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SUMMIT ASCENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 102)

(1) MAJOR AND CONNECTED TRANSACTION:

THE LOAN AGREEMENT;

AND

(2) CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

THE LOAN AGREEMENT

On 23 February 2021, SunTrust as borrower entered into the Loan Agreement with SA Investments as lender, pursuant to which SA Investments shall, subject to the Conditions Precedent, provide the Loan (i.e. in the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000)) to SunTrust, with the date, parties and the principal terms and conditions set out in “The Loan Agreement” in this announcement.

IMPLICATIONS UNDER THE LISTING RULES

Chapter 14

On 30 December 2020, the SunTrust CB in the principal amount of PHP5,600,000,000 (equivalent to approximately HK\$899 million) was issued by SunTrust as issuer to SA Investments as subscriber. Given the Loan Agreement is entered into by the Group within 12 month of completion of the SunTrust CB and the counterparty is the same party (i.e. SunTrust), the transactions contemplated under the Loan Agreement are required to be aggregated with the SunTrust CB as required by Rule 14.22 in determining the requirements of Chapter 14 as are applicable to the Loan Agreement and the transactions contemplated thereunder.

As one or more of the applicable percentage ratios in respect of the Loan, whether on their own or when aggregated with those applicable to the SunTrust CB, exceed 25% but is or are less than 100%, the Loan constitutes a major transaction for the Company under Chapter 14 and is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14.

Chapter 14A

SunTrust is a connected person of the Company for being an indirect 51% owned subsidiary of Suncity, which in turn is a controlling shareholder of the Company interested in, directly and indirectly, an aggregate of 69.66% of the Shares in issue.

Therefore, the Loan constitutes a connected transaction for the Company under Chapter 14A and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and give recommendation to the Independent Shareholders on the Loan Agreement and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Loan Agreement and the transactions contemplated thereunder.

SGM

An SGM will be convened and held by the Company to consider and, if thought fit, approve the Loan Agreement and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

A circular containing, among other things, (i) details of the Loan Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders on or around 26 March 2021 as time is required for compiling the information required for inclusion in the circular.

CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601 million would be applied for Phase II development of Tigre de Cristal, which is the Group's gaming and hotel property in the IEZ Primorye of the Russian Far East.

As disclosed in "Reasons for and benefits of the Loan" in this announcement, the continual impact of COVID-19 has affected the progress of the pre-construction phase, including design, procurement of construction materials, tendering and associated payments, in respect of the Group's Phase II development of Tigre de Cristal. Part of the net proceeds from the Rights Issue to the extent of US\$60,000,000 (equivalent to HK\$465,000,000) originally intended for use in the Phase II development of Tigre de Cristal is not required for immediate use by the Group for the moment.

Having considered the commercial benefits to the Group in deploying the Original Portion for Tigre de Cristal as Loan and generating interest income to the Group for the moment, the Board is of the view that the proposed change in use of the Original Portion for Tigre de Cristal as Loan is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE LOAN AGREEMENT

On 23 February 2021, SunTrust as borrower entered into the Loan Agreement with SA Investments as lender, pursuant to which SA Investments shall, subject to the Conditions Precedent, provide the Loan (i.e. in the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000)) to SunTrust, the date, parties and the principal terms and conditions of which are set out as below.

Date: 23 February 2021.

Parties: (i) SunTrust, as borrower; and
(ii) SA Investments, as lender.

Principal amount of the Loan: US\$120,000,000 (equivalent to HK\$930,000,000).

Application of the Loan: To fund the construction and development of the Main Hotel Casino of which SunTrust is the sole operator and manager.

Interest rate: Six percent (6%) per annum.

Default interest rate: Eight percent (8%) per annum.

Availability period: Within thirty (30) days from the date of fulfillment of all the Conditions Precedent (or such longer period as SA Investments may in its sole and absolute discretion think fit).

Maturity date: Three months from the date of the disbursement of the Loan to SunTrust.

The maturity date may upon application by SunTrust in writing to SA Investments be extended for successive terms of one (1) month each subject to the aggregated term as may be extended shall not be more than three (3) months (unless SA Investments otherwise agrees to a longer period in its sole and absolute discretion), and in respect of each extension upon and subject to such terms and conditions as SA Investments may in its sole and absolute discretion impose.

Repayment: The Loan together with all interest accrued thereon and all amounts due and owing under the Loan Agreement shall be repaid in full by SunTrust the earlier of:

- (i) the Maturity Date or the extended Maturity Date as may be extended in accordance with the Loan Agreement; and
- (ii) forthwith upon the occurrence of an Event of Default.

