

PROPOSED SALE OF 12 PENJURU LANE – SUPPLEMENTAL DEED

Capitalised terms used herein shall have the definitions ascribed to them in the Sale Announcement (as defined below), unless otherwise stated or the context otherwise requires.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of AEI Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 30 December 2019 (“**Sale Announcement**”) in relation to the Option Agreement for the Proposed Sale of the Property, 12 Penjuru Lane Singapore 609192.

As announced in the Sale Announcement, the Company and the Purchaser have originally agreed in the Option Agreement that the Target Date shall be 28 March 2020 (or such other date as may be mutually agreed by the Company and the Purchaser). As at the date of this Announcement, the JTC Approvals have not been obtained.

In view of the extended transaction timeline, the Company has, on 15 June 2020, entered into a supplemental deed (“**Supplemental Deed**”) with the Purchaser to amend certain terms and conditions of the Option Agreement.

2. AMENDMENTS TO THE OPTION AGREEMENT

Pursuant to the Supplemental Deed, the Company and the Purchaser have, *inter alia*, agreed to:

- (a) delete the Put Option;
- (b) amend the Call Option exercise period;
- (c) amend the terms of the key conditions precedent to exercise of the Call Option, including the JTC Approvals, Vendor Shareholders Approval, Lease Extension and Amalgamation Approval and Hazardous Substances Storage Permit;
- (d) extend the Target Date to 31 August 2020; and
- (e) extend the date of Completion of the Proposed Sale to 12 weeks from the date the Call Option is exercised.

For further details of the key amendments made under the Supplemental Deed, please refer to Appendix A of this Announcement.

3. IRREVOCABLE UNDERTAKING

In consideration of the terms set out in the Supplemental Deed, MTBL Global Fund (formerly known as New Impetus Strategy Fund), a substantial shareholder of the Company, has

undertaken to, *inter alia*, vote and procure the voting of its shares in the Company in favour of any resolution at any general meeting of the Company to approve the Proposed Sale.

4. FURTHER INFORMATION

A copy of the Supplemental Deed will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

5. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Sale is subject to numerous conditions. There is no certainty or assurance as at the date of this Announcement that the Proposed Sale will be completed or that no changes will be made to the respective terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

6. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof and that this Announcement constitutes full and true disclosure of all material facts about the Proposed Sale, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

By Order of the Board

Sun Quan
Executive Director

15 June 2020

APPENDIX A

KEY AMENDMENTS TO THE OPTION AGREEMENT

1. Put Option

The Put Option referred to in Section 3.1(a) of the Sale Announcement has been deleted from the Option Agreement. Accordingly, the Vendor no longer has the right to require the Purchaser to purchase the Property.

All references to "Put Option" in Sections 3.1(a), 3.2, 3.4 and 3.9.2 of the Sale Announcement shall be construed accordingly.

2. Exercise Period of Call Option

The Call Option exercise period as referred to in Section 3.2(a) of the Sale Announcement shall be amended such that the Call Option may be exercised by the Purchaser during the period ("**Call Option Exercise Period**") of three (3) weeks commencing on the day after the date the Purchaser receives notice from the Vendor that it has received the Vendor Shareholders Approval (or such other period as may be agreed in writing between the Vendor and the Purchaser).

In the event the Call Option is not exercised in accordance with the Option Agreement, subject to other applicable clauses in the Option Agreement, the Option Fee shall be forfeited to the Vendor within five (5) business days from the expiry of the Call Option Exercise Period.

