



太陽城集團
SUNCITY GROUP

SUNCITY GROUP HOLDINGS LIMITED
太陽城集團控股有限公司

SUMMIT ASCENT
凱升控股有限公司 Holdings Limited

[Joint Press Release]

[For Immediate Release]

Summit Ascent Increases Tigre de Cristal Stake

Local Russian Slot & Mass Businesses Already Recovered Compared to the Pre-COVID Period in 3Q 2020 Tapping into the Russian, Korean and Japanese Markets

30 October 2020, Hong Kong – Suncity Group Holdings Limited (“Suncity”, Hong Kong Stock Exchange code: 1383) and Summit Ascent Holdings Limited (“Summit Ascent”, Hong Kong Stock Exchange code: 102), are pleased to announce jointly that Summit Ascent may increase its stake in Tigre de Cristal to 67.5% from previously 60%, after the share acquisitions from two minority shareholders of Oriental Regent Limited (“ORL”), the sole owner of Tigre de Cristal; and, may further increase to approximately 89.29% if Summit Ascent is the only subscriber of the proposed new issue of ORL. The planning and design of Tigre de Cristal Phase II is well under way, as such, each shareholder of ORL should pay for its respective share of capital expenditure to build Phase II. The share acquisitions, through convertible bonds (5-year zero-coupon at a conversion price of HK\$3.50 per conversion share) and cash, by Summit Ascent, as well as the proposed new issue of ORL, can be interpreted as a strong support from the major shareholder Suncity. This is also an indication that regardless of Tigre de Cristal’s existing shareholders’ financial statuses, Phase II will go ahead from blueprint to brick and mortar as planned.

Tigre de Cristal Phase I is already the largest integrated resort in the Russian Federation. Phase II will add to this aura by becoming even bigger and better. The master plan of Phase II is to double the size of Phase I, as well as tripling the number of hotel rooms. Phase II will also include the finest restaurants serving authentic Asian delicacies ranging from Korean barbecue to international flavours serving freshly caught seafood from local waters; as well as a state-of-the-art indoor beach club. The beach club will be an attraction in itself, where a tropical indoor beach and snowy outdoors could co-exist in winter, separated by a glass panel. It will become a sense of place where electrifying beach events can happen all-year-round in Primorsky Krai, pushing the boundaries of imagination of what one could be doing during icy-cold winters. In addition, there are virtually no restrictions on the number of gaming tables and slot machines. Sky is the limit on how Suncity could assist in driving

business volumes to Tigre de Cristal, especially taking into the account that Suncity will be setting up a direct VIP business line, where high rebates originally offered to junkets could be kept within Tigre de Cristal, a proposition not being made possible without an attractive gaming tax regime.

Since the reopening of Tigre de Cristal from 16 July 2020, Summit Ascent has recorded relatively good recovery in the mass table and slot businesses, primarily driven by local Russians, given flights and visa application have not resumed yet. Based on preliminary figures, Tigre de Cristal has already turned EBITDA-positive in August and September 2020 because of the resilience of the mass table and slot businesses. With only 2 and a half months of operations after closure, Tigre de Cristal's slot handle recovered and even outperformed the pre-COVID average. Mass table drop also recovered to 96% of the pre-COVID average. This is a great sign to show that the Group is not reliant on a single source of travellers like Macau. The local Russian businesses could already help Tigre de Cristal to stay afloat in a time when COVID travel ban is still in place.

Given the proximity of Vladivostok to major Asian tourism markets such as South Korea and Japan, Koreans and Japanese are naturally the next target markets when international travel resumes. In fact, it takes a shorter time for a Korean gaming patron to fly to Vladivostok from Seoul, than for him to take a train from Seoul to visit the only local-permitted casino in South Korea. The Korean market is under-tapped and under-served, as seen in the USD1.3 billion gross gaming revenue that was contributed by the only local-permitted casino in 2019, already accounting for more than half of the entire nation's gross gaming revenue. The local Russians, the Koreans and the Japanese will be Summit Ascent's focus in the near future.

Mr. Chau Cheok Wa, Chairman of Suncity, also Chairman of Summit Ascent, said, "The potential to acquire further stakes in Tigre de Cristal is a strong injection in confidence that both Suncity and Summit Ascent are fully motivated to drive up business volumes in Tigre de Cristal. Besides, the outstanding recovery post-closure was as astounding as it seems during one of the worst business challenges in this pandemic – a solid proof that we could sustain in hard times with local businesses only. Going forward, both Suncity and Summit Ascent will continue to tap into the under-served Korean and Japanese markets in the future."



About Suncity Group Holdings Limited (HKEx stock code: 1383)

Suncity Group Holdings Limited (“**Suncity**”) is en-route to become a leading integrated resort operator in Asia. Originated from Macau, Suncity develops, operates and manages integrated resorts across Asia, including Vietnam, the Philippines, Russia, and Japan.

Hoiana is the first flagship integrated resort that Suncity jointly develops with our investment partners. Located in Central Vietnam, Hoiana is only 35 minutes away from the Danang International Airport and is located near to top tourist attractions in Danang and Hoi An. Hoiana is a world-class integrated resort with branded hotels, state-of-the-art gaming floors, multiple F&B restaurants, award-winning golf course and long pristine beaches.

Suncity holds approximately 70% of Summit Ascent Holdings Limited (HKEx: 102), the operator of the largest integrated resort Tigre de Cristal in Vladivostok, Russia. Through Summit Ascent, Suncity participates in the development of future phases of Tigre de Cristal. Suncity is also the controlling shareholder of Suntrust Home Developers, Inc. (PSE: SUN), who is developing the Westside City Integrated Resort in the heart of Entertainment City in Manila, the Philippines. Suncity also offers consultancy services to large scale integrated resorts in Asia. In addition, Suncity operates in the travel related product and services segment and the property segment.

Adhering to the spirit of “Innovating With Diversity, Striving For Success”, Suncity spared no effort to develop entertainment and integrated resort products. Originated from Macau, Suncity actively

explores integrated resort opportunities around the world.

For more information about Suncity, please visit <http://www.suncitygroup.com.hk/?lang=en>.

For more information about Hoiana, please visit <https://www.hoiana.com/>

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

Summit Ascent Holdings Limited (“**Summit Ascent**”) holds 60% 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.

For more information about Summit Ascent, please visit <https://www.saholdings.com.hk/eng/>