

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

**ANNOUNCEMENT**

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**THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

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**1. INTRODUCTION**

The Board of Directors (the “**Directors**”) of the Company wishes to announce that the Company proposes to undertake a share consolidation exercise (the “**Proposed Share Consolidation**”) to consolidate every ten (10) existing issued ordinary shares (the “**Existing Shares**”) in the capital of the Company held by shareholders of the Company (the “**Shareholders**”) into one (1) ordinary share (the “**Consolidated Share**”) in the capital of the Company, fractional entitlements to be disregarded. As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every ten (10) Existing Shares held prior to the Proposed Share Consolidation as at the books closure date (the “**Books Closure Date**”) to be determined.

**2. THE PROPOSED SHARE CONSOLIDATION**

**2.1 Details of the Proposed Share Consolidation**

Under the Proposed Share Consolidation, every ten (10) Existing Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion after consulting the Company’s legal or financial advisers with regards to the shareholders’ rights, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

As at the date of this announcement, the Company has an issued share capital of S\$49,169,000 divided into 271,196,667 Existing Shares (excluding 10,000,000 treasury shares). Assuming that there is no change in the number of Existing Shares up to the Books Closure Date, following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$49,169,000 divided into approximately 27,119,666 Consolidated Shares.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company and will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and will have no effect on the

Shareholders' funds of the Company and/or its subsidiaries. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

## 2.2 Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.

The highest and lowest closing market prices for each month immediately preceding six months prior to the date of this Announcement and the transacted volume of the shares of the Company (the "Shares") traded on the SGX-ST for each such month are as follows:

	Lowest (S\$)	Highest (S\$)	Volume of traded Shares ('000)
September 2014	0.119	0.13	3022
October 2014	0.118	0.12	481
November 2014	0.12	0.12	674
December 2014	0.118	0.12	794
January 2015	0.109	0.12	1072
February 2015	0.099	0.118	233.4

For illustrative purposes only, the Company's 6-month volume weighted average share price ("6-month VWAP") is S\$0.118.

The board of Directors is of the view that the Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares and the trading price per Consolidated Share should theoretically be higher than the trading price per Share prior to the Proposed Share Consolidation.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the date of this Announcement, the theoretical adjusted 6-month VWAP based on the Consolidated Shares will be S\$1.18.

If the price per Consolidated Share is indeed higher than the trading price per Share prior to the Proposed Share Consolidation, the Proposed Share Consolidation may also increase the profile of the Company amongst investors and the coverage of the Company by research houses and fund managers. This may, in turn, increase market interest and activity in the Consolidated Shares, and generally make the Consolidated Shares more attractive to investors. The Proposed Share Consolidation may also serve to reduce the transaction costs for investors in their dealings in the Consolidated Shares.

Furthermore, the Proposed Share Consolidation would facilitate the Company's ability to satisfy the prospective continuing listing requirement to be imposed by the SGX-ST for issuers listed on the SGX Mainboard to have a minimum trading price per share of S\$0.20.

**Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

## 2.3 Approvals and conditions for the Proposed Share Consolidation

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the in-principle approval by the SGX-ST for the Proposed Share Consolidation and for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and

- (b) the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting (the “**EGM**”) of the Company to be convened.

An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares pursuant to the Proposed Share Consolidation on the Mainboard of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

3 **DESPATCH OF LETTER**

A letter containing, *inter alia*, the notice of EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

**Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company’s securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.**

**BY ORDER OF THE BOARD**

Ngiam Zee Moey  
Company Secretary

13 March 2015