

Press Release

[For Immediate Release]

Tigre de Cristal Business Update by COO Mr. Tsifetakis

Local Russian Demand for Entertainment and Staycation Thrived while IEZ Primorye Development Happens Faster than Ever

25 October 2021, Hong Kong – Mr. Stylianos Tsifetakis, Chief Operating Officer of Tigre de Cristal, highlighted that he saw extraordinary local entertainment demand from Russians in Tigre de Cristal in a recent business operations update, via an interview with Asian Gaming Brief. Tigre de Cristal is the Russian integrated resort controlled by Summit Ascent Holdings Limited (“Summit Ascent”, the “Group” or the “Company”, HKEx code: 102).

During the operations update, **Mr. Tsifetakis, COO of Tigre de Cristal**, said, *“We never stop remodelling Tigre de Cristal to keep it up. This year we introduced a number of different slot machines to enhance our product offering. Gaming tax in Russia has also been reduced because of COVID, we have more slot machines on the floor. We see positive responses from the people and we can see that month-on-month, our revenues are growing to pre-COVID levels, if not; better. This a very positive news for us, taking into consideration that currently there is a second casino in the area. Instead of losing market share; on the contrary, we are gaining more market share, which we view as very successful.”*

Mr. Tsifetakis also explained that the team in Tigre de Cristal has been adapting to COVID, and has been doing this extremely well. Before COVID, over 90 per cent of the hotel rooms in Tigre de Cristal were catered to foreign visitors. When COVID hit, in order to cater to the local Russian market, Tigre de Cristal’s team upgraded their website and marketing campaigns to attract locals rather than their usual tourist-oriented approach. Now, he was thrilled to observe the effort paid off -- over the weekends, staycation demand from local Russians have made the hotel virtually in full capacity, thanks to the swift adaptability of the team. In the update, Mr. Tsifetakis noted the most popular games these days on the mass gaming floor have been Russian Poker, a variation of poker unique to the local Russian market, followed by Roulette and Blackjack. Slot machines have always been popular among locals, and the team has put more slot machines on the floor to cater to local demand.



Picture 1: Mr. Stylianos Tsifetakis, Chief Operating Officer of Tigre de Cristal

The Primorye Integrated Entertainment Zone (“IEZ Primorye”) has been developing rapidly recently with more investors announcing that they are coming on board. The goal of Primorsky Krai Development Corporation was to promote and develop IEZ Primorye from global investors to create a modern world-class entertainment resort area and to increase investment in the area. The Corporation aims to create over 20,000 local jobs, a total of 7,000 hotel rooms with over US\$2.8 billion in total investment, bringing in over 8 million tourists into IEZ Primorye every year. IEZ Primorye is only 15 minutes by car from Vladivostok International Airport, with easy access within a 2-hour flight radius from key feeder markets such as South Korea and Japan. Taiwan and Hong Kong are within a 4-hour flight radius.



Picture 2: Vladivostok's 2-hour flight radius with nearby key feeder markets. (Source: Primorsky Krai Development Corporation)

According to recent local Russian media reports, Tigre de Cristal leads the pack of the other 5 integrated resort development in IEZ Primorye as four others are still building in progress, while only one new casino has been opened nearby to where Tigre de Cristal is located. Yet Mr. Tsifetakis noted in the update that business in Tigre de Cristal has been better than before and has been going back to pre-COVID levels. He did not see the additional casinos as competition; rather, he viewed them as key players coming to the market to make the entire IEZ Primorye more attractive than before. He noted that in the announcements during the recent Far East Economic Forum, another two big players have announced that they are coming on board in IEZ Primorye. They are not just for aiming to build new hotels and casinos, but they are also building theme parks, golf resorts etc. Mr. Tsifetakis believed that this was very exciting because by then Vladivostok's tourism will not be only limited to attracting domestic Russian tourists, but it will also become an international tourism destination for the North of Asia.



