

Company Registration No. 198300506G

**AEI Corporation Ltd. and its subsidiaries**

Condensed Financial Statements  
For the year ended 31 December 2021

## AEI Corporation Ltd. and its subsidiaries

### General information

---

#### Table of Contents

	<b>Page</b>
A. Condensed consolidated statement of profit or loss and other comprehensive income	3
B. Condensed statements of financial position	5
C. Condensed statements of changes in equity	8
D. Condensed consolidated statement of cash flows	11
E. Notes to the condensed consolidated financial statements	13
F. Other information required by Listing Rule Appendix 7.2	28

AEI Corporation Ltd. and its subsidiaries

Condensed consolidated statement of comprehensive income  
For the year ended 31 December 2021

		1 July to 31 December 2021 ("2H 2021") \$'000	1 July to 31 December 2020 ("2H 2020") \$'000	Increase/ (Decrease) %	1 January to 31 December 2021 ("FY 2021") \$'000	1 January to 31 December 2020 ("FY 2020") \$'000	Increase / (Decrease) %
	Note						
Revenue		9,265	6,116	51.5%	16,939	9,867	71.7%
Cost of sales		(8,261)	(5,107)	61.8%	(15,024)	(9,175)	63.7%
<b>Gross profit</b>		1,004	1,009	(0.5%)	1,915	692	176.7%
Other operating income	6.1 (a)	272	305	(10.8%)	17,913	636	2,716.5%
Selling and distribution costs		(389)	(276)	40.9%	(699)	(535)	30.7%
General and administrative expenses	6.1 (b)	(1,255)	(1,831)	(31.5%)	(3,898)	(3,693)	5.6%
Impairment losses on financial assets		(415)	(50)	730.0%	(415)	(50)	730.0%
Other operating expenses		(7,295)	(2,382)	206.3%	(7,295)	(2,382)	206.3%
<b>(Loss)/profit from operating activities</b>		(8,078)	(3,225)	150.5%	7,521	(5,332)	nm
Finance cost		(31)	(202)	(84.7%)	(58)	(412)	(85.9%)
Share of results of associate		(9)	(102)	(91.2%)	(13)	(93)	(86%)
Finance income		29	17	70.6%	54	156	(65.4%)
<b>(Loss)/profit before tax</b>	6	(8,089)	(3,512)	130.3%	7,504	(5,681)	nm
Income tax credit	7	242	46	426%	242	43	(100%)
<b>(Loss)/profit net of tax</b>		(7,847)	(3,466)	126.4%	7,746	(5,638)	nm
<b>(Loss)/profit for the financial year attributable to:</b>							
<b>Owners of the Company</b>		(7,847)	(3,466)	126.4%	7,746	(5,638)	nm
<b>Earnings per share attributable to owners of the Company</b>							
- Basic (in cents)		(9.8)	(6.3)		9.7	(10.3)	
- Diluted (in cents)		(9.8)	(6.3)		9.7	(10.3)	

**AEI Corporation Ltd. and its subsidiaries**

**Condensed consolidated statement of comprehensive income  
For the year ended 31 December 2021**

	1 July to 31 December 2021 ("2H 2021") \$'000	1 July to 31 December 2020 ("2H 2020") \$'000	Increase/ (Decrease) %	1 January to 31 December 2021 ("FY 2021") \$'000	1 January to 31 December 2020 ("FY 2020") \$'000	Increase / (Decrease) %
<b>Profit/(loss) for the financial year</b>	(7,847)	(3,466)	126.4%	7,746	(5,638)	nm
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Share of foreign currency translation of associated company	(8)	(13)	(38.5%)	(22)	(23)	(4.3%)
<b>Other comprehensive income for the financial year, net of tax</b>	(8)	(13)	(38.5%)	(22)	(23)	(4.3%)
<b>Total comprehensive income for the financial year</b>	(7,855)	(3,479)	125.8%	7,724	(5,661)	nm
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(7,855)	(3,479)	125.8%	7,724	(5,661)	nm

