

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

ANNOUNCEMENT

RESPONSE TO SGX-ST QUERIES ON ANNUAL REPORT 2021

The Board of Directors (“**Board**”) of Ascent Bridge Limited (“**Company**”) refers to the queries raised by the Singapore Exchange Regulation (“**SGX RegCo**”) and would like to provide further information.

Query from SGX-ST

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 3.1 of the Code as the Company’s Chairman and CEO position is filled by the same person, and there were no explanations provided for in your AR2021 on how it is consistent with the intent of Principle 3 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the board and Management, and no one individual has unfettered power of decision making.

Company’s Response

Mr Sun Quan is currently the Chairman and CEO. The roles of Chairman and CEO are clearly established as distinct where Chairman manages the business of the Board, whereas the CEO manages the day-to-day management and business affairs of the Group. The CEO reports to the Board and is responsible for ensuring that policies and strategies adopted by the Board are implemented.

As Chairman, Mr Sun consults with the Board, Audit & Risk Committee (“**ARC**”), Remuneration Committee (“**RC**”) and Nominating Committee (“**NC**”) on major issues. There is also a strong element of independence on the Board with a majority of the Board comprising Non-Executive Directors, among them half of the Board are Independent Directors. The ARC, NC and RC comprise all Independent Directors.

Furthermore, the Company has a Lead Independent Director, Dr Tan Khee Giap. As Lead Independent Director, Dr Tan is the principal liaison on Board issues between the Independent Directors and the Chairman. He is available to shareholders where the normal channels of the Chairman and CEO or Chief Financial Officer failed to resolve their concerns or was inappropriate. The Independent

Directors, led by the Lead Independent Director, would meet amongst themselves without the presence of the other Directors and the Lead Independent Director would then provide feedback, if any, to the Chairman after the meetings.

Based on the foregoing, the Board is of the view that there are adequate safeguards in place against any one individual having unfettered powers of decision-making and is consistent with the intent of Principle 3 of the Code.

Query from SGX-ST

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced.

We refer to page 29 of AR2021, which states amongst others "The ARC is satisfied that the internal audit function is independent and adequately resourced."

Please make the disclosure as required under Listing Rule 1207(10C).

Company's Response

The Company outsources its internal audit function to Nexia TS Risk Advisory Pte Ltd, an established audit firm specializing in the provision of risk advisory, internal audit outsourcing and other consulting and advisory service, which is independent of the Company's Directors and management. The internal auditors report to the Chairman of the ARC.

The internal audit function led by Certified Internal Auditors has unfettered access to all the Company's records, documents, properties and personnel, including the ARC. The ARC ensures that the internal auditors adopt the Standards for International Professional Practices Framework set by the Institute of Internal Auditors, and also decides on the appointment, termination and remuneration of the Internal audit function.

There was an internal audit carried out in FY2021. The ARC has reviewed with the internal auditors their internal audit plan, their evaluation of the system of internal controls, their audit findings and any remedial actions to be taken by Management to address any inadequacies identified by the internal auditor.

The ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

By Order of the Board

Foo Soon Soo
Company Secretary

4 May 2022