Ascent Bridge 禮仕時

New Spirit, New Impetus

ASCENT BRIDGE LIMITED

Annual Report 2021

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CHAIRMAN'S STATEMENT

Dear Fellow Shareholders

The Company has achieved a significant milestone with the completion of the acquisition of MTBL Global Pte Ltd ("MTBL ") as announced in March 2022. This marks the first major initiative for diversification and growth of the Group with the completion of the acquisition in March 2022.

With MTBL, the Company has diversified its business into the production, sale and distribution of food and beverages (including, in particular, liquors and alcoholic beverages).

The Group through MTBL now owns the exclusive global distributor rights (excluding Mainland China) to market and sell Moutai Bulao 125ml liquor product ("product"), one of the most valuable spirits brand worldwide.

As the exclusive global distributor of Moutai Bulao outside China, MTBL not only offers a great opportunity for the Group to enter into baijiu industry, but to acquire a business with innovative marketing and technology for sustainable development and growth. MTBL has developed smart vending machine that will leverage IT concepts, digital network infrastructure as well as large-scale data collection and analysis. The network of smart vending machines will be span over our partners' stores in geographic markets, serving as MTBL's primary distribution channel. MTBL will continue to expand its product range to sell through its smart vending machine and other sales channels.

The Group will continue with its business diversification strategy to seek other opportunities in potential profitable businesses to expand and grow the Group.

NEW NAME TO REFLECT THE NEW DIRECTION AND FOCUS OF THE GROUP

In March 2022, the Company is renamed Ascent Bridge Limited (formerly known as AEI Corporation Ltd.), with the Chinese name 礼仕时。The new name carries a new logo with the tagline, New Spirt, New Impetus. 礼 stands for our Product, 仕 stands for People, 时 stands for right Timing. We hope given the right time, right place and the right people who will work together to build a successful Group.

ACHIEVEMENTS IN 2021

Introduction of VRAI

In 2021, in anticipation of the injection of MTBL and the Group's entry into the food and beverage business, the Board and Management have been pro-active to get a head start by trying out and introducing VRAI to the Asia market through its subsidiary, Ascent Bridge (Singapore) Pte Ltd ("ABS"). VRAI 5.5% is the first and only organic premium hard seltzer certified by United States Department of Agriculture in the United States and the first and only vodka-based organic alcoholic beverage. ABS held the VRAI Asia Grand Launch on 29 January 2021. At present, VRAI is sold in Singapore, Hong Kong via City Super, a high-end supermarket as well as e-platforms such as HKTV Mall.

ABS has completed the trademark registration and import registration for VRAI in China, ready for sale in China market in April 2022. In recent years, ready-to-drink alcoholic beverage industry is the fast-growing segment within the alcohol markets. ABS is following the trend of the alcohol industry development to have new products and to establish a close business cooperation with the alcohol association of the United States in preparation for the New Business.

Completion of the sale of Company's property at 12 Penjuru Lane Singapore

The Company completed the sale of the Company's industrial property at 12 Penjuru Lane on 31 March 2021 and the receipt of the cash consideration of S$ 19 Million. This strengthens the Company's financial position.

Capital Reduction and Cash Distribution to Shareholders

The Company carried out a capital reduction and return to the 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 ("Capital Reduction"). The Capital Reduction was completed with payment of the cash distribution effected on 9 July 2021.

Further Strengthening of the financial position of the Company

The Company has received an aggregate of S$51 million cash comprising S$38.2 million from the exercise of the subscription shares and option shares from the S$50M subscription agreement entered into with MTBL Global Fund (then known as New Impetus Strategy Fund) in 2018 and S$12.8 million from the exercise of the bonus warrants issued in 2018 to the then existing shareholders.

All shares due for issue under the subscription agreement have been issued. The bonus warrants expired at 5.00 p.m. on 27 May 2021.

BOARD REFRESHMENT

We welcome Mr. Siow Chee Keong and Mr Chua Wei Ming, new Independent Directors who joined the Board in February 2021 and Mr. Richard Andrew Smith, new Non-Executive & Non-Independent Director, and Dr Tan Khee Giap, new Lead Independent Director who joined in July 2021 and January 2022 respectively. They are well qualified and have considerable experience which will benefit the Board greatly.

On behalf of the Board and the Group, I would like to thank Mr Yeung Koon Sang (David Yeung), our former Non-Executive Chairman and Dr Vasoo, ex-Independent Director, who both retired in February 2021 and Mr Teng Cheong Kwee ex-Independent Director who retired in January 2022 for their contributions extended to the Board and the Group.

Under the leadership of the new board of Directors, the Group will strive to continue with its diversification and leverage on its new acquired business to expand and grow the Group's revenue and profitability.

MR. SUN QUAN

Chairman and Chief Executive Officer

APPRECIATION

It has been a great honour of mine to serve on the Board. I feel proud to be one of the Board members to witness the challenges and development of the Group over the years.

I would like to extend my sincere gratitude to my fellow Directors, management and staff for their consistent and unstinting support during my tenure on the Board.

On behalf of the Board, I would also like to express my gratitude to all our shareholders, contractors, suppliers, customers, business partners and colleagues for their continued support.

Sun Quan
Chairman and Chief Executive Officer

BOARD OF DIRECTORS

MR. SUN QUAN

Chairman

Mr. Sun is the Chairman and CEO of the Company. He was first appointed as a Director of the Company on 30 April 2018 and appointed Executive Director on 23 March 2020. Mr. Sun has more than 25 years of investment and management experience, specialising in M&A. He has focused his business operation mainly in Greater China Region, Singapore, USA, Malaysia, Thailand and Indonesia, covering a variety of areas including high technology, pharmaceuticals, electronics, real estate, natural resources, chemical and food & beverage industries.

Mr. Sun has been largely instrumental in promoting the networking, cooperation and collaboration in areas of economic, educational and cultural exchanges between China and several Southeast Asian countries.

Mr. Sun serves as the Executive Director and CEO of China Capital Impetus Asset Management Pte Ltd, Executive Director of MTBL Global Fund (f.k.a. New Impetus Strategy Fund). He also holds Non-Executive Director of The Palace Holdings Limited (E27, a Singapore Mainboard Listed Company).

Mr. Sun holds his EMBA from Tsinghua University and Bachelor of Engineering from Beijing University of Technology.

DR. TAN KHEE GIAP

Lead Independent Director

Dr. Tan is Associate Professor at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). He is also the Chairman of the Singapore National Committee for Pacific Economic Cooperation

Dr. Tan has consulted extensively with the various government ministries, statutory boards and government linked companies and he has also served as a consultant to international agencies such as the Asian Development Bank, Asian Development Bank Institute, United Nations Industrial Development Group, World Bank Group, World Gold Council, ASEAN Secretariat, Central Policy Unit of Hong Kong, Kerzner International, Las Vegas Sands and Marina Bay Sands.

Dr. Tan holds PhD from University of East Anglia, England and is the lead author for more than 20 books, serving as journal editors and published widely in international refereed journals.

MR. CHUA WEI MING

Independent Director

Mr. Chua is an Independent Director of the Group and was first appointed on 19 February 2021. He has a wealth of experience in business consulting and advisory services.

Mr. Chua graduated from National University of Singapore, in BSc Computer Science and holds and MBA from University of Liverpool, UK.

BOARD OF DIRECTORS

MR. SIOW CHEE KEONG

Independent Director

Mr. Siow is an Independent Director of the Group and was first appointed on 19 February 2021. He is a member of the Audit, Nominating and Remuneration Committees.

Mr. Siow graduated from the University of Warwick, England, with a Master of Business Administration. He qualified as a Chartered Certified Accountant and is a non-practicing member of the Institute of Singapore Chartered Accountants Administration.

MR. RICHARD ANDREW SMITH

Non-Executive and Non-Independent Director

Mr. Smith is a Non-Executive and Non-Independent Director and was appointed on 1 July 2021. With more than 20 over years' financial experience working in Southeast Asia and this was principally in Indonesia but with roles also undertaken in Singapore, India, Vietnam and Thailand.

Mr. Smith is a Director of Triton Growth Management. Triton has been early stage investors along side other professional investors in underperforming and restructured assets. He has been very involved in working with the South East Asian banking and finance community. Mr. Smith has also been very active in the successful management and resolution of a distressed under performing assets located in India, China and Indonesia. Industry classes include consumer goods, mining, banking and aviation.

MR. LI ZHIBO

Non-Executive and Non-Independent Director

Mr. Li is our Non-Executive Director and was first appointed as a Director of the Company on 16 December 2019. He was last re-elected on 29 June 2020 as a Director.

Mr. Li graduated from Cornell University, Ithaca, New York in Master degree major in Applied Statistics in 2005. He also holds a Bachelor degree with triple major in Finance, Information Systems, and Economics from The Ohio State University Fisher College of Business, Columbus, Ohio.

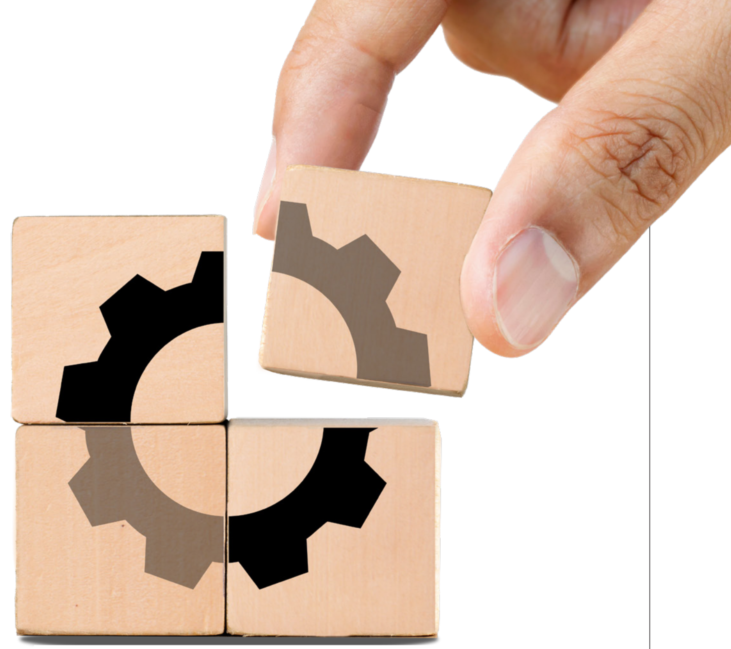
MR QIU PEIYUAN, PERRY

Non-Executive and Non-Independent Director

Mr. Qiu with over 15 years of Executive Management experiences and serve as non-executive director of few listed companies in Hong Kong since 2018.

Currently serves as a chief executive officer of First Ocean Financial Holdings Co. Limited since 16 August 2019.

OPERATIONS REVIEW



ALUMINIUM EXTRUSION BUSINESS

2021 was another challenging year for the Group's extrusion business. The COVID -19 continued to rage on worldwide with a new strain and caused many supply chain disruptions; raising prices for shipping, raw materials and so forth. Many countries continued to adopt a lockdown to contain COVID-19 spreading. In Singapore, many industries have been hard hit by this viral outbreak and continue to struggle with their employees adjusting to the new norm of working.

In FY2021, aluminum business revenue increased by 71% to $16.9 million; and recorded a gross profit of $2.1 million, compared to a gross profit of $0.7 million in FY2020. The increase in revenue was due to increase in HDD programs we managed to qualify. However, the main challenge was the constant upward trend of raw material prices which eroded our margins as it was a challenge to pass on increased cost of raw material to HDD customers on short notice as well as supply disruption that we were unable to keep to the delivery schedule. Competition also remains stiff from lower competitive pricing by overseas competitors.

We also face a challenge with limited work force and difficulty in recruiting workers from nearby countries to increase our production capacity as these countries were continued to lockdown.

Aluminum Price

Ongoing fluctuations in raw material costs, in addition to energy prices and currencies will continue to have a significant impact on our bottom line and will be monitored closely.

LME Aluminum price at the start of the year was US$2003 per metric ton, and ended at $2695 as at December 2021 with the highest in October at US$2955. This upward trend is expected continue into 2022 due to the shortages of aluminum and the LME warehouses; shortages of alloying elements like copper/ magnesium/zinc etc.

STATEMENT OF CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and has adopted the corporate governance practices contained in the 2018 Code of Corporate Governance ("Code") so as to ensure greater transparency and protection of shareholders' interests.

This report outlines the Company's corporate governance practices with reference to the Code.

BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the company.*

The present Board comprises six members. As at the date of this report, the Board members and Board Committees members are as follows:

	Board appointments			Board committees		
Name of Director	**Non-Executive Director**	**Executive Director**	**Independent Director**	**Audit & Risk Committee**	**Nominating Committee**	**Remuneration Committee**
Mr Sun Quan		*				
Mr Li Zhibo	*					
Mr Richard Andrew Smith[1]	*					
Dr Tan Khee Giap[2]			*	Member	Chairman	Member
Mr Siow Chee Keong			*	Chairman	Member	Member
Mr Chua Wei Ming			*	Member	Member	Chairman

1 Mr Richard Andrew Smith was appointed Non-Executive and Non-Independent Director on 1 July 2021.
2 Dr Tan Khee Giap was appointed Director, Lead Independent Director, Chairman of Nominating Committee, Member of Audit & Risk and Remuneration Committees on 15 January 2022.

Provision 1.1
Board's Role
The Board's primary role is not only to protect but also to enhance long-term shareholder value. It provides entrepreneurial leadership, sets the strategies for the Company, establishes goals for management, and sets workable and sustainable policies and procedures. To fulfil its role, the Board ensures that the necessary resources are in place to enable the Company to drive, manage and meet its strategic business objectives and governance. It also ensures that the Company has a sound risk management framework in place to monitor and manage risks. The Board supervises the management and reviews its performance.

The Board is responsible for the overall corporate governance of the Company. The Directors are fiduciaries who must act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest must declare their interest and recuse themselves from discussions and decisions involving such matters.

The Board sets the Company's values and standards to ensure that conduct and transactions undertaken serve the interest of the Company and its shareholders as a whole, and that obligations to shareholders and other stakeholders are understood and met. The Group also strives to strike a balance between its business sustainability and the need of the society and the environment in which the Group operates. In accordance with the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Group will issue its sustainability report in respect of its financial year ended 31 December 2021 by end May 2022 and will upload the full Sustainability Report in its website, www.ascentbridge.com. In compliance with new Listing Rules that take effect from 1 January 2022, the sustainability reporting process will be subject to internal review and the Directors will undergo training in sustainability matters as prescribed by SGX-ST.

Provision 1.2
Directors' Duties and Responsibilities
The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group.

The Directors recognize that it is their duty to ensure that they have a full understanding of the Company's business as well as their directorship duties (including their roles as executive, non-executive or independent directors, as the case may be). The Company has in place a process of induction, training and development for new and existing directors as set out herein.

The Directors are mindful of their obligations to ensure compliance with the Listing Rules of the SGX-ST. Each Director has signed the required undertaking in the form set out in Appendix 7.7 of the Listing Manual to use his best endeavors to comply with the Listing Rules and to procure that the Company shall so comply. The Directors have also procured a similar undertaking by the Chief Financial Officer ("**CFO**") in her capacity as Executive Officer.

Continuous Training and Development of Directors
A new incoming Director will be issued a formal letter of appointment setting out his duties and obligations and, where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

An incoming Director will be given briefing by the management, the Company Secretary and, where appropriate, the Company's legal advisers, on his duties and obligations as director, and on the Group's organization structure, business and governance practice and arrangements, including the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. First-time Directors appointed to the Board will undergo training in the roles and responsibilities of a director of a listed issuer in the first year of his appointment as prescribed by the SGX-ST.

STATEMENT OF CORPORATE GOVERNANCE

Mr Siow Chee Keong and Mr Chua Wei Ming were appointed Independent Directors of the Company on 19 February 2021. Mr Richard Andrew Smith was appointed Non-Executive and Non-Independent Director on 1 July 2021. Dr Tan Khee Giap was appointed as Independent Director and Lead Independent Director on 15 January 2022 respectively. They were issued letters of appointment and had received briefings from the Nominating Committee and management to orientate them in the Company's business and governance practices. Mr Richard Andrew Smith and Mr Chua, as first-time directors of a listed company, have undergone the prescribed training in their first year of appointment. Mr Siow and Dr Tan have prior and current appointments as an independent director of other public listed companies in Singapore.

The Directors are continually and regularly updated on the Group's business and governance practices, as well as changes to the accounting standards and regulatory requirements. The Company Secretary circulates to the Board articles, reports and press releases to keep the Directors updated on current industry trends, developments and issues. Our Directors are also encouraged to become members of the Singapore Institute of Directors (SID) and participate in courses and seminars offered by SID. In FY2021, the Directors had received various briefings, updates and training, including:

- Briefings given by the external auditors to the AC members at each AC meeting on developments in accounting and auditing standards, and governance requirements;
- Briefings given by the Company Secretary to the Board on changes to the requirements of the SGX-ST Listing Manual ("**Listing Manual**") and guidances released by the SGX RegCo and the Accounting and Corporate Regulatory Authority on COVID-19.
- Briefings and updates given by the Management to the Board at each meeting on business and strategic developments on salient issues, including risk management considerations and industry developments;
- Appropriate courses, conferences and seminars, including those organized by the Singapore Exchange, the Singapore Institute of Directors, Institute of Singapore Chartered Accountants and auditing firms, which the Directors had attended in their personal capacity or in their capacity as directors of the Company.