"nm" - not meaningful

**Explanatory Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

- a. Increase in revenue due to increased sales in the aluminium business.
- b. Increase in other operating income mainly attributable to a one-off gain of \$17.5 million on the disposal of Penjuru Property.
- c. Selling and distribution expenses increased in tandem with higher volume of sales activities.
- d. Increase in administrative expenses mainly due to inclusion of administrative expenses incurred by the newly incorporated subsidiary, Ascent Bridge (Singapore) Pte Ltd and higher professional fees incurred on the proposed acquisition of 100% shareholding interest in MTBL Global Pte Ltd.
- e. Impairment losses on financial assets refers to the general provision as required by the accounting standard FRS109 on expected credit loss on trade receivables, taking into account the outlook of economic conditions as well as the collectability of trade receivables.
- f. Other operating expenses in FY 2021 relates to the provision of impairment loss on both investment in associate of \$1.3 million and Tuas South Property of \$5.6 million. In FY2020 the operating expenses was mainly from impairment loss on Tuas South property of \$0.7 million and impairment of plant and equipment of the extrusion business of \$1.6 million.
- g. Decrease in finance cost due to the absence of finance cost on lease liability of the Penjuru Property, which was disposed off in March 2021.
- h. Finance income decreased mainly due to lower interest rate.

**AEI Corporation Ltd. and its subsidiaries**

**Condensed statements of financial position  
As at 31 December 2021**

	Note	Group		Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	258	4,561	5	–
Investment in subsidiaries		–	–	1,601	4,154
Investment in associate		–	1,301	–	–
Leasehold land		–	1,547	–	–
		258	7,409	1,606	4,154
<b>Current assets</b>					
Inventories		4,786	4,136	–	–
Prepaid operating expenses		51	51	8	9
Trade receivables		2,419	1,699	10	14
Other receivables		5,624	2,885	606	3
Amount due from subsidiaries		–	–	7,379	3,795
Receivable from associate		7	213	7	7
Cash and cash equivalents		40,705	29,678	36,203	27,942
		53,592	38,662	44,213	31,770
Non-current assets classified as held for sale		–	8,974	–	8,974
		53,592	47,636	44,213	40,744
<b>Total assets</b>		<b>53,850</b>	<b>55,045</b>	<b>45,819</b>	<b>44,898</b>
<b>Current liabilities</b>					
Trade payables		3,292	1,878	6	8
Other payables		4,746	3,648	557	484
Loans and borrowings	10	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		–	7,727	–	7,727
		8,639	13,754	613	8,269
<b>Net current assets</b>		<b>44,953</b>	<b>33,882</b>	<b>43,600</b>	<b>32,475</b>

**AEI Corporation Ltd. and its subsidiaries**

**Condensed statements of financial position  
As at 31 December 2021**

	Note	Group		Company	
		31	31	31	31
		December	December	December	December
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>					
Loans and borrowings	10	1,562	1,988	–	–
Deferred tax liability		–	1	–	1
		1,562	1,989	–	1
<b>Total liabilities</b>		10,201	15,743	613	8,270
<b>Net assets</b>		43,649	39,302	45,206	36,628
<b>Equity attributable to owners of the Company</b>					
Share capital	11	68,600	71,977	68,600	71,977
Treasury shares		(3,315)	(3,315)	(3,315)	(3,315)
Foreign currency translation reserve		44	66	–	–
Accumulated losses		(21,680)	(29,426)	(20,079)	(32,034)
<b>Total equity</b>		43,649	39,302	45,206	36,628
<b>Total equity and liabilities</b>		53,850	55,045	45,819	44,898

**Explanatory Notes to the Condensed Statements of Financial Position**

- a. The decrease of property, plant and equipment was mainly due to provision of impairment loss on Tuas building and land of \$5.69 million and plant and equipment in Tuas South building of \$143k.
- b. Increase in inventories was due to arrival of backlog raw material caused by seaport congestion and partly due to higher inventory holding in response to shipment uncertainty.
- c. Increase in trade receivables was due to higher sales.
- d. Other receivables increased by \$2.7 million from \$2.9 million as at 31 December 2020 to \$5.6 million as at 31 December 2021. The increase is due to \$0.6 million refundable deposit paid upon signing of Sale and Purchase Agreement (“Proposed acquisition of 100% shareholding interest in MTBL Global Pte Ltd”) and \$2.1 million prepayment made to Dong Ying Circle International Trade Co., Ltd for purchase of Moutai Bulao.
- e. Cash and cash equivalents increased by \$11 million from \$29.7 million as at 31 December 2020 to \$40.7 million as at 31 December 2021. The increase was mainly due to:
  - (i) \$12.8 million received from warrants’ holder, subscribing for one new ordinary share of the Company at an exercise price of \$1.00 for each warrant share. As at 31 December 2021, a total of 12,805,022 warrant have been exercised at the exercise price of \$1.00 for each new share (See Note 11);

