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

## **(1) AMENDMENTS TO CONTINUING CONNECTED TRANSACTIONS**

### **MANAGEMENT SERVICES AGREEMENT IN RELATION TO THE GAMING AND RESORT DEVELOPMENT PROJECT IN RUSSIA**

#### **(2) TERMINATION OF CONNECTED TRANSACTION**

### **EQUIPMENT PURCHASE AGREEMENT IN RELATION TO THE GAMING AND RESORT DEVELOPMENT PROJECT IN RUSSIA**

#### **Amendments to the Management Services Agreement**

On 22 March 2016, Oriental Regent and TGI entered into the Supplemental Agreement, pursuant to which Oriental Regent and TGI have agreed to amend the provisions of the Management Services Agreement as follows:

- (a) A provision has been added to the effect that TGI shall inform Oriental Regent if any unit of the Equipment is out of service and, upon acceptance by Oriental Regent, should be removed from the Casino. In addition, Oriental Regent has granted a non-exclusive right during the term of the Management Services Agreement to TGI to replace any portion of the Equipment that has been damaged to the extent that repair is not cost-effective or is not feasible.
- (b) The cost sharing of the casino system for the Equipment and the casino system maintenance fees for the Equipment paid by TGI shall be refundable and transferable based on the actual number of units of Equipment in operation at the end of each month.
- (c) The Fee payable to TGI or the Guaranteed Win payable to Oriental Regent under the Management Services Agreement for a given month shall be paid no later than the 15<sup>th</sup> day of the following month or otherwise as mutually agreed between Oriental Regent and TGI.

Due to stability and compatibility issues between the Tiga Equipment and the casino system, Oriental Regent and TGI have agreed to remove the Tiga Equipment from the participation arrangement under the Management Services Agreement with effect from 1 December 2015,

in accordance with the provisions of the Management Services Agreement (as amended by the Supplemental Agreement). In addition, Oriental Regent and TGI have agreed that the Other Equipment, the purchase of which was funded by TGI, would be returned to TGI. TGI may exercise its right to introduce other electronic gaming machines to the Casino for replacement under the participation arrangement as and when it considers appropriate.

All other terms and conditions of the Management Services Agreement as disclosed in the Company's announcement dated 20 January 2015 remain in full force and effect.

### **Termination of the Tiga Equipment Purchase Agreement**

In connection with the removal of the Tiga Equipment from the participation arrangement under the Management Services Agreement referred to above, on 22 March 2016, G1 Entertainment and Tiga Rus entered into a termination agreement to terminate the Tiga Equipment Purchase Agreement.

Pursuant to the Termination Agreement, Tiga Rus shall return to G1 Entertainment all money paid under the Tiga Equipment Purchase Agreement as at the date of the Termination Agreement, being RUB34,198,589.12 (equivalent to approximately US\$485,000 or HK\$3,762,000), within 30 days from the date of the Termination Agreement, and G1 Entertainment shall return to Tiga Rus the Tiga Equipment delivered to G1 Entertainment under the Tiga Equipment Purchase Agreement. Following the return of money and the Tiga Equipment pursuant to the terms of the Termination Agreement, neither Tiga Rus nor G1 Entertainment shall have any claims against each other under the Tiga Equipment Purchase Agreement.

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

## **AMENDMENTS TO THE MANAGEMENT SERVICES AGREEMENT**

Reference is made to the Company's announcement dated 20 January 2015 in relation to the Management Services Agreement and the Tiga Equipment Purchase Agreement (the "**20 January 2015 Announcement**").

### **Supplemental Agreement**

On 22 March, 2016, Oriental Regent and TGI entered into the Supplemental Agreement, pursuant to which Oriental Regent and TGI have agreed to amend the provisions of the Management Services Agreement as follows:

- (a) A provision has been added to the effect that TGI shall inform Oriental Regent if any unit of the Equipment is out of service and, upon acceptance by Oriental Regent, should be removed from the Casino. In addition, Oriental Regent has granted a non-exclusive right during the term of the Management Services Agreement to TGI to replace any portion of the Equipment that has been damaged to the extent that repair is not cost-effective or is not feasible.
- (b) The cost sharing of the casino system for the Equipment and the casino system maintenance fees for the Equipment paid by TGI shall be refundable and transferable

based on the actual number of units of Equipment in operation at the end of each month.