Provision 1.3
Matters Requiring Board Approval
Matters which are specifically reserved for the Board's approval:

- half-yearly and year-end results announcement;
- annual operating plan and budget;
- annual reports and accounts;
- strategic policies of the Group;
- share issuances, dividends and other returns to shareholders;
- convening of shareholders' meetings;
- taking steps for audit control;
- material acquisitions and disposal of assets; and
- major investments, key human resource matters and funding.

Provision 1.4
Delegation of Authority to Board Committees
To ensure efficient discharge of its responsibilities and to provide independent oversight of management, the Board has established the following Board Committees: the Audit & Risk Committee ("**ARC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**").

The various Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each Committee. The composition and activities of the NC, RC and ARC are set out in the following segments of this report under Principle 4 to 10.

To facilitate operational and management efficiency, the Board has delegated certain of its powers and authority to the management. Subject to such delegation of authority, certain matters, such as major acquisitions, investments and disposals, and funding decisions require the approval of the Board.

Provision 1.5
Meetings of Board and Board Committees
The Board meets at regular intervals, and at such times as warranted by particular circumstances or as deemed appropriate by the Board members.

The Company's Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings. The table below sets out the number of Board and Board Committee meetings which were held during FY2021:

Besides formal meetings, Board members also had informal meetings to discuss specific issues related to the Company's development. While the Board considers Directors' attendance at Board meetings to be important, it does not consider that to be the only criterion to measure their contributions. Other than participating in these meetings, Board members also rendered comments, guidance and advice on various matters relating to the Group and convened discussions when needed.

STATEMENT OF CORPORATE GOVERNANCE

	Board	Audit & Risk Committee	Remuneration Committee	Nominating Committee
Number of meetings held	11	2	3	4
Name of Directors	**Number of meetings attended**			
Mr Sun Quan	10	2*	2*	4*
Mr Siow Chee Keong[1]	11	2	3	3
Mr Chua Wei Ming[1]	11	2	3	3
Mr Richard Andrew Smith[2]	7	1*	1*	N.A.
Mr Teng Cheong Kwee[3]	11	2	3	4
Mr Yeung Koon Sang @ David Yeung[4]	4	1	2	3
Dr Vasoo Sushilan[4]	4	1	2	3
Mr Wu Pingwei[5]	2	N.A.	N.A.	N.A.
Mr Li Zhibo[6]	1	N.A.	N.A.	N.A.

1 Mr Siow Chee Keong and Mr Chua Wei Ming were appointed Independent Directors on 19 February 2021
2 Mr Richard Andrew Smith was appointed Non-Executive and Non-Independent Director on 1 July 2021
3 Mr Teng Cheong Kwee resigned effective from 1 January 2022
4 Mr David Yeung and Dr Vasoo Sushilan retired on 28 April 2021
5 Mr Wu Pingwei resigned on 18 June 2021
6 Mr Li Zhibo will retire at the forthcoming annual general meeting on 28 April 2022 pursuant to the Company's constitution.
* attended by invitation
N.A. – Not applicable, as the Directors are non-members of the Board Committees.
The table excludes Dr Tan Khee Giap who was appointed Director on 15 January 2022

Provision 1.6
Board's Access to information
All Directors are, from time to time and when necessary, furnished with information concerning the Company and its affairs and on matters to be put before the Board and its Committees to enable them to be apprised of the decisions and actions of the Company's executive management and of major developments in the Group. The Board has unrestricted access to the Company's records and information.

Senior members of the management staff are available to provide further information and details via informal briefings to the Directors or formal presentations at Board meetings. Where external consultants or advisers are engaged on specific projects, arrangements will be made for the consultants or advisers to provide briefings to the Board, and to address any questions and issues that the Board members may have.

Provision 1.7
Board's Access to Management, Company Secretary and External Advisers
The Board has separate and independent access to the Company Secretary and to other senior management executives of the Group at all times in carrying out their duties.

The Company Secretary ensures that meeting procedures were followed and that applicable rules and regulations were complied with. The minutes of all Board and Committee meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order that he would be able to fulfill his duties and responsibilities as Director.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Provision 2.1
Independent element on the board
The Board of Directors currently comprises six Directors as follows:

Mr Sun Quan	(Chairman and Chief Executive Director)
Mr Li Zhibo	(Non-Executive and Non-Independent Director)
Mr Richard Andrew Smith[1]	(Non-Executive and Non-Independent Director)
Dr Tan Khee Giap[2]	(Lead Independent Director)
Mr Siow Chee Keong	(Independent Director)
Mr Chua Wei Ming	(Independent Director)

1 Mr Richard Andrew Smith was appointed Non-Executive and Non-Independent Director on 1 July 2021
2 Dr Tan Khee Giap was appointed Lead Independent Director on 15 January 2022

The criterion for independence is based on the definition given in the Code. The Code has defined an "Independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Under the Listing Rules of SGX-ST, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

STATEMENT OF CORPORATE GOVERNANCE

Dr Tan Khee Giap, Mr Siow Chee Keong and Mr Chua Wei Ming, Independent Directors, have each confirmed their independence. Dr Tan, Mr Siow and Mr Chua have confirmed that they have no relationship or association with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment and they are independent in accordance with the Listing Rules. The NC reviews the independence of each Director annually. Taking into consideration the declaration provided by each Director and his participation, conduct and exercise of judgment at the Board and Committee meetings, the NC considers Dr Tan, Mr Siow and Mr Chua independent and has recommended to the Board their re-election at the forthcoming annual general election. The Board has accepted the NC's recommendations. Dr Tan, Mr Siow and Mr Chua have each abstained from the NC's and Board's deliberation and decision pertaining to their individual position.

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board
Under the Listing Rules of SGX-ST, the Independent Directors should make up one-third of the Board. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board.

The current three Independent Directors make up more than one-third of the Board of six members. The composition of the Board complies with the requirements of the Listing Rules of SGX-ST. The five Non-Executive Directors (of whom three are Independent Directors) make up the majority of the Board in compliance with Provision 2.3 of the Code.

The Board believes that given the current structure on the Board with a Lead Independent Director, and with Independent Directors making up half of the Board and with all the Board Committees comprising Independent Directors, there is a strong independent element on the Board.

Provision 2.4
Composition and Competency of the Board
The Board currently comprises six members. The current Board members comprise persons who, as a group, possess diverse skills and experience, and core competencies such as finance and accounting, business management, industry knowledge and strategic planning.

The NC is of the view that the Board size of six members is adequate for effective decision making, taking into account the nature, size and scope of the Company's operations. With the retirement of Mr Li Zhibo and the proposed appointment of Mr Qiu Peiyuan as reported under Provision 4.3, the Board will still comprise six members.

The Board has in place a Board diversity policy to ensure that the Board has an appropriate level of diversity of thought and background to enable wider perspectives which encourage more effective discussions and better decision-making. Under the Board diversity policy, on an annual basis, the NC would review the composition of the Board with a view to considering if it has the appropriate mix of expertise and experience and if, collectively, it possesses the necessary core competencies for effective functioning and informed decision-making. The Board also considers gender diversity as an important aspect of diversity contributing to the quality of its decision making.

The Board had had diversity of representation that included a female member on its Board since its listing in 2004 until the resignation of the female Board member in November 2019. The Board remains fully supportive of the policy of Board diversity, including gender diversity, and together with the NC will set the relevant objectives to promote diversity to ensure an appropriate balance of perspectives, skills and experience to support the long-term success of the Company. Toward this end, the Board, when reviewing new appointments, will consider each candidate's merits and suitability as well as how it can contribute to its objective for diversity.

Key information regarding the Board and their appointments on various Board Committees are presented under the profile of the Board of Directors in the annual report.

Provision 2.5
Role of Non-Executive Directors
At Board and committee meetings as well as at informal meetings held in the course of the year, the Non-Executive Directors participated in the review and discussion of matters placed before them, including business strategies and proposals put forward by management. The Non-Executive Directors reviewed the matters, provided comments, raised questions and sought clarifications on the bases, assumptions and justifications, and, where appropriate, raised modified or alternative scenarios or approaches for consideration and debate. The Non-Executive Directors served as a constructive sounding board to the Management's ideas and proposals, drawing upon their expertise and experience. As part of the Board, they help monitor Management's progress in implementing agreed plans and business strategies.

For the year under review, the Non-Executive Directors had, on various occasions, held discussions among themselves without the presence of Management to consider issues relating to business strategy and operational developments including the capital reduction exercise, disposal of the aluminium extrusion business, diversification into the food and beverage business, and specifically the proposed acquisition of the 100% shareholdings in MTBL Global Pte Ltd. Following the discussions, inputs and proposals would be presented to the Board and Management. The Management has ready access to the Directors for guidance and exchange of views both within and outside the formal confine of the Board and Board committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Provisions 3 .1 and 3.2
Separate role of Chairman and CEO
Mr Sun Quan relinquished his position as Non-Executive Chairman on 23 March 2020 to assume oversight of the Group's management, and was thus redesignated as Executive Director. Mr David Yeung then assumed the chairmanship until his retirement on 28 April 2021. Mr Teng stepped in to act as Chairman of the meeting for the Board meetings until he ceased as Director effective from 1 January 2022 after more than 9 years' tenure to facilitate Board renewal.

STATEMENT OF CORPORATE GOVERNANCE

Mr Sun Quan was appointed Chairman and Chief Executive Officer ("CEO") effective from 15 Mar 2022 following the acquisition of MTBL Global Pte Ltd ("MTBL") under the Company's transformation process and diversification into the new core food and beverage business. The Board supports the dual appointments of Mr Sun as he is key man who has the experience, in-depth market knowledge and good networking and contacts within the industry to lead the Board in the strategic growth of the Group and to effectively oversee the Group's management to drive the business and implement the strategies laid down by the Board. He will also develop a strong management team to assist him to run and grow the new core business and ensure continuity and sustainability in operational management.

The Board is of the view that there are adequate safeguards against having a concentration of power and authority in a single individual. The roles of Chairman and CEO are clearly established as distinct. Mr Sun consults with the Board, ARC, NC and RC on major issues. There is also a strong element on the Board with a majority of the Board comprising Non-Executive Directors, among them half of the Board are Independent Directors. The ARC, NC and RC comprise all Independent Directors.

The roles of Chairman and CEO are clearly established as distinct where Chairman manages the business of the Board, whereas, the CEO manages the day-to-day management and business affairs of the Group. The CEO reports to the Board and is responsible for ensuring that policies and strategies adopted by the Board are implemented.

The Chairman's responsibilities include:

- scheduling of meetings (with assistance from the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- preparing meeting agenda;
- reviewing most board papers before they are presented to the Board;
- promoting openness and candour among the Directors to ensure effective participation and contribution by the Directors in meetings and in communications among the Board and between the Directors and Management; and
- promoting corporate governance.

Provision 3.3
Lead Independent Director
Mr David Yeung was the Lead Independent Director of the Company until his retirement on 28 April 2021. Mr Teng Cheong Kwee took over as Lead Independent Director from 10 August 2021 until his cessation as Director effective from 1 January 2022. Dr Tan Khee Giap was appointed the Lead Independent Director on 15 January 2022.

As Lead Independent Director, Dr Tan is the principal liaison on Board issues between the Independent Directors and the Chairman. He is available to shareholders where the normal channels of the Chairman and CEO or CFO failed to resolve their concerns or was inappropriate. The independent directors, led by the Lead Independent Director, would meet amongst themselves without the presence of the other Directors and the Lead Independent Director would then provide feedback, if any, to the Chairman after the meetings.

BOARD MEMBERSHIP
Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

Provisions 4.1 and 4.2
Nominating Committee
The NC comprises three members, all of whom, including the Chairman, are independent. The members of the NC are:

Chairman	Dr Tan Khee Giap	(Lead Independent Director)
Member	Mr Siow Chee Keong	(Independent Director)
Member	Mr Chua Wei Ming	(Independent Director)

The NC operates in accordance with its terms of reference, which sets out the key functions of the NC as follows:

a) review and recommend the nomination or re-nomination of Directors (including Independent Directors of the Company);

b) determine annually whether a Director is independent, in accordance with the guidelines in the Code;

c) review Board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, CEO and key management personnel;

d) develop a process for evaluation of the performance of the Board, its committees and Directors, and undertake assessment of the effectiveness of the Board, Board Committees and individual Directors, including reviewing multiple board representations of Directors;

e) review the training and professional development programs for the Directors;

f) review the composition of the Board to consider if the Board possesses the appropriate mix of expertise and experience, and whether, collectively, it possesses the necessary core competencies for effective functioning and informed decision-making. Where appropriate, the NC will consider new appointments or Board renewal as part of its review of Board succession plans for Directors. The NC will also review succession planning for the CEO.

Succession planning
The NC is responsible for reviewing Board succession plans, and will seek to refresh the Board membership in an orderly manner where it deems it necessary. The NC will also ensure that the Company has succession planning for its Executive Directors and key management personnel, including appointing, training and mentoring successors.

STATEMENT OF CORPORATE GOVERNANCE

Provision 4.3
Process for the Selection, Appointment of New Directors
When it is required to source and appoint a new Director to the Board, the NC would, in consultation with the Board and management, identify the core competencies in terms of the skills and experience that such a candidate should possesses. The Company would then source for candidates who would meet the established criteria through a network of contacts. Where necessary, external consultants would be engaged. The NC will review the candidates' curriculum vitae and background, including references, and conduct interviews with short-listed candidates to assess their suitability and capacity to contribute to the needs of the Board. Selected candidate will be nominated to the Board for consideration and approval for appointment as a Director.

The Constitution of the Company requires one-third of the Board to retire from office at the AGM which includes a director who intends to retire and not be re-elected and a director who has been in office for 3 years since his last re-election. Pursuant to the Constitution, Mr Li who has indicated his intention to retire as a Director and Mr Sun Quan who has served three years since his last re-election, shall retire pursuant to the Constitution. Mr Sun has given his consent to re-election at the forthcoming AGM. The NC has recommended to the Board the re-election of Mr Sun. The Board records its appreciation to Mr Li for his service with the Board.

The Constitution of the Company requires a Director appointed by the Board to retire and be eligible for re-election at the first general meeting following his appointment. Accordingly, Mr Richard Andrew Smith and Dr Tan Khee Giap who were recently appointed on 1 July 2021 and 15 January 2022 respectively will retire at the AGM pursuant to the Constitution, and being eligible have consented to re-election at the forthcoming AGM. The NC has recommended their nomination for re-election. Dr Tan abstained from the NC" s deliberation and decision on his re-election.

The Board has accepted the foregoing NC's recommendations. Mr Sun, Dr Tan and Mr Smith each abstained from the Board's deliberation and decision on their re-election.

The Board has received a nomination from MTBL Global Fund's manager Capital Impetus Asset Management Pte Ltd, as member of the Company to propose Mr Qiu Peiyuan for appointment as a Director at the forthcoming AGM. Mr Qiu has accepted the nomination for his candidature. The NC has reviewed Mr Qiu's background and experience and found him suitable for appointment as Director of the Company. The NC has recommended his appointment to the Board. The Board has accepted the NC's recommendation.

In accordance with the Listing Rules of SGX-ST, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Sun Quan, Mr Richard Andrew Smith, Dr Tan Khee Giap and Mr Qiu Peiyuan are provided on pages 34 to 43 of this Annual Report.

Provision 4.4
Determining Directors' Independence
The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Listing Rules of SGX-ST and as set out under Provision 2.2 of the Code, and taking into consideration their participation in Board and Committee discussions and deliberations, and their exercise of judgment in the discharge of their duties as directors, has ascertained that they are independent.

Guideline 4.4
Multiple Board Representations
The NC ensures that new directors are aware of their duties and obligations and will be able to devote sufficient time in discharging the same. In assessing a Director's commitment to devote sufficient time and attention to the affairs of the Company in discharge of his duties, the Board is of the view that it would not be appropriate to set a limit on the number of listed company Board representations that a Director may hold. Each Director should personally determine the demands of his competing directorships and obligations and ensure that sufficient time and attention is given to the affairs of the Group. The Board is of the view that it is more appropriate to consider and assess if a Director has been able to devote sufficient time and attention to the affairs of the Company. In this respect, the Board, having reviewed each Director's involvement and participation in meetings of the Board, and Committee, where applicable, is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. The NC would continue to review from time to time the Board representations and other principal commitments of each Director to ensure that the Directors continue to be able to meet the commitment of time, attention and diligence required from each Director in the discharge of their duties as a director of the Board.

There are currently no Alternative Directors on the Board.

Details of the Directors' principal commitments and outside directorships are set out on pages 5 to 6 and pages 34 to 37 of this Annual Report.

BOARD PERFORMANCE
Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Provisions 5.1 and 5.2
Conduct of Board Performance
The NC carried out an evaluation exercise to assess the performance of the Board and Board Committees as well as the contributions of each Director to the effectiveness of the Board. The assessment carried out was based on the framework and process that the Board has adopted.

This process entailed having each Director complete a performance evaluation to assess the performance and effectiveness of the Board and of each Board Committee in key aspects of the functions and responsibilities of the Board and Board Committees. It also included a self-assessment by each Director of his own performance as a Director. The Company Secretary compiles the evaluation into a consolidated report which was submitted to the NC.

The NC, with the participation of the Executive Director, reviewed and discussed the results of the evaluation at a meeting of the NC. The Board received a report of the NC's deliberations on the matter, and also discussed areas where enhancements could be considered.

Performance Criteria for Board Evaluation
The performance criteria cover various aspects of Board performance, including Board's level of governance, effective delegation to the Board committees, leadership and accountability, conduct of meetings, involvement in strategy formulation, risk management and internal controls, and communication with stakeholders.