Event of Default: Set out below are brief particulars of the events of default upon the occurrence of any of which the Loan together with all interest accrued thereon and all amounts due and owing under the Loan Agreement shall be immediately due and repayable without further notice or demand:

- (i) SunTrust fails to pay in accordance with the terms of the Loan Agreement; or
- (ii) SunTrust defaults in performing or observing the Loan Agreement and such default shall not have been remedied within thirty (30) days after written notice thereof having been given to SunTrust; or

- (iii) any of SunTrust's representations, warranties and undertakings proves to be incorrect or misleading when made or deemed to be made or repeated in any material respect or shall be breached; or
- (iv) an order is made or an effective resolution is passed or analogous proceedings are taken for the amalgamation, winding up or dissolution of SunTrust (save for the purpose of and followed by an amalgamation or reconstruction previously approved in writing by SA Investments); or
- (v) any encumbrancer takes possession or if a receiver or other similar officer is appointed or if a distress or execution is levied or enforced upon or sued out against the whole or any part of the undertaking, assets or property of SunTrust and is not discharged within thirty (30) days of being levied or enforced; or
- (vi) any other present or future indebtedness of SunTrust for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity or SunTrust fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised; or
- (vii) if the shares of SunTrust are suspended for trading on the PSE for a period of thirty (30) consecutive trading days or more, or listing of the shares of SunTrust on the PSE are revoked or withdrawn; or
- (viii) any material litigation, arbitration or administrative proceedings before any court, arbitration or other relevant authority is current, pending or threatened against SunTrust; or
- (ix) SunTrust shall stop payment to creditors generally or shall be unable to pay its debts; or
- (x) there occurs, in SA Investment's opinion, a material adverse change in the financial condition of SunTrust; or

- (xi) the Loan Agreement and any other ancillary documents shall cease to be in full force and effect; or
- (xii) the occurrence of any event which under the law of any jurisdiction relevant to SunTrust, has an analogous or equivalent effect to any event mentioned above.

Conditions Precedent:

The Loan Agreement and the availability of the Loan are subject to satisfaction of the following conditions:

- (i) the Company having obtained approval of the Loan Agreement and all transactions contemplated hereunder from the Independent Shareholders in compliance with the Listing Rules and complied with the requirements as the Stock Exchange may require;
- (ii) SunTrust having obtained all necessary approvals, consents or waivers (as appropriate) as are required under the SRC Rules for related party transactions covering the grant of the Loan and subsequent performance of the Loan Agreement and all transactions contemplated hereunder; and
- (iii) all SunTrust's representations, warranties and undertakings remain true and correct on and as of each such time as if each were made with reference to the facts and circumstances existing at each such time.

SA Investments may, at its sole and absolute discretion, at any time on or before the Long Stop Date by notice in writing to SunTrust waive the Conditions Precedent set out in (iii) above in whole or in part.

If any of the Conditions Precedent shall not have been fulfilled (or, as the case may be, waived by SA Investments insofar as they can be waived under the terms of the Loan Agreement) on or before the Long Stop Date, the Loan Agreement shall terminate and the respective obligations of the parties under the Loan Agreement shall forthwith cease and terminate and none of the parties shall have any claim against the other of them save for any antecedent breach.

INFORMATION OF SUNTRUST AND THE SUNCITY GROUP

SunTrust is a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN). SunTrust is appointed as the sole and exclusive operator and manager to operate and manage the Main Hotel Casino to be constructed and developed at the Project Site.

SunTrust is an indirect 51% owned subsidiary of Suncity, which in turn is directly and indirectly interested in 69.66% of the Shares in issue. The Suncity Group is principally engaged in (i) property development in the PRC and Japan; (ii) property leasing and management and operation of malls in the PRC; (iii) provision of hotel and integrated resort general consultancy service in Vietnam; (iv) provision of travel related products and services; (v) development and operation of an integrated resort in the Philippines; and (vi) through the Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region (the “**IEZ Primorye**”) in the Russian Federation. The Suncity Group has been expanding and seeking opportunities to expand its tourism-related business, in particular, investment in integrated resorts and provision of hotel and integrated resort general consultancy services in the Southeast Asia region.

INFORMATION OF THE COMPANY

The Company is an investment holding company with the Group principally engaged in the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation. The gaming and hotel operations of the Group are conducted through its 77.5% equity interest in Oriental Regent Limited, a non wholly-owned subsidiary. The Company is a 69.66% owned subsidiary of Suncity.

