion of the Penjuru Disposal and the Company's receipt of the entire cash consideration payable by the Purchaser.¹

¹ On 31 March 2021, completion of the Penjuru Disposal took place and the Company received payment of the balance sale consideration from the Purchaser. Please refer to the Company's announcement dated 31 March 2021 for further information.

LETTER TO SHAREHOLDERS

2.8. Taxation

Shareholders who are in any doubt as to their respective tax positions or such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

2.9. Effective Date of the Proposed Capital Reduction

Shareholders should note that the Proposed Capital Reduction and the Proposed Cash Distribution is subject to satisfaction of, *inter alia*, the conditions set out in Section 2.7 above. In addition, in order to be entitled to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction, Shareholders would have to hold the Shares as at the Capital Reduction BCD. The Company will in due course announce the effective date of the Proposed Capital Reduction, Capital Reduction BCD and the payment date for the Proposed Cash Distribution pursuant to the Proposed Capital Reduction. If any Shareholder is in any doubt as to the action he should take, he should consult his bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

The Company will make further announcements via SGXNet on the Proposed Capital Reduction and the Proposed Cash Distribution as and when appropriate.

2.10. Administrative Procedures for the Proposed Capital Reduction and the Proposed Cash Distribution

The following paragraphs set out the administrative procedures for the Proposed Capital Reduction and the Proposed Cash Distribution. Shareholders should note that dates stated in this section are tentative, and are subject to the Proposed Capital Reduction becoming effective.

(a) Books Closure Date and Entitlements

Persons registered in the Register of Members and depositors whose Securities Accounts are credited with Shares as at the Capital Reduction BCD will be entitled to receive a Proposed Cash Distribution of S\$0.36 for each Share held by them or on their behalf as at the Capital Reduction BCD, on the basis of the number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Capital Reduction BCD.

The Capital Reduction BCD for the purpose of determining the Shareholders' entitlements to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction will be announced by the Company via SGXNet as soon as practicable after the conditions in Section 2.7 above have been satisfied.

(b) Depositors

In the case of Shareholders who are depositors, entitlements to the Proposed Cash Distribution will be determined on the basis of the number of Shares standing to the credit of their respective Securities Accounts as at the Capital Reduction BCD. Shareholders who are depositors and who have Shares standing to the credit of their Securities Accounts as at the Capital Reduction BCD will have their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction:

- (i) if such depositor has applied for CDP's Direct Crediting Service, credited directly into their designated bank accounts by CDP; or
- (ii) if such depositor has not applied for CDP's Direct Crediting Service, reflected under the Cash Transaction section in the monthly statements of their Securities Account.

Alternatively, such Shareholders will have payment of their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction made in such other

LETTER TO SHAREHOLDERS

manner as they may have agreed with CDP for the payment of dividends or other distributions.

(c) **CPFIS Investors, SRS Investors and Investors whose Shares are held through a finance company and/or a Depository Agent**

CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents should receive further information regarding their entitlement to and payment of the Proposed Cash Distribution under the Proposed Capital Reduction from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should consult their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents should they require further information. Such investors should seek independent professional advice if they are in any doubt as to the action they should take.

For CPFIS Investors and SRS Investors who have Shares standing to the credit of their respective CPF investment accounts and SRS investment accounts as at the Capital Reduction BCD, payment of their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction will be credited to their respective investment accounts.

2.11. Adjustments to the outstanding Option and Bonus Warrants

As at the Latest Practicable Date, the Option (in respect of the right to subscribe for up to 24,375,000 Option Shares in accordance with the terms and conditions of the Subscription Agreement) remains outstanding. The Company also has a total of 23,700,893 outstanding Bonus Warrants as at the Latest Practicable Date.

Pursuant to the terms and conditions of the Option Shares under the Subscription Agreement and the Bonus Warrants under the Bonus Warrants Deed Poll, in the event the Company undertakes a capital distribution whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets):

- (a) the issue price per Option Share; and
- (b) the exercise price per Bonus Warrant,

shall be subject to adjustments in accordance with the terms of the Subscription Agreement and Bonus Warrants Deed Poll (as the case may be).