**AEI Corporation Ltd. and its subsidiaries**

**Condensed statements of financial position  
As at 31 December 2021**

---

**Explanatory Notes to the Condensed Statements of Financial Position (Cont'd)**

- (ii) \$15.2 million receipts from options' holder, subscribing for up to 18,975,000 new ordinary shares in the capital of the Company at an issue price of \$0.80 per share (See Note 11);
- (iii) \$19.0 million proceeds from the disposal of Penjuru Property.

The increase in cash and cash equivalents offset by the capital reduction exercise to return to shareholders of the Company surplus capital of the Company by way of cash distribution of \$0.36 for each ordinary share held by the Shareholders. An aggregate amount of \$31,346,003.16 has been returned to Shareholders on 9 July 2021.

- f. Non-current assets classified as held for sales in FY2020 refers to the Penjuru Property. The sale of the Penjuru Property was completed on 31 March 2021.
- g. Increase in trade payables due to more purchase of raw material.
- h. Increase in other payables due to interest-free advances from a corporation owned by directors of subsidiary companies.

AEI Corporation Ltd. and its subsidiaries

Condensed consolidated statement of changes in equity  
For the year ended 31 December 2021

	Attributable to owners of the Company				
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Group</b>					
<b>Opening balance at 1 January 2021</b>	71,977	(3,315)	66	(29,426)	39,302
Profit for the financial year	–	–	–	7,746	7,746
<i>Other comprehensive income:</i>					
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
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
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)
<b>Closing balance at 31 December 2021</b>	68,600	(3,315)	44	(21,680)	43,649



AEI Corporation Ltd. and its subsidiaries

Condensed consolidated statement of changes in equity  
For the year ended 31 December 2021

	Attributable to owners of the Company				
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Group</b>					
<b>Opening balance at 1 January 2020</b>	71,977	(3,315)	89	(23,788)	44,963
Loss for the financial year	–	–	–	(5,638)	(5,638)
<i>Other comprehensive income:</i>					
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)
<b>Closing balance at 31 December 2020</b>	71,977	(3,315)	66	(29,426)	39,302

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

**AEI Corporation Ltd. and its subsidiaries**

**Condensed consolidated statement of changes in equity  
For the year ended 31 December 2021**

	<b>Share capital \$'000 (Note 11)</b>	<b>Treasury shares \$'000 (Note 11)</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
<b>Company</b>				
<b>Opening balance at 1 January 2020</b>	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)
<b>Closing balance at 31 December 2020 and opening balance at 1 January 2021</b>	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
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
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)
<b>Closing balance at 31 December 2021</b>	68,600	(3,315)	(20,079)	45,206

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

**AEI Corporation Ltd. and its subsidiaries**

**Condensed consolidated statement of cash flows  
For the year ended 31 December 2021**

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

**AEI Corporation Ltd. and its subsidiaries**

**Condensed consolidated statement of cash flows  
For the year ended 31 December 2021**

---

**Explanatory Notes to the Condensed Consolidated Statement of Cash Flows (Cont'd)**

The Group's net cash used in operating activities for FY2021 was \$5.8 million compared with net cash used of \$4 million for FY2020. The negative operating cashflow in FY2021 was mainly due to operating loss, higher trade receivable balance, higher inventory and partially offset by higher trade payable balance.

Net cash generated from investing activity for FY2021 was \$18.9 million, as opposed to net cash used of \$0.2 million in FY2020. The increase was mainly due to cash proceeds from sale of Penjuru Property.

