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SUMMIT ASCENT
凱升控股有限公司 Holdings Limited

**SUMMIT ASCENT
HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 102)

SUNCITY GROUP

HOLDINGS LIMITED

太陽城集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

DISCLOSEABLE TRANSACTIONS:

- (1) COMPLETION OF ORL SHARES ACQUISITIONS; AND**
- (2) SUBSCRIPTION OF NEW SHARES IN ORL AND ITS COMPLETION**

COMPLETION OF ORL SHARES ACQUISITIONS

The ORL Shares Acquisitions as referred to in the joint announcement dated 30 October 2020 of Summit Ascent and Suncity have proceeded to completion on 16 November 2020 upon fulfilment of the conditions precedent to each of them immediately prior to completion of the ORL Shares Subscription as disclosed in this announcement, thereby increasing SA Russia's interest in ORL from 60% to 67.5% immediately upon completion of the ORL Shares Acquisitions but prior to completion of the ORL Shares Subscription.

ORL SHARES SUBSCRIPTION

On 16 November 2020, ORL implemented the ORL Shares Subscription (which is effectively the Proposed New Issue as referred to in the joint announcement dated 30 October 2020 of Summit Ascent and Suncity) with the signing of the ORL Shares Subscription Agreement, the date, parties and principal terms of the ORL Shares Subscription Agreement are set out in this announcement.

Completion of the ORL Shares Subscription was completed on the date of the ORL Shares Subscription Agreement.

REASON FOR, AND BENEFITS OF, THE ORL SHARES SUBSCRIPTION

For the purpose of providing the additional capital for the Project to the extent of US\$65,000,000, ORL implemented the ORL Shares Subscription to raise the funding required from the Subscribers as shareholders of ORL in proportion to their respective shareholdings in ORL in the form of equity in ORL (i.e. the subscription of the ORL Subscription Shares by the Subscribers as shareholders of ORL under the ORL Shares Subscription).

IMPLICATIONS OF THE LISTING RULES

Under the ORL Shares Subscription, SA Russia is acquiring a further 10% interest in ORL from 67.5% to 77.5% upon completion of the ORL Shares Subscription and constitute an acquisition by the SA Group and the Suncity Group of further interest in ORL. Pursuant to Rule 14.22, the acquisition of the further 10% interest in ORL by SA Russia under the ORL Shares Subscription have to be aggregated with the ORL Shares Acquisitions on an aggregated basis when determining its own classification under Chapter 14.

As some of the applicable percentage ratios in respect of the acquisition of the further 10% interest in ORL by SA Russia under the ORL Shares Subscription, when aggregated with the ORL Shares Acquisitions, exceed 5% but are less than 25%, such acquisition constitutes a discloseable transaction for each of Summit Ascent and Suncity under Chapter 14 and is subject to the announcement requirement under Chapter 14.

ORL SHARES ACQUISITIONS

The ORL Shares Acquisitions as referred to in the joint announcement dated 30 October 2020 of Summit Ascent and Suncity has proceeded to completion on 16 November 2020 upon fulfilment of the conditions precedent to each of them immediately prior to completion of the ORL Shares Subscription as disclosed in this announcement.

Immediately upon completion of the ORL Shares Acquisitions but prior to completion of the ORL Shares Subscription, the shareholding structure of ORL is as follows:

Shareholder	No. of ORL Shares held	% interest in ORL
SA Russia	94,500	67.5%
Firich	35,000	25.0%
City Wealth	7,000	5.0%
Jewrim	3,500	2.5%
Total	140,000	100%

ORL SHARES SUBSCRIPTION

On 16 November 2020, ORL implemented the ORL Shares Subscription (which is effectively the Proposed New Issue as referred to in the joint announcement dated 30 October 2020 of Summit Ascent and Suncity) with the signing of the ORL Shares Subscription Agreement, the date, parties and principal terms of the ORL Shares Subscription Agreement are set out below:

ORL Shares Subscription Agreement

- Date : 16 November 2020.
- Issuer : ORL, an indirect 67.5% owned subsidiary of Summit Ascent and an indirect non-wholly owned subsidiary of Suncity immediately prior to completion of the ORL Shares Subscription.
- Subscribers : (a) SA Russia, a direct wholly-owned subsidiary of Summit Ascent, an indirect non-wholly owned subsidiary of Suncity and a shareholder of ORL holding 67.5% interest in ORL immediately prior to completion of the ORL Shares Subscription; and
- (b) Firich, a shareholder of ORL holding 25% interest in ORL immediately prior to completion of the ORL Shares Subscription.