The appropriate adjustments will be made by the Directors in consultation with an Approved Bank, in accordance with the Subscription Agreement and Bonus Warrants Deed Poll (as the case may be), and certified by the Auditors. Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Capital Reduction BCD.

Further details of the appropriate adjustments will be announced by the Company on SGXNet in due course.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1. Interests in Shares

As at the Latest Practicable Date, the Company has an existing issued and paid-up share capital of 58,141,725 Shares. As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the capital of the Company as recorded in the Register of Directors and Register of Substantial Shareholders are as follows:

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>						
Mr. Yeung Koon Sang alias David Yeung	10,000	0.02	-	-	10,000	0.02
Dr. Vasoo Sushilan	10,000	0.02	-	-	10,000	0.02
Mr. Teng Cheong Kwee	10,000	0.02	-	-	10,000	0.02
Mr. Sun Quan ⁽²⁾	-	-	32,575,456	56.03	32,575,456	56.03
Mr. Wu Pingwei	-	-	-	-	-	-
Mr. Li Zhibo	-	-	-	-	-	-
Mr. Siow Chee Keong	-	-	-	-	-	-
Mr. Chua Wei Ming	9,200	0.02	5,000	0.01	14,200	0.02
<u>Substantial Shareholders (other than Directors)</u>						
MTBL Global Fund ⁽³⁾	32,575,456	56.03	-	-	32,575,456	56.03

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 58,141,725 Shares excluding 3,009,200 treasury shares, as at the Latest Practicable Date.
- (2) Mr Sun Quan is deemed interested in the Shares held by MTBL Global Fund by virtue of his controlling interest in the fund manager of MTBL Global Fund.
- (3) MTBL Global Fund was formerly known as New Impetus Strategy Fund.

3.2. Interests in Bonus Warrants

As at the Latest Practicable Date, the Company has a total of 23,700,893 outstanding Bonus Warrants. As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Bonus Warrants as recorded in the warrant register maintained under the provisions of the deed poll dated 8 May 2018 constituting the Bonus Warrants are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Bonus Warrants	% ⁽¹⁾	No. of Bonus Warrants	% ⁽¹⁾	No. of Bonus Warrants	% ⁽¹⁾
<u>Directors</u>						
Mr. Yeung Koon Sang alias David Yeung	10,000	0.04	-	-	10,000	0.04
Dr. Vasoo Sushilan	10,000	0.04	-	-	10,000	0.04
Mr. Teng Cheong Kwee	10,000	0.04	-	-	10,000	0.04
Mr. Sun Quan ⁽²⁾	-	-	3,464,807	14.62	3,464,807	14.62
Mr. Wu Pingwei	-	-	-	-	-	-
Mr. Li Zhibo	-	-	-	-	-	-
Mr. Siow Chee Keong	-	-	-	-	-	-
Mr. Chua Wei Ming	-	-	-	-	-	-
<u>Substantial Shareholders (other than Directors)</u>						
MTBL Global Fund ⁽³⁾	3,464,807	14.62	-	-	3,464,807	14.62

Notes:

- (1) Based on the total number of outstanding Bonus Warrants of 23,700,893 Bonus Warrants as at the Latest Practicable Date.
- (2) Mr Sun Quan is deemed interested in the Bonus Warrants held by MTBL Global Fund by virtue of his controlling interest in the fund manager of MTBL Global Fund.
- (3) MTBL Global Fund was formerly known as New Impetus Strategy Fund.

LETTER TO SHAREHOLDERS

3.3. Interests in the Proposed Capital Reduction and the Proposed Cash Distribution

None of the Directors (other than in his capacity as a Director or Shareholder, as the case may be) has any interest, direct or indirect, in the Proposed Capital Reduction and the Proposed Cash Distribution. There are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Capital Reduction and the Proposed Cash Distribution.

4. DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the terms and rationale of the Proposed Capital Reduction and the Proposed Cash Distribution, the financial effects thereof, and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Capital Reduction and the Proposed Cash Distribution are in the best interests of the Company, and accordingly recommend that the Shareholders vote in favour of the Proposed Capital Reduction and the Proposed Cash Distribution at the EGM to be convened.

5. EXTRAORDINARY GENERAL MEETING

5.1. Date and time of EGM

The EGM, notice of which is set out in the Section titled "Notice of Extraordinary General Meeting" in this Circular, shall be held by electronic means at 9.30 a.m. on 28 April 2021 for the purpose of considering, and if thought fit, passing with or without modifications, the resolution set out in the Notice of EGM.

5.2. No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, Shareholders may participate at the EGM by:

- (a) watching and listening to the EGM proceedings via live audio-and-video webcast;
- (b) listening to the EGM proceedings via live audio-only feed;
- (c) submitting questions in advance of the EGM; and/or
- (d) voting by appointing the Chairman of the EGM as proxy at the EGM.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order")) as well as other guidelines issued by the relevant authorities. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

6. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM

In line with the provisions of the COVID-19 Order, printed copies of this Circular, the Notice of EGM and the Proxy Form with respect to the EGM will not be despatched to Shareholders. Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNet and are also available on the Company's website at: <https://aei.com.sg/>.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the resolution in relation to the Proposed Capital Reduction and Proposed Cash Distribution.

LETTER TO SHAREHOLDERS

7. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Alternative arrangements have been put in place to allow Shareholders to participate in the EGM in the following manner:

7.1. Registration to attend EGM

The Company's Chairman will conduct the EGM by way of electronic means. Shareholders will be able to watch these proceedings through a live webcast via their mobile phones, tablets or computers or listen to these proceedings through a live audio feed via telephone.

In order to do so, Shareholders must follow these steps:

- (a) Shareholders who wish to follow the EGM proceedings through a live webcast or live audio feed must pre-register at the URL <http://smartagm.sg/aei2021> no later than 9.30 a.m. on 25 April 2021 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the live webcast or listen to the live audio feed of the proceedings of the EGM will be sent to authenticated shareholders by 9.30 a.m. on 27 April 2021.
- (b) Shareholders who do not receive any email by 9.30 a.m. on 27 April 2021, but have registered by the Registration Cut-Off Time, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by email at bcasmeetings@boardroomlimited.com.

Investors holding Shares through Depository Agents should contact their respective Depository Agents as soon as possible so as to allow necessary arrangements to be made for them to participate in the live webcast of the EGM.

7.2. Submission of Questions

Shareholders will not be able to ask questions 'live' during the broadcast of the EGM. However, Shareholders who pre-register to watch the live webcast or listen to the live audio-only feed of the EGM may submit their questions relating to the items on the agenda of the EGM by post to the registered office of the Company at 15 Tuas South Street 13, Singapore 636936 or via email to AGM2021@aei.com.sg or via the pre-registration website at <http://smartagm.sg/aei2021> in advance of the EGM, stating their name and identification number for verification. All questions must be submitted by the Registration Cut-Off Time.

All substantial and relevant questions received from Shareholders by the Registration Cut-Off Time relating to the resolutions to be tabled for approval at the EGM will be addressed by the Company before the cut-off time for the submission of Proxy Forms (being not less than 48 hours before the time fixed for the holding of the EGM), by releasing an announcement on the SGXNet and by publishing its responses on the Company's website. Following the EGM, the minutes of the EGM, together with the substantial and relevant questions, comments and queries received from Shareholders and the Company's responses, will be posted on the SGXNet and the Company's website within one (1) month after the date of the EGM.

7.3. Submission of Proxy Forms to Vote

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Shareholders who wish to exercise their votes must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote at the EGM on their behalf. To do so, Shareholders must complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to:

LETTER TO SHAREHOLDERS

- (a) if submitted by post, be lodged with the registered office of the Company at 15 Tuas South Street 13, Singapore 636936; or
- (b) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at AGM2021@aei.com.sg,

not less than 48 hours before the time fixed for the holding of the EGM.

Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

Investors whose Shares are held with relevant intermediaries under Section 181(1C) of the Companies Act such as Central Provident Fund (“**CPF**”) and Supplementary Retirement Scheme (“**SRS**”) investors who wish to attend the EGM should approach their respective intermediaries such as CPF Agent Banks or SRS Operators as soon as possible to specify his/her voting instructions. CPF or SRS investors who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 19 April 2021 to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by 9.30 a.m. on 26 April 2021.

7.4. When a Depositor is not regarded as a Shareholder

A depositor shall not be regarded as a member of the Company entitled to appoint the Chairman of the EGM as proxy and to attend, speak and vote at the EGM on his/her/its behalf unless he/she/it is shown to have Shares entered against his/her/its name in the depository register at least 72 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Capital Reduction, Proposed Cash Distribution and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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, reflected or reproduced in this Circular in its proper form and context.

9. FINANCIAL ADVISOR’S RESPONSIBILITY STATEMENT

To the best of the Financial Advisor’s knowledge and belief, this Circular constitutes full and true disclosures of all material facts about the Proposed Capital Reduction and the Proposed Cash Distribution, the Company and its subsidiaries and the Financial Advisor is not aware of any facts the omission of which would make any statement in this Circular misleading.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection during normal business hours at the registered office of the Company at 15 Tuas South Street 13, Singapore 636936 from the date hereof up to and including the date of the EGM:

- (a) the Constitution of the Company; and

LETTER TO SHAREHOLDERS

(b) the unaudited consolidated financial statements of the Group for FY2020.

The unaudited consolidated financial statements of the Group for FY2020 may also be accessed on the SGXNet.

Yours faithfully,

For and on behalf of the Board of Directors of
AEI CORPORATION LTD.

Mr. Sun Quan
Executive Director
6 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

AEI CORPORATION LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198300506G)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **AEI CORPORATION LTD.** (the “**Company**”) will be convened and held by electronic means on 28 April 2021 at 9.30 a.m. (of which there will be a live webcast) for the purpose of considering and, if thought fit, passing, the following resolution:

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the Company’s Circular to Shareholders dated 6 April 2021 in respect of the resolution herein.

SPECIAL RESOLUTION

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

THAT pursuant to the Constitution of the Company and Section 78G read with Section 78I of the Companies Act and subject to the confirmation of the High Court of the Republic of Singapore:

- (a) approval be and is hereby given for the issued and paid-up share capital of the Company to be reduced by \$0.36 for each issued Share as at the Capital Reduction BCD (the “**Proposed Capital Reduction**”) (amounting to a sum of approximately S\$20,931,021 based on 58,141,725 issued Shares (excluding treasury shares) as at the Latest Practicable Date), and that such reduction be effected by returning to Shareholders S\$0.36 in cash for each issued Share (the “**Proposed Cash Distribution**”) held by a Shareholder as at the Capital Reduction BCD; and
- (b) any of the Directors be and are hereby authorised to do and complete all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give effect to this Special Resolution, the Proposed Capital Reduction and/or the Proposed Cash Distribution (including the execution of any agreements or documents and procurement of third party consents).

BY ORDER OF THE BOARD

Lum Soh Ping
Foo Soon Soo
Company Secretaries
Singapore, 6 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of EGM will not be sent to members. Instead, this Notice of EGM will be published on the Company's website at <https://aei.com.sg/> and on the SGXNet.
2. The proceedings of the EGM will be broadcasted live through an audio-and-video webcast and an audio-only feed (the "Live EGM Broadcast"). Shareholders, including investors holding shares in the Company through the Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") may watch or listen to the EGM proceedings through the Live EGM Broadcast by registering at <http://smartagm.sg/aei2021> no later than 9.30 a.m. on 25 April 2021 ("Registration Cut-Off Time") to enable the Company to verify their status. Following verification, authenticated shareholders will receive an email by 9.30 a.m. on 27 April 2021 containing a link and telephone number to access the live audio-and-video webcast and live audio-only feed of the EGM proceedings. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live EGM Broadcast. Shareholders who register by the Registration Cut-Off Time but do not receive an email response by 9.30 a.m. on 27 April 2021 may contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by email at bcasmeetings@boardroomlimited.com.