STATEMENT OF CORPORATE GOVERNANCE

Evaluation of the Board and Board Committees
For the year under review, based on the consolidated results of evaluation and the discussion at the NC meeting, with the participation of the Executive Director, the NC is satisfied that the Board and its Board Committees have been effective in the discharge of their duties and that the directors have each contributed to the effectiveness of the Board and Board committees. The Board received a report of the NC's deliberations on the matter, and also discussed areas where enhancements could be considered.

Evaluation of Individual Director
The NC evaluated individual Director's performance in the year under review. The assessment of individual Director encompassed his knowledge of the Group's business and operations, business acumen, knowledge of corporate governance, contribution and engagement, communication and integrity. In respect of a Director who has multiple board representations, the NC reviewed the Director's participation in the Board and Committee meetings and his contributions to the discussions and decision making to assess if he has been adequately carrying out his duties as a Director of the Company.

Taking into account the report and assessment of the NC, the Board is satisfied that each Director has discharged their duties satisfactorily and has devoted sufficient time and resources to the affairs of the Company.

The Company does not use any external professional facilitator for the assessment of the Board, Board Committees and individual Directors. It will consider the use of such facilitator as and when it considers it necessary.

REMUNERATION MATTERS
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Provisions 6.1 and 6.2
Remuneration Committee
The RC comprises three members all of whom, including the Chairman, are independent.

Chairman	Mr Chua Wei Ming	(Independent Director)
Member	Dr Tan Khee Giap	(Lead Independent Director)
Member	Mr Siow Chee Keong	(Independent Director)

The RC carried out its duties in accordance with the terms of reference approved by the Board and which included the following:

a) review and recommend to the Board a framework for remuneration for the directors and key management personnel of the Company.

b) review and recommend Directors' fees for approval at the AGM.

c) determine specific remuneration packages for each Executive Director as well as key management personnel.

d) review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

e) review the remuneration of employees who are immediate family members of a director or the CEO to ensure that the remuneration of each such employee is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

The Company has in place a framework for the Directors' and Executives Officers' remunerations recommended by the RC and which the Board had approved. Each year, the RC would review and determine the specific remuneration package for each Executive Director, taking into consideration the Company's annual performance. The RC would also review and recommend Director's fee to be paid, and submit it for the Board's review and approval.

Provision 6.3
Review of remuneration
During the year under review, the RC reviewed and recommended the remunerations of the Executive Directors. The remunerations included, but are not limited to Director's fee, salaries, allowances, bonus, ex-gratia payments, options and benefits in kind. The RC's recommendations were submitted for endorsement by the Board. No member of the RC or any Director was involved in the deliberations and decision in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The RC also reviewed the remuneration of key management personnel.

The Executive Director and key management personnel have a service agreement or employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on a continuing basis and not subject to onerous removal clauses.

Provision 6.4
Engagement of remuneration consultants
The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such service shall be borne by the Company.

For the year under review, the RC did not use any external remuneration consultant and will consider the use of such consultant as and when appropriate.

STATEMENT OF CORPORATE GOVERNANCE

LEVEL AND MIX OF REMUNERATION

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

Provision 7.1
Remuneration of Executive Directors and Key Management Personnel
The Executive Director and key management personnel have service agreements. The service agreements cover the terms of employment, salaries and a variable bonus, which is tied to the level of the group profits, and other benefits.

The RC considers that the level and structure of remuneration of the Executive Directors is aligned with the long-term interest and risk policies of the company, and is appropriate, in the Company's current financial circumstances, and are adequate to attract, retain and motivate the key management personnel to successfully manage the company.

There are no contractual provisions in the Company's service agreements or employment contracts that would enable the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit (and not on forward-looking results) as well as the performance of the individual employee, it may not be essential or appropriate to incorporate "claw-back" provisions in the service agreements.

Provision 7.2
Remuneration of Non-Executive Directors
The Non-Executive Directors have no service contract, other than letters of appointment as Non-Executive Directors. In setting remuneration packages, the RC will take into consideration the director fee levels within the industry and in comparable companies. The Company submits the proposed quantum of Directors' fee each year to the shareholders for approval at each AGM.

The RC has reviewed the fee structure for the directors taking into account their responsibilities and work commitments, as well as the operating and financial performance of the Company. The proposed directors' fee will be subject to shareholders' approval at the Company's forthcoming AGM.

Provision 7.3
Appropriate remuneration to attract, retain and motivate key management personnel and Directors
The Company has in place share incentive schemes, namely ABL Performance Share Plan ("**ABPSP**"). The objective of the share schemes is to attract, retain and motivate key management personnel and, where applicable, Executive Directors and Non-Executive Directors.

Apart from employees, Non-Executive Independent Directors and Non-Executive Non-Independent Directors are also eligible for participation in the above share scheme. No share awards have been granted since inception of the schemes.

DISCLOSURE ON REMUNERATION

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Provision 8.1
Remuneration Report

Remuneration of Directors and the CEO
The remuneration paid to or accrued to each individual Director for FY2021 is as follows:

	Fee %	Salary %	AWS %	Other benefits %	Total %
Between S$500,000 to S$750,000					
Mr Sun Quan	7.24	75.43	6.29	11.04	100.00
Below S$250,000					
Mr Yeung Koon Sang	100.00	0.00	0.00	0.00	100.00
Dr Vasoo Shusilan	100.00	0.00	0.00	0.00	100.00
Mr Wu PingWei	100.00	0.00	0.00	0.00	100.00
Mr Siow Chee Keong	100.00	0.00	0.00	0.00	100.00
Mr Chua Wei Ming	100.00	0.00	0.00	0.00	100.00
Mr Li Zhibo	100.00	0.00	0.00	0.00	100.00
Mr Teng Cheong Kwee	100.00	0.00	0.00	0.00	100.00
Mr Richard Andrew Smith	100.00	0.00	0.00	0.00	100.00

Directors' remuneration is disclosed on a named basis in bands of S$250,000 each and not fully along with the mix of the fixed and variable components, in the interest of the Company to maintain confidentiality of its remuneration policies.

While the exact remuneration of the Executive and Non-Executive Directors are not given, the level and composition of the Executive and Non-Executive Directors' remuneration packages expressed in percentage terms are provided as above. The Company believes that such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Executive and Non-Executive Director's remuneration packages and is consistent with the intent of Principle 8 of the Code.

STATEMENT OF CORPORATE GOVERNANCE

Remuneration of Key Management Personnel (who are not Directors or CEO)
Remuneration of key executives (who are not directors or the CEO) for FY2021 are set out in bands of S$250,000.

	Fee %	Salary %	AWS %	Other benefits %	Total %
Below S$250,000					
Employee 1	0.00	64.92	4.46	30.62	100.00
Employee 2	0.00	77.68	5.94	16.38	100.00
Employee 3	0.00	76.63	5.82	17.55	100.00
Employee 4	0.00	68.05	5.49	26.46	100.00
Employee 5	0.00	92.34	7.66	0.00	100.00

The aggregate remuneration including basic/fixed salary, variable bonuses, benefit-in-kinds, allowances etc. paid to the top five key management personnel (who are not Directors or the CEO) for the year ended 31 December 2021 were S$950,170.

Given the keen competition for talents in the industry, coupled with sensitivity with regard to the remuneration of individual staff, the Company has only disclosed the remuneration mix and remuneration band of each key management staff, on an unnamed basis. The manpower landscape of the electronic and food and beverage industries 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 poach talents which are critical for efficient manufacturing operation of the electronic end products.

The Board is of the view that the information disclosed would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice, and the broad remuneration level of the key management staff. The Board believes that the disclosure provided is in the interest of the Company. Loss of key management personnel involves considerable time and costs in seeking replacement and time for new key management personnel to be inducted into the operational processes which would impact the Company's competitiveness. The Company believes the above disclosure provides a balance between the interest of the Company and provision of information to shareholders and is consistent with the intent of Principle 8 of the Code.

Provision 8.2
Remuneration of employees who are substantial shareholders or immediate family members of a substantial shareholder, Director or the CEO
There is no employee who is a substantial shareholder or an immediate family member of a Director or the CEO and whose remuneration exceeds S$100,000.

Provision 8.3
Employee Share Scheme

Ascent Bridge Performance Share Plan
The Company has adopted the Ascent Bridge Performance Share Plan ("ABPSP") which is intended to serve as a means to incentivize staff to achieve higher performance goals and to recognize exceptional achievement as well as to reward, retain and motivate employees. The ABPSP was approved by the shareholders at the Extraordinary General Meeting held on 28 April 2014. To date, no shares have been granted under the ABPSP.

ACCOUNTABILITY AND AUDIT
RISK MANAGEMENT AND INTERNAL CONTROLS
Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Provision 9.1
Risk Management and Internal Controls System
The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the company is willing to take. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC. Having considered the Company's business operations, taking into account its current nature, scope and scale, as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

Risk-based internal audits are carried out with the primary objectives of:

a) assessing if adequate systems of internal controls are in place to protect the funds and assets of the Company and to control commitment and disbursement of expenditure and other outlay;

b) assessing if operations of the business processes under review are conducted efficiently and effectively, and in compliance with the Company's internal procedures and controls; and

c) identifying internal control improvement opportunities.

Provision 9.2
Assurances to the Board
The Board has received the following assurances from the Executive Director and CFO that as at 31 December 2021 that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and that the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

STATEMENT OF CORPORATE GOVERNANCE

Board's Comment on Adequacy and Effectiveness of Internal Controls
Based on the review of the key risks identified, and the internal controls established and information maintained by the Group, statutory audit review by the external auditors, the findings of the internal audit carried out, and the assurances from the Executive Director and the CFO on the effectiveness of the Group's risk management and internal control systems, and their assurance that the financial records have been properly maintained and that the financial statements give true and fair view of the Group's operations and finances, as well as reviews performed by management, various Board committees and the Board, the Board is of the opinion that the Group's risk management and internal control systems, including financial, operational, information technology and compliance controls, addressing financial, operational and compliance risks as at 31 December 2021 were adequate and effective. The ARC concurs with the Board.

AUDIT & RISK COMMITTEE
Principle 10: *The Board has an Audit Committee which discharges its duties objectively.*

Provisions 10.1 and 10.2
ARC Membership
The ARC comprises the following three independent directors:

Chairman	Mr Siow Chee Keong	(Independent Director)
Member	Dr Tan Khee Giap	(Lead Independent Director)
Member	Mr Chua Wei Ming	(Independent Director)

Expertise of ARC Members
The ARC members bring with them extensive professional expertise in the accounting and financial management domains. The Chairman of the ARC, Mr Siow is qualified as a Chartered Certified Accountant and is a non-practicing member of the Institute of Singapore Chartered Accountants. The other members of the ARC have many years of experience in business management, finance and regulatory compliance. The Board is satisfied that the members of the ARC have recent and relevant accounting or related financial management expertise or experience to discharge the ARC's functions. The experience and qualifications of the ARC members are set out in the Directors' Profile section of the annual report.

The ARC functions under the terms of reference approved by the Board, and its responsibilities include:

a) reviewing with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their audit report, their management letter and the management's response;

b) reviewing with the internal auditor its internal audit plans and internal audit findings;

c) reviewing the half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements so as to ensure the integrity of the financial statements of the Company;

d) reviewing the internal control and procedures and ensure co-ordination between the external auditors and the management, reviewing the assistance given by management to the auditors and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

e) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response;

f) reviewing the assurance from the CEO or the Chairman (in the absence of an CEO) and the CFO on the financial records and financial statements;

g) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

h) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;

i) considering and recommending the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

j) reviewing interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

k) reviewing potential conflicts of interest, if any;

l) undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

m) generally undertaking such other functions and duties as may be required by the statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

In connection with the audit for FY2021, the external auditor has identified two key audit matters ("**KAM**") set out in the auditor's report for FY2021.

The KAMs identified are: 1. Impairment assessment of the aluminium extrusion cash-generating unit and 2. Impairment of investment in two of the subsidiaries, namely AEI Corporation (Singapore) Pte Ltd and AEI (China) Holdings Pte Ltd. The external auditor has set out the work it performed in the auditor's report to ensure that the accounting impacts of the impairments in relation to the KAMs are in accordance with the accounting standards, The AC has considered the appropriateness of the external auditor's work and findings and concurs with the external auditor.

The ARC has the power to conduct or authorize investigations into any matters within the ARC's scope of responsibility. The ARC is authorized to obtain independent professional advice if it deems it necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

STATEMENT OF CORPORATE GOVERNANCE

Each member of the ARC shall abstain from voting on any resolutions in respect of matters he is interested in.

Independence of External Auditors
The ARC had reviewed and was satisfied that the engagement of Ernst & Young LLP as the external auditors of the Company and of its subsidiaries and the engagement of other suitable audit firms for its foreign subsidiaries was in compliance with Rules 712, 715 and 716 of the Listing Manual. The ARC reviews the independence of the external auditors annually. During the year, the fees paid to the external auditors of the Company was approximately S$156,000 of which non-audit fees amounted to approximately S$41,000. Having reviewed the range and value of non-audit services performed by the Ernst & Young LLP, the ARC was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors. The ARC has recommended that Ernst & Young LLP be re-appointed as Auditors subject to approval of shareholders at the forthcoming AGM.

Whistle-blowing
The ARC is responsible for oversight and monitoring of any whistleblowing matters.

The Company has in place a channel for whistleblower to raise concerns to his or her supervisors, Human Resources Department or ARC members of the Company.

All whistleblowing reports will be handled confidentially, except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable law and regulations. In this regard, the identity of the whistleblower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the ARC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistleblower is required to be disclosed by law.

Investigation to be carried out on a whistleblowing report will be referred to the ARC who shall nominate an independent investigation team to conduct the investigation. All members of the investigation team shall be independent and conduct the investigation impartially. Depending on the nature of the whistleblowing matter or information provided, the investigation team (upon approval from the ARC) may consult external professionals with relevant knowledge or experience to assist with the investigation.

The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. Furthermore, no person should suffer reprisal as a result of reporting a genuine concern, even if they turn out to be mistaken. If the whistleblower has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, he or she should submit a formal complaint under the grievance procedure to the Human Resource Department and any higher authority, as appropriate. An investigation may take place and disciplinary action may be taken against any person who attempts to impede, prevent, or obstruct a whistleblowing report from being made or an investigation from being carried out; or harass or victimise the whistleblower or subject the Whistleblower to detrimental or unfair treatment.

Following investigation and evaluation of a compliant, the ARC Chairman shall report to the Board on whistleblowing matters which may have a material impact to the Company's financial statements, internal controls or risk management. The action determined by the ARC to be appropriated shall be brought to the Board or to appropriate members of the senior management for authorization and implementation respectively.

Provision 10.3
Partners or Directors of the Company's Auditing Firm
No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Provision 10.4
Internal Audit Function
The Company outsourced internal audit function to Nexia TS Risk Advisory Pte Ltd, which is independent of the Company's directors and management. The internal auditors report to the Chairman of the ARC. The ARC is satisfied that the internal audit function is independent and adequately resourced. There was an internal audit carried out in FY2021. The ARC reviewed the report of the internal audit carried out and the findings as well as any remedial actions to be taken by Management to address any inadequacies identified by the internal auditor.

Risks arising from the Group's financial operations are separately discussed in Note 32 to the Financial Statements on pages 120 to 131.

Adequacy and Effectiveness of Internal Controls and Risk Management Systems
For the financial year ended 31 December 2021, the Board has received letters of assurance from the Executive Director and the CFO that the financial records had been properly maintained and that the financial statements gave a true and fair view of the Group's operations and finances, and regarding the effectiveness of the company's risk management systems and internal controls system.

In assessing the effectiveness of internal controls, the ARC's key objectives are to check that material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The ARC has reviewed the Company's internal control assessment and based on the internal audit report, the external auditors' reports, the assurance from the Executive Director and CFO that the internal controls in place, it is satisfied that its internal controls (including operational, financial, compliance and information technology controls) are adequate and effective to meet the needs of the Group in its current business environment.

Provision 10.5
Meeting with external and internal auditors without presence of the Management
The ARC meets with both the internal and external auditors without the presence of the Management at least once a year. The ARC met once with the external and internal auditors without the presence of the Management to provide a forum for the external and internal auditors to exchange views and information in confidence regarding or arising from their audit.

STATEMENT OF CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings
The Company's AGM, and Extraordinary General meeting ("**EGM**") when that is required to be held for specific purpose, are the principal forums for dialogues with shareholders.

Shareholders are encouraged to attend AGM / EGM to stay apprised of the Group's business developments, strategy and goals, and to seek additional information or clarifications on the Company's business and operations. Notice of the meetings will be advertised in newspapers and announced on SGXNET at least 14 days before the meeting so that sufficient notice of meeting is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

All resolutions at general meetings are put to a vote by electronic poll to allow greater transparency and more equitable participation by shareholders. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be displayed live-on-screen to shareholders immediately at the general meetings. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET. An independent scrutineer firm would be present to validate the votes at the last AGM. The results of the electronic poll voting on each resolution to be tabled at the AGM, including the total number of votes cast for or against each resolution, would also be announced after the said meeting via SGXNet.

In view of the COVID-19 situation, the AGM in 2021 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for that AGM. The Company will be conducting the forthcoming AGM in similar manner.

Provision 11.2
Separate resolutions at general meetings
The Company will have separate resolutions at general meetings on each distinct issue. For resolutions that are special business, explanations will be given in the accompanying notes to the Notice of the AGM. For resolutions on the election or re-election of directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual is provided in this Annual Report.

