

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

ENTRY INTO BRIDGING LOAN AGREEMENT

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Ascent Bridge Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to its announcements dated 26 September 2024 (“**Placement Announcement**”), 2 October 2024 (“**Injunction Announcement**”), 23 October 2024 (“**Injunction Update Announcement**”) and 25 October 2024 (“**Extension of Long-Stop Date Announcement**”). Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Injunction Announcement, the Placement Announcement, the Injunction Update Announcement and the Extension of Long-Stop Date Announcement.
- 1.2. As announced in the Placement Announcement, the Company is currently facing some liquidity challenges. The Proposed Placement would have resulted in an injection of funds into the Company for general working capital purposes, including meeting general overheads and other operating expenses of the Group. As announced in the Injunction Announcement, the Plaintiff had obtained the Interim Injunction on 2 October 2024, which prevented the Proposed Placement during the effect of the Interim Injunction.
- 1.3. As announced in the Injunction Update Announcement, the Interim Injunction was discharged on 23 October 2024, and the Plaintiff will be withdrawing the Claims. The Company was however unable to obtain SGX approval for the Proposed Placement in time for the Long-Stop Date on 26 October 2024. Hence, the Company has sought alternatives to overcome its liquidity challenges.
- 1.4. Consequently, the Board wishes to announce that the Company has on 5 November 2024 entered into a bridging loan agreement (“**Bridging Loan Agreement**”) with Eastern Billion Industries Limited (“**EBIL**”) and Hu Yidong (collectively, the “**Lenders**” and each, a “**Lender**”).
- 1.5. Subject to and upon the terms of the Bridging Loan Agreement, the Company has agreed to borrow from the Lenders, a loan amounting to S\$1,950,417.98 (the “**Loan**”)¹.
- 1.6. The Company has on 5 November 2024 received the Loan in full from the Lenders.

2. PRINCIPAL TERMS OF THE BRIDGING LOAN AGREEMENT

- 2.1. The principal terms of the Bridging Loan Agreement are as follows:

¹ The Loan comprises of (i) S\$487,604.46 lent by EBIL; and (ii) S\$1,462,813.52 lent by by Hu Yidong. The amount lent by each Lender is equivalent to the placement consideration payable by each of them to the Company pursuant to the respective Placement Agreement (as amended, supplemented and modified from time to time) entered by each of them which are as at the date of this announcement subject to the Interim Injunction.

- Principal amount : S\$1,950,417.98 wherein (a) S\$487,604.46 shall be contributed by EBIL; and (b) S\$1,462,813.52 shall be contributed by Hu Yidong.
- Disbursement : The Loan shall be disbursed within three (3) business days from the satisfaction (or waiver by the Lenders) of the last condition precedent or in accordance with such other schedule agreed in writing between the parties ("**Disbursement Date**"), in a single tranche, by way of remittance to a nominated account of the Company as indicated by the Company to the Lenders in writing.
- Term : (a) The Loan shall be made available to the Company for a term of six (6) months from the Disbursement Date ("**Initial Term**").
- (b) Subject to there being no Event of Default (defined below), the Initial Term shall be automatically extended for a term of six (6) months.
- (c) The Loan and all accrued interest, if applicable, shall become due and payable falling 12 months from the Disbursement Date ("**Maturity Date**").
- Interest rate : 12% per annum.
- In the event the Company completes its obligations under the Placement Agreements (as amended, supplemented and modified from time to time) SUBJECT ALWAYS to the interim injunction being set aside by the Singapore courts, the Company obtaining the relevant approvals, consents and/or orders with regard to its obligations under the Placement Agreements (as amended, supplemented and modified from time to time) from the SGX-ST, all relevant and/or regulatory authorities which has authority over the Company and under any applicable laws, the interest payable or receivable by the Lenders under or in connection with the Loan shall be waived in its entirety.
- Interest payment date : The interest, if not waived, shall be due and payable on the Maturity Date.
- Interest period : 12 months from the Disbursement Date.
- Charged Shares : Means the 5,754,780 ordinary shares representing 100% of the entire issued and paid-up share capital of MTBL Global Pte Ltd ("**MTBL Global Shares**"), a 100% owned subsidiary

of the Company, which is legally and beneficially owned by the Company at the date of the Bridging Loan Agreement and at all time which are subject to the Finance Documents (defined below) including all warrants, options and other rights to subscribe for, purchase or otherwise acquire any of those shares.

