

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

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**ANNOUNCEMENT**

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

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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) Proposed Sale of the Company’s property at 12 Penjuru Lane Singapore 609192**

*Reference is made to the Company’s announcements dated 30 December 2019, 15 June 2020, 28 August 2020 and 31 August 2020 (the “**Previous Announcements**”) and all capitalised terms herein have the meanings ascribed to them in the Previous Announcements.*

Following the Previous Announcements:

The Company announced on 26 October 2020 and 30 November 2020 on extension of the Target Date relating to the proposed sale of the property to 30 November 2020 and then to 30 December 2020 respectively pending satisfaction of various conditions precedent relating to the sale.

The Company was pleased to announce on 31 December 2020 that all conditions precedent to exercise of the Call Option have been satisfied, fulfilled or waived (as applicable). Accordingly, the Purchaser may exercise the Call Option during the Call Option Exercise Period of three (3) weeks commencing on 31 December 2020 (or such other period as may be agreed in writing between the Vendor and the Purchaser).

The Board will update the shareholders on the progress of the proposed sale of the property as and when appropriate.

**(2) Proposed acquisition of 100% shareholding interest in MTBL Global Pte Ltd**

The Company has entered into a sale and purchase agreement with Capital Impetus Group Limited to acquire the entire issued shares in the share capital of MTBL Global Pte. Ltd. (“**MTBL**”) for an aggregate consideration of up to S\$20,000,000. The proposed acquisition of MTBL presents an opportunity for the Company to acquire a business in the liquor and beverage industry. MTBL has global distribution rights (other than China) to Moutai Bulao a highly valuable Chinese liquor brand, in addition to distribution of other liquors or alcoholic beverages. The proposed acquisition is in line with the Company’s diversification strategy to increase the Group’s revenue and profits, thereby bringing additional value to the Company and its shareholders.

The proposed acquisition of MTBL is subject to shareholders' approval. A circular containing further information on the proposed acquisition, together with a notice of the extraordinary general meeting of the Company, will be despatched by the Company to shareholders in due course.

For further details please refer to the Company's announcement on the proposed acquisition on 31 December 2020.

### **(3) Proposed capital reduction**

The Company announced on 31 December 2020 that it intends to undertake a capital reduction exercise ("Proposed Capital Reduction") to return to shareholders of the Company surplus capital of the Company in excess of its needs by way of a cash distribution by the Company to shareholders of an aggregate S\$19,700,265.

Among other conditions, the Proposed Capital Reduction will be subject to:

- (a) the clearance of the circular to shareholders on the Proposed Capital Reduction by the Singapore Exchange Securities Trading Limited;
- (b) the approval of shareholders by way of special resolution at an extraordinary general meeting of the shareholders to be convened;
- (c) such other approvals, authorisations, consents and confirmations from the regulatory authorities as may be required;
- (d) the Company complying with the requirements under the Companies Act; and
- (e) completion of the Penjuru Disposal and the Company's receipt of the entire cash consideration payable by the Purchaser.

For further details please refer to the Company's announcement on the Proposed Capital Reduction 31 December 2020.

### **(4) Financial performance and financial position**

The Group reported a net loss after tax of \$2.2 million for the 1<sup>st</sup> half year of 2020 as compared with a loss of \$2.4 million for the 1<sup>st</sup> half of 2019. The Group cash and cash equivalents as at 30 June 2020 were \$30.9M compared with \$36.9M as at 30 June 2019.

Please refer to the unaudited financial statements of the Group for the half year ended 30 June 2020 released on SGXNET on 7 August 2020 for more details.

The COVID-19 situation is expected to continue to impact negatively the existing operations of the Company. With the proposed acquisition of MTBL, the new liquor and beverage business will have potential to drive the Group's revenue and profitability.

### **(5) Update on future direction and other material development**

The Company has embarked on the Group's business diversification strategy with the proposed acquisition of MTBL. It will also continue to seek other opportunities in potential profitable businesses to expand and grow the Group.

**BY ORDER OF THE BOARD**

Lum Soh Ping  
Foo Soon Soo  
Company Secretaries

4 January 2021