

PRESS RELEASE

AEI Corporation Ltd. launched VRAI, US’s first and only USDA certified 5.5% organic premium hard seltzer

- Moving into the growing popularity trend in Asian for Ready-To-Drink alcoholic beverages
- Group aspires to transform into the top rung in Asia as it builds up a portfolio of alcoholic beverage brands under its wings

Singapore – 1 February 2021, AEI Corporation Ltd. (the “Group”) is pleased to announce that its subsidiary’s Ascent Bridge (Singapore) Pte Ltd held the VRAI Asia Grand Launch on 29 January 2021.



Ms. April Chang, General Manager (Operation) of Ascent Bridge (Singapore) Pte Ltd
Is making opening speech on the Vrai Asia Grand Launch

VRAI is the first and only United States Department of Agriculture (“USDA”) certified 5.5% organic premium hard seltzer in the United States, the first and only vodka-based organic alcoholic beverage. Its unique taste is created by adding organic natural flavors to a blend of high-quality liquor, as organic ingredients are especially popular with today’s health-conscious consumers.



3 flavors of Vrai, Paloma, Green Tea & Tangerine

In recent years, the revolutionary Asian Ready-To-Drink (“RTD”) alcoholic beverage industry has been gaining strong popularity especially among the Gen Z, millennials and women and has been identified as a new trend of beverage that would replace the mainstream beer. Its growth momentum is largely fueled by the region's rising demand for healthier premium alcoholic cocktails over cheaper alternatives¹.

The hard seltzer beverage offers promising outlook with potential upside to be tapped on. According to Jefferies’ analysis² [worldwide/US] sales of hard seltzer are expected to double to \$3.5 billion in 2020 and reach \$6.5 billion by 2024. In 2019, [worldwide/US] hard seltzer sales grew significantly by 226.4%, while total beer sales only achieved a growth of less than 1%³.

With their relatively low calorie, low sugar, and low carbohydrate content, the drink’s organic ingredients and its unique seltzer taste, as well as the convenience of drinking from a can and its cost-effective price, Vrai is expected to become a major force in the market and gain significant market share in a relatively new product category by leveraging on their first mover advantage in the Asian markets. By tapping on this, the Group is planning to launch Vrai in Asia markets where Singapore will be the first stop, followed by China, Hong Kong and Vietnam.

Separately, the Group has been reviewing potential diversification projects to enhance the Group’s growth and profitability due to challenging operating conditions in its existing aluminum extrusion business in recent years. Subject to Shareholders’ approval, the acquisition of MTBL Global Pte Ltd (“MTBL”) presents an opportunity for the Group to acquire a business with a global distribution right (excluding mainland China) of a highly valuable liquor brand.

MTBL is involved in the distribution of alcoholic and non-alcoholic beverages and liquor, and investment holding, owning the exclusive distributor rights to market and sell Moutai Bulao 125ml liquor products worldwide (except in mainland China) for the period ending 31 December 2027 (“Distribution Rights”). The Distribution Rights include Hong Kong, Macau and Taiwan. Moutai Bulao liquor is a single product launched on the market produced by Guizhou Moutai Winery (Group) Health Wine Co., Ltd. (“GZMT”), a wholly owned subsidiary of the Moutai group in Guizhou, China. The Moutai group is one of the world’s largest distillers by market capitalisation as at June 2019⁴ and one of the world’s most valuable spirits brands⁵.

At present, China's liquor production accounted for more than 40% of the world's liquor production, and the proportion continues to increase. The output value of Chinese liquor in 2019 was nearly 1 trillion Yuan, while overseas sales volume (including Hong Kong, Taiwan and Macau) accounted for only a negligible amount. The penetration of Chinese liquor (Baijiu) in the

¹ <https://blog.euromonitor.com/over-60-percent-of-asian-millennials-define-themselves-as-mindful-drinkers-in-2020/>

² <https://www.jefferies.com>, Jefferies Group LLC, the largest independent, global, full-service investment banking firm headquartered in the U.S. focused on serving clients for nearly 60 years, is a leader in providing insight, expertise and execution to investors, companies and governments.