The Group's net cash used in financing activities for FY2021 was \$2 million compared with net cash received of \$0.1 million for FY2020. The decrease was mainly due to cash proceeds from the exercise of option shares of \$15.2 million, warrant conversion of \$12.8 million and offset by capital distribution of \$31.3 million.

## **AEI Corporation Ltd. and its subsidiaries**

### **Notes to the condensed consolidated financial statements For the second half and full year ended 31 December 2021**

---

#### **1. Corporate information**

AEI Corporation Ltd. (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated financial statements as at and for the half year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company is investment holdings in manufacturing, extrusion activities and wholesale of alcoholic beverage.

#### **2. Basis of preparation**

The condensed financial statements for the half year and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the six months ended 30 June 2021.

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (“\$’000”) as indicated.

##### **2.1 New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended Singapore Financial Reporting Standards (International) (“SFRS(I)”) and Interpretations to SFRS(I) (“INT SFRS(I)s”) that are mandatory for application from that date.

The application of these new or amended SFRS(I) and INT SFRS(I)s did not result in change in the Group’s accounting policies and has no material effect on the amounts reported for the current period or prior years.

##### **2.2 Use of judgements and estimates**

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group’s condensed financial statements for the year ended 31 December 2021.

## **AEI Corporation Ltd. and its subsidiaries**

### **Notes to the condensed consolidated financial statements For the second half and full year ended 31 December 2021**

---

#### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

#### **4. Segment and revenue information**

The Group is organised into the following main business segments:

- Segment 1: Electronics and precision engineering
- Segment 2: Construction and infra-structure building
- Segment 3: Beverage
- Segment 4: Others

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed consolidated financial statements  
For the second half and full year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Electronics and precision engineering		Construction and infra-structure building		Beverage		Others		Consolidated	
	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000
<b>Revenue</b>										
External customers	9,098	5,811	161	301	2	–	4	4	9,265	6,116
<b>Total revenue</b>	<b>9,098</b>	<b>5,811</b>	<b>161</b>	<b>301</b>	<b>2</b>	<b>–</b>	<b>4</b>	<b>4</b>	<b>9,265</b>	<b>6,116</b>
<b>Results:</b>										
Segment result	97	(299)	(81)	(37)	(754)	(112)	(1,569)	(22)	(2,307)	(470)
Depreciation	(151)	(388)	(3)	(23)	(2)	(21)	–	–	(156)	(432)
Gain/(loss) on disposal of property, plant and equipment, net	49	(28)	–	(2)	–	–	–	–	49	(30)
Provision of impairment loss on property, plant and equipment									(4,220)	(2,293)
Provision of impairment loss on leasehold land									(1,444)	–
Finance income									29	17
Finance cost									(31)	(202)
Share of results of associate									(9)	(102)
<b>Loss before tax</b>									<b>(8,089)</b>	<b>(3,512)</b>
Income tax credit									242	46
<b>Loss net of tax</b>									<b>(7,847)</b>	<b>(3,466)</b>

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed consolidated financial statements  
For the second half and full year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Electronics and precision engineering		Construction and infra-structure building		Beverage		Others		Consolidated	
	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
<b>Revenue</b>										
External customers	16,620	9,372	302	486	8	–	9	9	16,939	9,867
<b>Total revenue</b>	16,620	9,372	302	486	8	–	9	9	16,939	9,867
<b>Results:</b>										
Segment result	(1,026)	(1,554)	(97)	(192)	(1,246)	(112)	(1,658)	(116)	(4,027)	(1,974)
Depreciation	(296)	(921)	(6)	(56)	(4)	(21)	–	–	(306)	(998)
Gain/(loss) on disposal of property, plant and equipment, net	17,151	(63)	367	(4)	–	–	–	–	17,518	(67)
Provision of impairment loss on property, plant and equipment									(4,220)	(2,293)
Provision of impairment loss on leasehold land									(1,444)	–
Finance income									54	156
Finance cost									(58)	(412)
Share of results of associate									(13)	(93)
<b>Profit/(loss) before tax</b>									7,504	(5,681)
Income tax credit									242	43
<b>Profit/(loss) net of tax</b>									7,746	(5,638)