Investors holding Shares through Depository Agents should contact their respective Depository Agents as soon as possible so as to allow necessary arrangements to be made for them to participate in the live webcast of the EGM.
3. **Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the EGM in person. Shareholders will also not be able to vote online on the resolution(s) to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at <https://aei.com.sg/> or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
4. CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operator to submit their voting instructions at least seven (7) working days before the date of the EGM (i.e. by 5.00 p.m. on 19 April 2021). This is so as to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman to vote on their behalf by 9.30 a.m. on 26 April 2021.
5. The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be (a) deposited at the registered office of the Company at 15 Tuas South Street 13, Singapore 636936; or (b) submitted by email to AGM2021@aei.com.sg, in either case not less than forty-eight (48) hours before the time appointed for holding the EGM.

Please note that shareholders will not be able to vote through the Live EGM Broadcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
7. Shareholders will not be able to ask questions 'live' during the broadcast of the EGM. However, Shareholders who pre-register to watch the live webcast or listen to the live audio-only feed of the EGM may submit their questions relating to the items on the agenda of the EGM by post to the registered office of the Company at 15 Tuas South Street 13, Singapore 636936 or via email to AGM2021@aei.com.sg or via the pre-registration website at <http://smartagm.sg/aei2021> in advance of the EGM, stating their name and identification number for verification. All questions must be submitted by the Registration Cut-Off Time.

All substantial and relevant questions received from Shareholders by the Registration Cut-Off Time relating to the resolutions to be tabled for approval at the EGM will be addressed by the Company before the cut-off time for the submission of Proxy Forms (being not less than 48 hours before the time fixed for the holding of the EGM), by releasing an announcement on the SGXNet and by publishing its responses on the Company's website. Following the EGM, the minutes of the EGM, together with the substantial and relevant questions, comments and queries received from Shareholders and the Company's responses, will be posted on the SGXNet and the Company's website within one (1) month after the date of the EGM.

8. Printed copies of this Circular, the Notice of EGM and the Proxy Form with respect to the EGM will not be despatched to Shareholders. Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNet and are also available on the Company's website at: <https://aei.com.sg/>. Shareholders are advised to check SGXNet and/or the Company's website regularly for updates.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY: By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents) of proxies appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

PROXY FORM

AEI CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198300506G)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 5.00 p.m. on 19 April 2021). Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 April 2021.

I/We*, _____ (name)
of _____ (address)
being a member/members of **AEI CORPORATION LTD.** (the "Company"), hereby appoint the Chairman of the EGM as my/our proxy/proxies, to vote for me/us on my/our behalf at the EGM to be held by electronic means on 28 April 2021 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolution to be proposed at the EGM in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Please indicate your vote "For" or "Against" or "Abstain" with a tick "✓" or cross "x" in the spaces provided.

Special Resolution	No. of Votes or to indicate with a tick [✓] or cross (x) ¹		
	For	Against	Abstain
The Proposed Capital Reduction and the Proposed Cash Distribution			

¹All resolutions would be put to vote by poll in accordance with the listing rules of the Singapore Exchange Securities Limited. Please tick "✓" or cross "x" or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

Dated this _____ day of _____ 2021

Total No. of Shares Held:

Signature of Shareholder(s) or Common Seal of Corporate Shareholder

**Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
2. The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be submitted (a) by mail to the registered office of the Company at 15 Tuas South Street 13, Singapore 636936; or (b) by email to AGM2021@aei.com.sg, not less than forty-eight (48) hours before the time appointed for the EGM.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

3. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of Shares. If the member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of Shares. If no number of Shares is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
4. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument of proxy lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
5. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM unless his name appears on the Depository Register 72 hours before the time set for the EGM.
6. Personal data privacy: By submitting this instrument of proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 April 2021.