

**ASCENT BRIDGE LIMITED**  
(the “**Company**”, together with its subsidiaries, the “**Group**”)  
(Company Registration No.: 198300506G)  
(Incorporated in the Republic of Singapore)

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**ENTRY INTO A JOINT VENTURE AGREEMENT FOR THE SALE AND  
DISTRIBUTION OF BAIJIU IN THE PEOPLE’S REPUBLIC OF CHINA**

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**I. Introduction**

The board of directors (the “**Board**”) of Ascent Bridge Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement released on 8 December 2023 pertaining to the entry into a non-binding Letter of Intent with Dong Ying Quan Li Quan Wai International Trading Co Ltd in relation to the potential acquisition of baijiu business in China. The Board wishes to make this follow-on announcement that its wholly-owned subsidiaries (a) Ascent Bridge Singapore Pte Ltd (“**ABS**”), (b) Ascent Bridge (Hainan) Co., Ltd established under the laws of the People’s Republic of China, and the Company itself, have, on 7 February 2024, entered into a definitive Joint Venture Agreement (“**JVA**”) with Dong Ying Quan Li Quan Wai International Trading Co Ltd (“**QLQW**”), pursuant to which the parties to the JVA have agreed to utilize and designate Ascent Bridge (Hainan) Co., Ltd (“**JV Co**”) to be the joint venture vehicle wherein the parties would co-operate and collaborate with each other and other potential partners to sell, distribute and supply baijiu (the “**Product**”) in the People’s Republic of China (“**PRC**”).

(The Company, ABS, and QLQW shall hereinafter be collectively referred to as “Parties” and individually as “Party”).

**II. Information on Joint Venture Partner**

QLQW is an international trading company incorporated in the PRC primarily involved in importing and exporting goods, including the sale of pre-packaged food and alcoholic beverages.

QLQW was appointed to be the global exclusive distributor of Moutai Bulao 125 ml liquor (the “**Product**”) by Kweichow Moutai Winery (Group) Health Wine Co Ltd, a subsidiary of Shanghai Exchange-listed Kweichow Moutai Co., Ltd. The Product is the premium baijiu, a type of alcoholic beverage, in Mainland China as well as in many other markets.

### **III. Information on the Joint Venture Agreement**

QLQW and the Company will designate and utilise the JV Co and the JVA is to regulate the rights and obligations of the Parties in relation to the administration and management of the JV Co upon the terms and conditions of the JVA.

The business scope of the JV Co would solely be in the wholesale of alcohol, beverages and tea. However, the scope of the JV Co may be extended by way of a shareholders' resolution.

Pursuant to the JVA, the board of directors of the JV Co shall consist of five (5) directors, whereby three (3) of them shall be nominated by the Company and two (2) of them shall be nominated by QLQW. Two (2) external directors of the JV Co may be added by resolution of a shareholders' meeting, based on the business development of the JV Co. The chairman of the board of directors shall be a director nominated by the Company who acts as the legal representative of the JV Co.

### **IV. Rationale for entering into the Joint Venture Agreement and the Commercial Terms of the Joint Venture Agreement**

The Company understands that the Group will stand to benefit and grow from gaining an existing foothold in the distribution of the Product in Mainland China. The objectives in entering into this JVA, include but are not limited to the following:

- (a) with the goal of improving the presence of the Company in the baijiu industry through promising avenues, Parties have agreed to set up a Joint Venture Company to facilitate the Company's entry into the baijiu market in Mainland China, which is one of the biggest markets for the consumption of baijiu, with the intention to broaden the Group's revenue streams;
- (b) through the acquisition of QLQW distribution rights in Mainland China, among others, to promote the Product and develop other brands in the baijiu industry with existing resources and channels in Mainland China;
- (c) other area(s) of collaboration, including but without limitation, include business development and other joint ventures which include potential collaborators deemed necessary and appropriate by Parties to effect the purpose of the JVA.

Taking into account the above considerations, the Board is of the view that the entry into the JVA is in the best interest of the Company and its shareholders.

**Commercial Terms of the Joint Venture Agreement include:**

- (a) As stated, the Parties have agreed to designate and utilize Ascent Bridge (Hainan) Co., Ltd, a wholly owned subsidiary of the Company, as the JV Co of the Parties;
- (b) The Parties have therefore agreed to procure and arrange the shareholding structure of the JV Co in the manner below after the execution of the JVA to reflect the interest of the Parties:

<b>Name of Shareholder</b>	<b>Contributed Capital (RMB Yuan)</b>	<b>Shareholding (%)</b>
Ascent Bridge Limited	31,000,000	31
Ascent Bridge Singapore Pte Ltd.	20,000,000	20
Dong Ying Quan Li Quan Wai International Trading Co., Ltd.	49,000,000	49
<b>Total</b>	<b>100,000,000</b>	<b>100</b>

The abovementioned registered share capital is intended to be RMB 100 million. Parties shall contribute to the proposed registered share capital in proportion to their respective shareholdings in ABH as working capital;

- (c) The registered share capital of RMB 100 million shall be contributed by the Parties as follows in the following milestones:

<b>No.</b>	<b>Time / Condition</b>	<b>Amount / Proportion</b>
1.	Within 60 working days upon completion of the joint venture with relevant shareholding restructure and necessary registration.	RMB 40,000,000 (Payment from Parties in accordance with their respective shareholding percentages)
2.	Year 2025	RMB 15,000,000 (Payment from Parties in accordance with their respective shareholding percentages)
3.	Year 2026	RMB 15,000,000 (Payment from Parties in accordance with their respective shareholding percentages)
4.	Year 2027	RMB 15,000,000 (Payment from Parties in accordance with their respective shareholding percentages)
5.	Year 2028	RMB 15,000,000 (Payment from Parties in accordance with their respective shareholding percentages)

- (d) Upon the signing and execution of this Joint Venture Agreement, ABL shall acquire, from QLQW, (1) the distribution rights in Mainland China for the Product, and (2) manpower and logistical infrastructure related to the sales of the Product in Mainland China, including the distribution channels and distribution and sales team (the “**Acquisition**”) by executing a definitive Business and Asset Transfer Agreement; and
- (e) Parties shall discuss and formulate a 5 year business plan and QLQW shall commit to achieving an agreed sales target of the Product for 5 consecutive years. In return, the Company shall commit to buy back QLQW’s shares in JV Co in separate tranches over the 5 years in a mode to be agreed upon. The value of 49% of QLQW’s shareholdings in JV Co shall be fixed at RMB 49 million. However, the final details of the buyback scheme are subject to further discussions in a separate agreement to be confirmed.

## **V. Directors’ Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the JVA and the Group, and the Directors are not aware of any facts, the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **VI. Trading Caution**

Shareholders are advised to exercise caution in trading their shares of the Company. As at the date of this announcement, there is no certainty or assurance that the above transaction will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers,

solicitors or other professional advisors if they have any doubt about the actions that they should take.

**VII. Interests of Directors and Substantial Shareholders**

None of the directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Joint Venture, other than in their capacity as Director or shareholder of the Company.

**By Order of the Board**

**Sun Quan**

**Executive Chairman**

7 February 2024