



Company Registration No. 198300506G

Ascent Bridge Limited and its Subsidiaries
(formerly known as AEI Corporation Ltd.)

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2022 (“1H 2022”)

Ascent Bridge Limited and its subsidiaries

General information

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Ascent Bridge Limited and its subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2022**

		Group		Increase / (Decrease)
	Note	6 months ended 30 June 2022	6 months ended 30 June 2021	%
		\$'000	\$'000	
Revenue	4.1	302	7,674	(96.1%)
Cost of sales		(227)	(6,763)	(96.6%)
Gross profit		75	911	(91.8%)
Other operating income	6.1(a)	76	17,641	(99.6%)
Selling and distribution expenses		(337)	(310)	8.7%
General and administrative expenses	6.1(b)	(2,736)	(2,643)	3.5%
(Loss)/profit from operating activities		(2,922)	15,599	nm
Finance cost		–	(27)	nm
Share of results of associate		–	(4)	nm
Finance income		6	25	nm
(Loss)/profit before taxation	6	(2,916)	15,593	nm
Income tax expense	7	–	–	nm
(Loss)/profit net of tax		(2,916)	15,593	nm
(Loss)/profit attributable to:				
Owners of the Company		(2,916)	15,593	nm
(Loss)/earnings per share attributable to owners of the Company				
- Basic (in cents)		(3.35)	23.3	nm
- Diluted (in cents)		(3.35)	23.3	nm

"nm" - not meaningful

Ascent Bridge Limited and its subsidiaries

Condensed interim consolidated statement of comprehensive income For the six months ended 30 June 2022

	Group		Increase / (Decrease) %
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	
(Loss)/profit for the financial period, net of tax	(2,916)	15,593	nm
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign entities	(69)	(14)	nm
Other comprehensive loss for the period, net of tax	(69)	(14)	nm
Total comprehensive (loss)/income for the period	(2,985)	15,579	nm
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(2,985)	15,579	nm

"nm" - not meaningful

Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

a. Revenue

As announced by the Company on 29 June 2022, the Company completed the disposal of existing aluminium extrusion business ("Aluminium Business"). The disposal was effective from 1 January 2022 pursuant to the sales and purchase agreement.

As announced by the Company on 16 March 2022, the Company completed the acquisition of MTBL Global Pte. Ltd. and its subsidiaries ("MTBL Global group") on 15 March 2022. MTBL Global group is principally engaged in the promotion, sale and distribution of Moutai Bulao 125ml liquor products outside Mainland China ("New Business").

With above restructuring, the Group's principal business has changed to the production, sale and distribution of food and beverages business (including, in particular, liquors and alcoholic beverages). Revenue for 1H2022 were generated from sales and distribution of alcoholic beverage, while revenue for the six months ended 30 June 2021 ("1H2021") were mainly generated from sales of aluminium extrusion business. As the acquisition of MTBL Global group was only completed on 15 March 2022, revenue from sales of new business only contribute to the group after 16 March 2022. As a result, in 1H2022, the Group's revenue only included sales and distribution of Moutai Bulao products for the period from 16 March 2022 to 30 June 2022.

In 1H2022, lower sales in revenue was mainly due to slower start of sales of the newly acquired Moutai Bulao products as the easing of community safe management measures and border reopening (due to Covid-19 pandemic) taken place only in late April 2022 in Singapore and in late May 2022 in Hong Kong

Ascent Bridge Limited and its subsidiaries

Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income (cont'd)

b. Other operating income

In 1H2021, other operating income mainly attributable to a one-off gain of \$17.4 million on the disposal of Penjuru Property. There was no such one-off gain in 1H2022.

c. Selling and distribution expenses

In 1H2022, selling and distribution expenses of \$337,000 mainly comprised marketing, distribution expenses and staff compensation for sales personnel.

d. General and administrative expenses

Increase in administrative expenses mainly attribute to higher professional fees incurred on the acquisition of MTBL Global group and the proposed acquisition of 80% equity interest in Octopus Distribution Pte Ltd and 80% equity interest in Nereus Cape Pte Ltd and 39.2% equity interest in Luen Heng F&B Sdn Bhd (collectively called "Octopus Group")

The increase was partially offset by lower staff remuneration in 1H2022 as number of headcounts in New Business is lower than in Aluminium Business.

