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Summit Ascent Holdings Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 102)

DISCLOSEABLE TRANSACTION

DISPOSAL OF EASY MARKET TRADING LIMITED

On 14 March 2016 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase, the entire issued share capital of Easy Market, for a cash consideration of HK\$200,000. Easy Market is the owner of the entire issued share capital of Arnhold Trading. Completion of the sale and purchase of Easy Market under the Sale and Purchase Agreement took place on 14 March 2016.

Immediately before completion, Easy Market and Arnhold Trading were wholly-owned subsidiaries of the Company. Upon completion, Easy Market and Arnhold Trading became wholly owned by the Purchaser and ceased to be subsidiaries of the Company. The assets, liabilities and financial results of the Easy Market Group will no longer be consolidated in the financial statements of the Group, following completion of the sale of Easy Market under the Sale and Purchase Agreement.

As one or more of the applicable percentage ratios set out in Chapter 14 of the Listing Rules is 5% or more but all the applicable percentage ratios are less than 25%, the disposal of Easy Market constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For the purpose of applying the percentage ratios under Chapter 14 of the Listing Rules, the Company proposed, and the Stock Exchange accepted, that a comparison of gross profit be used as an alternative to the profits ratio. The reason for using the alternative test is that the Company recorded a net loss in its latest published audited financial statements and the Easy Market Group also recorded a net loss in its latest available unaudited financial statements.

INTRODUCTION

On 14 March 2016 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase, the entire issued share capital of Easy Market for a cash consideration of HK\$200,000. Completion of the sale and purchase of Easy Market under the Sale and Purchase Agreement took place on 14 March 2016.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date

14 March 2016

Parties

Seller : Summit Ascent Holdings Limited

Purchaser : Anagram Company Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Purchaser is principally engaged in investment holding.

Subject Matter

The Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing the entire issued share capital of Easy Market, for a cash consideration of HK\$200,000. Upon Completion, which took place on 14 March 2016, Easy Market became wholly owned by the Purchaser.

Easy Market is the owner of one (1) share in Arnhold Trading, representing the entire issued share capital of Arnhold Trading.

Consideration

The Sale and Purchase Agreement provides that the Consideration of HK\$200,000 is payable by the Purchaser in cash on Completion by way of wire transfer to a bank account designated by the Company.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser by reference to the business prospects and asset value of the Easy Market Group.

Conditions Precedent

Completion under the Sale and Purchase Agreement was conditional upon the representations, warranties and undertakings given by the Company and the Purchaser in the Sale and Purchase Agreement remaining true, accurate and not misleading up to Completion.

Completion

Completion under the Sale and Purchase Agreement took place on 14 March 2016.

In accordance with the requirements of the Sale and Purchase Agreement, at Completion:

- (a) the Company executed a deed of waiver in favour of Arnhold Trading, pursuant to which the Company irrevocably and unconditionally waived, released and discharged Arnhold Trading from the obligation to repay a debt of HK\$3,135,212 owed by Arnhold Trading to the Company;
- (b) Easy Market executed a deed of waiver in favour of the Company, pursuant to which Easy Market irrevocably and unconditionally waived, released and discharged the Company from the obligation to repay a debt of HK\$4,966,850 owed by the Company to Easy Market; and
- (c) Arnhold & Co., Limited executed a deed of waiver in favour of Arnhold Trading, pursuant to which Arnhold & Co., Limited irrevocably and unconditionally waived, released and discharged Arnhold Trading from the obligation to repay a debt in the amount of HK\$954,888 owed by Arnhold Trading to Arnhold & Co., Limited. Arnhold & Co., Limited and the Purchaser are fellow subsidiaries of a common holding company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the trading of tiles and engineering operations products and gaming and hotel operations.

Easy Market is an investment holding company and is the holding company of Arnhold Trading. Arnhold Trading is principally engaged in the trading of tiles and engineering operations products.

As disclosed in the Company's interim report for the six-month period ended 30 June 2015 published on 18 September 2015, the trading of tiles and engineering operations products segment made a loss of approximately HK\$1,873,000 for the six-month period ended 30 June 2015. Having regard to the increasingly challenging business environment in the construction sector and the lack of scale of the Group's trading of tiles and engineering operations business, the Board considers that it is in the interests of the Company and its Shareholders to focus the Group's time and resources on the development of the Group's gaming and hotel operations business. The transaction represents an opportunity to dispose of the loss-making business and be released from the indebtedness and other obligations associated with that business.