REASONS FOR AND BENEFITS OF THE LOAN

SunTrust requires funding for the construction and development of the Main Hotel Casino of which it is the sole and exclusive operator and manager. The Loan will provide part of the necessary funding required by SunTrust for the construction and development of the Main Hotel Casino.

The continual impact of COVID-19 has affected the progress of the pre-construction phase, including design, procurement of construction materials, tendering and associated payments, of the Group’s Phase II development of Tigre de Cristal. Part of the available fund of the Group originally allocated for use in the Phase II development of Tigre de Cristal is not required for immediate use by the Group for the moment. The Loan provides the Group with an opportunity to earn interest income at the rate of 6% per annum for the moment. The rate of return of the Loan is way better than that as may be earned from fixed deposits with banks and financial institutions alike.

Having considered the above, the Board (other than the independent non-executive Directors whose opinion will be deferred after receiving the advice of the independent financial adviser) is of the view that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Chapter 14

On 30 December 2020, the SunTrust CB in the principal amount of PHP5,600,000,000 (equivalent to approximately HK\$899 million) was issued by SunTrust as issuer to SA Investments as subscriber. Given the Loan Agreement is entered into by the Group within 12 month of completion of the SunTrust CB and the counterparty is the same party (i.e. SunTrust), the transactions contemplated under the Loan Agreement are required to be aggregated with the SunTrust CB as required by Rule 14.22 in determining the requirements of Chapter 14 as are applicable to the Loan Agreement and the transactions contemplated thereunder.

As one or more of the applicable percentage ratios in respect of the Loan, whether on their own or when aggregated with those applicable to the SunTrust CB, exceed 25% but is or are less than 100%, the Loan constitutes a major transaction for the Company under Chapter 14 and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14.

Chapter 14A

SunTrust is a connected person of the Company for being an indirect 51% owned subsidiary of Suncity, which in turn is a controlling shareholder of the Company interested in, directly and indirectly, an aggregate of 69.66% of the Shares in issue.

Therefore, the Loan constitutes a connected transaction for the Company under Chapter 14A and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and give recommendation to the Independent Shareholders on the Loan Agreement and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Loan Agreement and the transactions contemplated thereunder.

SGM

An SGM will be convened and held by the Company to consider and, if thought fit, approve the Loan Agreement and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

At the SGM, any Shareholders with a material interest in the Loan Agreement and the transactions contemplated thereunder are required to abstain from voting on the proposed resolutions to be put forwarded to the Independent Shareholders at the SGM for approving the Loan Agreement and the transactions contemplated thereunder. Suncity and its associates will therefore be abstained from voting on the resolutions approving the Loan Agreement and the transactions contemplated thereunder at the SGM.

Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders are materially interested in the Loan Agreement and the transactions contemplated thereunder who are required to abstain from voting at the SGM on the resolutions approving the Loan Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Loan Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders on or around 26 March 2021 as time is required for compiling the information required for inclusion in the circular.

CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus of the Company dated 18 September 2020 (the "**Prospectus**") and the announcement of the Company dated 14 October 2020 ("**Rights Issue Results Announcement**") in relation to the Rights Issue, which proceeded to completion on 15 October 2020.

The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601 million would be applied for Phase II development of Tigre de Cristal, which is the Group's gaming and hotel property in the IEZ Primorye of the Russian Far East.

As disclosed in "Reasons for and benefits of the Loan" in this announcement, the continual impact of COVID-19 has affected the progress of the pre-construction phase, including design, procurement of construction materials, tendering and associated payments, in respect of the Group's Phase II development of Tigre de Cristal. Part of the net proceeds from the Rights Issue to the extent of US\$60,000,000 (equivalent to HK\$465,000,000) originally intended for use in the Phase II development of Tigre de Cristal ("**Original Portion for Tigre de Cristal**") is not required for immediate use by the Group for the moment.

Having considered the commercial benefits to the Group in deploying the Original Portion for Tigre de Cristal as Loan and generating interest income to the Group for the moment, the Board is of the view that the proposed change in use of the Original Portion for Tigre de Cristal as Loan is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The change in use of the Original Portion for Tigre de Cristal as Loan is subject to fulfillment of the Conditions Precedent, including Independent Shareholders' approval to the Loan Agreement and the transactions contemplated thereunder as disclosed in "The Loan Agreement – Conditions Precedent" in this announcement.

