

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) With reference to the announcement on 30 December 2019, the Company had entered into a put and call option agreement with ACW Holdings Pte. Ltd. (the “**Purchaser**”) for the sale of its existing premises at 12 Penjuru Lane Singapore 609192. The sale is subject to fulfilment of a number of conditions precedent, including the approval of JTC and the approval of shareholders at a general meeting.

The Company and the Purchaser had 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). The Company announced on 15 June 2020 that, the JTC Approvals have not been obtained and 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, which included extension of the Target Date to 31 August 2020. Please refer to the Company’s announcement on 15 June 2020 for more details.

The Board will update the shareholders on the development in relation to the sale of the property as and when appropriate.

- (2) The Company held its annual general meeting on 29 June 2020 and all resolutions put to voting by poll at the meeting were passed by shareholders. Please refer to the Company’s announcement on 29 June on the results of the annual general meeting.
- (3) Since the last six months, the business environment has deteriorated the world over and compounded by the impact of Covid19, the Company’s performance continues to be affected.

Update on financial performance and financial position

The audited net loss after tax of the Group was S\$5.86 million for the financial year ended 31 December 2019. As at 31 December 2019, the audited net assets of the Group were S\$44.96 million while its cash and cash equivalents were S\$33.91 million.

Please refer to the audited financial statements of the Group for the financial year ended 31 December 2019 set out in the Annual Report issued and released on SGXNET on 13 April 2020 for more details.

The Board expects the COVID-19 situation to have much impact on the operations of the Company and the Company is taking steps to abide by the advisories given by the Ministry of Health on precautionary measures

on COVID-19. The Group will monitor market development and respond appropriately.

Update on future direction and other material development

The Company is continuing its efforts to review opportunities for business diversification and seek new profit generating businesses with the objective to achieve growth and profitability. We will make announcement as and when appropriate.

BY ORDER OF THE BOARD

Lum Soh Ping
Foo Soon Soo
Company Secretaries

9 July 2020