ASCENT BRIDGE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198300506G

UPDATE TO SHAREHOLDERS RELATING TO THE COMPANY'S ACQUISITION OF MTBL GLOBAL PTE. LTD.

The Board of Directors ("**Board**") of Ascent Bridge Limited ("**Company**" and together with its subsidiaries, "**Group**") wishes to provide an update to the shareholders of the Company on certain matters in relation to the Company's acquisition of MTBL Global Pte. Ltd. ("**MTBL Global**"), following its previous announcement dated 5 February 2024. The Board also refers to its previous announcements on 31 December 2020, 28 January 2022, 4 February 2022, 9 February 2022, 3 March 2022, 16 March 2022 and 5 February 2024 ("**Previous Announcements**").

Unless otherwise stated or the context otherwise requires, all capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcements.

Financial performance of MTBL Global as at the financial year ended 31 December 2024

Based on unaudited management accounts, MTBL Global and its subsidiaries ("**MTBL Group**") has recorded a loss of S$1.2 million for the nine (9) months period ended 31 December 2024 as compared to a loss of S$2.6 million for the same period in 2023.

Exercise of the Option by the Company

The Audit and Risk Committee of the Company ("**ARC**"), after taking into consideration the relevant rationales set out herein, continues to maintain its position that it prefers not to exercise the Option, as it may not be in the interest of the Company to disintegrate the business of the Group.

The ARC and the Board is of the view that that the terms of the potential voluntary general offer by MTBL Global Holdings Pte. Ltd. ("**Proposed Offer**")[1] when viewed in tandem with the Option, does not have an impact on the exercise of the Option unlike the proposed rights issue to be undertaken by the Company ("**Proposed Rights Issue**")[2], which has an impact on the Option. The ARC in coming to their position regarding the Option had taken into consideration, MTBL Group's audited financial performance for the financial period for FY2024 and the Proposed Rights Issue. Post completion of the Proposed Rights Issue, the proceeds from the Proposed Rights Issue will be used to grow the business of the Group in accordance with the Company's plans.

The Board in consultation with the ARC also continues to view that it is in the best interest of the Company and its minority shareholders that the Company continues to grow its business in the China market and the international markets, leveraging the synergies brought about by both the MTBL Group and the joint venture arrangement between (a) Ascent Bridge Singapore Pte. Ltd.; (b) Ascent Bridge (Hainan) Co. Ltd.; and (c) Dong Ying Quan Li Quan Wai International Trading Co Ltd ("**QLQW**") (collectively, the "**JV Co**").

As such, it will not be commercially viable for the Company to exercise the Option resulting in a split of the synergy brought about by the MTBL Group and the JV Co.

The ARC also takes the view that there is great synergy between the MTBL Group and the JV Co, which will boost the Company's business and in turn cause the Company to be in a better financial position. As such, it does not make commercial sense for QLQW to come in as a joint venture partner and the Company subsequently exercises the Option and dispose of MTBL Global, thus causing a split of the synergy brought about by the MTBL Group and the JV Co. This would not be in the interest of the Company and its minority shareholders for the following reasons:

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1 Please refer to the Company's announcement dated 7 January 2025 on SGXNET in relation to the Proposed Offer.

2 Please refer to the Company's announcement dated 8 December 2023 and 28 May 2024 on SGXNET in relation to the Proposed Rights Issue

(a) the Company would become a cash company and face a trading suspension should the Option be exercised; and

(b) the Management's view is that the projected forecasts show that the probability of the MTBL Group meeting its forecasts by the financial period from 1 January 2025 to 31 December 2025 is higher than the probability of the Company identifying a suitable target company for acquisition and the Company will carry out negotiations of the acquisition terms before the close of that financial period.

Premised on the above, the ARC maintains its view that it prefers not to exercise the Option, however, the ARC will continue to assess this decision based on what is in the best interest of the Company and minority shareholders.

Commission of an independent review of the Management's sales and financial forecasts

Following the Company's announcement on 5 February 2024, the ARC initially planned to commission an independent review of the Management's sales and financial forecasts particularly the reasonableness of assumptions based on past historical sales, marketing programs and related economic and market conditions. The independent review was scheduled for completion by the end of 2024. However, the ARC did not commission the independent review as planned due to the following reasons:

(a) the Company had to shift its focus towards securing the placement and bridging loan, as announced by the Company on 26 September 2024 and 6 November 2024, respectively on SGXNET, to address its urgent cashflow issues as announced by the Company on SGXNET on 4 August 2024;

(b) MTBL Global Fund (In Official Liquidation) had on 30 September 2024 filed a summons for an injunction, search order and other related relief, along with an originating claim (HC/OC 772/2024), against the Company and its Directors (save and except for Luke Anthony Furler). As a result, the Company and its Directors (save and except for Luke Anthony Furler) had to attend to HC/OC 772/2024; and

(c) the variance assessment conducted by the Company's external auditors, Ernst & Young LLP which was presented to the ARC demonstrated that the variance between the actual results and the budget was significant, and that Management did not meet its expected budget plan for FY2024 and for the five (5) months period ended 31 August 2024. Consequently, the ARC alongside Management took the position that commissioning an independent review at that point would not provide additional value, thereby rendering the independent review redundant.

As at current date, the ARC has commenced its search for an independent reviewer for the sales and financial forecast to include the financial period from 1 January 2025 to 31 December 2025. The Company is currently in the midst of shortlisting independent reviewers and are awaiting a formal proposal from the potential candidates.

Mr. Sun Quan's half-yearly performance milestone

The Board considered not paying Mr. Sun Quan any bonus and other performance-based remuneration if the half-yearly performance milestones are not achieved.

As the half-yearly performance milestones for the financial period from 1 January 2024 to 31 December 2024 were not achieved, the Company did not pay Mr. Sun Quan any bonus and other performance-based remuneration for the financial period from 1 January 2024 to 31 December 2024.

By ORDER OF THE BOARD

Qiu Peiyuan
Joint Executive Chairman & Joint CEO

Sun Quan
Joint Executive Chairman & Joint CEO

25 February 2025