3. JTC Approvals

The JTC Approvals as referred to in Section 3.3(a) of the Sale Announcement shall be amended such that:

- (a) in the event any conditions imposed by JTC on the Purchaser for the grant of the JTC Approvals is not satisfactory and/or not acceptable to the Purchaser, the Purchaser shall be entitled (but not obliged) to appeal to JTC ("**JTC Approvals Appeal Submission**") against such conditions imposed within 2 weeks from the respective dates of the JTC Approvals ("**JTC Approvals Appeal Submission Deadlines**"). The Purchaser shall promptly after the receipt of the JTC Approvals, but in any event, within the relevant JTC Approvals Appeal Submission Deadlines, notify the Vendor if any of the conditions imposed by JTC on the Purchaser for the grant of the relevant JTC Approvals is not satisfactory and/or not acceptable to the Purchaser and if any of such conditions is not satisfactory and/or not acceptable to the Purchaser, whether the Purchaser intends to make a JTC Approvals Appeal Submission;
- (b) in the event the JTC Approvals are not obtained by the Target Date, or if obtained but is not satisfactory and/or not acceptable to the Purchaser and the Purchaser does not make or does not intend to make any JTC Approvals Appeal Submission in accordance with the terms of the Option Agreement, either the Purchaser or the Vendor may elect to rescind the Option Agreement, upon which the Option Fee shall be refunded to the Purchaser unless the failure to obtain the JTC Approvals is due to the Purchaser's default; and
- (c) the Purchaser shall promptly but, in any event, within two (2) weeks from the date of receipt of the outcome of the JTC Approvals Appeal Submission, give written notice to the Vendor as to whether the outcome of the appeal is satisfactory and acceptable to the Purchaser or not satisfactory and/or not acceptable to the Purchaser. In the event the Purchaser made

any JTC Approvals Appeal Submission within the JTC Approvals Appeal Submission Deadlines and the outcome of the Purchaser's appeal is not satisfactory and/or not acceptable to the Purchaser or the outcome of the Purchaser's appeal is not obtained within 4 weeks from the date of the Purchaser's last appeal of the relevant JTC Approvals or the Lease Extension and Amalgamation Approval (if applicable) was made, the Purchaser or the Vendor may elect to rescind the Option Agreement, and the Option Fee shall be refunded to the Purchaser.

4. Vendor Shareholders Approval

The Vendor Shareholders Approval as referred to in Section 3.3(b) of the Sale Announcement shall be amended such that in the event the Vendor Shareholders Approval is not obtained by the date falling 1 month after:

- (a) receipt of the JTC Approvals, or receipt of the Purchaser's written notice to the Vendor that the outcome of the JTC Approvals Appeal Submission is satisfactory and acceptable to the Purchaser (where applicable);
- (b) receipt of the Lease Extension and Amalgamation Approval, or receipt of the Purchaser's written notice to the Vendor that the outcome of the Lease Extension and Amalgamation Approval Appeal Submission is satisfactory and acceptable to the Purchaser (where applicable); and
- (c) receipt of the Hazardous Substances Storage Permit,

whichever is the latest, either the Purchaser or the Vendor shall be entitled to rescind the Option Agreement and, among other things, the Option Fee shall be refunded to the Purchaser.

5. Lease Extension and Amalgamation Approval

The Lease Extension and Amalgamation Approval as referred to in Section 3.3(c) of the Sale Announcement shall be amended such that:

- (a) in the event any conditions imposed by JTC on the Purchaser for the grant of the Lease Extension and Amalgamation Approval is not satisfactory and/or not acceptable to the Purchaser, the Purchaser shall be entitled (but not obliged) to appeal to JTC ("**Lease Extension and Amalgamation Approval Appeal Submission**") against such conditions imposed within 2 weeks from the date of the Lease Extension and Amalgamation Approval ("**Lease Extension and Amalgamation Approval Appeal Submission Deadline**"). The Purchaser shall promptly after the receipt of the Lease Extension and Amalgamation Approval, but in any event, within the Lease Extension and Amalgamation Approval Appeal Submission Deadline, notify the Vendor if any of the conditions imposed by JTC on the Purchaser for the grant of the Lease Extension and Amalgamation Approval is not satisfactory and/or not acceptable to the Purchaser and if any of such conditions is not satisfactory and/or not acceptable to the Purchaser, whether the Purchaser intends to make a Lease Extension and Amalgamation Approval Appeal Submission;
- (b) in the event the Lease Extension and Amalgamation Approval is not obtained by the Target Date, or if obtained is not satisfactory and/or not acceptable to the Purchaser and the Purchaser does not make or does not intend to make a Lease Extension and Amalgamation Approval Appeal Submission in accordance with the terms of the Option Agreement, either the Purchaser or the Vendor may elect to rescind the Option Agreement, upon which the