Provision 11.3
Attendance of Directors and auditors at general meetings
In 2021, the Company held two general meetings, one AGM and one EGM. Members of the Board, including the chairperson of each Board Committee was present at the meeting to address shareholders' queries. The external auditors were also present to assist the Board in addressing any relevant queries from the shareholders.

Provision 11.4
Absentia voting
The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings on his behalf in his absence. The Companies Act allows relevant intermediaries which include CPF and/or SRS Approved Nominees to appoint multiple proxies, and empower CPF and/or SRS investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies. This would enable holders of shares purchased through CPF Investment Scheme to attend and exercise their voting right at general meetings. A CPF or SRS Investor who is unable to attend the AGM but who would like to vote may inform his CPF or SRS Approved Nominees to appoint the Chairman of the Meeting to act as his proxy, in which case, the CPF or SRS Investor shall be precluded from attending the AGM.

Provision 11.5
Minutes of general meetings
The Company prepares minutes of general meetings detailing the proceedings and questions raised by shareholders and answers given by the Board and Management. The minutes will be published in the Company's corporate website at www.ascentbridge.com.

Provision 11.6
Dividends
The details of dividend payment, if any, would be disclosed via the release of the announcements through SGXNET. The Company does not have a policy on payment of dividend. The Board will consider the Group's operating and financial results, its level of cash and retained earnings and projected capital expenditure and investments when deciding whether to propose the payment of a dividend.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Provision 12.1
Avenues for communication between the Board and shareholders
In accordance with the Listing Rules of the SGX-ST, the Board's policy is to make timely public announcement of all major developments that may have a material impact on the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Information is disseminated to shareholders on a timely basis through:

a) SGXNET announcements and news release;
b) Annual Report prepared and issued to all shareholders;
c) Press release on major developments of the Group;
d) Notice of and explanatory memorandum for AGM and EGM; and
e) Company's website at www.aei.com.sg where shareholders can access information on the Group.

STATEMENT OF CORPORATE GOVERNANCE

The Company's AGM is a forum for the shareholders to engage the Board to ask questions on the resolutions tabled at the AGM and to express their views.

The Company will consider the use of other forums such as analyst briefings as and when appropriate.

Provisions 12.2 and 12.3
Investor Relations
The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board seeks to ensure timely and full disclosure of material corporate developments to shareholders. The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

To further enhance its communication with the investors, the Company's website allows the public to have access to information on the Group including the Company's announcements made to the SGX-ST and the contact email, aei@aei.com.sg.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

Provisions 13.1 and 13.2
Engage with its material stakeholder groups
The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out in its Sustainability Report for FY2020 posted on SGXNET on 31 May 2021.

The Group's sustainability efforts are guided by our Board of Directors. The Board ensures that sustainability thinking is integrated into the Group's strategies, and provides direction for the formulation of policies and best practices. The senior management team and department heads are jointly responsible for the execution of sustainability in the Group's daily operations. The key areas of focus in relation to the management of stakeholder relationships are corporate governance, social responsibility and sustainable environment.

Please refer to the Sustainability Report for FY2020 for details. The Company will release its Sustainability Report for FY2021 by end May 2022.

Provision 13.3
Corporate website to communicate and engage with stakeholders
The Group maintains a corporate website at www.aei.com.sg which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Shareholders and stakeholders are provided with an investor relations contact at aei@aei.com.sg to contact the Company.

OTHER CORPORATE GOVERNANCE MATTERS

Interested Person Transactions
The Company has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved and are conducted at arms' length basis. During the year, the Company had entered into the following interested persons transactions.

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions conducted (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Capital Impetus Group Limited	Associated with director	$600,000[1]	NIL[2]

1 The Group placed a refundable deposit of $0.6 million to Capital Impetus Group Limited upon signing of Sale and Purchase Agreement for the acquisition of 100% shareholding interest in MTBL Global Pte Ltd. The deposit is less than 3% of the Group's latest audited net tangible assets at the time of signing. The sale and purchase had been completed on 15 March 2022 with the deposit forming part of the purchase price of the acquisition.

2 The Group does not obtain a shareholders' mandate for interested person transactions.

Save as disclosed, there are no other IPTS below $100,000 in FY2021.

DEALINGS IN SECURITIES

In line with SGX-ST Listing Rule 1207(19) on Dealings in Securities, the Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the period of one month before the announcement of the Company's half yearly and yearly financial statements. Directors and employees who are in possession of unpublished material price-sensitive and trade-sensitive information of the Group should not deal in the Company's securities on short term consideration and are expected to observe the insider trading laws at all times even when dealing in securities outside the restricted trading period.

The Company has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its own securities during the restricted trading periods.

MATERIAL CONTRACTS

The Company has not entered into any contract during the financial year that involved the interests of the Chief Executive Officer, a Director or the controlling shareholder.

DIRECTOR'S INFORMATION

Information on Directors nominated for re-election at the forthcoming annual general meeting as set out in Appendix 7.4.1 pursuant to Rule 720(6) of the SGX-ST Listing Manual.

	Sun Quan	Tan Khee Giap	Richard Andrew Smith	Qiu Peiyuan
Date of appointment	30-Apr-2018	15-Jan-2022	1-Jul-2021	28-Apr-2022
Date of last re-appointment (if applicable)	25-Apr-2019	N.A.	N.A.	N.A.
Age	55	64	56	56
Country of principal residence	Singapore	Singapore	Singapore	Hong Kong, China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Sun Quan as Chairman and Chief Executive Officer was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since his appointment.	The re-election of Dr Tan Khee Giap as Lead Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since his appointment.	The re-election of Mr Richard Andrew Smith as Non-Executive and Non-Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since his appointment.	The Board of Directors approved the appointment of Mr Qiu Peiyuan as Non-Executive and Non-Independent Director on the recommendation of the Nominating Committee which has reviewed and considered his background, qualifications, and experience.
Whether appointment is executive, if so, the area of responsibility	The appointment is Executive. He oversees the Group's management.	The appointment is Non-executive.	The appointment is Non-executive.	The appointment is Non-executive.
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Chairman and Chief Executive Officer	Lead Independent Director, Chairman of Nominating Committee, Member of Audit & Risk and Remunerating Committees	Non-Executive and Non-Independent Director	Non-Executive and Non-Independent Director
Professional qualifications	He holds a Bachelor of Engineering from Beijing University of Technology, and obtained his EMBA from Tsinghua University.	PhD (Monetary Economics), University of East Anglia, United Kingdom	Nil	1) Bachelor of Science, Nankai University, China 2) MPhil., The University of Hong Kong, Hong Kong 3) MBA, Ivey Business School, The University of Western Ontario, Canada
Working experience and occupation(s) during the past 10 years	Mr Sun Quan serves as CEO of China Capital Impetus Investment Ltd and China Capital Impeus Asset Management Pte Ltd. He also holds Non-Executive Director of The Place Holdings Limited and Non-Executive Director of RHB GC Millennium Capital Pte Ltd.	Dr Tan Khee Giap is Associate Professor at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). He is also the Chairman of the Singapore National Committee for Pacific Economic Cooperation. He was Co-Director of the Asia Competitiveness Institute (ACI) at LKYSPP, NUS from 2011 to 2020.	Mr Richard Andrew Smith is the Managing Director of Triton Growth Management Pte Ltd.	Mr Qiu Peiyuan serves as Chairman and CEO of First Ocean Financial Holdings Co., Limited, Hong Kong since August 2019. He is also the executive Director of China Ecotourism Group (01371), Hong Kong since November 2021. He was the General Manager/Mangaing Director of International Department Huabao Trust Co. Limited, Shanghai from October 2011 to July 2015 and the President, Oversea Investment Department of Pingan Trust Co. Limited, Shanghai from July 2015 to June 2019.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest of 44,712,956 shares of the Company	Nil	Nil	Deemed interest of 1,000,000 shares of the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil	Nil	Nil

DIRECTOR'S INFORMATION

	Sun Quan	Tan Khee Giap	Richard Andrew Smith	Qiu Peiyuan
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes	Yes	Yes
Other Principal Commitments* including Directorship (*Includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.)				
- Past (for the last 5 years)	1) Overseas Chinese Headquarter Development Fund 2) Global Impetus Bullion Fund 3) Oriental Straits Fund II 4) Starbright(Beijing) Culture Development Co., Ltd 5) Beijing Dejoera Investment Co., Ltd 6) Vanguard Resources Pte Ltd 7) Asia Aviation Fund 8) Capital Impetus Advisory Pte. Ltd.	1) Boustead Projects Limited 2) Chengdu Rural Commercial Bank Co., Ltd	Nil	1) Pingan Trust Co. Limited, Shanghai 2) Chong Kin Group Holdings Limited
- Present	1) Acumedical, Inc 2) AcuClinics 3) Acumedical Development Fund LLC 4) Ascent Bridge (Singapore) Pte. Ltd. 5) Capital Impetus Group Limited 6) China Capital Asset Management Sdn. Bhd. 7) China Capital Impetus Asset Management Pte. Ltd. 8) China Capital Impetus Fund 9) China Capital Impetus Investment Limited 10) Capital Impetus Asset Management LLC 11) CEL Impetus Corporate Finance Pte. Ltd. 12) Dejoera Holdings Ltd 13) Dejoera Investment Limited 14) Dejoera Pte. Ltd. 15) Eaters Pte Ltd 16) Galaxy-Impetus Fund I 17) Meridian Group Limited 18) Meridian Impetus Holdings Pte. Ltd. 19) MTBL Global Fund (f.k.a. New Impetus Strategy Fund) 20) MTBL Global Holdings Pte Ltd 21) Prosperous Chinese Food Pte Ltd 22) RHB GC-Millennium Capital Pte. Ltd. 23) The Place Holdings Limited	1) Boustead Singapore Limited 2) Lian Beng Group Ltd 3) Amcorp Global Limited 4) BreadTalk Group Limited	1) Triton Aviation Sevices Pte Ltd 2) Triton Growth Management Pte Ltd 3) Triton Global Investments Ltd 4) Triton Global No. 3 Ltd 5) Reva Jewellery Pte Ltd	1) First Ocean Financial Holdings Co. Limited, Hong Kong 2) China Ecotourism Group (01371), Hong Kong

DIRECTOR'S INFORMATION

	Sun Quan	Tan Khee Giap	Richard Andrew Smith	Qiu Peiyuan
INFORMATION REQUIRED PERSUANT TO LISTING RULE 704(7) OR CATALIST RULE 704(6):				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	Mr Qiu was sole director and CEO of First Ocean Financial Holdings Company Limited, HK ("company") which received a winding up order issued by the High Court, HK on 24 November 2021 following a petition by a business partner and creditor, First Capital Holding (HK) Co Ltd ("Business Partner"). The Business Partner agreed to invest in the company by purchasing a private debt issued by the company, and there were negotiations between the company and the Business Partner over the sale of the company to the parent of the Business Partner. The negotiations fell through. This was then followed by the winding up petition and the winding up order. The company is continuing with negotiations to seek a resolution with its Business Partner. To date there is no action taken by the petitioner to wind up the company pursuant to the winding up order. Mr Qiu has confirmed that the winding up has not resulted in any liability or obligations imposed against him and there was no wrongful act on his part leading to the winding up. He is not aware of any actual or potential claim that would be made against him as a result of the winding up.
(c) Whether there is any unsatisfied judgment against him/her?	No	No	No	No
(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No	No	No

DIRECTOR'S INFORMATION

	Sun Quan	Tan Khee Giap	Richard Andrew Smith	Qiu Peiyuan
INFORMATION REQUIRED PERSUANT TO LISTING RULE 704(7) OR CATALIST RULE 704(6):				
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she was aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he/she has ever, to his/her knowledge, been connected with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No	No

DIRECTOR'S INFORMATION

	Sun Quan	Tan Khee Giap	Richard Andrew Smith	Qiu Peiyuan
INFORMATION REQUIRED PERSUANT TO LISTING RULE 704(7) OR CATALIST RULE 704(6):				
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or have been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
DISCLOSURE APPLICABLE TO THE APPOINTMENT OF DIRECTOR ONLY.				
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is for re-election of Director, not appointment of Director.	Not applicable. This is for re-election of Director, not appointment of Director.	Not applicable. This is for re-election of Director, not appointment of Director.	No. Mr Qiu will be briefed on the rules of the Singapore Listing Manual and the code of Corporate Governance. He will attend training on the roles and responsibilities of a director of a listed company in Singapore.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is for re-election of Director, not appointment of Director.	Not applicable. This is for re-election of Director, not appointment of Director.	Not applicable. This is for re-election of Director, not appointment of Director.	Not applicable.

FINANCIAL REVIEW CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ascent Bridge Limited (formerly known as AEI Corporation Ltd.) (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Sun Quan	
Dr Tan Khee Giap	(Appointed on 15 January 2022)
Li Zhibo	
Siow Chee Keong	(Appointed on 19 February 2021)
Chua Wei Ming	(Appointed on 19 February 2021)
Richard Andrew Smith	(Appointed on 1 July 2021)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under the Singapore Companies Act 1967, an interest in shares and warrants of the Company as stated below:

	Ordinary shares of the Company			
	Direct interest		Deemed interest	
Name of director	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Sun Quan	–	–	28,787,400	44,712,956
Dr Tan Khee Giap	–	–	–	–
Li Zhibo	–	–	–	–
Siow Chee Keong	–	–	–	–
Chua Wei Ming	9,200	9,200	5,000	5,000
Richard Andrew Smith	–	–	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

AEI PERFORMANCE SHARE PLAN

At an Extraordinary General Meeting held on 28 April 2014, shareholders approved the adoption of AEI Performance Share Plan ("Plan") as a compensation scheme that promotes higher performance goals and recognizes exceptional achievement. The Company believes the Plan will strengthen the overall effectiveness of the Group's remuneration and benefits to its employees.

The Plan is administered by the Remuneration Committee and the Plan continues in force at the discretion of the Remuneration Committee, subject to a maximum period of up to ten years.

No share has been issued under the Plan.

AUDIT COMMITTEE

The audit committee (AC) carried out its functions in accordance with Section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the external auditors of the Group and the Company
- Reviewed the half-yearly and annual financial statements and the external auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Sun Quan	**Dr. Tan Khee Giap**
Chairman and Chief Executive Officer	Lead Independent Director

Singapore
31 March 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENT BRIDGE LIMITED
(formerly known as AEI Corporation Ltd.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascent Bridge Limited (formerly known as AEI Corporation Ltd.) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of the assets of the aluminium extrusion cash-generating unit

The assets of the aluminium extrusion business are assessed as a cash-generating unit ("CGU") under SFRS(I) 1-36 *Impairment of Assets*. During the year ended 31 December 2021, the Group recognised an impairment loss of $7.7 million relating to the assets of the aluminium extrusion CGU.

Management has performed an impairment assessment of these assets at 31 December 2021. Management has estimated the recoverable amount of the CGU based on its fair value less cost of disposal. The fair value was determined based on management's best estimate of the amount to be recovered through the sale of the CGU. Given the magnitude of the amount and the significant management judgements involved in the impairment assessment, we have identified this as a key audit matter.

We have discussed with management and those charged with governance to obtain an understanding of the business strategy of the group and the future plans for the CGU. We obtained relevant evidence to support management's estimate of the recoverable amount from the sale of the CGU. We checked the arithmetic accuracy of management's computation of the impairment loss based on the excess of carrying amount over the recoverable amount and the allocation of impairment loss to the respective assets in accordance with SFRS(I) 1-36.

We have also assessed the adequacy of the disclosures in *Note 3.2(a) Significant accounting judgements and estimates, Note 11 Property, plant and equipment, Note 14 Leasehold land* and *Note 34 Fair value of assets and liabilities (b) Fair value of buildings and improvements and right-of-use assets* to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Key Audit Matters (cont'd)

Impairment on investment in subsidiaries

As at 31 December 2021, the carrying amount of the Company's investment in subsidiaries amounted to $4.2 million before recognising any impairment losses.

Management has performed an impairment assessment of the Company's investment in two of the subsidiaries, AEI Corporation (Singapore) Pte Ltd and AEI (China) Holdings Pte Ltd (the "subsidiaries") at 31 December 2021. Management has assessed the recoverable amount of the investments based on its fair value less cos of disposal. The investments were carried at $4.1 million before impairment.

The fair value was determined based on management's best estimate of the amount to be recovered through the sale of the Company's shareholdings in the two subsidiaries. Based on the estimated recoverable amount, an impairment loss of $2.6 million was recorded during the year. Given the magnitude of the amount and the significant management judgements involved in the impairment assessment, we have identified this as a key audit matter.

We have discussed with management and those charged with governance to obtain an understanding of the business strategy driving the assessment and assessed the impact of the developments of the disposal plans subsequent to the year end on the impairment assessment. We obtained relevant evidence to support management's estimate of the recoverable amount from the disposal of these investments. We checked the arithmetic accuracy of management's computation of the impairment loss based on the excess of carrying amount over the recoverable amount.

