

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

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) 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, 31 August 2020, 26 October 2020, 20 November 2020 and 31 December 2020 (the “**Previous Announcements**”) and all capitalised terms herein otherwise defined, have the meanings ascribed to them in the Previous Announcements.*

Following the Previous Announcements:

The Company announced on 5 January 2021 that the Company had satisfied all the Waiver Conditions from having to comply with Rule 1014(2) of the Listing Manual to seek the approval of the Company’s shareholders in respect of the Proposed Sale of the Company’s property at 12 Penjuru Lane, Singapore 609192 (“**Penjuru Property**”). Accordingly, the Company will not be required to convene an EGM in relation to the Proposed Sale.

The Company announced on 5 March 2021 that the Purchaser had exercised the Call Option. Accordingly, the Company and the Purchaser are deemed to have entered into the Purchase Agreement for the sale of the Penjuru Property on 5 March 2021, and the completion of the sale of the Penjuru Property would take place no later than 31 March 2021.

On 31 March 2021, the Company announced the Completion of the sale of the Penjuru Property and the receipt of the cash consideration of S\$ 18,909,200 net of deposit and expenses.

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

Reference is made to the Company’s announcement on 31 December 2020 on the proposed acquisition of the entire issued shares in the share capital of MTBL Global Pte. Ltd. (“**MTBL**”) which is subject to shareholders’ approval.

A circular containing further information on the proposed acquisition (after its clearance by SGX-ST), 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

Reference is made to the Company's announcement on 31 December 2020 on the proposed capital reduction to return to shareholders 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 ("**Proposed Capital Reduction**")

With the completion of the sale of the Penjuru Property and the Company's receipt of the entire cash consideration payable by the Purchaser, the Company will be seeking shareholders' approval for the Proposed Capital Reduction. A circular containing further information on the Proposed Capital Reduction (after its clearance by SGX-ST), together with a notice of the extraordinary general meeting of the Company, will be despatched by the Company to shareholders in due course.

(4) Exercise of the Company's Warrants

As at 31 December 2020, the outstanding number of the Company's warrants (reference: W210527) (the "**Warrants**") is 27,119,659.

The Warrants refer to all warrants issued by the Company, the terms of which are constituted in the deed poll executed by the Company on 8 May 2018 (the "**Deed Poll**"). Pursuant to the Deed Poll, the Warrants will expire on 27 May 2021, being the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants. A warrant holder has the right at any time prior to the expiry of the Warrants to exercise his right to subscribe for one share in the capital of the Company for each Warrant at the exercise price of S\$1.00 for each new share. The new shares arising from the exercise of the Warrants rank pari passu in all respects with the existing shares in the capital of the Company.

Since 24 February 2021 up to 31 March 2021, as and when the Warrants were exercised, the Company had released announcements on the issue and allotment of new shares in the capital of the Company pursuant to the exercise of the Company's warrants.

Pursuant to the exercise of the Warrants, the Company's issued share capital of the Company had increased from 57,732,159 shares as at 31 December 2020 to 61,100,925 shares as at 31 March 2021 with subscriptions at S\$1.00 each. The number of outstanding Warrants had reduced from 27,119,659 as at 31 December 2020 to 23,750,893 as at 31 March 2021.

(5) Financial performance and financial position

The Group reported a net loss after tax of \$5.6 million for FY2020 as compared to a loss of \$5.9 million for FY2019. The Group's cash and cash equivalents as at 31 December 2020 were \$29.7M compared with \$33.9M as at 31 December 2019.

Please refer to the unaudited financial statements of the Group for the full year ended 31 December 2020 released on SGXNET on 25 February 2021 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 which the Group is seeking to diversify into will have potential to drive the Group's revenue and profitability.

(6) Update on future direction and other material development

The Group has embarked on a 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

1 April 2021