- (c) The Fee (as defined in the 20 January 2015 Announcement) payable to TGI or the Guaranteed Win (as defined in the 20 January 2015 Announcement) payable to Oriental Regent under the Management Services Agreement for a given month shall be paid no later than the 15<sup>th</sup> day of the following month or otherwise mutually agreed between Oriental Regent and TGI.

Due to stability and compatibility issues between the Tiga Equipment and the casino system, Oriental Regent and TGI have agreed to remove the Tiga Equipment from the participation arrangement under the Management Services Agreement with effect from 1 December 2015, in accordance with the provisions of the Management Services Agreement (as amended by the Supplemental Agreement). In addition, Oriental Regent and TGI have agreed that the Other Equipment, the purchase of which was funded by TGI, would be returned to TGI. TGI may exercise its right to introduce other electronic gaming machines to the Casino for replacement under the participation arrangement as and when it considers appropriate.

All other terms and conditions of the Management Services Agreement as disclosed in the 20 January 2015 Announcement remain in full force and effect. The basis for calculating the Fee and the Guaranteed Win (each as defined in the 20 January 2015 Announcement) remain as disclosed in the 20 January 2015 Announcement.

### **Annual Caps**

As disclosed in the 20 January 2015 Announcement, the annual caps in respect of the Management Services Agreement for the years ending 31 December 2016 and 2017 are HK\$70,000,000 and HK\$95,000,000 respectively. Taking into account the Supplemental Agreement, it is expected that the aggregate transaction amounts under the Management Services Agreement will not exceed the original annual caps as set out in the 20 January 2015 Announcement. The basis of determining the annual caps and the assumptions made in connection therewith remain as disclosed in the 20 January 2015 Announcement.

### **Reasons for and benefits of the Management Services Agreement as amended by the Supplemental Agreement**

TGI is a subsidiary of FEC, which is a worldwide leader in the manufacture, installation and maintenance of electronic gaming machines, multi-player gaming terminals, VLT and Lottery POS, with its shares listed on GreTai Securities Market in Taiwan. The Guaranteed Win enables the Oriental Regent Group to receive guaranteed monthly income in a newly developed gaming market, thereby reducing the operational risks for the Casino. The Management Services Agreement also enables the Oriental Regent Group to receive continuing updates of the gaming content of equipment and quality maintenance services on a regular and continuing basis. Since the grand opening of the Casino on 11 November 2015, the Group has relentlessly focused on the ramp up of its gaming business and on optimizing all operational aspects of property. The entering into of the Supplemental Agreement adds flexibility to the participation arrangement in terms of the number of electronic gaming machines to be introduced to the Casino and ensures the quality and attractiveness of the equipment to be placed in the Casino. The Board is of the view that the Management Services Agreement as amended by the Supplemental Agreement with TGI can improve the

operational efficiency of the Casino, reduce operating costs, increase the gross gaming revenue generated from the equipment and improve the overall competitiveness of the Casino.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Management Services Agreement as amended by the Supplemental Agreement (including the annual caps for the Services) are fair and reasonable, are on normal commercial terms or better and in the ordinary and usual course of business of Oriental Regent and G1 Entertainment and in the interests of the Company and its shareholders as a whole.

### **Implications under the Listing Rules**

As at the date of this announcement, the Company, through its wholly owned subsidiary SARL, owns 60% of the issued share capital of Oriental Regent, which owns 100% of the equity interest in G1 Entertainment. Therefore, Oriental Regent is a subsidiary of the Company. Firich, which owns 25% of the issued share capital of Oriental Regent, is a substantial shareholder of Oriental Regent and hence is a connected person of the Company. Firich is a wholly owned subsidiary of FEC. TGI is owned by FEC as to 54.22% and is therefore a connected person of the Company at the subsidiary level of the Company. As such, the transactions under the Management Services Agreement as amended by the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since TGI is a connected person only at the subsidiary level of the Company, the Board has approved the Management Services Agreement as amended by the Supplemental Agreement, and the independent non-executive Directors have confirmed that the terms of the Management Services Agreement as amended by the Supplemental Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole. Accordingly, the transactions under the Management Services Agreement as amended by the Supplemental Agreement are subject only to reporting and announcement requirements but exempt from circular (including independent financial adviser) and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As none of the Directors has a material interest in the transactions under the Management Services Agreement as amended by the Supplemental Agreement, none of the Directors was required to abstain from voting on the board resolution approving those transactions.

### **Information in respect of the Parties**

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 Entertainment and the Primorye Gaming Project.