AEI Corporation Ltd. and its subsidiaries

Notes to the condensed consolidated financial statements  
For the second half and full year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Electronics and precision engineering		Construction and infra-structure building		Beverage		Others		Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
<b>Assets</b>										
Segment assets	2,593	5,741	23	295	261	224	—	2,848	2,877	9,108
Unallocated assets <sup>(1)</sup>									50,973	45,937
<b>Total assets</b>									<b>53,850</b>	<b>55,045</b>
<b>Liabilities</b>										
Segment liabilities	3,209	1,746	68	104	232	216	15	—	3,524	2,066
Unallocated liabilities <sup>(2)</sup>									6,677	13,677
<b>Total liabilities</b>									<b>10,201</b>	<b>15,743</b>

<sup>1)</sup> Unallocated assets comprise of jointly used assets

<sup>(2)</sup> Unallocated liabilities comprise of jointly used liabilities

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed consolidated financial statements  
For the second half and full year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Electronics and precision engineering		Construction and infra- structure building		Beverage		Others		Consolidated	
	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000	2H 2021 \$'000	2H 2020 \$'000
<b>Other information</b>										
Capital expenditure	74	280	1	17	–	223	–	–	75	520
Unallocated capital expenditure									–	–
<b>Total capital expenditure</b>									<b>75</b>	<b>520</b>
Depreciation	151	388	3	23	2	21	–	–	156	432

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed consolidated financial statements  
For the second half and full year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Electronics and precision engineering		Construction and infra- structure building		Beverage		Others		Consolidated	
	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
<b>Other information</b>										
Capital expenditure	164	427	3	26	15	223	—	—	182	676
Unallocated capital expenditure									—	—
<b>Total capital expenditure</b>									<b>182</b>	<b>676</b>
Depreciation	296	921	6	56	4	21	—	—	306	998

Electronics & Precision Engineering customer segment

Revenue from this segment increased by 77.3% to \$16.6 million for the year ended 31 December 2021. The Group recorded higher sales due to participation in customer's new program.

Construction & Infrastructure Segment

Revenue from this segment decreased by 37.9% to \$0.3 million during the year ended 31 December 2021. Segment result decreased as a result of lower sales and lower contribution margin amid ongoing price competition faced in this customer segment.

Beverages Segment

Beverages segment commenced on second half of the financial year of 2020. Segment loss due to expenses incurred during the startup period.

Other Segment

Revenue from this segment relates to service fee income from associated company.

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed financial statements  
For the year ended 31 December 2021

4. Segment and revenue information (cont'd)

4.2. Disaggregation of revenue

	Sales of goods		Rendering of services		Total revenue	
	2H 2021	2H 2020	2H 2021	2H 2020	2H 2021	2H 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Primary geographical locations</i>						
Singapore	3,500	2,699	57	31	3,557	2,730
Greater China	2,030	962	–	–	2,030	962
Malaysia	379	220	–	–	379	220
Other countries	3,299	2,204	–	–	3,299	2,204
	9,208	6,085	57	31	9,265	6,116
<i>Timing of transfer of goods</i>						
At a point in time	9,208	6,085	–	–	9,208	6,085
Over time	–	–	57	31	57	31
	9,208	6,085	57	31	9,265	6,116
	Sales of goods		Rendering of services		Total revenue	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Primary geographical locations</i>						
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
<i>Timing of transfer of goods</i>						
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

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed financial statements  
For the year ended 31 December 2021

5. Financial assets and financial liabilities

	1 year or less \$'000	Over 1 year to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2021</b>				
<b><i>Financial assets</i></b>				
Trade receivables (excluding sales tax receivables)	2,238	–	–	2,238
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	48,574	–	–	48,574
<b><i>Financial liabilities</i></b>				
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)	39,941	(1,596)	(31)	38,314

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed financial statements  
For the year ended 31 December 2021

5. Financial assets and financial liabilities (cont'd)

	1 year or less \$'000	Over 1 year to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2020</b>				
<b><i>Financial assets</i></b>				
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
<b><i>Financial liabilities</i></b>				
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

AEI Corporation Ltd. and its subsidiaries

Notes to the condensed financial statements  
For the year ended 31 December 2021