- Security : (a) The Company agrees that as security to the Lenders for the payment of all its liabilities hereunder, the Company shall grant the Charged Shares as collateral to the Lenders.
- (b) If the Lenders are satisfied in their sole discretion that the principal amount of the Loan and all interest accruing pursuant thereto and all monies and liabilities which are payable by the Company to the Lenders in accordance with the terms of the Bridging Loan Agreement ("**Total Indebtedness**") have been irrevocably paid in full in cash or waived, the Lenders shall at the request and cost of the Company release, reassign or discharge the Charged Shares under the share charge executed by the Company in favour of EBIL acting as the Security Agent (defined below) on or about the date of the Bridging Loan Agreement ("**Share Charge**").
- (c) If the Lenders reasonably determines that any amount paid to the Lenders under any Finance Document is capable of being avoided or otherwise set aside on the liquidation, bankruptcy or otherwise of the Company or any other person, or otherwise, that amount shall not be considered to have been paid for the purposes of determining whether the Total Indebtedness has been irrevocably paid.
- Lodgement of caveat : The Lenders will not, and the Company does not need to, effect the relevant registrations and lodge the relevant caveats at ACRA and/or any other relevant authorities in relation to the Share Charge before the Long-Stop Date of the Placement Agreements (as amended, supplemented and modified from time to time).
- Security Agent : Each Lender agrees to appoint EBIL to act as their/its respective agent and trustee for the purposes of the Security under and in connection with the Bridging Loan Agreement. EBIL shall hold the Security in trust for the benefit of the Lenders and shall take instructions from and/or deal with on behalf of the Lenders in respect of the Security.

- Repayment : The Loan shall be repaid in the following manner on the Maturity Date:
- (a) Subject always to the Interim Injunction being set aside by the Singapore courts, the Company obtaining the relevant approvals, consents and/or orders with regard to its obligations under the Placement Agreements (as amended, supplemented and modified from time to time) from the SGX-ST, all relevant and/or regulatory authorities which has authority over the Company and under any applicable laws, each Lender shall be entitled to set off their respective portion of the Loan against their respective payment obligations pursuant to their respective Placement Agreements (as amended, supplemented and modified from time to time).
 - (b) In the event that (i) the Interim Injunction is not set aside by the Singapore courts; or (ii) the relevant approvals as set forth in sub-paragraph (a) above are not forthcoming, the Company shall repay the Total Indebtedness in cash on the Maturity Date.

In the event of an occurrence of an Event of Default and where the relevant circumstances have not been remedied by the expiry of the Remedy Period (defined below), the Lenders are entitled to deal with the Charged Shares in the manner as provided for in “Acceleration” below.

- Purpose : The intended utilisation purpose of the Loan is for the working capital and/or general corporate purpose of the Company, or such other purpose which the Lenders may permit in writing.

- Events of Default :
- (a) The Company fails to pay any sum payable by it when due.
 - (b) The Company commits or threatens to commit any breach or fails to comply with any provision of the Bridging Loan Agreement, the Share Charge and all other related documents (collectively, the “**Finance Documents**”).
 - (c) Any representation, warranty or statement made, repeated or deemed made by the Company in, or pursuant to, the Finance Documents is incomplete, untrue, incorrect or misleading.
 - (d) Sun Quan (“**Mr. Sun**”) ceases to be a Director.

- (e) Any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, liquidation, dissolution, placement under judicial management, administration or reorganisation of the Company other than a solvent liquidation or reorganisation of the Company; (ii) a composition, assignment or arrangement with any creditor of the Company; (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of the Company), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Company or its assets; or (iv) any analogous procedure or step is taken in any jurisdiction.
- (f) Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation, nationalisation of all or any part of the assets of the Company.
- (g) It is or becomes unlawful for any person to perform its obligations under the Finance Documents; (ii) any Finance Document is not legal, valid, binding and enforceable with its terms or is alleged by any party to be ineffective for any reason; (iii) the Share Charge does not create the security it purports to create; (iv) the Borrower rescinds or repudiates a Finance Document or evidences an intention to rescind or repudiate a Finance Document or disclaim any liability under any Finance Document.