G1 Entertainment holds a gaming licence 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 Entertainment.

TGI is an electronic gaming products, solutions and services company owned by FEC as to 54.22%.

FEC is a company listed on GreTai Securities Market in Taiwan. It is primarily engaged in the manufacture, installation and maintenance of electronic gaming machines, multi-player gaming terminals, VLT and Lottery POS. Its products are widely deployed in Macau, Mainland China, Taiwan, Korea, the United States of America and a number of European countries.

## **TERMINATION OF TIGA EQUIPMENT PURCHASE AGREEMENT**

As disclosed above, Oriental Regent and TGI have agreed, in accordance with the provisions of the Management Services Agreement (as amended by the Supplemental Agreement), to remove the Tiga Equipment from the participation arrangement under the Management Services Agreement with effect from 1 December 2015, due to stability and compatibility issues between the Tiga Equipment and the casino system.

In connection with the above, on 22 March 2016, G1 Entertainment and Tiga Rus entered into a termination agreement to terminate the Tiga Equipment Purchase Agreement.

Pursuant to the Termination Agreement, Tiga Rus shall return to G1 Entertainment all money paid under the Tiga Equipment Purchase Agreement as at the date of the Termination Agreement, being RUB34,198,589.12 (equivalent to approximately US\$485,000 or HK\$3,762,000), within 30 days from the date of the Termination Agreement, and G1 Entertainment shall return to Tiga Rus the Tiga Equipment delivered to G1 Entertainment under the Tiga Equipment Purchase Agreement. Following the return of money and the Tiga Equipment pursuant to the terms of the Termination Agreement, neither Tiga Rus nor G1 Entertainment shall have any claims against each other under the Tiga Equipment Purchase Agreement.

## **DEFINITIONS**

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

“Board”	the board of Directors from time to time;
“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 shares listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company from time to time;
“Equipment”	collectively, the Tiga Equipment and the Other Equipment;
“FEC”	Firich Enterprises Co., Ltd, a company incorporated in Taiwan with limited liability and listed on the GreTai Securities Market in Taiwan;
“Firich”	Firich Investment Limited, a company incorporated in the Republic of Mauritius with limited liability and a wholly-owned subsidiary of FEC;
“G1 Entertainment”	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;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Management Services Agreement”	the management services agreement dated 20 January 2015 entered into between Oriental Regent and TGI;
“Oriental Regent”	Oriental Regent Limited, a company incorporated in Hong Kong with limited liability;
“Oriental Regent Group”	collectively, Oriental Regent and G1 Entertainment;
“Other Equipment”	30 units of electronic gaming machines manufactured by a third party manufacturer procured by G1 Entertainment under the Management Services Agreement;
“Primorye Gaming Project”	the gaming and resort project being developed by G1 Entertainment 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 with limited liability, being a wholly-owned subsidiary of the Company;
“Services”	the services provided by TGI to Oriental Regent under the Management Services Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 22 March 2016 entered into between Oriental Regent and TGI, pursuant to which Oriental Regent and TGI have agreed to amend certain provisions of the Management Services Agreement as described above in this announcement;
“Termination Agreement”	the termination agreement dated 22 March 2016 entered into between G1 Entertainment and Tiga Rus in relation to the termination of the Tiga Equipment Purchase Agreement;
“TGI”	Tiga Gaming Incorporated, a company incorporated in Taiwan owned by FEC as to 54.22%;
“Tiga Equipment”	300 units of electronic gaming machines manufactured by Tiga Rus and the related accessories, purchased by G1 Entertainment from Tiga Rus under the Tiga Equipment Purchase Agreement;
“Tiga Equipment Purchase Agreement”	the equipment purchase agreement dated 20 January 2015 entered into between Tiga Rus and G1 Entertainment in relation to the purchase of the Tiga Equipment by G1 Entertainment from Tiga Rus;
“Tiga Rus”	Tiga Rus LLC, a limited liability company established in Russia, being a wholly-owned subsidiary of TGI;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“RUB”	Russian Rouble(s), the lawful currency of Russia;
“US\$”	American dollar(s), the lawful currency of the United States of America; and
“%”	per cent.

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rates of US\$1 = HK\$7.75 and RUB1 = HK\$0.11. Percentages and figures expressed have been rounded. No representation is made that any amounts in US\$, RUB or HK\$ can be or could have been converted at the relevant dates at the above or any other rates or at all.*

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

Hong Kong, 22 March 2016

*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*