We have also assessed the adequacy of the disclosures made on the impairment of the investment in subsidiary in *Note 12 Investment in subsidiaries* to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Eleanor Lee.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
31 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Revenue	4	**16,939**	9,867
Cost of sales		**(15,024)**	(9,175)
Gross profit		**1,915**	692
Other operating income	5	**17,913**	636
Selling and distribution costs		**(699)**	(535)
General and administrative expenses		**(3,898)**	(3,693)
Impairment losses on financial assets	6	**(415)**	(50)
Other operating expenses		**(7,295)**	(2,382)
Profit/(loss) from operating activities		**7,521**	(5,332)
Finance cost	7	**(58)**	(412)
Share of results of associate		**(13)**	(93)
Finance income	8	**54**	156
Profit/(loss) before tax	6	**7,504**	(5,681)
Income tax benefit	9	**242**	43
Profit/(loss) net of tax		**7,746**	(5,638)
Profit/(loss) for the financial year attributable to:			
Owners of the Company		**7,746**	(5,638)
Earnings per share attributable to owners of the Company	10		
- Basic (in cents)		**9.7**	(10.3)
- Diluted (in cents)		**9.7**	(10.3)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 $'000	2020 $'000
Profit/(loss) for the financial year	**7,746**	(5,638)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Share of foreign currency translation of associated company	**(22)**	(23)
Other comprehensive income for the financial year, net of tax	**(22)**	(23)
Total comprehensive income for the financial year	**7,724**	(5,661)
Total comprehensive income attributable to:		
Owners of the Company	**7,724**	(5,661)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	11	258	4,561	5	–
Investment in subsidiaries	12	–	–	1,601	4,154
Investment in associate	13	–	1,301	–	–
Leasehold land	14	–	1,547	–	–
		258	7,409	1,606	4,154
Current assets					
Loan receivable	15	–	–	–	–
Inventories	16	4,786	4,136	–	–
Prepaid operating expenses		51	51	8	9
Trade receivables	17	2,419	1,699	10	14
Other receivables	18	5,624	2,885	606	3
Amount due from subsidiaries	19	–	–	7,379	3,795
Receivable from associate	19	7	213	7	7
Cash and cash equivalents	20	40,705	29,678	36,203	27,942
		53,592	38,662	44,213	31,770
Non-current assets classified as held for sale	21	–	8,974	–	8,974
		53,592	47,636	44,213	40,744
Total assets		53,850	55,045	45,819	44,898
Current liabilities					
Trade payables	22	3,292	1,878	6	8
Other payables	22	4,746	3,648	557	484
Loans and borrowings	23	551	451	–	–
Income tax payable		50	50	50	50
		8,639	6,027	613	542
Liabilities directly associated with non-current assets classified as held for sale	21	–	7,727	–	7,727
		8,639	13,754	613	8,269
Net current assets		44,953	33,882	43,600	32,475

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current liabilities					
Loans and borrowings	23	1,562	1,988	–	–
Deferred tax liability	24	–	1	–	1
		1,562	1,989	–	1
Total liabilities		10,201	15,743	613	8,270
Net assets		43,649	39,302	45,206	36,628
Equity attributable to owners of the Company					
Share capital	25	68,600	71,977	68,600	71,977
Treasury shares	26	(3,315)	(3,315)	(3,315)	(3,315)
Foreign currency translation reserve	27	44	66	–	–
Accumulated losses		(21,680)	(29,426)	(20,079)	(32,034)
Total equity		43,649	39,302	45,206	36,628
Total equity and liabilities		53,850	55,045	45,819	44,898

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				
	Share capital $'000 (Note 25)	Treasury shares $'000 (Note 26)	Foreign currency translation reserve $'000 (Note 27)	Accumulated losses $'000	Total equity $'000
Group					
Opening balance at 1 January 2021	**71,977**	**(3,315)**	**66**	**(29,426)**	**39,302**
Profit for the financial year	**–**	**–**	**–**	**7,746**	**7,746**
Other comprehensive income:					
Share of foreign currency translation of associated company	**–**	**–**	**(22)**	**–**	**(22)**
Other comprehensive income for the financial year, net of tax	**–**	**–**	**(22)**	**–**	**(22)**
Total comprehensive income for the financial year	**–**	**–**	**(22)**	**7,746**	**7,724**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary share	**15,635**	**–**	**–**	**–**	**15,635**
Exercise of warrants	**12,805**	**–**	**–**	**–**	**12,805**
Share issuance expense	**(471)**	**–**	**–**	**–**	**(471)**
Return of capital to shareholders	**(31,346)**	**–**	**–**	**–**	**(31,346)**
Closing balance at 31 December 2021	**68,600**	**(3,315)**	**44**	**(21,680)**	**43,649**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				
	Share capital $'000 (Note 25)	Treasury shares $'000 (Note 26)	Foreign currency translation reserve $'000 (Note 27)	Accumulated losses $'000	Total equity $'000
Group					
Opening balance at 1 January 2020	71,977	(3,315)	89	(23,788)	44,963
Loss for the financial year	–	–	–	(5,638)	(5,638)
Other comprehensive income:					
Share of foreign currency translation of associated company	–	–	(23)	–	(23)
Other comprehensive income for the financial year, net of tax	–	–	(23)	–	(23)
Total comprehensive income for the financial year	–	–	(23)	(5,638)	(5,661)
Closing balance at 31 December 2020	71,977	(3,315)	66	(29,426)	39,302

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital $'000 (Note 25)	Treasury shares $'000 (Note 26)	Accumulated losses $'000	Total equity $'000
Company				
Opening balance at 1 January 2020	71,977	(3,315)	(24,735)	43,927
Loss net of tax for the financial year, representing total comprehensive income for the financial year	–	–	(7,299)	(7,299)
Closing balance at 31 December 2020 and opening balance at 1 January 2021	71,977	(3,315)	(32,034)	36,628
Profit net of tax for the financial year, representing total comprehensive income for the financial year	–	–	11,955	11,955
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary share	15,635	–	–	15,635
Exercise of warrants	12,805	–	–	12,805
Share issuance expense	(471)	–	–	(471)
Return of capital to shareholders	(31,346)	–	–	(31,346)
Closing balance at 31 December 2021	68,600	(3,315)	(20,079)	45,206

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Operating activities:			
Profit/(Loss) before tax		**7,504**	(5,681)
Adjustments for:			
Depreciation of property, plant and equipment	11	**459**	998
Amortisation on leasehold land	14	**103**	425
Impairment loss on property, plant and equipment	11	**4,220**	2,293
Impairment loss on leasehold land	14	**1,444**	–
(Gain)/loss on disposal of property, plant and equipment, net	6	**(61)**	67
Gain on sale of Penjuru Property	5	**(17,457)**	–
Impairment loss on investment in associate	13	**1,266**	–
Interest expense	7	**58**	412
Interest income	8	**(54)**	(156)
Foreign currency translation adjustments		**22**	23
Impairment loss on financial assets		**415**	50
Write-down of inventories, net	16	**531**	71
Share of results of associate		**13**	93
Operating cash flows before changes in working capital		**(1,537)**	(1,405)
Increase in receivables		**(3,665)**	(1,432)
Increase in inventories		**(1,181)**	(1,304)
Increase in payables		**752**	252
Cash flows used in operations		**(5,631)**	(3,889)
Interest paid – term loan		**(43)**	(65)
Lease rental paid		**(160)**	(554)
Income tax paid		**–**	(4)
Interest received		**51**	414
Net cash flows used in operating activities		**(5,783)**	(4,098)
Investing activities:			
Proceeds from disposal of property, plant and equipment		**19,061**	53
Purchase of property, plant and equipment	A	**(182)**	(304)
Net cash flows generated from/(used in) investing activities		**18,879**	(251)
Financing activities:			
Repayment of term loan		**(370)**	(123)
Proceeds from issue of ordinary shares	25	**15,180**	–
Share issuance expense		**(16)**	–
Exercise of warrants	25	**12,805**	–
Return of capital to shareholders	25	**(31,346)**	–
Advance from a corporation owned by directors of subsidiary companies		**1,700**	267
Net cash flows (used in)/generated from financing activities		**(2,047)**	144
Net increase/(decrease) in cash and cash equivalents		**11,049**	(4,205)
Effect of exchange rate changes on cash and cash equivalents		**(22)**	(23)
Cash and cash equivalents at 1 January		**29,678**	33,906
Cash and cash equivalents at 31 December	20	**40,705**	29,678

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Property, plant and equipment

	Note	2021 $'000	2020 $'000
Current year additions to property, plant and equipment	11	**376**	676
Less: Additions under right-of-use asset	28	**(194)**	(207)
Payment on behalf by a corporation owned by directors of subsidiary companies		**–**	(165)
Net cash outflow from purchase of property, plant and equipment		**182**	304

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

Ascent Bridge Limited (formerly known as AEI Corporation Ltd.) (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. With effect from 3 March 2022, the name of the company was changed from AEI Corporation Ltd. to Ascent Bridge Limited.

The registered office and principal place of business of the Company is located at 15 Tuas South Street 13, Singapore 636936.

The principal activities of the Company is investment holdings in manufacturing and extrusion activities. There have been no significant changes in the nature of these activities during the financial year. The principal activities of the subsidiaries and associate are disclosed in Note 12 and 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those previously applied under SFRS(I) except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 16 on Leases: *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 1-16 on Property, Plant and Equipment: *Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37 on Provisions, Contingent Liabilities and Contingent Assets: *Onerous contract – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 on Presentation of Financial Statements: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 Income Taxes: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 on Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment and furniture and fixtures other than buildings and improvements are measured at cost less accumulated depreciation and any accumulated impairment losses.

Buildings and improvements are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the buildings and improvements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 *Property, plant and equipment (cont'd)*

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings and improvements – the remaining lease periods of 15 to 22.5 years
- Plant and machinery – 10 to 20 years
- Renovation – 4 to 5 years
- Motor vehicles – 5 to 10 years
- Furniture and fittings – 3 to 10 years
- Office equipment – 3 to 10 years
- Dies and moulds – 6.7 years
- Leasehold building – 3 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Leasehold land

Leasehold land is initially measured at cost. Following initial recognition, leasehold land is measured at cost less accumulated amortisation and any accumulated impairment losses. The leasehold land is amortised on a straight-line basis over the lease period ranging from 21 to 23.5 years.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits in banks which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a weighted average cost basis;

– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Government grants

Government grants are recognised when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with and are recorded as 'other operating income' in the financial statements.

2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor failed to make payment when due in accordance with the terms of the debt instrument.

2.19 Employee benefits

Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

The Group's right-of-use assets are presented within property, plant and equipment (Note 11) and leasehold land (Note 14).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Leases (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in loans and borrowings (Note 23).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.21 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current asset is classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than continuing use.

Property, plant and equipment and leasehold land once classified as held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume rebates payable to customer where consideration have been received from customers.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

(b) Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

2.23 Interest income

Interest income is recognised using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Share capital and share issuance expense

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Taxes

Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's tax payables was $50,000 (2020: $50,000), while the deferred tax liabilities at 31 December 2021 was $Nil (2020: $242,000). The carrying amounts of the Company's tax payables and deferred tax liabilities at 31 December 2021 were $50,000 (2020: $50,000) and $Nil (2020: $242,000) respectively.

(b) Impairment of the assets of the aluminium extrusion cash-generating unit ("CGU")

Significant judgment is involved in estimating the recoverable amount of the aluminium extrusion CGU. The recoverable amount was determined based on its fair value less costs of disposal given that the Group expects to recover through the sale of the aluminium extrusion CGU. The Group recognised an impairment loss of $7.7 million relating to the assets of the aluminium extrusion CGU for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of buildings and improvements, leasehold land and plant and equipment

In 2021, the recoverable amount of the industrial buildings at Tuas South which is classified as buildings and improvements as well as the plant, equipment and other assets was determined based on the fair value less costs of disposal of the aluminium extrusion CGU.

In 2020, the fair value of the Tuas South leasehold property was based on a valuation performed by the External Appraiser. The External Appraiser determined the fair value based on the direct comparison approach, using sales and listing of similar properties in the vicinity as guides to values after relevant adjustments were made for differences in characteristics such as location, land area, and conditions of the buildings and improvements.

During the financial year, an impairment loss of S$5,664,000 (2020: $2,293,000) was recorded in the income statement.

The carrying amount of Tuas South building and improvements and leasehold land as at 31 December 2021 is $Nil (2020: $4,360,000) and $Nil (2020: $1,547,000) respectively.

The carrying amount of plant and equipment as at 31 December 2021 is $11,000 (2020: $Nil).

(b) Net realisable value of inventories

Inventories are stated at lower of cost and net realisable value. The net realisable value of the Group's inventories is assessed based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the inventories' own physical conditions and external raw materials market prices close to year end. The value is re-evaluated and an impairment might be recorded, if additional information received affects the amount initially assessed. The carrying amount of the inventories as at 31 December 2021 is $4,786,000 (2020: $4,136,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. REVENUE

a) Disaggregation of revenue

	Sales of goods		Rendering of services		Total revenue	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Primary geographical locations						
Singapore	**6,699**	4,446	**62**	35	**6,761**	4,481
Greater China	**3,575**	1,448	**–**	–	**3,575**	1,448
Malaysia	**651**	322	**–**	–	**651**	322
Other countries	**5,952**	3,616	**–**	–	**5,952**	3,616
	16,877	9,832	**62**	35	**16,939**	9,867
Timing of transfer of goods						
At a point in time	**16,877**	9,832	**–**	–	**16,877**	9,832
Over time	**–**	–	**62**	35	**62**	35
	16,877	9,832	**62**	35	**16,939**	9,867

5. OTHER OPERATING INCOME

	Group	
	2021 $'000	**2020 $'000**
Sale of metal scrap	**–**	8
Government grant income	**174**	571
Gain on foreign exchange	**84**	–
Gain on disposal of property, plant and equipment	**61**	–
Gain on sale of Penjuru Property	**17,457**	–
Sundry income	**90**	57
Bad debts recovered	**47**	–
	17,913	636

Government grant income relates to Wage Credit Scheme, Temporary Employment Credit, Property tax rebate and Job Support Scheme grants received by the Group during the financial year as part of the COVID-19 government support package.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Note	Group 2021 $'000	Group 2020 $'000
Audit fees paid to auditors of the Company		**115**	115
Non-audit fees paid to auditors of the Company		**45**	41
Depreciation of property, plant and equipment	11	**459**	998
Amortisation of leasehold land	14	**103**	425
Impairment loss on property, plant and equipment	11	**4,220**	2,293
Impairment loss on leasehold land	14	**1,444**	–
Directors' emoluments			
- fees		**398**	262
- remuneration		**581**	–
(Gain)/loss on disposal of property, plant and equipment, net		**(61)**	67
Write down of inventories, net	16	**531**	71
Impairment losses on financial assets		**415**	50
Lease expense	28	**28**	44
Staff costs (excluding directors' remuneration)			
- defined contribution plans		**230**	196
- salaries, bonuses and other wages		**2,762**	3,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. FINANCE COST

	Note	Group 2021 $'000	Group 2020 $'000
Interest expense			
- Invoice financing		**5**	–
- term loan		**43**	65
- lease liability	28	**10**	347
		58	412

8. FINANCE INCOME

	Group 2021 $'000	Group 2020 $'000
Interest income on short-term deposits	**54**	156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX BENEFIT

Major components of income tax benefit

The major components of income tax benefit for the financial years ended 31 December 2021 and 2020 are:

	Note	Group	
		2021 $'000	**2020 $'000**
Consolidated income statement:			
Current income tax:			
- Current income taxation		–	50
- Over-provision in respect of previous years		–	(46)
		–	4
Deferred income tax:			
- Reversal of temporary differences	24	**(242)**	(47)
		(242)	(47)
Income tax benefit recognised in profit or loss		**(242)**	(43)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX BENEFIT (CONT'D)

Relationship between tax benefit and accounting loss

A reconciliation between the tax benefit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021 $'000	**2020 $'000**
Profit/(loss) before tax	**7,504**	(5,681)
Tax at the applicable tax rate of 17% (2020: 17%)	**1,276**	(966)
Adjustments:		
Income not subject to taxation	**(3,104)**	(96)
Non-deductible expenses	**1,446**	950
Over provision in respect of previous years	**–**	(46)
Effect of partial tax exemption and tax relief	**(18)**	(18)
Deferred tax assets not recognised	**140**	105
Share of results of associate	**2**	16
Others	**16**	12
Income tax benefit recognised in profit or loss	**(242)**	(43)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Group has tax losses of approximately $5,677,000 (2020: $4,856,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subjected to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit/(loss) for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial years.