Ascent Bridge Limited and its subsidiaries

**Condensed interim statements of financial position
As at 30 June 2022**

	Note	Group		Company	
		30 June	31	30 June	31
		2022	December	2022	December
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Plant and equipment		690	258	4	5
Right-of-use assets		1,041	–	–	–
Investment in subsidiaries		–	–	12,101	1,601
Intangible assets	9	1,916	–	–	–
Goodwill		6,178	–	–	–
		9,825	258	12,105	1,606
Current assets					
Inventories		2,663	4,786	–	–
Trade receivables		1,468	2,419	–	10
Other receivables	10	16,127	5,675	6,461	614
Amounts due from subsidiaries		–	–	13,638	7,379
Receivable from associate		–	7	–	7
Cash and cash equivalents		12,987	40,705	12,212	36,203
		33,245	53,592	32,311	44,213
Total assets		43,070	53,850	44,416	45,819
Current liabilities					
Trade payables		544	3,292	–	6
Other payables		849	4,746	554	557
Loans and borrowings		–	370	–	–
Lease liabilities		240	181	–	–
Income tax payable		35	50	35	50
		1,668	8,639	589	613
Net current assets		31,577	44,953	31,722	43,600

Ascent Bridge Limited and its subsidiaries

**Condensed interim statements of financial position
As at 30 June 2022**

	Note	Group		Company	
		30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Non-current liabilities					
Loans and borrowings		–	1,511	–	–
Lease liabilities		738	51	–	–
		738	1,562	–	–
Total liabilities		2,406	10,201	589	613
Net assets		40,664	43,649	43,827	45,206
Equity attributable to owners of the Company					
Share capital	11	68,600	68,600	68,600	68,600
Treasury shares		(3,315)	(3,315)	(3,315)	(3,315)
Foreign currency translation reserve		(25)	44	–	–
Accumulated losses		(24,596)	(21,680)	(21,458)	(20,079)
Total equity		40,664	43,649	43,827	45,206
Total equity and liabilities		43,070	53,850	44,416	45,819

Explanatory Notes to the Condensed Interim Statements of Financial Position

Non-current assets

- Plant and equipment as at 30 June 2022 was mainly acquired from acquisition of MTBL Global group, which mainly comprised office equipment, furniture and fixtures and renovation.
- Right-of-use assets as at 30 June 2022 was mainly acquired from acquisition of MTBL Global group and additions during the financial period, which are mainly recognised from lease of office, warehouse and culture centre.
- Intangible assets represent exclusive distribution rights of Moutai Bulao liquor products and research and development cost (“R&D cost”) for vending machine and its software, from the newly acquired MTBL Global group.
- Provisional goodwill as at 30 June 2022 was recognised from the acquisition of MTBL Global group. Such provisional goodwill will be subsequently adjusted upon the completion of the Purchase Price Allocation exercise within 12 months upon completion of the acquisition.

Current assets

- Decrease in inventory was mainly due to disposal of aluminium business, which was partially offset by addition of alcoholic beverage from acquisition of MTBL Global group.
- Decrease in trade receivable was in line with decrease in sales volume during the period.

Ascent Bridge Limited and its subsidiaries

Explanatory Notes to the Condensed Interim Statements of Financial Position (cont'd)

Current assets (cont'd)

- g. Increase in other receivables was mainly due to:
- (i) \$5.0 million refundable deposit paid upon signing of Sales and Purchase Agreement for acquisition of Octopus Group;
 - (ii) \$4.6 million advance payment made for purchase of Moutai Bulao liquor products; and
 - (iii) S\$1.2 million remaining proceeds from disposal of Aluminium business
- h. Cash and cash equivalents decreased by \$27.73 million from \$40.70 million as at 31 December 2021 to \$12.98 million as at 30 June 2022. The decrease was due to:
- (i) \$11.3 million paid for acquisition of MTBL Global group;
 - (ii) \$5.0 million paid upon signing of Sales and Purchase Agreement for acquisition of Octopus;
 - (iii) \$4.6 million paid for purchase of Moutai Bulao liquor products; and
 - (iv) \$3.9 million net cash outflow from disposal of Aluminium Business

Current liabilities

- i. Decrease in trade payables and other payables are mainly attributed to disposal of aluminium business.

Non-Current liabilities

1. Decrease in loans and borrowings are mainly due to disposal of Aluminium business in 2022. MTBL Global group acquired in 2022 has no loans and borrowing.
2. Increase in lease liabilities are mainly due to acquisition of MTBL Global group and additions recognised from lease of office, warehouse and culture centre during the financial period.

