

## **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 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 at an extraordinary general meeting (“**EGM**”).

The circular to shareholders containing further information on the proposed acquisition and the notice of the EGM is pending clearance from the Singapore Exchange.

The Company will make the relevant announcements to update the shareholders on the EGM when clearance is obtained from the Singapore Exchange.

**(2) Proposed capital reduction**

Reference is made to the Company’s announcements on 31 December 2020, 11 January 2021, 20 May 2021, 31 May 2021, 2 June 2021 and 25 Jun 2021 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 of S\$0.36 for each ordinary share held by the shareholders (“**Proposed Capital Reduction**”).

The Company has given notice that the transfer books and the Register of Members of the Company will be closed at 5.00 p.m. on 30 June 2021 for the purposes of determining the entitlements of shareholders to the cash distribution pursuant to the Proposed Capital Reduction, and that the cash distribution will be effected on or about 9 July 2021.

**(3) Expiry of the Company’s warrants**

Reference is made to the Company’s announcement on 28 May 2021 relating to the expiry of the Company’s warrants (“**Warrants**”).

The Warrants expired at 5.00 p.m. on 27 May 2021 and were de-listed from the Official List of the SGX-ST with effect from 9.00 a.m. on 28 May 2021.

A total of 12,805,022 Warrants have been exercised at the exercise price of S\$1.00 for each new share prior to the expiry date.

**(4) Exercise of options under S\$50,000,000 Subscription Agreement**

*References are made to:*

- (i) the Company's circular to shareholders dated 12 March 2018 (the "Circular"). All capitalised terms used herein shall have the meanings ascribed to them in the Circular;*
- (ii) announcements relating to the exercise of options by MTBL Global Holdings Pte Ltd ("MTBLGH") on 23 April 2021, 5 May 2021, 27 May 2021, 1 June 2021 and 25 June 2021; and*
- (iii) announcements on the exercise of options by Pro Honor Investment Limited ("PHIL") on 27 April 2021 and 25 June 2021.*

Pursuant to their respective exercise of options, the Company has allotted 17,975,000 Option Shares to MTBLGH, 1,000,000 Option Shares to PHIL and 569,250 Introduce Shares. Pursuant to the said allotments of shares, the issued share capital of the Company has increased to 87,072,231 shares (excluding 3,009,200 treasury shares) as at 25 June 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 July 2021