

**PROPOSED CAPITAL REDUCTION –
ADJUSTMENTS TO TERMS OF OPTION SHARES AND BONUS WARRANTS**

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's circular dated 12 March 2018 (the "Circular") and the Company's announcement dated 31 December 2020 (the "Announcement").

1. The Board of Directors (the "**Board**" or "**Directors**") of AEI Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to:

(a) the Circular in relation to, *inter alia*, the:

(i) the Proposed Option Shares Issue of up to 24,375,000 Option Shares at an Issue Price of S\$0.80 per Option Share by the Company in accordance with the terms and conditions of the Subscription Agreement; and

(ii) the Proposed Bonus Warrants Issue of up to 27,119,659 Bonus Warrants on the basis of one (1) free Bonus Warrant for each existing Share held by Shareholders in accordance with the terms set out in the Bonus Warrants Deed Poll, each carrying the right to subscribe for one (1) Warrant Share at the Bonus Warrants Exercise Price, fractional entitlements to be disregarded; and

(b) the Announcement in relation to the Proposed Capital Reduction pursuant to Sections 78G and 78I of the Companies Act to return to the Shareholders surplus capital in excess of the Company's needs by way of a Cash Distribution of S\$0.36 for each Share held by Shareholders.

2. Pursuant to the terms and conditions of the Option Shares and the Bonus Warrants, 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 and/or the number of Option Shares to be issued; and

(b) the Bonus Warrants Exercise Price and/or the number of Bonus Warrants held by each Warrantholder,

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

3. The appropriate adjustments will be made by the Directors in consultation with an Approved Bank, which adjustment shall be certified by the Auditors. Such adjustments will be effective (if appropriate, retroactively) from the commencement of the market day next following the record date for such issue. Further details of the adjustments will be announced by the Company in due course.

By Order of the Board
AEI CORPORATION LTD.

Sun Quan
Executive Director
11 January 2021