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## **CONNECTED TRANSACTION**

### **SUPPLEMENTAL AGREEMENT TO THE GAMING PRODUCTS PURCHASE CONTRACT IN RELATION TO THE GAMING AND RESORT DEVELOPMENT PROJECT IN RUSSIA**

Reference is made to the Company's announcement dated 15 April 2015 regarding the Gaming Products Purchase Contract entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products.

On 20 November 2015 (after trading hours), Oriental Regent (as the purchaser) and Dolphin Products (as the vendor) entered into the Supplemental Agreement, pursuant to which Dolphin Products agreed to sell and Oriental Regent agreed to purchase the Additional Gaming Products for a cash consideration of US\$198,648 (equivalent to approximately HK\$1,539,522). The Additional Gaming Products shall be used in the Casino under the Primorye Gaming Project.

Dolphin Products is a subsidiary of Melco and an associate of Mr. Ho, Lawrence Yau Lung, who is the Chairman and Non-executive Director and substantial shareholder of the Company. Accordingly, Dolphin Products is a connected person of the Company and the Supplemental Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the Supplemental Agreement was entered into between Oriental Regent and Dolphin Products within 12 months after the signing of the Gaming Products Purchase Contract, the Company has aggregated the Aggregated Transactions and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregated Transactions on an aggregated basis is more than 0.1% but less than 5%, the Aggregated Transactions are only subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Company's announcement dated 15 April 2015 regarding the Gaming Products Purchase Contract entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products.

On 20 November 2015 (after trading hours), Oriental Regent (as the purchaser) and Dolphin Products (as the vendor) entered into the Supplemental Agreement, pursuant to which Dolphin Products agreed to sell and Oriental Regent agreed to purchase the Additional Gaming Products for a cash consideration of US\$198,648 (equivalent to approximately HK\$1,539,522). The Additional Gaming Products shall be used in the Casino under the Primorye Gaming Project.

## **THE SUPPLEMENTAL AGREEMENT**

The principal terms of the Supplemental Agreement are summarized below:

- Date** : 20 November 2015
- Parties** : (i) Purchaser: Oriental Regent  
(ii) Vendor: Dolphin Products
- Assets to be acquired by the Purchaser** : The Additional Gaming Products, which shall be delivered to Oriental Regent no later than fourteen weeks after the advance payment, being 50% of the contract price, has been paid by Oriental Regent to Dolphin Products.
- Consideration and method of payment** : US\$198,648 (equivalent to approximately HK\$1,539,522), which shall be paid by cash pursuant to the following terms of payment:
- 50% of the contract price as advance payment will be paid by Oriental Regent to Dolphin Products when the purchase order is made; and
  - 50% of the contract price will be paid by Oriental Regent to Dolphin Products upon despatch of the Additional Gaming Products.

The consideration shall be fully satisfied by internally generated funds of the Group.

All other terms and conditions of the Gaming Products Purchase Contract shall remain in full force and effect and shall apply to the purchase of the Additional Gaming Products.

## **BASIS OF THE CONSIDERATION**

The consideration under the Supplemental Agreement of US\$198,648 (equivalent to approximately HK\$1,539,522) has been arrived at after arm's length negotiation between Oriental Regent and Dolphin Products and was determined with reference to (i) the manufacturing cost-plus pricing provided by Dolphin Products; and (ii) the quotations of

similar equipment from other independent gaming equipment suppliers in the open market. Having regard to the quantity, quality and specifications of the Additional Gaming Products, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement are no less favorable to Oriental Regent than those obtainable from independent third parties.

#### **REASONS FOR AND BENEFITS OF THE PURCHASE**

Oriental Regent decided to purchase the Additional Gaming Products in order to fulfil the business and operational needs of the Casino under the Primorye Gaming Project. The Directors (including the independent non-executive Directors) considered the execution of the Supplemental Agreement by Oriental Regent would be consistent with the business and commercial objectives of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement and the transactions contemplated thereunder were arrived at after arm's length negotiations, entered into in the ordinary and usual course of the business of the Group and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **INFORMATION ABOUT THE GROUP AND THE COUNTERPARTY**

The Company has been engaged in trading of tiles and engineering operations products. SARL is an investment holding company and a wholly-owned subsidiary of the Company. It is a special purpose company which has been established for the purpose of making the investment in the Primorye Gaming Project and does not have any other assets.

Oriental Regent is a subsidiary of the Company and owned by SARL as to 60% as at the date of this announcement. It is an investment holding company, established under the laws of Hong Kong on 12 August 2010, which currently holds the entire equity interest in G1 and the Primorye Gaming Project.

G1 holds a gaming license awarded by the Administration of the Primorye Region to conduct gaming activities in the Integrated Entertainment Zone of the Primorye Region, Russia, pursuant to which the Primorye Gaming Project is being developed by G1.