The Directors consider that the terms of the Sale and Purchase Agreement, and the sale of Easy Market contemplated thereby, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE EASY MARKET GROUP

Immediately before Completion, Easy Market was a wholly-owned subsidiary of the Company. Easy Market is an investment holding company incorporated in the British Virgin Islands on 26 October 2010. Easy Market has no business activity other than being an investment holding company of Arnhold Trading.

Arnhold Trading is a wholly-owned subsidiary of Easy Market and is principally engaged in the trading of titles and engineering operations products.

Set out below is the consolidated financial information of the Easy Market Group prepared in accordance with Hong Kong Financial Reporting Standards for each of the two financial years ended 31 December 2014 and 31 December 2015:

	For the year ended 31 December 2014 <i>HK\$'000</i> <i>(Audited)</i>	For the year ended 31 December 2015 <i>HK\$'000</i> <i>(Unaudited)</i>
Net loss before taxation	3,905	2,080
Net loss after taxation	3,905	2,080

Based on the unaudited consolidated financial statements of the Easy Market Group as at 31 December 2015 prepared in accordance with Hong Kong Financial Reporting Standards, the unaudited consolidated net liabilities of the Easy Market Group as at 31 December 2015 were approximately HK\$631,000.

FINANCIAL EFFECT OF THE DISPOSAL

Based on (i) the Consideration of HK\$200,000; (ii) the estimated expenses relating to the disposal of approximately HK\$50,000; (iii) the unaudited consolidated net liabilities of the Easy Market Group as at 31 December 2015 of approximately HK\$631,000; (iv) the waiver by the Company of debt owed by Arnhold Trading in the amount of HK\$3,135,212; and (v) the waiver by Easy Market of debt owed by the Company in the amount of HK\$4,966,850, it is estimated that the Group will record a gain of approximately HK\$2.6 million (before taxation) from the disposal of the Easy Market Group. The actual amount of the gain or loss on the disposal to be recognized in the consolidated financial statements of the Group will be based on the net assets/liabilities of the Easy Market Group at the date of Completion and therefore may vary from the amount mentioned above.

Upon Completion, Easy Market and Arnhold Trading ceased to be subsidiaries of the Company and the assets, liabilities and financial results of the Easy Market Group will no longer be consolidated in the financial statements of the Group following completion of the sale of Easy Market under the Sale and Purchase Agreement.

USE OF PROCEEDS

After deducting the expenses relating to the disposal of the Easy Market Group, the net proceeds from the disposal of the Easy Market Group will be approximately HK\$150,000, which will be applied towards the general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

The Company recorded a net loss in its latest published audited financial statements, in respect of the year ended 31 December 2014. The Easy Market Group also recorded a net loss in its latest available unaudited financial statements, in respect of the year ended 31 December 2015, as referred to above. Accordingly, the Company proposed, and the Stock Exchange accepted, that a comparison of gross profit be used as an alternative test for the profits ratio when applying the percentage ratios under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules is 5% or more but all the applicable percentage ratios are less than 25%, the disposal of Easy Market constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Arnhold Trading”	Arnhold Trading Limited, a company incorporated in Hong Kong on 28 October 2010, a wholly-owned subsidiary of Easy Market;
“Board”	the board of directors of the Company;
“Company”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability and having its shares listed on the Main Board of the Stock Exchange;
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement;
“Consideration”	HK\$200,000, being the consideration for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Easy Market”	Easy Market Trading Limited, a company incorporated in the British Virgin Islands on 26 October 2010, a wholly-owned subsidiary of the Company immediately before Completion;

“Easy Market Group”	Easy Market and Arnhold Trading;
“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;
“Purchaser”	Anagram Company Limited, a company incorporated under the laws of the British Virgin Islands, being the purchaser under the Sale and Purchase Agreement;
“Sale and Purchase Agreement”	the shares sale and purchase agreement dated 14 March 2016 entered into between the Company and the Purchaser in relation to the sale and purchase of the Sale Shares;
“Sale Shares”	642,723 shares in Easy Market, representing the entire issued share capital of Easy Market;
“Shareholders”	holders of shares in the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 14 March 2016

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

[#] *Executive Director*

^{*} *Non-executive Director*

⁺ *Independent Non-executive Director*