Ascent Bridge Limited and its subsidiaries

**Condensed interim statement of changes in equity
For the six months ended 30 June 2022**

	Attributable to owners of the Company				
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Group					
Opening balance at 1 January 2022	68,600	(3,315)	44	(21,680)	43,649
Profit for the period	–	–	–	(2,916)	(2,916)
<i>Other comprehensive income:</i>					
Exchange differences arising on translation of foreign entities	–	–	(69)	–	(69)
Other comprehensive income for the period, net of tax	–	–	(69)	–	(69)
Total comprehensive income for the period	–	–	(69)	(2,916)	(2,985)
Closing balance at 30 June 2022	68,600	(3,315)	(25)	(24,596)	40,664

Ascent Bridge Limited and its subsidiaries

**Condensed interim consolidated statement of changes in equity
For the six months ended 30 June 2022**

	Attributable to owners of the Company				
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	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 year	–	–	–	15,593	15,593
<i>Other comprehensive income:</i>					
Share of foreign currency translation of associated company	–	–	(14)	–	(14)
Other comprehensive income for the financial year, net of tax	–	–	(14)	–	(14)
Total comprehensive income for the financial year	–	–	(14)	15,593	15,579
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Issue of ordinary share	15,749	–	–	–	15,749
Exercise of warrants	12,805	–	–	–	12,805
Share issuance expense	(585)	–	–	–	(585)
Closing balance at 30 June 2021	99,946	(3,315)	52	(13,833)	82,850

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

Ascent Bridge Limited and its subsidiaries

**Condensed interim consolidated statement of changes in equity
For the six months ended 30 June 2022**

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
Company				
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	–	–	16,195	16,195
Issue of ordinary share	15,749	–	–	15,749
Exercise of warrants	12,805	–	–	12,805
Share issuance expense	(585)	–	–	(585)
Closing balance at 30 June 2021	99,946	(3,315)	(15,839)	80,792
Opening balance as at 1 January 2022	68,600	(3,315)	(20,079)	45,206
Loss for the financial year, representing total comprehensive income for the financial period	–	–	(1,379)	(1,379)
Closing balance at 30 June 2022	68,600	(3,315)	(21,458)	43,827

Ascent Bridge Limited and its subsidiaries

**Condensed interim consolidated statement of cash flows
For the six months ended 30 June 2022**

	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
Operating activities:		
(Loss)/profit before tax	(2,916)	15,593
Adjustments for:		
Depreciation of property, plant and equipment	301	150
Amortisation on intangible assets	123	–
Amortisation on leasehold land	–	115
Gain on disposal of property, plant and equipment, net	–	(12)
Sale of Penjuru Property	–	(17,457)
Interest expense	–	27
Interest income	(6)	(25)
Foreign currency translation adjustments	(69)	14
Share of results of associate	–	4
Operating cash flows before changes in working capital	(2,567)	(1,591)
Increase in receivables	(4,286)	(1,537)
Decrease in inventories	–	664
Decrease in payables	(626)	(388)
Cash flows used in operations	(7,479)	(2,852)
Interest paid – term loan	–	(22)
Lease rental paid	–	(67)
Income tax paid	(15)	(22)
Interest received	6	24
Net cash flows used in operating activities	(7,488)	(2,939)
Investing activities:		
Proceeds from disposal of property, plant and equipment	–	19,012
Purchase of property, plant and equipment	–	(106)
Purchase of intangible assets	(47)	–
Net cash outflow on acquisition of subsidiaries (Note A)	(11,307)	–
Net cash outflow on disposal of subsidiaries (Note B)	(3,876)	–
Refundable deposit paid for a proposed acquisition	(5,000)	–
Net cash flows (used in)/generated from investing activities	(20,230)	18,906
Financing activities:		
Repayment of term loan	–	(185)
Proceeds from issue of new shares	–	15,180
Share issuance expense	–	(16)
Exercise of warrants	–	12,805
Advance from a corporation owned by directors of subsidiary companies	–	701
Net cash flows generated from financing activities	–	28,485
Net (decrease)/increase in cash and cash equivalents	(27,718)	44,452
Effect of exchange rate changes on cash and cash equivalents	–	(14)
Cash and cash equivalents at 1 January	40,705	29,678
Cash and cash equivalents at 30 June	12,987	74,116

Ascent Bridge Limited and its subsidiaries

Condensed interim consolidated statement of cash flows For the six months ended 30 June 2022

Explanatory Notes to the Condensed Interim Consolidated Statement of Cash Flows

The Group's net cash used in operating activities for 1H2022 was \$7.5 million compared with net cash used of \$2.9 million for 1H2021. The negative operating cashflow in 1H2022 was mainly due to operating loss, higher other receivable balance and partially offset by lower trade and other payable balance.