Acceleration

- : (a) At any time after an Event of Default has occurred, the Lenders may:
 - (i) declare that the Total Indebtedness and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable; and/or
 - (ii) exercise its rights under the Share Charge; and/or
 - (iii) in all other respects deal with, enjoy and exploit the assets under the Share Charge as if it were the beneficial owners thereto; and/or

- (iv) otherwise put into force and effect all rights, powers and remedies available to them at law or otherwise as chargee of the assets under the Share Charge; and/or
- (v) otherwise release the Share Charge and put into force and effect all rights, powers and remedies available to it at law and acquire all (and not part of) the Charged Shares which consideration shall be set-off in full against all amounts due and owing under the Bridging Loan Agreement.

(b) Notwithstanding the aforesaid:

- (i) The Lenders shall allow the Company a period of 30 calendar days from the Lenders' notice to the Company to remedy the relevant circumstance ("**Remedy Period**"), if the relevant circumstance is in the reasonable opinion of the Lenders capable of being remedied.
- (ii) In the event (A) the relevant circumstance is in the reasonable opinion of the Lenders incapable of being remedied upon; or (B) the Company fails to remedy the relevant circumstance on or before the expiry of the Remedy Period, the Lenders shall exercise their rights under sub-paragraph (a) above.

Application of proceeds : Any monies received by the Lenders from their dealings with recovered by the Lenders : Any monies received by the Lenders from their dealings with the Charged Shares following their enforcement of the Share Charge shall be applied in the following sequence

- (a) to first set-off in full against the Total Indebtedness due and owing under the Bridging Loan Agreement;
- (b) to pay all costs and expenses incurred to enforce the Lenders' rights pursuant to the Share Charge; and
- (c) any remaining monies after deducting the above shall be returned to the Company. In the event that there are MTBL Global Shares which has not been disposed by the Lenders pursuant to the recovery of monies, the Lenders shall make the necessary arrangements to transfer the remaining MTBL Global Shares to the Company.

Senior ranking : The Company agrees that the Loan shall rank senior to all other unsecured or subordinated debts of the Company.

Governing law and jurisdiction : The laws of Singapore and exclusive jurisdiction of the courts of Singapore.

2.2. In the interest of full transparency, the Board would like to highlight the following material implications of signing the Bridging Loan Agreement:

(a) For the duration the Loan remains outstanding, the Company will not be allowed to exercise its right to require Capital Impetus Group Limited to purchase from the Company the MTBL Global Shares on terms and subject to the conditions of the sale and purchase agreement dated 31 December 2020 entered into between the Company and Capital Impetus Group Limited (“**Option**”); and

Please refer to AEI Corporation Ltd’s (the previous name of the Company) circular dated 9 February 2022 for more information on the Option.

(b) In the event an Event of Default occurs, and the Lenders elect to exercise their right to deal with the Charged Shares in the manner as provided for in “Acceleration” above, the Company would lose control over MTBL Global Pte Ltd, which is a substantial asset and the main asset of the Company.

2.3. The Board endeavours to pay off the Loan by undertaking the Proposed Placement or the proposed rights issue, if approved by SGX-ST, or from internally generated funds.

3. RATIONALE FOR ENTERING INTO THE BRIDGING LOAN AGREEMENT

3.1. As referenced above, as a result of the Interim Injunction having been in place from 2 October 2024 to 23 October 2024, the Company has not yet been able to complete the Proposed Placement, pending SGX approval. This has exacerbated the liquidity challenges facing the Company as announced by the Company on 4 August 2024. The existing cashflow may not be sufficient to cover the Group’s current working capital requirements for the extended period until completion of the proposed rights issue. Please refer to the Company’s announcement dated 4 August 2024 for more details.

3.2. Accordingly, the Company has decided to enter into the Bridging Loan Agreement to overcome its short-term liquidity challenges, which the Proposed Placement was supposed to help the Group mitigate.

4. ALTERNATIVE FINANCING OPTION

4.1. For full disclosure, the Board had on or around 20 September 2024 received one other conditional financing offer from a foreign fund, Arena. This was the second attempt by Arena to fund the Company, the first attempt by Arena being its conditional financing offer dated 16 August 2024. The terms of both funding proposals were materially similar. On consideration by the Board, a majority of the Board has decided that it is not in the interest of the Company to accept this offer.

