

## **ANNOUNCEMENT**

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### **CLARIFICATION IN RELATION TO QUERY RAISED BY SGX-ST**

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The Board of Directors of AEI Corporation Ltd (**Company**) refers to the Company's Annual Report for the financial year ended 31 December 2013 and wishes to make the following clarification in relation to the query raised by the SGX-ST on the Corporate Governance Statement in the Annual Report:

#### **Query from SGX-ST**

Paragraph 9.2 of the Code of Corporate Governance 2012 (the "Code") states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars. As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please elaborate on the Company's statement that "The Board is of the view that it is in the best interests of the Company that specific details of the remuneration of each individual Director and key management be kept confidential."

#### **Company's Response**

For competitive industry reasons and due to the confidentiality and sensitivity of remuneration matters, the Company has only disclosed the remuneration mix and remuneration band of each individual director on a named basis and, in the case of the key management staff, on an unnamed basis. The manpower landscape of the electronic industry in Singapore and the region has become more competitive in the recent years and as such any information on remuneration for key management staff could be used by competitors to cream talents which are critical for efficient manufacturing operation of the electronic end products.

The Board was of the view that the information disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

#### **BY ORDER OF THE BOARD**

Foo Soon Soo  
Company Secretary

23 April 2014