³ <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/big-brewers-pop-top-on-new-hard-seltzer-brands-in-2020-56743493>

⁴ Financial Times, “Chinese liquor maker Kweichow Moutai hits Rmb1,000 milestone” (27 June 2019) (See <https://www.ft.com/content/0019ec5a-988a-11e9-8cfb-30c211dcd229>)

overseas market is still in its infancy stages which offers huge potential for growth and business opportunities. Since 2017, companies producing Moutai, Wuliangye, Yanghe, Luzhou Laojiao, Fenjiu, and others have accelerated their product promotion and marketing efforts in overseas markets. Among the "international" liquor enterprises, Moutai has the best performance, with an overseas sales revenue of 2.9 billion Yuan in 2019, accounting for only 3.4% of its total revenue, while also accounting for 65.0% of total liquor exports from China.

Subject to the proposed acquisition of MTBL receiving all required approvals, the Group will work with Shenzhen Hive Box Technology Co., Ltd, a subsidiary of SF Express which is the largest logistic company in China along with MTBL to co-develop smart vending machines that will leverage on IoT concept and digital networking infrastructure, and serve as the main sales channel for liquor and other beverages. Each smart vending machine can store up to 93 bottles of liquor (125 ml). A smart vending machine will be placed in each partner restaurant of the Group. Sales through the vending machines is operationally efficient as it eliminates the need for the restaurants to employ a salesperson to promote the liquor, and it is linked to an integrated digital network system, providing a real-time access to the terminal customers in various phases of the transaction and real-time update of the local sales data. This big data can be used to complete the shipping deployment and central order planning in various regions of the world through special software instructions.

MTBL x **丰巢 HIVE BOX**
A Subsidiary of MTBL Global Pte. Ltd.

布局全球 携手共赢
AIM GLOBALLY, WORK CLOSELY

智能售酒柜
INTELLIGENT VENDING MACHINE

精美陈列柜 | 冷藏保鲜
多种支付方式 | 安全取货
小巧精致 | 多语言切换

Eye-catching Display | Cold Storage |
Multiple Payment Methods | Pick up
Safely | Slim and Delicate | Multilingual
Operating Environment

MTBL与丰巢合作设计推出“智能售酒柜”，在全球茅台不老文化餐厅进行布局，用于销售茅台不老酒。每台售酒柜都有冷藏功能，既能实现宣传与陈列的目的，又能随时满足餐厅客人的购买需求。

MTBL cooperates with HIVE BOX to design and launch the "Intelligent Vending Machine"(IVM), which is arranged to sell Moutai Bulao Biding in MTBL Cultural Restaurants. Each IVM has the function of refrigeration, which can not only realize the purpose of publicity and display, but also meet the purchase needs of restaurant guests at any time.

MTBL - A Subsidiary of MTBL Global Pte. Ltd.

Mr Sun Qun, the Executive Director of AEI Corporation said, “**We are delighted to have our first collaboration with MTBL in launching VRAI in Singapore which enables the Group to venture into the promising alcoholic beverage industry. Subject to obtaining the approval of the shareholders, we think that this is an opportune time for us to consider the recent proposed acquisition of MTBL after having identified the growth potential of the business of distributing baijiu in markets outside China. With the proposed acquisition, the Group is looking to expand its operations into more markets within the next 5 years. This marked a significant milestone in the Group’s entry into the alcoholic beverage industry as the Group aspires to transform into one of Asia’s top ranking beverage business sector.**”

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About AEI Corporation Ltd.

Established in 1983, AEI Corporation is a specialist manufacturer of high-quality precision aluminium extrusion products and precision metal components for a diverse range of high technology and value-added industries. With a reputable track record and a name synonymous with quality, AEI is a leading industry player in the Asia Pacific region for materials development. Today, it is the sole aluminium extruder with cutting-edge technology production facilities in Singapore. Its operations spans across diverse industries in Singapore, China, Malaysia.

For more information, please refer to: <https://aei.com.sg/>

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