- 4.2. Arena's offer (i) was conditional on a significant number of conditions (ii) would take a significant time to satisfy (due to negotiation of definitive agreements, regulatory approval and shareholders' approval at general meeting) and in any case long after the Company runs out of liquidity for day to day operations; (iii) was expensive to implement; and (iv) was too uncertain to implement.
- 4.3. Arena's conditions to disbursement of funds include:
- (a) the Company must grant sole 1st priority fixed and floating all-monies security over all assets of the Company and its subsidiaries;
 - (b) All [material] subsidiaries and holding companies to be guarantors of the Financing;
 - (c) the Company must agree it cannot solicit or accept financing offers from any other parties;
 - (d) Mr. Sun and Mr. Qiu Peiyuan ("**Mr. Qiu**") must immediately resign as Directors;
 - (e) the Company must appoint a new CEO approved by the foreign fund - the Board (save for Luke Anthony Furler) was doubtful that a suitable CEO with requisite industry experience and relationship with Moutai can be appointed in short notice;
 - (f) the Company must provide a revised business plan acceptable to the foreign fund demonstrating a sustainable cash position for the Company for a minimum period of one (1) year after the disbursement of the loan or until such time as a fully revised corporate strategy can be adopted and implemented – the Board (save for Luke Anthony Furler) was particularly concerned whether this is practical or possible in light of a vacuum in the executive leadership;
 - (g) satisfactory due diligence by the foreign fund of the Group;
 - (h) approval by the investment committee of the foreign fund;
 - (i) first and last rights to invest or participate in any future equity or equity-like instruments of any nature to be issued by the Company; and
 - (j) amendment of the Company's constitution to cater to all such conditions.
- 4.4. Had the Board accepted Arena's financing offer, the Company would have had to agree to the following terms, which the majority of the Board deem to be both uncommercial and onerous:
- (a) an upfront fee of 5% of the facility in shares of the Company at 15% discount to 10-day volume weighted average price;
 - (b) free warrants for 20% of the share capital of the Company at an exercise price of S\$0.01 each;
 - (c) interest of 12.5% per annum;
 - (d) default interest of 2.5% per month; and

- (e) all of Arena's professional fees incurred.
- 4.5. Although Arena's offer is for a total amount of up to the lesser of 20% of the total outstanding equity of the Company or S\$10 million, which is higher than the Loan, Arena's offer stipulates that Arena will only disburse the funds in tranches of up S\$1 million and each tranche is subject to multiple conditions above. Therefore, the Board considered that the Bridging Loan Agreement will avail the Company to more funds in a shorter time as compared to Arena's offer.
- 4.6. Accepting Arena's offer was also deemed, by a majority of the Board, not to be in the best interests of the Company or its shareholders, in particular, retail investors that comprise the public float. Specifically, Arena's offer would hand effective management control of the Company to Arena and this would not be compatible with the corporate governance framework of a company listed on the SGX.
- 4.7. The conditions identified at paragraph 4.3 will place an uncharacteristic and oversized deference by the Board, on all commercial matters and including the composition of the management of the Company, to Arena. In addition, the proposed prohibition against the Company soliciting or accepting funding from any sources besides Arena will also unnecessarily hamstring the Company's growth and potential business streams in the future.
- 4.8. As a result, therefore, the Board (save for Luke Anthony Furler) has agreed for the Company to enter into the Bridging Loan Agreement because, relative to Arena's conditional offer, the Loan from the Lenders (i) offers deal certainty and is easy to execute; (ii) does not impose onerous conditions and covenants on the Company; (iii) is more affordable and not usurious; and (iv) is accordingly in the Company's and its shareholders' best interests.

5. USE OF LOAN PROCEEDS

- 5.1. The estimated net proceeds from the Loan, after deducting estimated fees and related expenses (including professional fees) of approximately S\$40,000, will amount to approximately S\$1,910,417.98 (the "**Net Proceeds**").
- 5.2. The Company intends to apply such Net Proceeds in the following estimated proportions:

Proposed use of Net Proceeds	% of Net Proceeds from the Loan
General working capital purposes (including meeting general overheads and other operating expenses of the Group)	100%
Total	100%

- 5.3. Pending deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

6. SHAREHOLDINGS OF THE LENDERS, IF LOAN CONVERTED INTO EQUITY

6.1. Subject always to the Interim Injunction being set aside by the Singapore courts, the Company obtaining the relevant approvals, consents and/or orders with regard to its obligations under the Placement Agreements (as amended, supplemented and modified from time to time) from the SGX-ST, all relevant and/or regulatory authorities which has authority over the Company and under any applicable laws, each Lender shall be entitled to set off their respective portions of the Loan against their respective payment obligations pursuant to their respective Placement Agreements (as amended, supplemented and modified from time to time).

