

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

ANNOUNCEMENT

ENFORCEMENT ACTIONS BY MONETARY AUTHORITY OF SINGAPORE (“MAS”) AGAINST CHINA CAPITAL IMPETUS ASSET MANAGEMENT (“CCIAM”), ITS EXECUTIVE DIRECTOR AND FORMER CHIEF EXECUTIVE OFFICER (“CEO”)

The Board of Directors (“**Board**”) of Ascent Bridge Limited (“**Company**” refers to the Monetary Authority of Singapore’s Enforcement Actions Media Release entitled “MAS Takes Enforcement Actions Against China Capital Impetus Asset Management (“CCIAM”), its Executive Director and Former CEO for Breaches of the Securities and Futures (Licensing and Conduct of Business) Regulations, dated 31 July 2024 (“Enforcement Announcement”).

Mr Sun Quan who is the Executive Director and Former CEO of CCIAM is also the Executive Chairman and CEO of the Company.

In the Enforcement Announcement, it is stated that:

- a. “MAS has also issued a 2-year PO against Mr Sun for his failure to take reasonable steps to secure compliance by CCIAM with the SFR. As the former CEO and the Executive Director of CCIAM, Mr Sun was principally responsible for ensuring that CCIAM complied with MAS’ regulatory requirements. However, MAS found that Mr Sun knew of CCIAM’s breaches, and failed to take adequate steps to ensure that CCIAM complied with MAS’ regulatory requirements.”
- b. “Under the PO, Mr Sun is prohibited from performing any regulated activities, and from taking part in the management, acting as a director, or becoming a substantial shareholder of any capital markets services firm under the Securities and Futures Act.” A copy of the Enforcement Announcement is enclosed

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By order of the Board

Foo Soon Soo
Company Secretary

1 August 2024

MAS Takes Enforcement Actions Against China Capital Impetus Asset Management, its Executive Director and Former CEO for Breaches of the Securities and Futures (Licensing and Conduct of Business) Regulations

Singapore, 31 July 2024... The Monetary Authority of Singapore (MAS) has reprimanded China Capital Impetus Asset Management Pte. Ltd. (CCIAM), a registered fund management company (RFMC), for breaches of the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR). MAS has also issued a Prohibition Order (PO) against CCIAM's Executive Director and former Chief Executive Officer (CEO), Mr Sun Quan, for failing to take reasonable steps to secure compliance by CCIAM with the SFR. In addition, MAS has declined CCIAM's application to upgrade to a licensed fund management company (LFMC).

2 CCIAM has committed several breaches of the SFR which were uncovered during MAS' review of CCIAM's operations from February to March 2023. CCIAM had failed to:

- mitigate conflicts of interest arising from the management of assets and/or disclose the conflicts of interest to its investors;
- put in place an appropriate risk management framework to address basic aspects of the business such as conducting investment due diligence, ongoing monitoring of investments, handling of redemptions and pursuing claims owed to the fund managed by CCIAM;
- inform MAS of changes to its representatives and relevant professionals, as well as changes in Mr Sun's external business interests, within the required timelines; and
- submit its annual declarations and auditors' reports within the required timelines.

3 MAS has also issued a 2-year PO against Mr Sun for his failure to take reasonable steps to secure compliance by CCIAM with the SFR. As the former CEO and the Executive Director of CCIAM, Mr Sun was principally responsible for ensuring that CCIAM complied with MAS' regulatory requirements. However, MAS found that Mr Sun knew of CCIAM's breaches, and failed to take adequate steps to ensure that CCIAM complied with MAS' regulatory requirements.

4 Under the PO, Mr Sun is prohibited from performing any regulated activities, and from taking part in the management, acting as a director, or becoming a substantial shareholder of any capital markets services firm under the Securities and Futures Act.

5 In view of CCIAM's and Mr Sun's contraventions, MAS has declined CCIAM's application to upgrade to an LFMC.

6 Accordingly, with the repeal of the RFMC regime, CCIAM can no longer undertake fund management activity in Singapore with effect from 1 August 2024. The fund that CCIAM was managing has been placed under liquidation.

Additional Information

Relevant provisions of the Securities and Futures Act (SFA)

- Section 101A(1)(d)(i) of the SFA sets out that the Authority may, by written notice, make a prohibition order against a relevant person if the Authority has reason to believe that the person is contravening, is likely to contravene or has contravened any provision in the Act.
- Section 334(1) of the SFA sets out that where the Authority is satisfied that a relevant person is guilty of misconduct, the Authority may, if it thinks it necessary in the interests of the public or a section of the public or for the protection of

investors, reprimand the relevant person. As set out in Section 334(2)(a)(i) of the SFA, “misconduct” also refers to the contravention of any provision in the Act.

- Section 86(4)(h) of the SFA sets out that where an application is made for the grant of a capital markets services licence, the Authority may refuse the application if the applicant fails to satisfy the Authority that it is a fit and proper person to be licensed or that all of its officers, employees and substantial shareholders are fit and proper persons.
- Section 86(4)(i) of the SFA sets out that where an application is made for the grant of a capital markets services licence, the Authority may refuse the application if the Authority has reason to believe that the applicant may not be able to act in the best interests of its subscribers or customers having regard to the reputation, character, financial integrity and reliability of the applicant or its officers, employees or substantial shareholders.

Repeal of the regulatory regime for Registered Fund Management Companies (RFMCs)

The RFMC regime was introduced in 2012 following the repeal of the Exempt Fund Manager (EFM) regime. EFMs in existence at that time had the option to apply to become either a licensed fund management company or an RFMC. The repeal of the EFM regime was aimed at enhancing MAS’ regulatory oversight of fund managers and raising the standard of conduct across the fund management industry. At that time, there was also a recognition of the diversity of fund managers operating as EFMs. Therefore, the RFMC regime was calibrated to facilitate the transition of some of the EFMs into a fully regulated regime.

Since the introduction of the RFMC regime, the fund management industry has matured and grown in terms of number of players and breadth of fund offerings, and MAS considers that the RFMC regime has served its purpose of transitioning EFMs. Therefore, MAS will be repealing the RFMC regime.

For more information on the repeal of the RFMC regime, please refer to the following links:

- [Consultation Paper on Repeal of Regulatory Regime for Registered Fund Management Companies](#)
- [Response to Consultation on Repeal of Regulatory Regime for Registered Fund Management Companies](#)  (793.1 KB)
- [FAQs on Repeal of RFMC Regime](#)  (405.5 KB)