Picture 3: Announcement of additional investors in the recent Far East Economic Forum 2021 (Source: Primamedia.ru)

In the update, Mr. Tsifetakis gave a glimpse of how Tigre de Cristal Phase II's non-gaming amenities will be like. When Phase II is completed, the total number of hotel rooms will triple that of today to over 400, because one of the biggest bottlenecks in the area was that there were not enough hotel rooms, but demand for rooms and entertainment has been underserved, as observed in virtually fully-occupied rooms in Tigre de Cristal over the weekends. Mr. Tsifetakis hinted that Phase II will have a multi-level complex indoor pool, a rarity in the Far East, where tropical summer by the sea could be enjoyed in the snowy cold winters in the Far East Russian territory. This will be combined with electrifying pool-side parties where year-round pool-side party fun will be brought into the Far East for the first time.

Mr. Tsifetakis also discussed the recent additional interest from Russian investors in developing integrated resorts, casinos and golf courses in the area. Investors are now building golf courses that are only 5 minutes away from Tigre de Cristal, while the second one is only 10 minutes away. Other than playing golf, Mr. Tsifetakis said that visitors could also opt for skiing in winter with two ski resorts close by via a 20 to 40-minute drive from Tigre de Cristal.



Picture 4: Primorye Integrated Entertainment Zone IEZ (Primroye) with latest announced new integrated resorts, casinos, hotels and golf courses (Source: Primorsky Krai Development Corporation)

Mr. Tsifetakis ended the update with a positive note on the future. Given that right now, the borders between Russia and the key feeder markets are virtually closed, yet he has been receiving a lot of requests from Japan, South Korea, Taiwan and Hong Kong for groups to come over soon. One of the biggest pain points he observed was that, although right now there were direct flights that are flying into Japan and South Korea from Vladivostok International Airport; the flights are mostly for business people, and upon return, the visitor would have to be quarantined in his / her home country. He was optimistic that once the quarantine measures were to be removed, there will be movements going back and forth between those countries, and by then, he expected the revenue dynamic would shift, with foreign gross gaming revenue shifting back to over 70 per cent to that of local gross gaming revenue. Mr. Tsifetakis believed that by 2025, IEZ Primorye will become a fully-fledged Asian integrated resort destination because by then other competitors would have already come on board in IEZ Primorye, plus, Tigre de Cristal Phase II would have been in full-swing operations.

Summit Ascent is also optimistic about the long-term growth of Tigre de Cristal, given Vladivostok poses as one of the gaming jurisdictions with the lowest gaming tax in the world; the resilience this market has shown during COVID because local Russians have access to the casino; as well as its low operating costs and low investment costs. All of these factors combined translate into the fact that Tigre de Cristal could become one of the highest-return properties across the gaming industry in Asia. With the full support of Summit Ascent’s parent company, Suncity, Tigre de Cristal could have full access to Suncity’s proprietary customer database. As of this business update, the Suncity Premium Room in Tigre de Cristal is not in operations yet due to COVID border restrictions.

For a video of the full operations update by Mr. Tsifetakis, please visit Asia Gaming Brief’s website on:
<https://agbrief.com/2021/10/local-demand-propels-tigre-de-cristal-revenue-to-pre-covid-levels/>

About Summit Ascent Holdings Limited (HKEx stock code: 102)

Summit Ascent Holdings Limited (“**Summit Ascent**”) is a subsidiary of Suncity Group Holdings Limited (“**Suncity**”, HKEx: 1383). Summit Ascent holds 77.5% in Tigre de Cristal, currently the largest integrated resort located in the Primorye Integrated Entertainment Zone of the Russian Far East. Situated midway from the Vladivostok International Airport to Vladivostok city, the administrative centre of the Russian Far East, Tigre de Cristal is ideally located geographically in the heart of Northeast Asia.

Summit Ascent holds a gaming license granted by the Russian government for an indefinite period, and Tigre de Cristal has opened for business since late 2015, offering a broad range of gaming options on a 24/7 basis. Tigre de Cristal has been certified as a five-star hotel with retail offerings, food and beverage outlets, private club, and named “Russia’s Leading Resort” by World Travel Awards.

Summit Ascent is a member of the MSCI Hong Kong Micro Cap Index. For more information about Summit Ascent, please visit <https://www.saholdings.com.hk/eng/>