The Russian government is swinging into action to launch mass vaccination programme against COVID-19 by using its own vaccine Sputnik V to help chart a way out of the crisis in the hope that its economy will burst back to life going forward. The staff in Tigre de Cristal has started to receive the free vaccination since the beginning of February 2021. The Board pins hope on the success of the vaccination programme in easing the impact of COVID-19 on the pre-construction phase of the Phase II development of Tigre de Cristal and helping to meet its original construction and development schedule. The Company will keep the Shareholders and its investors updated on status if and when appropriate.

DEFINITIONS

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Company"	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 102) and a 69.66% owned subsidiary of Suncity
"Conditions Precedent"	the conditions precedent to the Loan Agreement and the availability of the Loan as set out in "The Loan Agreement – Conditions Precedent" in this announcement
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"COVID-19"	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
"Directors"	the directors of the Company and each a "Director"

“Event of Default”	the events as briefly set out in “The Loan Agreement – Event of Default” in this announcement
“Group”	the Company and its subsidiaries from time to time, including SA Investments
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders on, among other matters, the fairness and reasonableness of the Loan Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Suncity and its associates, who have no material interest in the Loan Agreement and the transactions contemplated thereunder
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000) as may be advanced by SA Investments to the Borrower under and pursuant to the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 23 February 2021 in relation to the Loan entered into between SA Investments as lender and SunTrust as borrower
“Long Stop Date”	the last time for fulfillment or, as the case may be, waiver of the Conditions Precedent, being 5:00 p.m. on 31 May 2021 (or such later time and date as SA Investments and SunTrust may agree in writing)
“Main Hotel Casino”	the 5-Star hotel and casino complex erected or to be erected at the Project Site
“percentage ratios”	has the meaning as defined in Rule 14.07

“PHP”	Philippine peso, the lawful currency of the Philippines
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Site”	the three parcels of land located at Manila Bayshore Integrated City in Paranaque City, the Philippines upon which the Main Hotel Casino is to be constructed and erected
“PSE”	The Philippine Stock Exchange, Inc.
“Rights Issue”	the rights issue of the Company on the basis of three (3) rights shares for every two (2) Shares completed on 15 October 2020 at the subscription price of HK\$0.6 per rights share as disclosed in the circular of the Company dated 14 August 2020 and the prospectus of the Company dated 18 September 2020
“SA Investments”	Summit Ascent Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Loan Agreement and the transactions contemplated thereunder
“Shareholder”	the holder of any Shares
“Shares”	ordinary shares par value of HK\$0.025 each in the share capital of the Company
“SRC Rules”	The Securities Regulations Code in the Philippines and its implementing rules and regulations, as amended from time to time
“Suncity”	Suncity Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued shares listed on the Main Board of the Stock Exchange (stock code: 1383) and a controlling shareholder of the Company
“Suncity Group”	Suncity and its subsidiaries from time to time, including the Company, SA Investments and SunTrust

“SunTrust”	Suntrust Home Developers, Inc., a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN) and an indirect 51% owned subsidiary of Suncity
“SunTrust CB”	the 6.0% coupon rate convertible bonds in the principal amount of PHP5,600,000,000 (equivalent to approximately HK\$899 million) issued by SunTrust to SA Investments on 30 December 2020 pursuant to the subscription agreement dated 1 June 2020 (as supplemented) entered into between SunTrust as issuer and SA Investments as subscriber as disclosed in the circular of the Company dated 14 August 2020 and the prospectus of the Company dated 18 September 2020 which was approved by the independent shareholders of the Company at a special general meeting of the Company held on 7 September 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

Notes: In this announcement, unless otherwise stated:

- (1) all references to times and dates are references to Hong Kong time;*
- (2) all references to Rules and Chapters are references to those of the Listing Rules; and*
- (3) when translated, (a) HK\$ was translated to PHP at the exchange rate of HK\$1 to PHP 6.2285; and (b) US\$ was translated to HK\$ at the exchange rate of US\$1 to HK\$7.75.*

By order of the Board
Summit Ascent Holdings Limited
Chau Cheok Wa
Chairman

Hong Kong, 23 February 2021

As at the date of this announcement, the executive Directors are Mr. Lo Kai Bong (Deputy Chairman) and Mr. Chiu King Yan, the non-executive Directors are Mr. Chau Cheok Wa (Chairman), Mr. Wong Pak Ling Philip and Dr. U Chio Jeong, and the independent non-executive Directors are Mr. Lam Kwan Sing, Mr. Lau Yau Cheung and Mr. Li Chak Hung.