Net cash used in investing activities for 1H2022 was \$20.2 million, as opposed to net cash generated of \$18.9million in FY2021. The decrease was mainly due to payment made for acquisitions during the financial period.

Note A: Acquisition of subsidiaries

On 15 March 2022, the Company acquired 100% of the issued share capital in MTBL Global group for total purchase consideration of \$16,965,000. The Company has made accumulated payment of S\$12,000,000 upon completion and balance consideration shall be payable only upon the satisfaction of the profit target(s).

The Group incurred acquisition related costs of \$ 603,000 relating to external legal fees and due diligence costs and these have been classified as 'general and administrative' expenses in the condensed consolidated statement of profit or loss.

Assets acquired and liabilities at acquisition date

	\$'000
Current assets	3,715
Non-current assets	2,551
Current liabilities	(340)
Non-current liabilities	(104)
Net assets	<u>5,822</u>
Provision goodwill	6,178
Sub-total	<u>12,000</u>
Cash paid upon completion	(12,000)
Less: Cash and cash equivalents balance acquired	93
Less: Cash paid in previous year	600
Net cash outflow on acquisition of subsidiaries	<u>(11,307)</u>

Note B: Disposal of subsidiaries

On 29 June 2022 ("Completion Date"), The Company completed the disposal of its existing aluminium extrusion business for total consideration of \$1,500,000 with effective date of 1 January 2022 ("Effective Date"). The Company received \$300,000 on the Completion Date and balance of the consideration will be received no later than 12 months after the Completion Date.

Assets disposed and liabilities at 1 January 2022 ("Effective Date")

	\$'000
Current assets	10,826
Non-current assets	-
Current liabilities	(7,816)
Non-current liabilities	(1,510)
Net assets	<u>1,500</u>
Less: Cash received on the Completion Date	(300)
Less: Unpaid consideration	(1,200)
Gain on disposal	<u>-</u>
Cash received on the Completion Date	300
Less: Cash and cash equivalents balance disposal	(4,176)
Net cash outflow on disposal of subsidiaries	<u>(3,876)</u>

Ascent Bridge Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

1. Corporate information

Ascent Bridge Limited (formerly known as 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 interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company are investment holdings in wholesale of alcoholic beverage.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 annual financial statements for the year ended 31 December 2021.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

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 FRS (“INT FRSs”) that are mandatory for application from that date.

The application of these new or amended SFRS(I) and INT FRSs 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 interim 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 2021.

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 interim financial statements for the six months period ended 30 June 2022.

Ascent Bridge Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

3. Seasonal operations

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

4. Segment and revenue information

In 1H 2022, the Group has only one reportable operating segment which is distribution of alcoholic beverages.

4.1 Disaggregation of revenue

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
At a point in time:		
Sales of alcoholic beverage	302	6
Electronic and precision engineering	–	7,522
Construction and infrastructure building	–	141
Over time:		
Tendering of services	–	5
	302	7,674
Geographical information:		
Singapore	142	3,204
Greater China	160	1,545
Malaysia	–	272
Other countries	–	2,653
	302	7,674

Ascent Bridge Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022

5. Financial assets and financial liabilities

	1 year or less \$'000	Over 1 year to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
30 June 2022				
<i>Financial assets</i>				
Trade receivables (excluding sales tax receivables)	1,468	–	–	1,468
Other receivables (excluding grant receivable)	16,067	–	–	16,067
Cash and cash equivalents	12,987	–	–	12,987
Total undiscounted financial assets	30,522	–	–	30,522
<i>Financial liabilities</i>				
Trade payables	(544)	–	–	(544)
Other payables (excluding deferred grant income)	(843)	–	–	(843)
Lease liabilities	(240)	(738)	–	(978)
Total undiscounted financial liabilities	(1,627)	(738)	–	(2,365)
Total net undiscounted financial assets/(liabilities)	28,895	(738)	–	28,157

Ascent Bridge Limited and its subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

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
Group				
31 December 2021				
<i>Financial assets</i>				
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
<i>Financial liabilities</i>				
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