6. Profit/(loss) before taxation

6.1 Significant items

(a) Other operating income

	2H 2021	Group		FY 2020
	\$'000	2H 2020	FY 2021	\$'000
		\$'000	\$'000	
Sale of metal scrap	-	6	-	8
Government grant income	57	278	174	571
Gain on foreign exchange	84	-	84	-
Gain on disposal of property, plant and equipment	49	-	61	-
Gain on sale of Penjuru Property	-	-	17,457	-
Sundry income	35	21	90	57
Bad debts recovered	47	-	47	-
	272	305	17,913	636

(b) General and administrative expenses

	2H 2021	Group		FY 2020
	\$'000	2H 2020	FY 2021	\$'000
		\$'000	\$'000	
Audit fees paid to auditors of the Company	57	60	115	115
Non-audit fees paid to auditors of the Company	31	28	45	41
Depreciation of property, plant and equipment	304	919	459	998
Amortisation of leasehold land	140	213	103	425
Directors' emoluments				
- fees accrued	274	133	398	262
- remuneration	301	-	581	-
Loss on disposal of property, plant and equipment, net	-	30	-	67
Staff costs (excluding directors' remuneration)	1,968	2,395	2,992	3,265

**AEI Corporation Ltd. and its subsidiaries**

**Notes to the condensed financial statements  
For the year ended 31 December 2021**

**7. Income tax**

The Group calculated the income tax expense for the reporting period using the tax rate that would be applicable to the expected total annual earning. The major components of income tax in the condensed consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>2H 2021</b>	<b>2H 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>
	\$'000	\$'000	\$'000	\$'000
Current income tax credit	242	46	242	43
Income tax credit recognised in profit or loss	242	46	242	43

**8. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the existing issued share capital at the respective period	50.10	71.80	51.90	66.90

**9. Property, plant and equipment**

During the year ended 31 December 2021, the Group acquired assets amounting to \$182,000 (31 December 2020: \$304,000) and disposed of assets \$1,488,000 which were classified as assets & liabilities held for sale in FY2020 (31 December 2020: Nil).

**10. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
<b>Current:</b>				
Term loan at cost of funds + 1.75%	370	370	-	-
Lease liabilities	181	81	-	-
	551	451	-	-
<b>Non-current:</b>				
Term loan at cost of funds + 1.75%	1,511	1,881	-	-
Lease liabilities	51	107	-	-
	1,562	1,988	-	-
Total loans and borrowings	2,113	2,439	-	-



## AEI Corporation Ltd. and its subsidiaries

### Notes to the condensed financial statements For the year ended 31 December 2021

---

#### 10. Loan and borrowing (cont'd)

##### *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. In 2020, a loan deferment measure was announced by MAS as part of the industry-wide relief package amid the COVID-19 induced economic downturn. The Group had been offered and accepted a 8-month moratorium on the term loan, where principal repayment on the term loan was temporary suspended. The principal repayment on loan has since resumed on 1 January 2021.

#### 11. 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 - Option share	18,975	15,180	–	–
Share placement - Option share - Introducer	569	455*	–	–
Share issuance expense	–	(471)*	–	–
Exercise of warrants	12,805	12,805	–	–
Cash Distribution – capital reduction	–	(31,346)	–	–
End of the year	87,072	68,600	54,723	71,977

Excludes 3,009,200 treasury shares as at 1 January 2021 and 31 December 2021 respectively.

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

##### (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.

11. Share capital (cont'd)

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

Pursuant to their respective exercise of options, the Company has allotted 17,975,000 Option Shares to MTBLGH, 1,000,000 Option Shares to PHIL and 569,250 Introduce Shares. Pursuant to the said 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.

	<b>31 December 2021</b>	<b>31 December 2020</b>
	No. of Option shares '000	No. of Option shares '000
Beginning of year	24,375	24,375
Exercise of options	(18,975)	–
Option Shares expired <sup>^</sup>	(5,400)	–
End of year	–	24,375

<sup>^</sup> As announced on 25 June 2021, there was 5,400,000 remaining Option Shares in respect of the Option exercised by MTBLGH which would have to be issued by 9 August 2021, subject to receipt of the related Option Shares Subscription Amount. As of 9 August 2021, the Company has not received the outstanding Option Shares Subscription Amount of S\$4,320,000 from MTBLGH. Accordingly, the Company has not allotted and issued the remaining balance of 5,400,000 Option Shares to MTBLGH. (Please refer to announcement made on 10 August 2021).