Dolphin Products is an indirect subsidiary of Entertainment Gaming Asia Inc., a NASDAQ listed company in which Melco holds approximately 64.84% of the issued shares as of the date of this announcement. It is principally engaged in design, manufacture and distribution of gaming chips and plaques.

#### **LISTING RULES IMPLICATIONS**

Dolphin Products is a subsidiary of Melco and an associate of Mr. Ho, Lawrence Yau Lung, who is the Chairman and Non-executive Director and substantial shareholder of the Company. As at the date of this announcement, Mr. Ho holds a total of 391,712,464 Shares (representing approximately 26.37% of the total issued share capital of the Company), among which 20,000,000 Shares are held by him personally and 371,712,464 Shares are held through Quick Glitter Limited, a company wholly-owned by him. Accordingly, Dolphin Products is a connected person of the Company and the Supplemental Agreement and the

transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the Supplemental Agreement was entered into between Oriental Regent and Dolphin Products within 12 months after the signing of the Gaming Products Purchase Contract, the Company has aggregated the Aggregated Transactions and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregated Transactions on an aggregated basis is more than 0.1% but less than 5%, the Aggregated Transactions are only subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Ho, Lawrence Yau Lung, being a Director, is a substantial shareholder of Melco (the ultimate holding company of Dolphin Products). He was deemed to have a material interest in the Supplemental Agreement and abstained from voting on the relevant board resolutions of the Company for considering and approving the Supplemental Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules. Save as disclosed above, to the best of the Directors' knowledge and information, the remaining Directors had no material interest in the Supplemental Agreement and the transactions contemplated thereunder, and did not abstain from voting on the relevant board resolutions of the Company considering and approving the Supplemental Agreement and the transactions contemplated thereunder.

## **DEFINITIONS**

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

- “Additional Gaming Products” a total of 16,400 gaming chips and gaming plaques and 2 gaming chip authenticators to be used in the Casino and to be purchased by Oriental Regent under the Supplemental Agreement;
- “Aggregated Transactions” (1) the purchase of the Gaming Products under the Gaming Products Purchase Contract; and (2) the purchase of the Additional Gaming Products under the Supplemental Agreement;
- “associate(s)” has the meaning ascribed to it under the Listing Rules;
- “Casino” the casino and resort complex on Lot 9;
- “Company” Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability and having its issued Shares listed on the main board of the Stock Exchange;
- “connected person(s)” has the meaning ascribed to it under the Listing Rules;

“Director(s)”	director(s) of the Company;
“Dolphin Products”	Dolphin Products Limited, a company incorporated in Hong Kong with limited liability;
“G1”	G1 Entertainment LLC (formerly known as First Gambling Company of the East LLC), a limited liability company established in Russia wholly-owned by Oriental Regent;
“Gaming Products”	a total of 258,680 gaming chips and gaming plaques to be used in the Casino purchased by Oriental Regent under the Gaming Products Purchase Contract;
“Gaming Products Purchase Contract”	the contract dated 15 April 2015 entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lot 8”	a parcel of land identified as Lot 8 within the Integrated Entertainment Zone of the Primorye Region, Russia;
“Lot 9”	a parcel of land identified as Lot 9 within the Integrated Entertainment Zone of the Primorye Region, Russia;
“Lot 10”	a parcel of land identified as Lot 10 within the Integrated Entertainment Zone of the Primorye Region, Russia;
“Melco”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and listed on the main board of the Stock Exchange;
“Oriental Regent”	Oriental Regent Limited, a company incorporated in Hong Kong with limited liability;
“Primorye Gaming Project”	the gaming and resort project being developed by G1 in the Primorye Region of the Russian Federation on Lot 8, Lot 9 and Lot 10;
“Russia”	the Russian Federation;

“SARL”	Summit Ascent Russia Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company;
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Supplemental Agreement”	the supplemental agreement to the Gaming Products Purchase Contract dated 20 November 2015 entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Additional Gaming Products;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“US\$”	United States dollar(s), the lawful currency of the United States of America; and
“%”	per cent.

By Order of the Board  
**Summit Ascent Holdings Limited**  
**Wang, John Peter Ben**  
*Deputy Chairman and Executive Director*

Hong Kong, 20 November 2015

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.75. Percentages and figures expressed have been rounded.*

As at the date of this announcement, the Board comprises Mr. Ho, Lawrence Yau Lung\* (Chairman), Mr. Wang, John Peter Ben<sup>#</sup> (Deputy Chairman), Mr. Tsui Yiu Wa, Alec<sup>+</sup>, Mr. Pang Hing Chung, Alfred<sup>+</sup> and Dr. Tyen Kan Hee, Anthony<sup>+</sup>.

<sup>#</sup> Executive Director

<sup>\*</sup> Non-executive Director

<sup>+</sup> Independent Non-executive Director