Ascent Bridge Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

6. (Loss)/profit before taxation

6.1 Significant items

(a) Other operating income

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Government grant income	28	117
Gain on disposal of property, plant and equipment	–	12
Sale of Penjuru Property	–	17,457
Sundry income	48	55
	<hr/>	<hr/>
	76	17,641

(b) General and administrative expenses

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Audit fees paid to auditors of the Company	75	58
Non-audit fees paid to auditors of the Company	18	14
Depreciation of plant and equipment	301	2
Amortisation of intangible assets	123	–
Amortisation of leasehold land	–	116
Directors' emoluments		
- fees accrued	198	124
- remuneration	262	280
Other professional fees	870	–
Staff costs (excluding directors' remuneration)	478	1,024

7 Income tax expenses

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 expenses in the condensed interim consolidated statement of comprehensive income are:

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Current income tax expense	–	–
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	–	–

Ascent Bridge Limited and its subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

8. Net asset value

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the existing issued share capital at the respective period	46.70	50.13	50.33	51.92
Number of shares used for the calculation of net asset value	87,072,000	87,072,000	87,072,000	87,072,000

9. Intangible assets

	Liquor distribution rights	Group Research and development cost	Total
	\$'000	\$'000	\$'000
Cost:			
Acquired on acquisition of MTBL Global group	2,694	190	2,884
Additions during the period	-	47	47
At 30 June 2022	2,694	237	2,931
Amortisation:			
Acquired on acquisition of MTBL Global group	855	37	892
Amortisation during the period	112	11	123
At 30 June 2022	967	48	1,015
Carrying amount:			
At 30 June 2022	1,727	189	1,916

Ascent Bridge Limited and its subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2022**

10. Other receivables

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000
Refundable deposit for acquisition	5,000	600	5,000	600
Advance payment to supplier	4,644	2,095	–	–
Advances to related company	2,842	2,842	–	–
Receivable from disposal of subsidiaries	1,200	–	1,200	–
Deposit paid to supplier	1,066	–	–	–
Other deposit	690	78	–	–
Others	680	54	261	8
Interest receivable	5	6	–	6
	16,127	5,675	6,461	614

11. Share capital

	Group and Company			
	30 June 2022		31 December 2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Beginning of interim period	87,072	68,600	54,723	71,977
Share placement [Note(i)]				
- Share Options exercise	–	–	18,975	15,180
- Share Options - Introducer	–	–	569	455*
Share issuance expense	–	–	–	(471)*
Exercise of warrants	–	–	12,805	12,805
Cash Distribution – capital reduction [Note(iii)]	–	–	–	(31,346)
End of interim period	87,072	68,600	87,072	68,600

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

Ascent Bridge Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2022

11. Share capital (cont'd)

(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 Shares to MTBLGH, 1,000,000 Shares to PHIL and 569,250 Shares to the Introducer. 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.

(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. The bonus warrants may only be exercised by the warrants holders 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 30 June 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.

(iv) Treasury shares

Total number of issued shares excluding treasury shares as at 30 June 2022 was 87,072,231 (31 December 2021: 87,072,231). Total number of treasury shares as at 30 June 2022 was 3,009,200 (31 December 2021: 3,009,200). There is no sale, transfer, cancellation and/or use of treasury shares of Company for the period ended 30 June 2022.

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

The condensed interim statements of financial position of Ascent Bridge Limited and its subsidiaries as at 30 June 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended 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.**

Please refer to explanatory notes to the condensed interim consolidated statement of comprehensive income, statement of financial position and statement of cashflows.

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.**

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 has made a 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 30 June 2022</u>	<u>Amount Unutilised as at 30 June 2022</u>
	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>	<u>%</u>	<u>(S\$ million)</u>	<u>(S\$ million)</u>
Proposed acquisitions to be undertaken by the Company	80	30.54	(12.34)	18.20	48	18.20 ¹	-
Working capital and general corporate purposes	20	7.64	4.70	12.34	32	4.64 ²	7.70
Payment of the Cash Distribution	-	-	7.64	7.64	20	7.64 ³	-
	100	38.18	-	38.18	100	30.48	7.70

¹ Acquisition of MTBL Global group shareholding interest, refundable deposit paid for acquisition of Octopus Group and transaction costs related to the acquisitions

² Working capital for wholly-owned subsidiaries: 1> Ascent Bridge (Singapore) Pte. Ltd. 2> MTBL Global Pte. Ltd. and its subsidiary.