Save as disclosed, the Company did not have any subsidiary holdings or other convertibles as at 31 December 2021.

(ii) Treasury shares

Total number of issued shares excluding treasury shares as at 31 December 2021 was 87,072,231 (31 December 2020: 54,722,959). Total number of treasury shares as at 31 December 2021 was 3,009,200 (31 December 2020: 3,009,200). No treasury shares were re-issued for the period ended 31 December 2021.

(iii) 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.

**AEI Corporation Ltd. and its subsidiaries**

**Notes to the condensed financial statements  
For the year ended 31 December 2021**

---

**11. Share capital (cont'd)**

**(iv) 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.

**1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed statements of financial position of AEI Corporation Ltd and its subsidiaries as at 31 December 2021 and the related consolidated statement of profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for half year and full year ended 2021 and certain explanatory notes have not been audited or reviewed.

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group posted a higher revenue of \$16.9 million, representing an increase of 71.7% against the \$9.9 million achieved in FY2020. The higher revenue was due to increased sales in the aluminium business. The group also recorded a one-off gain on of \$17.5 million on the sale of the Penjuru Property, which was completed on 31 March 2021. Arising mainly from the gain on sale of the Penjuru Property, the Group's recorded a profit of \$7.7 million compared against a \$5.6 million loss in FY2020.

The Group reported a higher cash and cash equivalent balances of \$40.7 million as at 31 December 2021, an increase of \$11 million from FY2020's \$29.7 million. The increase was due to the exercise of share options by options' holder to subscribe 18,975,000 ordinary shares in the capital of the Company at an issue price of \$0.80 per share as well as the conversion of bonus warrants to one new ordinary share of the Company at an exercise price of \$1.00 for each warrant share. As at 31 December 2021, a total of 12,805,022 bonus warrants have been exercised. The higher cash and cash equivalent balance was partly contributed by proceeds of \$19 million from the disposal of Penjuru Property. The increase was offset by cash distribution of \$31.3 million based on \$0.36 for each 87,072,231 ordinary shares (excluding treasury shares) which had been effected on 9 July 2021.

**3. Status on the use of proceeds from IPO and any offerings pursuant to Chapter 8 of the SGX Listing Manual and whether the use of proceeds is in accordance with the stated use.**

Reference is made to the Company's announcement on 9 July 2021.

The Company had received an aggregate amount of \$50,985,022 from the following share issuance exercise:

- (a) \$23,000,000 from the Subscription Shares Issue;
- (b) \$15,180,000 from the exercise of Share Options ; and
- (c) \$12,805,022 from the exercise of Bonus Warrants.

After reviewing the Group's acquisition plans and cash flow needs for working capital, the Company had on 9 July 2021, announced its re-allocation and change in use of the Subscription Gross Proceeds and Warrants Gross Proceeds to include the Capital Reduction Exercise ("Cash Distribution"), in the following manner:

AEI Corporation Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

(i) With respect to the Gross Proceeds from Share Subscription and Options Exercise:

<u>Intended Use</u>	<u>Allocated</u>	<u>Amount Allocated</u>	<u>Re-allocation Amount</u>	<u>Amount Allocated after the Re-allocation</u>	<u>Re-allocation</u>	<u>Amount Utilised as at 31 Dec 2021</u>	<u>Amount Unutilised as at 31 Dec 2021</u>
	%	(S\$ million)	(S\$ million)	(S\$ million)	%	(S\$ million)	(S\$ million)
Proposed acquisitions to be undertaken by the Company	80	30.54	(4.64)	25.90	68	0.60 <sup>1</sup>	25.30
Working capital and general corporate purposes	20	7.64	(3.00)	4.64	12	4.50 <sup>2</sup>	0.14
Payment of the Cash Distribution	-	-	7.64	7.64	20	7.64 <sup>3</sup>	-
	100	38.18	-	38.18	100	12.74	25.44

