

AEI CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198300506G)

**REALLOCATION AND CHANGE IN USE OF GROSS PROCEEDS FROM THE PROPOSED
SUBSCRIPTION AND PROPOSED BONUS WARRANTS ISSUE**

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Company's circular to shareholders dated 12 March 2018 (the "Circular").

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of AEI Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Circular relating to, *inter alia*:

- (a) the Proposed Subscription, comprising the Proposed Subscription Shares Issue, the Proposed Option Shares Issue and the Proposed Introducer Shares Issue; and
 - (b) the Proposed Bonus Warrants Issue,
- (collectively, the "**Transactions**").

1.2 The Company wishes to announce a change in the allocation and use of the gross proceeds received in respect of the Transactions, as compared to that previously disclosed in the Circular.

2. SUBSCRIPTION AND WARRANTS GROSS PROCEEDS

2.1 The Company had previously disclosed in the Circular that:

- (a) the Gross Proceeds from the Proposed Subscription ("**Subscription Gross Proceeds**") will be used by the Company in the following estimated proportions:

<u>Intended Use</u>	<u>Percentage Allocation (%)</u>
(a) Proposed acquisitions to be undertaken by the Company	80
(b) Working capital and general corporate purposes	20

- (b) the Warrants Gross Proceeds from the Proposed Bonus Warrants Issue will be used by the Company in the following estimated proportions:

<u>Intended Use</u>	<u>Percentage Allocation (%)</u>
(a) Proposed acquisitions to be undertaken by the Company	50
(b) Repayment of loans or borrowings	30
(c) Working capital and general corporate purposes	20

2.2 As at the date of this announcement, the Company has received:

- (a) S\$23,000,000 from the Proposed Subscription Shares Issue;

(b) S\$15,180,000 from the Proposed Option Shares Issue; and

(c) S\$12,805,022 from the Proposed Bonus Warrants Issue,

amounting to an aggregate amount of S\$50,985,022. For the avoidance of doubt, no funds are raised from the Proposed Introducer Shares Issue.

3. REALLOCATION AND CHANGE IN USE OF THE GROSS PROCEEDS

- 3.1 Pursuant to Rule 704(30) of the Listing Manual, the Company wishes to announce that there will be a reallocation and change in the use of the Subscription Gross Proceeds and Warrants Gross Proceeds.
- 3.2 The Company had on 28 April 2021 obtained Shareholders' approval for the proposed capital reduction exercise ("**Proposed Capital Reduction**") to be carried out by the Company pursuant to Section 78G, read with Section 78I, of the Companies Act (Cap. 50) of Singapore to return to Shareholders surplus capital of the Company in excess of its needs by way of a cash distribution ("**Cash Distribution**") by the Company to Shareholders of S\$0.36 in cash for each Share held by Shareholders as at 5.00 p.m. on 30 June 2021.
- 3.3 As announced by the Company on 6 July 2021, the Proposed Capital Reduction and Cash Distribution had taken effect on 6 July 2021 and an aggregate amount of S\$31,346,003.16 will be returned to Shareholders.
- 3.4 Having reviewed the Group's acquisition plans and cash flow needs for working capital, the Board has decided to re-allocate the use of the Subscription Gross Proceeds and Warrants Gross Proceeds to include the payment of the Cash Distribution, in the following manner:

(a) With respect to the Subscription Gross Proceeds:

<u>Intended Use</u>	<u>Allocated</u>	<u>Amount Allocated</u>	<u>Re-allocation Amount</u>	<u>Amount Allocated after the Re-allocation</u>	<u>Re-allocation</u>	<u>Amount Utilised as at 9 July 2021</u>	<u>Amount Unutilised as at 9 July 2021</u>
	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>
Proposed acquisitions to be undertaken by the Company	80	30.54	4.64	25.90	68	0.60 ¹	25.30
Working capital and general corporate purposes	20	7.64	3.00	4.64	12	1.60 ²	3.04
Payment of the Cash	0	-	7.64	7.64	20	7.64 ³	-

Distribution							
Total	100	38.18	-	38.18	100	9.84	28.34

Notes:

¹ Deposit for the proposed acquisition of 100% shareholding interest in MTBL Global Pte. Ltd. announced by the Company on 31 December 2020

² Working capital for wholly-owned subsidiary Ascent Bridge (Singapore) Pte. Ltd.

³ Cash payment for the Cash Distribution on 9 July 2021

(b) With respect to the Warrants Gross Proceeds:

<u>Intended Use</u>	<u>Allocated</u>	<u>Amount Allocated</u>	<u>Re-allocation Amount</u>	<u>Amount Allocated after the Re-allocation</u>	<u>Re-allocation</u>	<u>Amount Utilised as at 9 July 2021</u>	<u>Amount Unutilised as at 9 July 2021</u>
	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>
Proposed acquisitions to be undertaken by the Company	50	6.40	-	6.40	50	-	6.40
Repayment of loans or borrowings	30	3.84	3.84	-	0	-	-
Working capital and general corporate purposes	20	2.56	0.87	1.69	13	-	1.69
Payment of the Cash Distribution	0	-	4.71	4.71	37	4.71 ¹	-
Total	100	12.81	-	12.81	100	4.71	8.10

Notes:

¹ Cash payment for the Cash Distribution on 9 July 2021

- 3.5 For the avoidance of doubt, in addition to the Subscription Gross Proceeds and Warrants Gross Proceeds, the Cash Distribution will also be funded by cash proceeds from the Company's sale of 12 Penjuru Lane Singapore 609192 to ACW Holdings Pte. Ltd. ("**Penjuru Disposal**"). As announced by the Company on 31 March 2021, completion of the Penjuru Disposal took place on 31 March 2021.
- 3.6 The Board is of the view that the reallocation of the uses of the Subscription Gross Proceeds and Warrants Gross Proceeds is in the best interests of the Company and its Shareholders as it will enable the Group to effectively utilise the cash available to the Group to return surplus capital to its Shareholders.

- 3.7 The Company will make periodic announcements via SGXNet on the utilisation of the balance Subscription Gross Proceeds and Warrants Gross Proceeds as and when they are materially disbursed, and will provide a status report on such use in its annual report.

By Order of the Board
AEI CORPORATION LTD.

Sun Quan
Executive Director
9 July 2021