Option Fee shall be refunded to the Purchaser unless the failure to obtain the Lease Extension and Amalgamation Approval is due to the Purchaser's default; and

- (c) the Purchaser shall promptly but, in any event, within two (2) weeks from the date of receipt of the outcome of the Lease Extension and Amalgamation Approval Appeal Submission, given written notice to the Company as to whether the outcome of the appeal is satisfactory and acceptable to the Purchaser or not satisfactory and/or not acceptable to the Purchaser. In the event the Purchaser made any Lease Extension and Amalgamation Approval Appeal Submission within the Lease Extension and Amalgamation Approval Appeal Submission Deadline, and the outcome of the Purchaser's appeal is not satisfactory and/or not acceptable to the Purchaser or the outcome was not obtained within 4 weeks from the date of the Purchaser's last appeal of the relevant JTC Approvals or the Lease Extension and Amalgamation Approval (if applicable) was made, the Purchaser or the Vendor may elect to rescind the Option Agreement, and the Option Fee shall be refunded to the Purchaser.

6. Hazardous Substances Storage Permit

The Hazardous Substances Storage Permit as referred to in Section 3.3(d) of the Sale Announcement shall be amended such that in the event the Hazardous Substances Storage Permit is not obtained by the Target Date, or if obtained is not satisfactory and/or not acceptable to the Purchaser, either the Purchaser or (in the case where the Hazardous Substances Storage Permit is not obtained by the Target Date) the Vendor may elect by notice in writing to the other Party to rescind the Option Agreement, and the Option Fee shall be refunded to the Purchaser unless the failure to obtain the Hazardous Substances Permit is due to the Purchaser's default.

7. Target Date

The reference to "28 March 2020" as referred to in Section 3.3 of the Sale Announcement shall be amended to "31 August 2020".

8. Purchase Agreement

The Purchase Agreement as referred to in Section 3.4 of the Sale Announcement shall be amended such that under the Option Agreement, the Vendor and the Purchaser are deemed to have entered into the Purchase Agreement on the date the Call Option is exercised by the Purchaser.

9. Completion

Completion of the Proposed Sale, as referred to in Section 3.9.2 of the Sale Announcement, shall be amended such that Completion of the Proposed Sale shall take place on the date falling twelve (12) weeks from the date upon which the Call Option is exercised.

10. JTC Confirmation

A new clause shall be inserted in the Purchase Agreement such that:

- (a) the sale and purchase of the Property is subject to the Vendor obtaining JTC's confirmation in writing of there being no subsisting breach by the Vendor of the JTC lease documents and the terms and conditions to JTC's approval for sale of the Property ("**JTC Confirmation**"), such confirmation to be obtained no later than 10 business days prior to the date of Completion; and

- (b) in the event the JTC Confirmation is not obtained by the Vendor before the expiry of 10 business days prior to the date of Completion, the Purchaser may elect to rescind the Purchase Agreement, and the Deposit shall be refunded to the Purchaser.

11. Environmental Baseline Study

The Option Agreement has been amended such that in the event JTC requires environmental clean-up and/or remediation or preventive works or measures (“**Decontamination Works**”) to be carried out, the Vendor shall at its own cost and expense complete the Decontamination Works to the satisfaction of JTC. In the event the Decontamination Works cannot be completed by the date of Completion, Completion shall be deferred until the Vendor completes the Decontamination Works to the satisfaction of JTC.