Diluted earnings per share are calculated by dividing profit/(loss) for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As at 31 December 2020, the bonus warrants issued have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

The following table reflects the profit/(loss) and share data used in the computation of basic and diluted loss per share for the financial years ended 31 December:

	Group	
	2021 $'000	**2020 $'000**
Profit/(loss) for the financial year attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary shares	**7,746**	(5,638)

	No. of shares '000	**No. of shares '000**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	**79,826**	54,723

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT

	At valuation	At cost			
	Buildings and improvements $'000	**Plant, equipment and other assets $'000**	**Leasehold building $'000**	**Renovations $'000**	**Total $'000**
Group					
Cost or valuation:					
At 1 January 2020	7,608	8,336	–	525	16,469
Additions	21	432	207	16	676
Disposals	–	(205)	–	–	(205)
Reclassification to asset held for sale (Note 21)	(1,921)	–	–	(407)	(2,328)
At 31 December 2020 and 1 January 2021	5,708	8,563	207	134	14,612
Additions	4	169	194	9	376
Disposals	–	(24)	–	–	(24)
At 31 December 2021	5,712	8,708	401	143	14,964
Accumulated depreciation and impairment					
At 1 January 2020	416	6,470	–	523	7,409
Charge for the financial year (Note 6)	413	561	20	4	998
Disposals	–	(85)	–	–	(85)
Reclassification to asset held for sale (Note 21)	(157)	–	–	(407)	(564)
Impairment loss (Note 6)	676	1,617	–	–	2,293
At 31 December 2020 and 1 January 2021	1,348	8,563	20	120	10,051
Charge for the financial year (Note 6)	288	14	153	4	459
Disposals	–	(24)	–	–	(24)
Impairment loss (Note 6)	4,076	144	–	–	4,220
At 31 December 2021	5,712	8,697	173	124	14,706
Net carrying amount:					
At 31 December 2020	4,360	–	187	14	4,561
At 31 December 2021	–	11	228	19	258

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation	At cost		
	Buildings and improvements $'000	**Plant, equipment and other assets $'000**	**Renovations $'000**	**Total $'000**
Company				
Cost or valuation:				
At 1 January 2020	1,921	–	407	2,328
Asset held for sale (Note 21)	(1,921)	–	(407)	(2,328)
At 31 December 2020 and 1 January 2021	–	–	–	–
Additions	–	5	–	5
At 31 December 2021	–	5	–	5
Accumulated depreciation				
At 1 January 2020	78	–	407	485
Charge for the financial year	79	–	–	79
Asset held for sale (Note 21)	(157)	–	(407)	(564)
At 31 December 2020, 1 January 2021 and 31 December 2021	–	–	–	–
Net carrying amount:				
At 31 December 2020	–	–	–	–
At 31 December 2021	–	5	–	5

Other assets comprise motor vehicles, furniture and fittings and office equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment of assets

In 2021, the Group carried out a review of the recoverable amount of the assets of the aluminium extrusion CGU. The recoverable amount was determined based on the fair value less costs of disposal, based on the amount expected to be recovered through the sale of the aluminium extrusion CGU. Based on the assessment, an impairment loss of $4,220,000 has been recognised in "Other operating expenses" line item of profit or loss for the financial year ended 31 December 2021.

In 2020, the Group engaged Knight Frank Pte Ltd, an independent valuer to determine the fair value of the industrial buildings at Tuas South which is classified as buildings and improvements. Details of valuation techniques and inputs used are disclosed in Note 34. Based on the valuation, an impairment loss of $676,000 has been recognised in "Other operating expenses" line item of profit or loss for the financial year ended 31 December 2020.

In 2020, the Group carried out a review of the recoverable amount of its plant, equipment and other assets because the segment has been making losses. An impairment loss of $1,617,000 representing the write-down of these plant, equipment and other assets to the recoverable amount was recognised in "Other operating expenses" line item of profit or loss for the financial year ended 31 December 2020. The recoverable amount of the plant, equipment and other assets was based on its value-in-use assessment for which the significant estimates are the pre-tax discount rate and terminal growth rate of 9.4% and 1.0% respectively. As the plant, equipment and other assets had been written down in full, any adverse change in a key assumption would not change the impairment loss.

If the buildings and improvements were measured using cost model, the carrying amount would be as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Cost	**9,139**	9,139	**–**	–
Accumulated depreciation and impairment	**(9,139)**	(5,216)	**–**	–
Net carrying value	**–**	3,923	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 **$'000**	**2020** **$'000**
Unquoted shares, at cost	**29,101**	29,101
Allowance of impairment	**(27,500)**	(24,947)
Net carrying value	**1,601**	4,154
Movement in allowance account:		
At 1 January	**24,947**	20,566
Impairment for the financial year	**2,553**	4,381
At 31 December	**27,500**	24,947

During the year, the Company carried out an impairment assessment on the recoverable amount of its investment in subsidiaries.

In 2021, the recoverable amount of the material subsidiary, AEI Corporation (Singapore) Pte. Ltd., is determined based on its fair value less costs of disposal. An impairment loss of $2,553,000 was recognised in the Company's income statement for the financial year ended 31 December 2021.

In 2020, the recoverable amount of the material subsidiary, AEI Corporation (Singapore) Pte Ltd, is determined based on value-in-use using the 3-year estimated future cash flows discounted to its present value by using a pre-tax discount rate of 9.6% per annum. In view of the market condition, management has applied 2020: 1.0% terminal growth rate in the value-in-use calculation. An impairment loss of $4,381,000 was recognised in the Company's income statement for the financial year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Sensitivity to changes in assumptions

The recoverable amount is most sensitive to the discount rate, cash flows and terminal growth rate used for the discounted cash flows model. Any significant adverse change in key assumptions could result in further impairment loss.

The Group has the following investments in subsidiaries:

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest 2021 %	2020 %
Held by the Company:			
* AEI Trading and Investments Pte Ltd (Formerly known as AEI Engineering Pte Ltd) (Singapore)	Wholesale of scrap, junk and waste dealers, manufacturing of engineering components (Singapore)	**100**	100
* AEI (China) Holdings Pte Ltd (Singapore)	Investment holding (Singapore)	**100**	100
* AEI Corporation (Singapore) Pte Ltd (Singapore)	Manufacturing of basic ferrous and non-ferrous metals (Singapore)	**100**	100
* Ascent Bridge (Singapore) Pte. Ltd. (Singapore)	Wholesale of alcoholic beverage (Singapore)	**100**	100

* Audited by Ernst & Young LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN ASSOCIATE

	Group	
	2021 **$'000**	**2020** **$'000**
Investment in associate	**7,221**	7,221
Share of post-acquisition reserves	**(2,565)**	(2,552)
Exchange differences	**44**	66
Allowance for impairment	**(4,700)**	(3,434)
	–	1,301

Movement in allowance account:

	Group	
	2021 **$'000**	**2020** **$'000**
At 1 January	**3,434**	3,434
Impairment for the financial year	**1,266**	–
At 31 December	**4,700**	3,434

Investment in associate comprises of investment in unquoted equity shares at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN ASSOCIATE (CONT'D)

Details of the associate at 31 December are:

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		2021 **%**	**2020** **%**
Held by through AEI (China) Holdings Pte Ltd:			
# Global Tongyi (Singapore) Pte. Ltd. (Singapore)	Manufacturing and general wholesale trade of vegetable and animal oils and fats (Singapore)	**50**	50
Held through Global Tongyi (Singapore) Pte Ltd			
* Well Global Foods (Anyang) Pte. Ltd. (People's Republic of China)	Sale of edible oil (People's Republic of China)	**50**	50

\# Audited by Ernst & Young LLP, Singapore.

* Audited by Henan Gongxing Accounting Firm.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN ASSOCIATE (CONT'D)

The summarised financial information of the associate based on its FRS financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Global Tongyi (Singapore) Pte. Ltd.	
	2021	**2020**
	$'000	**$'000**
Summarised balance sheet		
Current assets	**2,994**	2,986
Non-current assets	**1,985**	1,987
Total assets	**4,979**	4,973
Current liabilities	**(2,448)**	(2,370)
Total liabilities	**(2,448)**	(2,370)
Net assets	**2,531**	2,603
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**1,266**	1,301
Less: Impairment loss	**(1,266)**	–
Carrying amount of the investment	**–**	1,301
Summarised statement of comprehensive income		
Revenue	**–**	–
Loss after tax	**(28)**	(184)
Other comprehensive income	**(45)**	(46)
Total comprehensive income	**(73)**	(230)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. LEASEHOLD LAND

	Group	Company
	$'000	**$'000**
Cost:		
At 1 January 2020	12,893	7,854
Reclassification to asset held for sale (Note 21)	(7,854)	(7,854)
At 31 December 2020, 1 January 2021 and 31 December 2021	5,039	–
Accumulated amortisation and impairment:		
At 1 January 2020	3,711	322
Amortisation for the financial year (Note 6)	425	322
Reclassification to asset held for sale (Note 21)	(644)	(644)
At 31 December 2020 and 1 January 2021	3,492	–
Amortisation for the financial year (Note 6)	103	–
Impairment loss (Note 6)	1,444	–
At 31 December 2021	5,039	–
Net carrying amount:		
At 31 December 2020	1,547	–
At 31 December 2021	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. LEASEHOLD LAND (CONT'D)

(a) Tuas South leasehold land

The Group has a leasehold land situated at Tuas South for an industrial building. The construction of the industrial building has been completed. The leasehold land is not transferable and has a remaining tenure of 14 years (2020: 15). This lease was prepaid.

Leasehold land situated at Tuas South was mortgaged to secure the Group's term loan as disclosed in Note 23.

Impairment of leasehold land

In 2021, the Group carried out a review of the recoverable amount of the leasehold land based on the fair value less costs of disposal. Based on the assessment, an impairment loss of $1,444,000 has been recognised in "Other operating expenses" line of profit or loss for the financial year ended 31 December 2021.

In the financial year ended 31 December 2020, the Group engaged Knight Frank Pte Ltd, an independent valuer to determine the fair value of the industrial buildings at Tuas South. Details of valuation techniques and inputs used are disclosed in Note 34. Based on the valuation, no further impairment was recognised for the financial year ended 31 December 2020.

(b) Penjuru Lane leasehold land

The Group recognised a right-of-use asset for the factory land lease. The leasehold land has a remaining tenure of 21 years (2020: 22). The sale of the Penjuru Property was completed on 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. LOAN RECEIVABLE

The Company has a loan receivable from M2B World Asia Pacific Pte. Ltd. of US$1,500,000 (2020: US$1,500,000) or equivalent to $2,025,000 (2020: $1,981,000). The loan has been fully provided for.

16. INVENTORIES

	Group	
	2021 **$'000**	**2020** **$'000**
Balance sheet:		
Raw materials and consumables	**2,515**	1,928
Work-in-progress	**689**	450
Finished goods	**1,582**	1,758
Total inventories at lower of cost and net realisable value	**4,786**	4,136
Profit or loss:		
Inventories recognised as an expense in cost of sales	**15,024**	9,175
Inclusive of the following charge:		
- Inventories written down (Note 6)	**531**	71

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. TRADE RECEIVABLES

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade receivables		**2,736**	1,816	**10**	14
Less: Allowance for expected credit losses		**(317)**	(117)	**–**	–
		2,419	1,699	**10**	14
Add:					
Other receivables	18	**5,624**	2,885	**606**	3
Amount due from subsidiaries	19	**–**	–	**7,379**	3,795
Receivable from associate	19	**7**	213	**7**	7
Cash and cash equivalents	20	**40,705**	29,678	**36,203**	27,942
		48,755	34,475	**44,205**	31,761
Less:					
Sales tax					
Receivables		**(182)**	(163)	**(10)**	(14)
Grant receivables		**–**	(42)	**–**	–
Total financial assets carried at amortised cost		**48,573**	34,270	**44,195**	31,747

Trade receivables are non-interest bearing and are normally settled on average 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currencies as at 31 December are as follows:

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
United States Dollars	**2,222**	1,260	**–**	–

17. TRADE RECEIVABLES (CONT'D)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	**117**	67
Charge for the year	**200**	50
At 31 December	**317**	117

18. OTHER RECEIVABLES

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Deposits	**2,773**	23	**600**	–
Interest receivables	**6**	3	**6**	3
Other receivables	**3**	36	**–**	–
Grant receivable	**–**	42	**–**	–
Advances to related company	**2,842**	2,781	**–**	–
	5,624	2,885	**606**	3

Grant receivable

Grant receivable relates to the Job Support Scheme grant from Government in relation to COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. OTHER RECEIVABLES (CONT'D)

Advances to related company

Advances to related company relate to business joint venture transaction with a related company. The advances are unsecured, non-interest bearing and are repayable on demand.

Other receivables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
United States Dollars	**2,842**	2,781	**–**	–

19. AMOUNT DUE FROM SUBSIDIARIES

Receivable from associate

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Amount due from subsidiaries (non-trade)	**–**	–	**7,379**	3,795
Amount due from associate (non-trade)	**7**	78	**7**	7
Loan to associate	**671**	591	**–**	–
Less: Allowance for impairment	**(671)**	(456)	**–**	–
	–	135	**–**	–
Receivable from associate	**7**	213	**7**	7

NOTES TO THE FINANCIAL STATEMENTS

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19. AMOUNT DUE FROM SUBSIDIARIES (CONT'D)

Amount due from subsidiaries (non-trade)/Amount due from associate (non-trade)/Loan to associate

These amounts are unsecured, non-interest bearing and are repayable upon demand.

Movement in allowance account of loan to associate:

	Group	
	2021 $'000	**2020 $'000**
At 1 January	**456**	456
Impairment for the financial year	**215**	–
At 31 December	**671**	456

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Cash at banks and on hand	**9,039**	3,986	**4,537**	2,250
Short-term deposits	**31,666**	25,692	**31,666**	25,692
Cash and cash equivalents	**40,705**	29,678	**36,203**	27,942

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between three months to six months (2020: three months to six months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits are 0.16% (2020: 0.50%) per annum.

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
United States Dollars	**2,084**	1,122	**253**	247

NOTES TO THE FINANCIAL STATEMENTS

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21. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 30 December 2019, the Company announced that it had entered into a put and call option agreement with AWC Holdings Pte. Ltd. (the "Purchaser") in relation to the sale of the property at 12 Penjuru Lane (the "Penjuru Lane Property"). On 31 December 2020, all conditions precedent to the exercise of the call option in respect of the proposed sale of the Penjuru Lane Property had been satisfied, fulfilled or waived. The Purchaser exercised the call option on 5 March 2021 and the sale was completed on 31 March 2021.

As at 31 December 2020, the assets and liability related to the Penjuru Lane Property were presented in the balance sheet as "Non-current asset classified as held for sale" and "Liability directly associated with the non-current asset held for sale" respectively.

Balance sheet disclosure

	Group and Company	
	2021 $'000	**2020 $'000**
Assets:		
Property, plant and equipment	–	1,764
Leasehold land	–	7,210
Non-current assets classified as held for sale	–	8,974
Liabilities:		
Lease liability	–	(7,486)
Deferred tax liability	–	(241)
Liability directly associated with the non-current asset held for sale	–	(7,727)
Net assets directly associated with the non-current assets classified as held for sale	–	1,247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Trade payables		**3,292**	1,878	**6**	8
Other payables:					
- Third parties		**1,614**	2,152	**557**	484
- Deferred grant income		**–**	64	**–**	–
- Advance from a corporation owned by directors of subsidiary companies		**3,132**	1,432	**–**	–
Total other payables		**4,746**	3,648	**557**	484
Add: Loans and borrowings	23	**2,113**	2,439	**–**	–
		10,151	7,965	**563**	492
Less: Deferred grant income		**–**	(64)	**–**	–
Total financial liabilities carried at amortised cost		**10,151**	7,901	**563**	492

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

Trade payables denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
United States Dollars	**2,761**	1,076	**–**	–

Other payables

Other payables are non-interest bearing and have an average term of one month.

Deferred grant income

Deferred grant income relates to the Job Support Scheme from Government in relation to COVID-19 pandemic.

Advance from a corporation owned by directors of subsidiaries companies

The advance is for working capital purpose of the subsidiary. This advance is unsecured, non-interest bearing and is repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

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23. LOANS AND BORROWINGS

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Current:					
Term loan at cost of funds + 1.75%		**370**	370	**–**	–
Lease liabilities	28	**181**	81	**–**	–
		551	451	**–**	–
Non-current:					
Term loan at cost of funds + 1.75%		**1,511**	1,881	**–**	–
Lease liabilities	28	**51**	107	**–**	–
		1,562	1,988	**–**	–
Total loans and borrowings		**2,113**	2,439	**–**	–

Term loan

The term loan is secured by a corporate guarantee from the Company and a mortgage over the leasehold land. It bears interest at floating rate of cost of funds + 1.75% (2020: cost of funds + 1.75%). The loan is repayable in 120 monthly equal instalments and repayment has commenced on June 2016.

23. LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2021 $'000	Cash flows $'000	Non-cash changes: Acquisition $'000	Interest $'000	Other $'000	31 December 2021 $'000
Advance from a corporation owned by directors of subsidiary companies	**1,432**	**1,700**	**–**	**–**	**–**	**3,132**
Term loan						
- Current	**370**	**(370)**	**–**	**–**	**370**	**370**
- Non-current	**1,881**	**–**	**–**	**–**	**(370)**	**1,511**
Lease liability						
- Current	**81**	**(160)**	**72**	**10**	**178**	**181**
- Non-current	**107**	**–**	**122**	**–**	**(178)**	**51**
Total	**3,871**	**1,170**	**194**	**10**	**–**	**5,245**

The "Other" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to passage of time.

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23. LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes				
	1 January 2020 $'000	**Cash flows $'000**	**Acquisition $'000**	**Reclassified as part of non-current assets held for sale $'000**	**Interest $'000**	**Other $'000**	**31 December 2020 $'000**
Advance from a corporation owned by directors of subsidiary companies	1,000	267	–	–	–	165	1,432
Term loan							
- Current	370	(123)	–	–	–	123	370
- Non-current	2,004	–	–	–	–	(123)	1,881
Lease liability							
- Current	188	(554)	19	–	347	81	81
- Non-current	7,486	–	188	(7,486)	–	(81)	107
Total	11,048	(410)	207	(7,486)	347	165	3,871

The "Other" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to passage of time and payment for purchase of property, plant and equipment on behalf by a corporation owned by directors of subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

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24. DEFERRED TAX

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Opening balance at 1 January	**242**	289	**242**	289
Movement in temporary differences (Note 9)	**(242)**	(47)	**(242)**	(47)
Closing balance at 31 December	**–**	242	**–**	242
Deferred tax liabilities arise as a result of:				
Excess of net book value over tax written down value of property, plant and equipment	**–**	241	**–**	241
Accruals	**–**	1	**–**	1
Deferred tax liabilities	**–**	242	**–**	242

As at 31 December 2020, $241,000 of deferred tax liability was classified as liability associated with the non-current assets held for sale (Note 21).