To the best of the knowledge, information and belief of the SA Directors and the Suncity Directors after having made all reasonable enquiries:

- Firich is a wholly owned subsidiary of Firich Enterprises Co., Ltd., the shares of which are listed on the Taipei Exchange. Other than as a substantial shareholder of ORL, Firich and Firich Enterprises Co., Ltd. are Independent Third Parties.

Subject matter : The ORL Subscription Shares (i.e. 284,693 new ORL Shares) agreed to be subscribed by the Subscribers as follows:

- (a) 234,755 ORL Subscription Shares subscribed by SA Russia; and
- (b) 49,938 ORL Subscription Shares subscribed by Firich.

The subscription was made by the Subscribers as follows:

- (i) Firich is subscribing for 17.5% of the ORL Subscription Shares instead of 25% in proportion to its 25% shareholding in ORL (before completion of the ORL Shares Subscription); and
- (ii) SA Russia is subscribing for 82.5% of the ORL Subscription Shares instead of 67.5% in proportion to its 67.5% shareholding in ORL (before completion of the ORL Shares Subscription). Effectively, the 7.5% of the ORL Subscription Shares not otherwise subscribed for by Firich, the 5% of the ORL Subscription Shares not otherwise subscribed for by City Wealth and the 2.5% ORL Subscription Shares not otherwise subscribed for by Jewrim if subscription is made by them in accordance with their respective shareholdings in ORL are subscribed by SA Russia.

Subscription Price : An aggregate of US\$65,000,000 at approximately US\$228.315 per ORL Subscription Share is payable by the Subscribers as follows:

- (a) US\$53,598,293 by SA Russia; and
- (b) US\$11,401,707 by Firich.

The subscription price of approximately US\$228.315 per ORL Subscription Share was agreed between ORL and the Subscribers on arm's length basis based on the unaudited total net asset value of approximately US\$228.315 per ORL Share as at 30 June 2020.

The consideration payable by SA Russia is to be funded by the internal resources of Summit Ascent.

- Payment terms of the Subscription Price : The Subscription Price has been paid by the Subscribers in full upon completion of the ORL Shares Subscription.
- Completion : The ORL Shares Subscription was completed on the date of the ORL Shares Subscription Agreement.

INFORMATION OF THE SUBSCRIBERS

SA Russia is a company incorporated in the British Virgin Islands with limited liability and a shareholder of ORL holding 67.5% interest in ORL immediately prior to completion of the ORL Shares Subscription. It is a direct wholly-owned subsidiary of Summit Ascent and an indirect non-wholly owned subsidiary of Suncity.

Firich is a company incorporated in the Republic of Mauritius with limited liability and a wholly owned subsidiary of Firich Enterprises Co., Ltd., the shares of which are listed on the Taipei Exchange. Firich is a shareholder of ORL holding 25% interest in ORL immediately prior to completion of the ORL Shares Subscription. Firich is principally engaged in investment holding. Firich and Firich Enterprises Co., Ltd. are Independent Third Parties.

INFORMATION OF ORL

General information

ORL is a company incorporated in Hong Kong with limited liability, through which the Project, being the SA Group's first casino hotel and the largest integrated casino hotel in Vladivostok, the Russian Federation, Tigre de Cristal, is conducted.

The current shareholding structure of ORL immediately prior to and after completion of the ORL Shares Subscription is as follows:

Shareholder	% interest in ORL immediately prior to completion of the ORL Shares Subscription	No. of ORL Shares immediately prior to completion of the ORL Shares Subscription	% interest in ORL immediately after completion of the ORL Shares Subscription	No. of ORL Shares immediately after completion of the ORL Shares Subscription
SA Russia	67.5%	94,500	77.5%	329,255
Firich	25.0%	35,000	20.0%	84,938
City Wealth	5.0%	7,000	1.7%	7,000
Jewrim	2.5%	3,500	0.8%	3,500
Total	<u>100%</u>	<u>140,000</u>	<u>100%</u>	<u>424,693</u>

Financial information

The following is a summary of the audited consolidated financial information of ORL, prepared in accordance with Hong Kong Financial Reporting Standards, for the periods as stated below:

	For the year ended	
	31 December 2018	31 December 2019
	<i>(HK\$)</i>	<i>(HK\$)</i>
	<i>Approximately</i>	<i>Approximately</i>
Net profit before tax and extraordinary items	15,210,000	86,352,000
Net profit after tax and extraordinary items	15,103,000	86,241,000

The unaudited consolidated net asset value attributable to owners of ORL was US\$31,964,162 (equivalent to approximately HK\$247,722,000) as at 30 June 2020.

INFORMATION OF THE SA GROUP AND THE SUNCITY GROUP

The SA Group is principally engaged in the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation.

