

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

ANNOUNCEMENT

PROFIT GUIDANCE FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Directors of AEI Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that based on the preliminary review of the draft unaudited consolidated financial results, the Company is expected to register a net loss before tax for the year ended 31 December 2014.

The expected losses are mainly due to the followings:-

- (1) The Group’s core business i.e., the Electronics & Precision Engineering segment, continued to face weak demand in FY2014. The Group was also not able to participate in certain customer programs which require more stringent material specifications. Although these issues are being addressed, the sales and gross profit for the year were affected significantly.
- (2) The Company’s 90% owned subsidiary in China continued to operate at a loss due to high labour and other operational costs. Further impairment of the assets and investment is also expected.
- (3) The Company’s China associated company has not resumed production and trading in the last two years due to high raw material prices and controlled retail selling prices, as well as food safety issues. As a result, impairment of the investment is currently being assessed.

The Company is currently in the midst of the audit. Details on the Company’s FY2014 results will be disclosed when they are finalized and released in February 2015.

BY ORDER OF THE BOARD

Ngiam Zee Moey
Company Secretary

Singapore, 9 February 2015