<sup>1</sup> Deposit for MTBL Global Pte Ltd shareholding interest acquisition

<sup>2</sup> Working capital for wholly-owned subsidiary Ascent Bridge (Singapore) Pte Ltd

<sup>3</sup> Cash payment for part of Capital Reduction on 9 July 2021

**AEI Corporation Ltd. and its subsidiaries**

**Other Information Required by Listing Rule Appendix 7.2**

(ii) With respect to the Gross Proceeds from Warrants Exercise:

<u>Intended Use</u>	<u>Allocated</u>	<u>Amount Allocated</u>	<u>Re-allocation Amount</u>	<u>Amount Allocated after the Re-allocation</u>	<u>Re-allocation</u>	<u>Amount Utilised as at 31 Dec 2021</u>	<u>Amount Unutilised as at 31 Dec 2021</u>
	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>
Proposed acquisitions to be undertaken by the Company	50	6.40	-	6.40	50	-	6.40
Repayment of loans or borrowings	30	3.84	(3.84)	-	-	-	-
Working capital and general corporate purposes	20	2.56	(0.87)	1.69	13	-	1.69
Payment of the Cash Distribution	-	-	4.71	4.71	37	4.71 <sup>3</sup>	-
<b>Total</b>	100	12.81	-	12.81	100	4.71	8.10

<sup>3</sup> Cash payment for part of Capital Reduction on 9 July 2021

For the avoidance of doubt, in addition to the Subscription Gross Proceeds and Warrants Gross Proceeds, the Cash Distribution will also be funded by cash proceeds from the Company's sale of Penjuru Property. As announced by the Company on 31 March 2021, completion of the Penjuru Disposal took place on 31 March 2021.

**4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group's results are in line with the quarterly update statement made pursuant to rule 1313(2) of the listing manual on 31 December 2021.

5. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The COVID-19 situation continues to evolve, and is expected to impact negatively the existing operation of the Company.

Notwithstanding the foregoing, the Group will continue to focus on improving operational efficiency and respond aptly to increasingly volatile market condition, while at the same time, continue to look for and seek divestment on terms which will align with the timing of our business transformation.

The Company has announced on SGXNET on 31 December 2020 on its Proposed Acquisition of 100% shareholding interest in MTBL Global Pte Ltd., subject to terms and conditions of the sale and purchase agreement entered into between the Company and Capital Impetus Group Limited. In connection with the Proposed Acquisition, the Company has on 28 January 2022, announced that SGX-ST has, in its letter received on 27 January 2022, advised that it's has no comment on the draft circular. On 9 February 2022, EGM notice and the shareholders' circular on the Proposed Acquisition have been issued and the EGM is scheduled on 3 March 2022.

The Company will make necessary announcements as and when information on any further developments becomes available.

6. **Dividend**

- (a) **Current Financial Period Reported On**

**Any dividend declared for the current financial period on?**

None

- (b) **Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

- (c) **Date payable**

Not applicable

- (d) **Book closure date**

Not applicable

7. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommend for the financial year ended 31 December 2021 as the company does not have retained earnings.

**AEI Corporation Ltd. and its subsidiaries**

**Other Information Required by Listing Rule Appendix 7.2**

---

- 8. If the Group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of interest person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Capital Impetus Group Limited <sup>1</sup>	\$600,000 <sup>2/ 3</sup>	Nil <sup>4</sup>

<sup>1</sup> Capital Impetus Group Limited, an entity associated with a director.

<sup>2</sup> The Group placed a refundable deposit of \$0.6 million to Capital Impetus Group Limited upon signing of Sale and Purchase Agreement ("Proposed acquisition of 100% shareholding interest in MTBL Global Pte Ltd")

<sup>3</sup> Aggregate value less than 3% of the Group's latest audited net tangible assets.

<sup>4</sup> 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.

- 9. Confirmation of procurement of Undertakings from all Directors and Executive Officers.**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2021, none of the persons occupying the managerial positions in the Company or any its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.



**11. Additional information required pursuant to Rule 706A of the Listing Manual.**

During the year ended 31 December 2021, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. The Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

BY ORDER OF THE BOARD

SUN QUAN  
EXECUTIVE DIRECTOR

1 MARCH 2022