The Suncity Group is principally engaged in (i) property development in Guangdong and Anhui Provinces in the People's Republic of China; (ii) property leasing in Shenzhen in the People's Republic of China; (iii) provision of hotel and integrated resort general consultancy service in Vietnam; and (iv) provision of travel related products and service; (v) development and operation of integrated resort in the Philippines; and (vi) through the SA Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation. The Suncity Group has been expanding and seeking opportunities to expand its tourism-related business, in particular, investment in integrated resort and provision of hotel and integrated resort general consultancy services in the South East Asia region.

REASON FOR, AND BENEFITS OF, THE ORL SHARES SUBSCRIPTION

For the purpose of providing the additional capital for the Project to the extent of US\$65,000,000, ORL implemented the ORL Shares Subscription to raise the funding required from the Subscribers as shareholders of ORL in proportion to their respective shareholdings in ORL in the form of equity in ORL (i.e. the subscription of the ORL Subscription Shares by the Subscribers as shareholders of ORL under the ORL Shares Subscription).

Of the current shareholders of ORL, only SA Russia and Firich (but not City Wealth and Jewrim) have agreed to provide the additional capital in the amount of US\$65,000,000 for the Project in the proportion as more particularly set out under the fourth column of the table below:

Shareholders	% shareholding in ORL immediately prior to completion of the ORL Shares Subscription	Additional capital to be provided (no. of ORL Subscription Shares to be subscribed) if in proportion to shareholding	Additional capital agreed to provide (no. of ORL Subscription Shares agreed to subscribe)	% shareholding in ORL immediately after completion of the ORL Shares Subscription
SA Russia	67.5%	US\$43,875,000 (192,168 ORL Subscription Shares)	US\$53,598,293 (234,755 ORL Subscription Shares)	77.5%
Firich	25.0%	US\$16,250,000 (71,173 ORL Subscription Shares)	US\$11,401,707 (49,938 ORL Subscription Shares)	20.0%
City Wealth	5.0%	US\$3,250,000 (14,235 ORL Subscription Shares)	–	1.7%
Jewrim	2.5%	US\$1,625,000 (7,117 ORL Subscription Shares)	–	0.8%
Total:	100%	US\$65,000,000 (284,693 ORL Subscription Shares)	US\$65,000,000 (284,693 ORL Subscription Shares)	100%

By participating in the ORL Shares Subscription, the SA Group's equity stake in the Project is increased by 10% from 67.5% to 77.5% which in turn is expected to help contributing to the organic growth of the SA Group by increasing shareholders' value of Summit Ascent and Suncity in the long run.

The SA Directors consider that the ORL Shares Subscription on terms of the ORL Shares Subscription Agreement is on terms fair and reasonable and in the interests of Summit Ascent and the SA Shareholders as a whole. The Suncity Directors consider that the ORL Shares Subscription on terms of the ORL Shares Subscription Agreement is on terms fair and reasonable and in the interests of Suncity and the Suncity Shareholders as a whole.

No SA Director is interested in the ORL Shares Subscription and none of the SA Directors was required to abstain from voting on the resolution of the SA Board approving the ORL Shares Subscription. No Suncity Director is interested in the ORL Shares Subscription and none of the Suncity Directors was required to abstain from voting on the resolution of the Suncity Board approving the ORL Shares Subscription.

IMPLICATIONS OF THE LISTING RULES

The ORL Shares Subscription

Under the ORL Shares Subscription, SA Russia is acquiring a further 10% interest in ORL from 67.5% to 77.5% upon completion of the ORL Shares Subscription and constitute an acquisition by the SA Group and the Suncity Group of further interest in ORL. Pursuant to Rule 14.22, the acquisition of the further 10% interest in ORL by SA Russia under the ORL Shares Subscription have to be aggregated with the ORL Shares Acquisitions on an aggregated basis when determining its own classification under Chapter 14.

As some of the applicable percentage ratios in respect of the acquisition of the further 10% interest in ORL by SA Russia under the ORL Shares Subscription, when aggregated with the ORL Shares Acquisitions, exceed 5% but are less than 25%, such acquisition constitutes a discloseable transaction for each of Summit Ascent and Suncity under Chapter 14 and is subject to the announcement requirement under Chapter 14.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“associate”	has the meaning ascribed to it under the Listing Rules
“City Wealth”	City Wealth Group Limited, a company incorporated in the British Virgin Islands with limited liability and a shareholder of ORL holding 5.0% interest in ORL immediately prior to completion of the ORL Shares Subscription