No deferred tax liability (2020: $Nil) has been recognised for taxes that would be payable on undistributed earnings on the Group's associate as the Group has determined that undistributed earnings of its associate will not be distributed in the foreseeable future.

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25. SHARE CAPITAL

	Group and Company			
	31 December 2021		31 December 2020	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
Beginning of the year	**54,723**	**71,977**	54,723	71,977
Share placement [Note (i)]				
- Option shares	**18,975**	**15,180**	–	–
- Option introducer shares	**569**	**455***	–	–
Share issuance expense	**–**	**(471)***	–	–
Exercise of warrants [Note (ii)]	**12,805**	**12,805**	–	–
Cash Distribution – capital reduction [Note (iii)]	**–**	**(31,346)**	–	–
End of the year	**87,072**	**68,600**	54,723	71,977

* Option introducer shares credited as fully paid-up to the introducer, with the corresponding cost recognised as share issuance expense.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(i) Exercise of options under $50,000,000 Subscription Agreement

References are made to:

(i) the Company's circular to shareholders dated 12 March 2018 (the "Circular");

(ii) announcements relating to the exercise of option 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 Option Introducer Shares. Pursuant to the said allotment 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.

Option introducer shares relate to the introductory fees paid to a third party for introductory services rendered to the Company. There are credited as fully paid-up to the introducer, with the corresponding cost recognised as share issuance expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. SHARE CAPITAL (CONT'D)

(ii) Warrants

On 25 May 2018, the Company had issued 27,119,659 bonus warrants, with each warrant carrying the right to subscribe for one new ordinary share of the Company at an exercise price of $1.00 for each warrant share. The bonus warrants may only be exercised by the warrants' holder at any time during the period commencing on the date of issue, on 28 May 2018, and expiring on 27 May 2021 ("Expiry Date"), being the date immediately preceding the third anniversary of the date of issue of the bonus warrants. As at 31 December 2021, a total of 12,805,022 bonus warrants have been exercised at the exercise price of $1.00 for each New Share prior to the Expiry Date. A total of remaining 14,314,637 bonus warrants that had not been exercised as aforesaid have lapsed and subsequently delisted from the Official List of the SGX-ST with effect from 28 May 2021.

(iii) Return of capital to shareholders

As disclosed in the Shareholders' circular and announced by the company on 31 December 2020, 11 January 2021, 28 April 2021, 18 May 2021, 20 May 2021, 31 May 2021 and 2 June 2021 on the proposed capital reduction to return to shareholders surplus capital of the Company in excess of its needs by way of cash distribution of $0.36 for each ordinary share held by the Shareholders. An aggregate amount of $31,346,003.16 cash distribution based on $0.36 for each 87,072,231 ordinary shares (excluding treasury shares) had been effected on 9 July 2021.

26. TREASURY SHARES

	Group and Company			
	2021		2020	
	No. of shares '000	$'000	No. of shares '000	$'000
At 1 January and 31 December	**3,009**	**3,315**	3,009	3,315

Treasury shares relate to ordinary shares of the Company that is held by the Company.

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27. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency.

28. LEASES

The Group has lease contracts for a factory land parcel and building.

The Group also has certain leases of machinery and office equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets presented within property, plant and equipment and leasehold land

	Group		
	Leasehold building $'000	**Leasehold land $'000**	**Total $'000**
At 1 January 2020	–	7,532	7,532
Addition	207	–	207
Amortisation for the financial year	(20)	(322)	(342)
Reclassified to asset held for sale (Note 21)	–	(7,210)	(7,210)
At 31 December 2020 and 1 January 2021	187	–	187
Addition	194	–	194
Amortisation for the financial year	(153)	–	(153)
At 31 December 2021	228	–	228

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. LEASES (CONT'D)

(b) Lease liabilities

The carrying amounts of lease liabilities (included under loans and borrowings) and the movements during the year are disclosed in Note 23.

(c) Amount recognised in profit or loss

		Group	
	Note	**2021 $'000**	**2020 $'000**
Amortisation of right-of-use assets		**153**	342
Interest expense on lease liability	7	**10**	347
Lease expense not capitalised in lease liabilities:			
- Expense relating to short-term leases		**19**	29
- Expenses relating to leases of low-value assets		**9**	15
Total amount recognised in profit or loss		**191**	733

(d) Total cash outflow

The Group had total cash outflows for leases of $188,000 (2020: $598,000) in 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. COMMITMENTS AND CONTINGENCIES

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Capital commitments in respective of property, plant and equipment	–	10	–	10

(b) *Contingent liabilities*

	Company	
	2021 **$'000**	**2020** **$'000**
Corporate guarantees given to financial institutions in relation with banking facilities granted to a subsidiary (facility value)	**12,000**	12,000
Financial support undertaking given to subsidiaries having deficiencies in shareholders' funds	**2,074**	1,391
	14,074	13,391

As at 31 December 2021, $1,881,000 (2020: $2,251,000) of the corporate guarantee facilities were utilised by the subsidiary.

The Group has banker's guarantees amounting to $136,000 (2020: $94,000) in favour of third parties in respect of the Group's business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. RELATED PARTY DISCLOSURES

(a) *Sale of services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial year:

	Company	
	2021 **$'000**	**2020** **$'000**
Service rendered to an associate	**9**	9
Payment made on behalf by a corporation owned by directors of subsidiary companies	**–**	165

(b) *Compensation of key management personnel*

	Group	
	2021 **$'000**	**2020** **$'000**
Short-term employee benefits	**954**	257
Central Provident Fund contributions	**35**	–
Total compensation paid to key management Personnel	**989**	257
Comprise amounts paid to:		
Directors of the Company	**989**	257

(c) *Advances to a related company*

The Group made total advances of $2,842,000 (2020: $2,781,000) to a related company for a business joint venture transaction as disclosed in Note 18.

(d) *Professional fees paid to shareholder*

There were professional fees of $255,000 paid to a shareholder, Zico Insights Law LLC ("Zico"). Zico has advised that it is holding the AEI shares as a bare trustee, and do not own beneficially any of the shares held by them.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

Aluminium Extrusion - Electronics and precision engineering segment

This segment comprises mainly of precision aluminium extrusions that form components of sophisticated products of the high-tech electronics and precision engineering industries. Products manufactured include electronic components, clean room accessories, automation equipment and industrial machinery.

Aluminium Extrusion - Construction and infrastructure building segment

This segment comprises mainly of public infrastructure, building construction, interior fixtures (including certain office equipment), signage and advertising panels in the construction, civil engineering and infrastructure building industries.

Beverage segment

This segment comprises mainly to distribution of alcoholic beverages.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONT'D)

(a) Business segments

	Electronics and precision engineering		Construction and infra-structure building		Beverage		Others		Consolidated	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Revenue										
External customers	**16,620**	9,372	**302**	486	**8**	–	**9**	9	**16,939**	9,867
Total revenue	**16,620**	9,372	**302**	486	**8**	–	**9**	9	**16,939**	9,867
Results:										
Segment result	**(1,026)**	(1,554)	**(97)**	(192)	**(1,093)**	(112)	**(1,658)**	(116)	**(3,874)**	(1,974)
Depreciation	**(296)**	(921)	**(6)**	(56)	**(157)**	(21)	**–**	–	**(459)**	(998)
Gain/(loss) on disposal of property, plant and equipment,net	**17,151**	(63)	**367**	(4)	**–**	–	**–**	–	**17,518**	(67)
Finance income									**54**	156
Finance cost									**(58)**	(412)
Impairment loss on property, plant and equipment									**(4,220)**	(2,293)
Impairment loss on leasehold land									**(1,444)**	–
Share of results of associate									**(13)**	(93)
Profit/(loss) before tax									**7,504**	(5,681)
Income tax benefit									**242**	43
Profit/(loss) net of tax									**7,746**	(5,638)

NOTES TO THE FINANCIAL STATEMENTS

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31. SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

	Electronics and precision engineering		Construction and infra-structure building		Beverage		Others		Consolidated	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Assets										
Segment assets	**2,393**	5,741	**23**	295	**261**	224	**–**	2,848	**2,677**	9,108
Unallocated assets [1]									**51,173**	45,937
Total assets									**53,850**	55,045
Liabilities										
Segment liabilities	**3,209**	1,746	**68**	104	**232**	216	**15**	–	**3,524**	2,066
Unallocated liabilities [2]									**6,677**	13,677
Total liabilities									**10,201**	15,743
Other information										
Capital expenditure	**164**	427	**3**	26	**15**	223	**–**	–	**182**	676
Unallocated capital expenditure									**–**	–
Total capital expenditure									**182**	676
Depreciation	**296**	921	**6**	56	**157**	21	**–**	–	**459**	998

(1) Unallocated assets comprise of jointly used assets

(2) Unallocated liabilities comprise of jointly used liabilities

NOTES TO THE FINANCIAL STATEMENTS

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31. SEGMENT INFORMATION (CONT'D)

(b) Geographical segments

	Revenue		Segment assets	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
By location of customers				
Singapore	**6,761**	4,481	**53,589**	54,821
Greater China	**3,575**	1,448	**261**	224
Malaysia	**651**	322	**–**	–
Other countries	**5,952**	3,616	**–**	–
	16,939	9,867	**53,850**	55,045

(c) Information about a major customer

Revenue from two major customers amounted to $5,574,000 (2020: $2,977,000), arising from sales by the electronics and precision engineering segment.

The following items are unallocated assets which are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	2021 $'000	2020 $'000
Inventories	**4,786**	4,136
Prepaid operating expenses	**51**	51
Cash and cash equivalents	**40,705**	29,678
Other receivables	**5,624**	2,885
Receivable from associate	**7**	213
Non-current assets classified as held for sale	**–**	8,974
	51,173	45,937

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONT'D)

(c) *Information about a major customer (cont'd)*

The following items are unallocated liabilities which are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2021	**2020**
	$'000	**$'000**
Term loan	**1,881**	2,251
Income tax payable	**50**	50
Deferred tax liability	**–**	1
Other payables	**4,746**	3,648
Liabilities directly associated with the non-current assets classified as held for sale	**–**	7,727
	6,677	13,677

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, foreign currency risk, liquidity risk and interest rate risk. The audit committee provides independent oversight to the effectiveness of risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken, where appropriate and cost efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's and Company's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a party default on its obligations. The Company's exposure to credit risk arises primarily from loan receivable and trade and other receivables. No other financial assets carry a significant exposure to credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted the policy of dealing with customers with an appropriate credit history as a means of mitigating the credit risk exposures. Credit evaluation which takes into account qualitative and quantitative profile of each customer is performed and approved by management before credit is being granted. The Group also closely monitors customers' payment pattern and credit exposures on an on-going basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Debt securities and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as default rate of relevant industry.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

(i) Debt securities and loans at amortised cost (cont'd)

The table below details the credit quality of the Group's debt securities and loans at amortised cost, as well as maximum exposure to credit risk.

	Note	12-months or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2021					
Loan receivable	15	**Lifetime ECL**	**2,025**	**(2,025)**	**–**
Other receivables	18	**12-month ECL**	**5,624**	**–**	**5,624**
Amount due from associate	19	**12-month ECL**	**7**	**–**	**7**
Loan to associate	19	**Lifetime ECL**	**671**	**(671)**	**–**
				(2,696)	
2020					
Loan receivable	15	Lifetime ECL	1,981	(1,981)	–
Other receivables	18	12-month ECL	2,885	–	2,885
Amount due from associate	19	12-month ECL	78	–	78
Loan to associate	19	Lifetime ECL	591	(456)	135
				(2,437)	

The Group measured the loss allowance at lifetime expected credit losses for the loan receivable and loan to associate, which is determined based on specific information about the counterparties indicating that the financial assets are credit impaired.

(ii) Trade receivables

The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on aging of the trade receivables. The loss allowance provision as at 31 December 2021 and 31 December 2020 are determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the number of defaults might be affected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

(ii) Trade receivables (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by the risk profile of the debtors.

		Past due				
	Current $'000	<30 days $'000	31-60 days $'000	61-90 days $'000	>90 days $'000	Total $'000
2021						
Gross carrying amount	**1,931**	**507**	**167**	**102**	**29**	**2,736**
Loss allowance provision	**53**	**22**	**111**	**102**	**29**	**317**
2020						
Gross carrying amount	1,133	394	240	21	28	1,816
Loss allowance provision	53	22	13	1	28	117

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheet.
- A nominal amount of $1,881,000 (2020: $2,251,000) relating to corporate guarantees provided by the Company to financial institutions on subsidiaries' loans and banking facilities.

Credit risk concentration profile

At the end of the reporting period,

- approximately 72.0% (2020: 59.3%) of the Group's trade receivables were due from 3 major customers who are located China and Thailand (2020: China, Thailand and Singapore).
- 100% (2020: 100%) of the Group's loan receivable (Note 15) was due from debtor located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits are placed with or entered into with reputable financial institutions with high credit ratings.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 and Note 17.

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currencies of the Company and the respective entities in the Group. The foreign currency in which these transactions are denominated are in USD. Approximately 66.4% (2020: 65.6%) of the Group's sales are denominated in USD whilst almost 78.5% (2020: 79.9%) of purchases are denominated in USD. Selling and distribution costs, administrative expenses and other operating expenses are predominantly measured in SGD. The trade receivable and trade payable balances at the end of each reporting period have similar exposures.

Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level. The Group and Company also hold cash and cash equivalents denominated in USD for working capital purposes. At the end of each reporting period, USD balances amounted to $1,641,000 (2020: $1,122,000) and $253,000 (2020: $247,000) for the Group and the Company respectively.

Sensitivity analysis for foreign currency risk

The following table denominates the sensitivity to a reasonably possible change in the USD, with all other variables held constant, of the Group's loss before tax.

	Group	
	2021 $'000	2020 $'000
United States Dollar:		
- strengthened 5% (2020: 5%)	**(219)**	(204)
- weakened 5% (2020: 5%)	**219**	204

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. As at the end of the reporting period, the Group and Company has stand-by credit facilities amounting to $12 million (2020: $12 million).

The Group manages its liquidity risk by monitoring its net operating cash flow and maintains an adequate amount of committed credit facilities from financial institutions. The Group assesses the concentration risk with respect to refinancing its debt and concluded it to be low.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2021				
Financial assets				
Trade receivables (excluding sales tax receivables)	**2,237**	**–**	**–**	**2,237**
Other receivables (excluding grant receivable)	**5,624**	**–**	**–**	**5,624**
Receivable from associate	**7**	**–**	**–**	**7**
Cash and cash equivalents	**40,705**	**–**	**–**	**40,705**
Total undiscounted financial assets	**48,573**	**–**	**–**	**48,573**
Financial liabilities				
Trade payables	**(3,292)**	**–**	**–**	**(3,292)**
Other payables (excluding deferred grant income)	**(4,746)**	**–**	**–**	**(4,746)**
Loans and borrowings	**(595)**	**(1,596)**	**(31)**	**(2,222)**
Total undiscounted financial liabilities	**(8,633)**	**(1,596)**	**(31)**	**(10,260)**
Total net undiscounted financial assets/(liabilities)	**39,940**	**(1,596)**	**(31)**	**38,313**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

	1 year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2020				
Financial assets				
Trade receivables (excluding sales tax receivables)	1,536	–	–	1,536
Other receivables (excluding grant receivable)	2,843	–	–	2,843
Receivable from associate	213	–	–	213
Cash and cash equivalents	29,678	–	–	29,678
Total undiscounted financial assets	34,270	–	–	34,270
Financial liabilities				
Trade payables	(1,878)	–	–	(1,878)
Other payables (excluding deferred grant income)	(3,584)	–	–	(3,584)
Loans and borrowings	(499)	(1,684)	(405)	(2,588)
Total undiscounted financial liabilities	(5,961)	(1,684)	(405)	(8,050)
Total net undiscounted financial assets/(liabilities)	28,309	(1,684)	(405)	26,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

	1 year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000	Total $'000
Company				
2021				
Financial assets				
Other receivables	**606**	**–**	**–**	**606**
Amount due from subsidiaries	**7,379**	**–**	**–**	**7,379**
Receivable from associate	**7**	**–**	**–**	**7**
Cash and cash equivalents	**36,203**	**–**	**–**	**36,203**
Total undiscounted financial assets	**44,195**	**–**	**–**	**44,195**
Financial liabilities				
Trade payables	**(6)**	**–**	**–**	**(6)**
Other payables	**(557)**	**–**	**–**	**(557)**
Total undiscounted financial liabilities	**(563)**	**–**	**–**	**(563)**
Total net undiscounted financial assets	**43,632**	**–**	**–**	**43,632**

NOTES TO THE FINANCIAL STATEMENTS

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

	1 year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000	Total $'000
Company				
2020				
Financial assets				
Other receivables	3	–	–	3
Amount due from subsidiaries	3,795	–	–	3,795
Receivable from associate	7	–	–	7
Cash and cash equivalents	27,942	–	–	27,942
Total undiscounted financial assets	31,747	–	–	31,747
Financial liabilities				
Trade payables	(8)	–	–	(8)
Other payables	(484)	–	–	(484)
Total undiscounted financial liabilities	(492)	–	–	(492)
Total net undiscounted financial assets/(liabilities)	31,255	–	–	31,255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	1 year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2021				
Banker's guarantee	**136**	**–**	**–**	**136**
2020				
Banker's guarantee	94	–	–	94
Company				
2021				
Corporate guarantees	**370**	**1,480**	**31**	**1,881**
2020				
Corporate guarantees	370	1,480	401	2,251

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Interest rate risk*

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial results. The Group's exposure to interest rate risk arises primary from its finance leases, term loans and cash surpluses.

Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Sensitivity analysis for interest rate risk

At the end of the reporting period, the following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's loss before tax:

	Group	
	Increase/ decrease in basis points	Effect on loss before tax (decrease)/ increase $'000
2021		
Singapore Dollar	**+15**	**(55)**
United States Dollar	**+15**	**(3)**
Singapore Dollar	**-15**	**55**
United States Dollar	**-15**	**3**
2020		
Singapore Dollar	+15	(39)
United States Dollar	+15	(3)
Singapore Dollar	-15	39
United States Dollar	-15	3

NOTES TO THE FINANCIAL STATEMENTS

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33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables, loan receivable, amounts due from subsidiaries, receivable from associate, current trade and other payables, advances from a corporation owned by directors of subsidiary companies, and current loans and borrowings reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently to market interest rates.

The estimated fair values of the Group's loans and borrowings approximate their carrying amounts based on borrowing rates which would be available to the Group at the end of each reporting period.

34. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of buildings and improvements and right-of-use assets

The analysis of class of assets where fair value was obtain at the end of the reporting period, for impairment assessment is disclosed in Note 34(c)(i).

NOTES TO THE FINANCIAL STATEMENTS

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34. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 2021	Fair value at 2020	Valuation techniques
Recurring fair value measurements			
Property, plant and equipment:			
Buildings and improvements	–	4,360	Direct comparison approach
Leasehold land	–	1,547	Direct comparison approach

For buildings and improvements, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

(ii) Movements in Level 3 asset measured at fair value

The reconciliation for non-financial assets measured at fair value based on significant unobservable inputs (Level 3) is as disclosed in Note 11.

(iii) Valuation policies and procedures

The management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures as described in Note 2.6. In this regard, the management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 Fair Value Measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The management documents and reports its analysis and results of the external valuations to the Audit Committee in the financial year that valuation is carried out. The Audit Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders.

The Group aims to obtain an optimal capital structure by balancing capital efficiency and financial flexibility. The Group manages the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or raise funds through debt market.

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

After the financial year-end, there were the following subsequent event:

1. On 31 December 2020, the Company has entered into a conditional Sale and Purchase Agreement with Capital Impetus Group Ltd ("CIGL"), which the Company will acquire all the issued shares of MTBL Global Pte. Ltd. ("Target") and its subsidiaries ("Target Group") for an aggregate consideration of up to $20 million. Subsequently, the purchase consideration was determined to be $16,965,000. The acquisition was approved by shareholders during the Extraordinary General Meeting held on 3 March 2022, together with the mandate of diversification of the business of the Group into the business of production, sale and distribution of food and beverages. Subsequently, on 15 March 2022, all the conditions precedent for the completion of the proposed acquisition have been fulfilled and the Company acquired 100% of the issued shares in MTBL Global Pte. Ltd. for a consideration of $16,965,000.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 March 2022.

SHAREHOLDINGS STATISTICS

AS AT 24 MARCH 2022

Issued and fully paid-up capital	-	S$68,807,877.95*
Total number of shares including treasury shares	-	90,081,431
Total number of shares excluding treasury shares	-	87,072,231
Treasury shares	-	3,009,200
Class of shares	-	Ordinary
Voting rights (excluding treasury shares)	-	One Vote Per Share

* Net of direct share issuance costs

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	9	0.92	257	0.00
100 - 1,000	362	36.86	169,100	0.19
1,001 - 10,000	446	45.42	1,906,276	2.19
10,001 - 1,000,000	154	15.68	11,919,267	13.69
1,000,001 AND ABOVE	11	1.12	73,077,331	83.93
TOTAL	**982**	**100.00**	**87,072,231**	**100.00**

SHAREHOLDINGS STATISTICS

AS AT 24 MARCH 2022

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	OCBC SECURITIES PRIVATE LIMITED	35,886,256	41.21
2	ZICO INSIGHTS LAW LLC	11,373,595*	13.06
3	PHILLIP SECURITIES PTE LTD	5,617,400	6.45
4	HSBC (SINGAPORE) NOMINEES PTE LTD	5,059,768	5.81
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	4,981,300	5.72
6	LEE CHEE CHUEN	2,740,723	3.15
7	LEE SANDOR	1,775,700	2.04
8	HO KEE	1,640,305	1.88
9	WANG SHANSHAN	1,416,500	1.63
10	UOB KAY HIAN PRIVATE LIMITED	1,394,184	1.60
11	YEO KAN YEN	1,191,600	1.37
12	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,000,000	1.15
13	DBS NOMINEES (PRIVATE) LIMITED	957,900	1.10
14	WU DONG	669,000	0.77
15	IFAST FINANCIAL PTE. LTD.	613,400	0.70
16	ONG SOON LIONG @ONG SOON CHONG	575,000	0.66
17	GAY SOON WATT	450,000	0.52
18	LOH FOON CHAN @ LEONG BEE LAY	369,900	0.42
19	LIM HUNG MONG	369,200	0.42
20	LEE BEE ENG	365,200	0.42
TOTAL		**78,446,931**	**90.08**

* ZICO has confirmed to the Company that the shares are held by them as a nominee.

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	Direct Interest	Deemed Interest
Sun Quan [1]	-	44,712,956
MTBL Global Fund	34,462,956	-
MTBL Global Holdings Pte. Ltd.	10,250,000	-

Notes

(1) Mr Sun Quan is deemed interested in the 34,462,956 shares held by MTBL Global Fund ("MTBLGF") by virtue of his controlling interest in the fund manager of MTBLGF and the 10,250,000 shares held by MTBL Global Holdings Pte. Ltd. which is wholly-owned by him.

PUBLIC FLOAT

Based on information available to the Company as at 24 March 2022, approximately 48.63% of the total number of issued shares (excluding treasury shares) of the Company is held in the hands of public, and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

ASCENT BRIDGE LIMITED (THE "COMPANY") • (INCORPORATED IN THE REPUBLIC OF SINGAPORE) • CO. REGISTRATION NO. 198300506G

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ascent Bridge Limited, will be convened and held by electronic means on Thursday, 28 April 2022 at 10.00 a.m. (of which there will be a live webcast) for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Auditor's Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$407,795 (2020: 257,000) for the financial year ended 31 December 2021. **(Resolution 2)**

3. To approve the Directors' fees of up to S$413,380 for the financial year ending 31 December 2022 and the payment thereof on a quarterly basis. **(Resolution 3)**

4. To re-elect Mr Sun Quan, a Director retiring under Article 104 of the Constitution of the Company. **(Resolution 4)** **(See Explanatory Note 1)**

5. To re-elect Dr Tan Khee Giap, a Director retiring under Article 108 of the Constitution of the Company. **(Resolution 5)** **(See Explanatory Note 1)**

6. To re-elect Mr Richard Andrew Smith, a Director retiring under Article 108 of the Constitution of the Company. **(Resolution 6)** **(See Explanatory Note 1)**

7. To appoint Mr Qiu Peiyuan, a Director pursuant to Article 107 of the Constitution of the Company. **(Resolution 7)** **(See Explanatory Note 2)**

   To note the retirement of Mr Li Zhibo as Non-Executive and Non-Independent Director pursuant to Article 104 of the Company's Constitution at the conclusion of the forthcoming Annual General Meeting. The Board of Directors of the Company extends its appreciation to Mr Li Zhibo for his tenure of service on the Board.

8. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

ASCENT BRIDGE LIMITED (THE "COMPANY") • (INCORPORATED IN THE REPUBLIC OF SINGAPORE) • CO. REGISTRATION NO. 198300506G

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions with or without amendments:

9. **Authority to issue and allot shares**

"(a) That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings)) shall be the Company's total number of issued shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for;

(A) new shares arising from the conversion or exercise of convertible securities, or

(B) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

NOTICE OF ANNUAL GENERAL MEETING

(C) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

and adjustments in accordance with (A) or (B) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 9)
(See Explanatory Note 3)

10. **Authority to grant awards and issue shares under the Ascent Bridge Performance Share Plan**

"That approval be and is hereby given to the directors to grant awards in accordance with the provisions of the Ascent Bridge Performance Share Plan (the "**ABPSP**") (formerly known as AEI Performance Share Plan) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the ABPSP, provided that the aggregate number of shares to be allotted and issued pursuant to the ABPSP, when added on to the number of shares issued and issuable in respect of all awards granted under any other share-based incentive schemes adopted by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the award shall be granted and that such authority, shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

(Resolution 10)
(See Explanatory Note 4)

NOTICE OF ANNUAL GENERAL MEETING

11. **The Proposed Renewal of the Share Buyback Mandate**

"(a) That, for the purposes of Sections 76C and 76E of the Companies Act 1967, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) ("**Market Purchases**") transacted through the SGX-ST or on another securities exchange on which the Shares are listed (as defined in Section 76E of the Companies Act 1967); and/or

(ii) off-market purchase(s) ("**Off-Market Purchases**") effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act 1967) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act 1967 and the Listing Manual of the SGX-ST; and

otherwise in accordance with all laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) Any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) The authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is the earlier;

(ii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting; or

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

NOTICE OF ANNUAL GENERAL MEETING

(d) In this Resolution:

"**Maximum Limit**" means that number of issued Shares representing 10% of the issued ordinary shares of the Company as at the date of the passing of this Resolution (excluding any treasury shares and subsidiary holdings which may be held by the Company from time to time); and

"**Maximum Price**" means the maximum purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buyback, which:

(i) in the case of a Market Purchase, shall mean 105% of the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action occurring during the relevant 5-day period and the day on which the purchases are made; and

(ii) in the case of an Off-Market Purchase, shall mean 120% of the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded, immediately preceding the day of making of the offer pursuant to the Off-Market Purchase,

and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(Resolution 11)
(See Explanatory Note 5)

12. **Any Other Business**
To transact any other business that may normally be dealt with at an Annual General Meeting.

By Order of the Board

Foo Soon Soo
Company Secretary
Singapore, 11 April 2022

NOTICE OF ANNUAL GENERAL MEETING

ASCENT BRIDGE LIMITED (THE "COMPANY") • (INCORPORATED IN THE REPUBLIC OF SINGAPORE) • CO. REGISTRATION NO. 198300506G

EXPLANATORY NOTES:-

1. Mr Sun Quan will, upon being re-elected as Director, remain as Chairman and Chief Executive Officer of the Company.

   Dr Tan Khee Giap will, upon being re-elected as Director, remain as Lead Independent Director, Chairman of the Nominating Committee and member of the Audit and Risk Committee and member of the Remuneration Committee. Dr Tan is independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

   Mr Richard Andrew Smith will, upon being re-elected as Director, remain as Non-Executive and Non-Independent Director.

   Detailed information on Mr Sun Quan, Dr Tan Khee Giap and Mr Richard Andrew Smith as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST are found on pages 34 to 43 of the Company's Annual Report 2021.

2. Pursuant to Article 107 of the Constitution, MTBL Global Fund as member of the Company has proposed Mr Qiu Peiyuan for appointment as a Non-Executive and Non-Independent Director at the forthcoming AGM. Mr Qiu has accepted the nomination for his candidature. The NC has reviewed Mr Qiu's suitability for appointment and recommends him for appointment as a Non-Executive and Non-Independent Director. The Board has accepted the NC's recommendation. Detailed information on Mr Qiu pursuant to Appendix 7.4.1 of the Listing Manual of SGX-ST can be found on pages 34 to 43 of the Company's Annual Report 2021.

3. Resolution 9, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company of which the total number of convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

4. Resolution 10, if passed, will empower the Directors effective until the conclusion of the next Annual General Meeting of the Company as required by law or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards under the ABPSP and to allot and issue shares in the capital of the Company pursuant to the ABPSP, provided that the aggregate number of shares issued and to be issued under the ABPSP when added on to the shares issued and issuable in respect of all awards granted under any other share-based incentive schemes adopted by the Company, does not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company on the day preceding the date on which the award shall be granted.

5. Resolution 11, if passed, will authorise the Company to purchase or otherwise acquire Shares on the terms and subject to the conditions of the resolution. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition of Shares and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate based on the audited accounts of the Company and the Group for the financial year ended 31 December 2021, are set out in greater detail in the Appendix enclosed together with the Annual Report.

NOTES:

1. The Annual General Meeting ("**AGM**") will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 1 October 2020 and the statement by the Singapore Exchange Regulation of 16 December 2021 which provides additional guidance on the conduct of general meetings.

2. **The Notice of AGM has been published on SGXNET and the Company's website at https://ascentbridge.com and can be downloaded from SGXNET. A printed copy of this Notice, the proxy form and other documents related to the AGM will NOT be despatched to shareholders. Shareholders are advised to check SGXNet and/or the Company's website regularly for updates.**

NOTICE OF
ANNUAL GENERAL MEETING
ASCENT BRIDGE LIMITED (THE "COMPANY") • (INCORPORATED IN THE REPUBLIC OF SINGAPORE) • CO. REGISTRATION NO. 198300506G

3. Shareholders will be able to participate in the AGM in the following manner set out in the paragraphs below.

Live Webcast:

1. Shareholders (including investors holding shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") may watch the AGM proceedings through the Live AGM Webcast by registering at https://go.lumiengage.com/ascentbridge2022 (the "**Registration Link**") by 10.00 a.m. on 25 April 2022 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following verification, authenticated shareholders will receive an email by 10:00 a.m. on 27 April 2022 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a toll-free telephone number to access the live audio-only stream of the AGM proceedings.

3. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

4. Shareholders who register by the Registration Deadline but do not receive an email response by 10:00 a.m. on 27 April 2022 may contact the Company by email to agm2022@ascentbridge.com.

Submission of Proxy Forms to Vote:

1. Shareholders who wish to vote at the AGM may submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.

2. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:

   (a) mail to the Company's registered office at 15 Tuas South Street 13, Singapore 636936; or

   (b) email to agm2022@ascentbridge.com

   by no later than 10:00 a.m. on 26 April 2022, being 48 hours before the time fixed for the AGM.

3. CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on 18 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

4. **Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

NOTICE OF ANNUAL GENERAL MEETING

ASCENT BRIDGE LIMITED (THE "COMPANY") • (INCORPORATED IN THE REPUBLIC OF SINGAPORE) • CO. REGISTRATION NO. 198300506G

Submission of Questions:

1. Shareholders may email questions relating to the items on the agenda of the AGM to agm2022@ascentbridge.com stating their names and identification number for verification. All questions must be submitted by 10:00 a.m. on 20 April 2022.

2. The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from shareholders will be posted on SGXNET by 10.00 a.m. on 24 April 2022. The minutes of the AGM will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Glue and seal firmly

ASCENT BRIDGE LIMITED
CO. REGISTRATION NO. 198300506G
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT
1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967, including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 18 April 2022 5.00 p.m.) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY
2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2022.

I/We, ______________________________

of ______________________________

being *a member/members of ASCENT BRIDGE LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by electronic means on Thursday, 28 April 2022 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Annual General Meeting as your proxy for that resolution will be treated as invalid.

Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] or cross (x) within the box provided.

No	Ordinary Resolutions	No. of Votes or to indicate with a tick [√] or cross (x)[1]		
		For	Against	Abstain
	Ordinary Business			
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Auditor's Report thereon.			
2.	To approve the Directors' fee of $407,795 for the financial year ended 31 December 2021.			
3.	To approve the Directors' fee of $413,380 for the financial year ending 31 December 2022 and payment thereof on a quarterly basis.			
4.	To re-elect Mr Sun Quan as Director.			
5.	To re-elect Dr Tan Khee Giap as Director.			
6	To re-elect Mr Richard Andrew Smith as Director.			
7.	To appoint Mr Qiu Peiyuan as Director.			
8.	To re-appoint Ernst & Young LLP as Auditors of the Company.			
	Special Business			
9.	To authorize Directors to issue and allot shares pursuant to the Companies Act, 1967.			
10.	To authorize the grant of awards and issue shares under the Ascent Bridge Performance Share Plan.			
11.	To approve the Share Buyback Mandate.			

[1] All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Limited.
Please tick "√" or cross (x) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

Dated this __________ day of __________ 2022.

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Glue and seal firmly

First fold (this flap for sealing)

NOTES:

1. This instrument appointing the Chairman of the Annual General Meeting as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
2. The instrument appointing the Chairman of the Annual General Meeting as proxy , together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be (a) submitted by mail to the registered office of the Company at 15 Tuas South Street 13, Singapore 636936; or (b) submitted by email to agm2022@ascentbridge.com not later than 48 hours before the time set for the meeting.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
4. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument of proxy lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
5. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
6. Personal data privacy: By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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Affix Postage Stamp

The Company Secretary
ASCENT BRIDGE LIMITED
15 Tuas South Street 13
Singapore 636936

CORPORATE INFORMATION

DIRECTORS
Sun Quan
Dr. Tan Khee Giap
Li Zhibo
Richard Andrew Smith
Siow Chee Keong
Chua Wei Ming

SECRETARY
Foo Soon Soo

REGISTERED OFFICE
15 Tuas South Street 13
Singapore 636936
Tel: (65) 6261 2244
Fax: (65) 6264 0080
Email: ascentbridge@ascentbridge.com
Website: www.ascentbridge.com

AUDITORS
Ernst & Young LLP
Eleanor Lee
Audit Partner
(Appointed since financial year ended 31 December 2019)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
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Singapore 098632

ASCENT BRIDGE LIMITED

(Incorporated in the Republic of Singapore)
Registration No. 198300506G

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