6.2. Below are the Lenders' respective shareholdings in the Company before and after the Proposed Placement, assuming it proceeds to completion.

	Before Proposed Placement ⁽¹⁾				After Proposed Placement ⁽²⁾			
	Direct interest		Deemed interest		Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors⁽³⁾								
Sun Quan ⁽⁴⁾	-	-	10,250,000	11.8	-	-	10,250,000	9.8
Qiu Peiyuan ⁽⁵⁾	189,600	0.2	1,000,000	1.1	189,600	0.2	1,000,000	1.0
Substantial Shareholders (other than Directors)								
MTBL Global Fund (In Official Liquidation) ⁽⁴⁾	34,462,956	39.6	-	-	34,462,956	33.0	-	-
MTBL Global Holdings Pte Ltd	10,250,000	11.8	-	-	10,250,000	9.8	-	-
Lenders and the Introducer								
Hu Yidong ⁽⁶⁾	-	-	-	-	10,448,668	10.0	3,134,600	3.0
Eastern Billion Industries Limited	-	-	-	-	3,482,889	3.3	-	-

Notes:

- (1) Based on the existing share capital of the Company of 87,072,231 shares as at the date of the Placement Announcement.
- (2) Based on the enlarged share capital of the Company of 104,486,677 shares after the completion of the Proposed Placement.
- (3) Save for Mr. Sun and Mr. Qiu, no other Directors hold any shares in the Company as at the date of the Placement Announcement.
- (4) Mr. Sun is deemed interested in 10,250,000 shares held by MTBL Global Holdings Pte Ltd which is wholly-owned by him. The Company announced on the SGXNet on 4 April 2024 that Mr. Sun has ceased to have control over the shares held by MTBL Global Fund (In Official Liquidation) being 34,462,956 shares representing 39.6% of the share capital of the Company as MTBL Global Fund (In Official Liquidation) has been placed in liquidation. Pursuant to orders of the Grand Court of the Cayman Islands dated 27 March 2024 and 29 April 2024, Mr. Luke Anthony Furler, care of Quantuma (Singapore) Pte Limited, together with Mr. Patrick Sakowski, care of Quantuma (Cayman) Ltd, have been appointed as Joint Official Liquidators of MTBL Global Fund, and have taken conduct of managing the assets of the company to the benefit of the company's creditors.

- (5) Mr. Qiu is deemed interested in the 1,000,000 shares in the Company held by Pro Honor Investment Limited which is wholly-owned by him.
- (6) Hu Yidong is the sole shareholder of Hoida International Limited which holds 90% shareholding in Eastern Billion Industries Limited. Therefore, Hu Yidong is deemed to have an interest in 90% of the Placement Shares placed to Eastern Billion Industries Limited.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Shareholders should note that the information relating to the Introducer was provided by the Introducer. The Company and the Directors have not independently verified the accuracy and correctness of such information.

- 7.1. None of the Directors or substantial shareholders or their respective associates has any interest, direct or indirect, in the Loan (other than through their respective direct and indirect shareholdings and/or directorships in the Company).
- 7.2. None of the Directors, and to the best of the knowledge of the Directors, none of the substantial shareholders, has any connections (including business relationships) with any Lender.
- 7.3. For completeness, the Lenders were introduced to the Company by Zhang Yun (the “**Introducer**”) as potential placees for the Proposed Placement. The Introducer is an investment manager based in Hong Kong. The Introducer was engaged by the Company to introduce potential placees for the Proposed Placement. An introducer fee of 3% of the gross proceeds raised pursuant to the Proposed Placement shall be paid to the Introducer by the Company. The Introducer will be paid using treasury shares of the Company.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (save and except for Luke Anthony Furler) 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 Loan 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 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 these sources and/or reproduced in this announcement in its proper form and context.

9. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares. Disbursement of the Loan is subject to the fulfilment of the conditions set out in the Bridging Loan Agreement and there is no certainty or assurance as at the date of this announcement that the Loan will be disbursed or that no further changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Qiu Peiyuan
Joint Executive Chairman & Joint CEO

Sun Quan
Joint Executive Chairman & Joint CEO

6 November 2024