“connected person”	has the meaning ascribed to it under the Listing Rules
“Firich”	Firich Investment Limited, a company incorporated in the Republic of Mauritius with limited liability and a shareholder of ORL holding 25% interest in ORL immediately prior to completion of the ORL Shares Subscription
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	a third party independent of and not connected with either Summit Ascent or Suncity and any connected person of either Summit Ascent or Suncity and is itself not a connected person of either Summit Ascent or Suncity
“Jewrim”	Jewrim Limited, a company incorporated in Hong Kong with limited liability and a shareholder of ORL holding 2.5% interest in ORL immediately prior to completion of the ORL Shares Subscription
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“ORL”	Oriental Regent Limited, a company incorporated in Hong Kong with limited liability and an indirect 67.5% owned subsidiary of Summit Ascent with SA Russia as the shareholder and an indirect non-wholly owned subsidiary of Suncity immediately prior to completion of the ORL Shares Subscription
“ORL Shares”	ordinary shares in the share capital of ORL

“ORL Shares Acquisition Agreements”	<p>collectively, the following:</p> <ul style="list-style-type: none"> (a) the conditional agreement for sale and purchase dated 30 October 2020 entered into between Sharp Way Group Limited as vendor, SA Russia as purchaser and Summit Ascent in relation to the 2.5% ORL Shares Acquisition (“2.5% ORL Shares Acquisition Agreement”); and (b) the conditional agreement for sale and purchase dated 30 October 2020 entered into between Joyful Happiness Limited as vendor and SA Russia as purchaser in relation to the 5% ORL Shares Acquisition (“5% ORL Shares Acquisition Agreement”)
“ORL Shares Acquisitions”	<p>collectively, the following:</p> <ul style="list-style-type: none"> (a) the acquisition of 3,500 ORL Shares (representing 2.5% interest in ORL as at the date of the 2.5% ORL Shares Acquisition Agreement) and US\$1,892,275 shareholder’s loan to ORL by SA Russia from Sharp Way Group Limited under and pursuant to the 2.5% ORL Shares Acquisition Agreement; and (b) the acquisition of 7,000 ORL Shares (representing 5% interest in ORL as at the date of the 5% ORL Shares Acquisition Agreement) and US\$3,784,550 shareholder’s loan to ORL by SA Russia from Joyful Happiness Limited under and pursuant to the 5% ORL Shares Acquisition Agreement
“ORL Shares Subscription”	<p>the subscription of the ORL Subscription Shares by the Subscribers under and pursuant to the ORL Shares Subscription Agreement</p>
“ORL Shares Subscription Agreement”	<p>the subscription agreement dated 16 November 2020 entered into by ORL as issuer and the Subscribers as subscribers in relation to the ORL Shares Subscription</p>
“ORL Subscription Shares”	<p>284,693 new ORL Shares agreed to be subscribed by the Subscribers under the ORL Shares Subscription Agreement</p>

“Project”	the gaming and hotel operations of the SA Group in Vladivostok, the Russian Federation, Tigre de Cristal
“SA Board”	the board of SA Directors
“SA Directors”	the directors of Summit Ascent
“SA Group”	Summit Ascent and its subsidiaries from time to time
“SA Russia”	Summit Ascent Russia Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Summit Ascent, an indirect non-wholly owned subsidiary of Suncity and a shareholder of ORL holding 67.5% interest in ORL immediately prior to completion of the ORL Shares Subscription
“SA Shareholder”	the holder of any SA Shares
“SA Shares”	ordinary shares of par value of HK\$0.025 each in the issued share capital of Summit Ascent
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	an aggregate of US\$65,000,000 payable by the Subscribers for the subscription of the ORL Subscription Shares at approximately US\$228.315 per ORL Subscription Share
“Subscribers”	collectively, SA Russia and Firich
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Summit Ascent”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, the SA Shares of which are listed on the Main Board of the Stock Exchange (stock code: 102) and a 69.66% owned subsidiary of Suncity as at the date of this Announcement
“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)

“Suncity Board”	the board of Suncity Directors
“Suncity Directors”	the directors of Suncity
“Suncity Group”	Suncity and its subsidiaries from time to time, including the SA Group
“Suncity Shareholder”	the holder of any ordinary shares of HK\$0.10 each in the share capital of Suncity
“US\$”	the dollars of the United States of America, the lawful currency of the United States of America
“%”	per cent

Notes:

- (1) All references to times and dates are references to Hong Kong time unless otherwise stated.
- (2) In this announcement, unless otherwise stated, all references to Rules and Chapters are references to Rules and Chapters of the Listing Rules.
- (3) When translated, each US\$ amount stated in this announcement was translated at the exchange rate of US\$1.0 to HK\$7.75.

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

By order of the Suncity Board
Suncity Group Holdings Limited
Chau Cheok Wa
Chairman

Hong Kong, 16 November 2020

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

As at the date of this announcement, the executive Suncity Directors are Mr. Chau Cheok Wa, Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Suncity Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.