³ Cash payment for 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 30 June 2022</u>	<u>Amount Unutilised as at 30 June 2022</u>
	<u>%</u>	<u>(\$ million)</u>	<u>(\$ million)</u>	<u>(\$ million)</u>	<u>%</u>	<u>(\$ million)</u>	<u>(\$ million)</u>
Proposed acquisitions to be undertaken by the Company	50	6.40	(6.40)	-	-	-	-
Repayment of loans or borrowings	30	3.84	(3.84)	-	-	-	-
Working capital and general corporate purposes	20	2.56	5.53	8.09	63	3.59 ²	4.50
Payment of the Cash Distribution	-	-	4.71	4.71	37	4.71 ³	-
Total	100	12.80	-	12.80	100	8.3	4.50

³ Cash payment for Capital Reduction on 9 July 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 profit guidance announced on 28 July 2022.

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.**

Following the easing of Covid-19 measures and the borders' re-opening, the Group was able to resume its promotional and marketing activities, which aim at increasing revenue and generating the sales of Moutai Bulao product.

On 20 July 2022, the Group had a grand launch of the "Baijiu New Tasting Era" at the Ritz Carlton Singapore attended by around 350 guests. The "Tasting Era" refers to an innovative tasting experience that purports to shape baijiu drinking in accessible and delightful manner for new consumers, while specifically promoting the pairing of Moutai Bulao with Chinese cuisine. Supporting the "Tasting Era" is the newly-launched 4th Generation of smart liquor experience machine (or "smart liquor experience machine") together with the Chang Chang (尝尝) app, which pours Moutai Bulao in shots of 5 ml. It can serve to penetrate into the network of F&B and Lifestyle establishments in Singapore. Unlike the conventional way of beverage supplies and distribution channels, the Group has been leveraging smart technology to better meet customers' needs, enabling the economies of scale, relying on digital network infrastructure, and gathering of big data for analytics via a network of the smart liquor experience machines.

As part of the Group's strategy to launch Moutai Bulao product globally, USA has been identified as the market with the biggest potential. Following the acquisition of MTBL Global group, the Group has further strengthened its team in the USA Subsidiary. In July 2022, the Group has filed the necessary brand and pricing registrations in several states (and each state has varying processing time). It has entered into an agreement with a regional distributor for states of New York, New Jersey, California and Florida commencing from August onwards.

For other countries where the Group is going to adopt assets-light strategy, the Group has planned to enter into a third-party distribution agreement and is in negotiation with several interested parties for market entry into South-East Asia and Europe.

On 22 April 2022, the Group announced its proposed acquisition of Octopus Group, subject to the terms and conditions of the sale and purchase agreement ("SPA") entered into between the Company and the vendor. The Company has submitted the draft Circular in relation to the Proposed Acquisition to the SGX-ST for its review and approval. As at the date hereof, the draft circular is still under review by the SGX-ST. The Company will make necessary announcements, as and when information on its development becomes available.

Barring any pandemic restrictions and other unforeseen adverse economic conditions, the Group is cautiously optimistic of the business performance, albeit the downside risk which the Group shall take necessary measures to mitigate and safeguard performance.

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

AEI Corporation Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

(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 period ended 30 June 2022 as the company does not have retained earnings.

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	Nature of Relationship	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)
Shixi (Shanghai) Business Consulting Co.,Ltd ("Shixi")	Entity in which Mr. Sun Quan has an interest	\$150,320 ^{1/2}	Nil ³

¹During the financial period, Shixi purchased one container of Vrai-branded beverages ("Drink Vrai") from the Group.

² Aggregate value less than 3% of the Group's latest audited net tangible assets.

³The Group does not obtain a shareholders' mandate for interested person transactions.

Save as disclosed, there are no other IPTS below \$100,000 in HY2022.

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.

AEI Corporation Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

- 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 30 June 2022, 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.**

As announced on 16 March 2022, the Company completed the acquisition of 100% shareholding interest in MTBL Global Pte. Ltd.

As announced on 29 June 2022, the Company completed the disposal of AEI (China) Holdings Pte. Ltd. and AEI Corporation (Singapore) Pte. Ltd., together with all rights, benefits and entitlements with effect from 1 January 2022.

Please refer to the separate announcement pursuant to Rule 706A of the Listing Manual made on 9 August 2022.

- 12. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the first half ended 30 June 2022 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

SUN QUAN
EXECUTIVE DIRECTOR

10 August 2022