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SUMMIT ASCENT
凱升控股有限公司 Holdings Limited

**SUMMIT ASCENT
HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 102)

SUNCITY GROUP

HOLDINGS LIMITED

太陽城集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

JOINT ANNOUNCEMENT

- (1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
LOAN VARIATION INVOLVING SUBSCRIPTION OF CONVERTIBLE
BONDS;
(2) EXTENSION OF LOAN; AND
(3) FURTHER CHANGE IN USE OF PROCEEDS**

Financial adviser to Summit Ascent



LOAN VARIATION

The Loan

On 23 February 2021, SunTrust as borrower entered into the Loan Agreement with SA Investments as lender, pursuant to which SA Investments shall conditionally provide the Loan (i.e. in the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000)) to SunTrust, further details of which are set out in the Loan Announcement and the Loan Circular.

As disclosed in the poll results announcement of Summit Ascent, dated 20 April 2021, the Loan Agreement was approved by the independent SA Shareholders and as disclosed in Summit Ascent's 2021 interim report, published on 15 September 2021, for the six-month period ended 30 June 2021, the Loan was advanced to SunTrust on 18 May 2021.

As at the date of this announcement, SunTrust is indebted to SA Investments approximately US\$122.5 million (equivalent to approximately HK\$949.4 million) comprising outstanding principal amount of the Loan of US\$120.0 million (equivalent to approximately HK\$930.0 million) and interest accrued up to the date of this announcement of approximately US\$2.5 million (equivalent to approximately HK\$19.4 million).

The Loan Extension

Under the Loan Agreement, the maturity date of the Loan is three (3) months from the date of the disbursement of the Loan to SunTrust (i.e. 18 May 2021). The maturity date may upon application by SunTrust in writing to SA Investments be extended for successive terms of one (1) month each subject to the aggregated term as may be extended shall not be more than three (3) months (i.e. 18 November 2021) (unless SA Investments otherwise agrees to a longer period in its sole and absolute discretion), and in respect of each extension upon and subject to such terms and conditions as SA Investments may in its sole and absolute discretion impose. On 17 August 2021 and 17 September 2021, the maturity date of the Loan was extended from 18 August 2021 to 18 September 2021 and from 18 September 2021 to 18 October 2021 respectively.

The Loan Extension is determined with reference to the expected timeline for fulfilling the Conditions Precedent of approximately ten (10) months from the date of the Subscription Agreement. Taking into account the aforementioned timeline, SA Investments has agreed to extend the maturity date of the Loan to 18 July 2022 or such other date as SA Investments otherwise agrees to in its sole and absolute discretion. The Loan Extension is subject to the approval of the Independent SA Shareholders at the SGM and is not conditional upon the Conditions Precedent under the Subscription Agreement.

Loan Set-Off

Under the Subscription Agreement, SA Investments and SunTrust will enter into the Set-Off Deed upon Completion under which SA Investments, as lender under the Loan Agreement, and SunTrust, as borrower under the Loan Agreement, to set-off the Indebted Amount up to the Maximum Set-Off Amount.

The SA Board has consulted with the SA Group's legal advisers and based on their opinion, the application to SEC for the approval of the issue of Convertible Bonds takes approximately five (5) months from the date of application. As the principal amount of the Convertible Bonds must be confirmed upon SunTrust requesting the necessary consent, approval and waiver from the SEC and other relevant governmental authorities in the Philippines in relation to the issue of the Convertible Bonds, SA Investments and SunTrust have mutually agreed to set a maximum cap on the Indebted Amount to be set-off under the Subscription Agreement that will take into account the expected timeline of fulfilling all the Conditions Precedent. In view of the Expected Completion Date of 18 July 2022, the Maximum Set-Off Amount under the Subscription Agreement is US\$128.4 million (equivalent to approximately PHP6.4 billion and HK\$995.1 million) comprising the principal amount of the Loan of US\$120.0 million (equivalent to approximately PHP6.0 billion and HK\$930.0 million) and the interest accrued up to the Expected Completion Date of US\$8.4 million (equivalent to approximately PHP0.4 billion and HK\$65.1 million).

Under the Set-Off Deed, SunTrust undertakes, in the event that the actual Completion Date is later than the Expected Completion Date, to compensate any excess of the Indebted Amount over the Maximum Set-Off Amount in cash upon Completion. The Loan Set-Off is subject to (i) the approval by the Independent SA Shareholders at the SGM; and (ii) satisfaction of (or waiver of) the Conditions Precedent under the Subscription Agreement.

THE SUBSCRIPTION

On 20 September 2021 (after trading hours of the Stock Exchange), SA Investments, a wholly-owned subsidiary of Summit Ascent, entered into the Subscription Agreement with SunTrust, a non wholly-owned subsidiary of Suncity, pursuant to which SunTrust has conditionally agreed to issue and SA Investments has conditionally agreed to subscribe for the Convertible Bonds in the maximum aggregate principal amount of PHP6.4 billion. The aggregate subscription amount payable by SA Investments under the Subscription Agreement shall be satisfied by setting off a pro tanto amount of the Indebted Amount as at Completion. The Subscription is conditional upon the approval of the Loan Extension and the Loan Set-Off by the Independent SA Shareholders at the SGM.

FURTHER CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the Prospectus and the Rights Issue Results Announcement in relation to the Rights Issue, which was completed on 15 October 2020.

The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601.4 million would be applied for Phase II development of Tigre de Cristal, which is the SA Group's gaming and hotel property in the Integrated Entertainment Zone of the Primorye Region of the Russian Far East.

As disclosed in the Loan Announcement and the Loan Circular, part of the net proceeds from the Rights Issue to the extent of US\$60,000,000 (equivalent to HK\$465,000,000) originally intended for use in the Phase II development of Tigre de Cristal was proposed to be changed for the Loan. As disclosed in the poll results announcement of Summit Ascent dated 20 April 2021, the Loan Agreement was approved by the independent shareholders of Summit Ascent and as disclosed in the announcement of Summit Ascent's interim report, published on 15 September 2021, for the six-month period ended 30 June 2021, the Loan was advanced to SunTrust on 18 May 2021.

Having considered the reasons for and benefits of the Loan Variation and Subscription as set out in this announcement, the SA Board (other than the independent non-executive SA Directors whose opinion will be deferred until after receiving the advice of the independent financial adviser) is of the view that the further change of the proposed use of the Original Portion for Tigre de Cristal from the Loan to the Subscription through the Loan Variation, pursuant to the Set-Off Deed under the terms and conditions of the Subscription Agreement, is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The change in use of the Original Portion for Tigre de Cristal from the Loan to the Subscription is subject to fulfillment of the Conditions Precedent, including the Independent SA Shareholders' approval to the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

LISTING RULES IMPLICATION

From Summit Ascent's perspective

Chapter 14

On (i) 30 December 2020, the Existing CB in the principal amount of PHP5.6 billion (equivalent to approximately HK\$895.5 million) was issued by SunTrust as issuer to SA Investments as subscriber; and (ii) 18 May 2021, the Loan in the principal amount of US\$120.0 million (equivalent to approximately HK\$930.0 million) was advanced by SA Investment as lender to SunTrust as borrower. Given the Subscription Agreement is entered into by the SA Group within 12 months of the completion of the Existing CB Subscription and the Loan and the counterparty is the same party (i.e. SunTrust), pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Subscription Agreement are required to be aggregated with the Existing CB and the Loan.

As one or more of the applicable percentage ratios in respect of the Subscription, including the Loan Variation, whether on their own or when aggregated with those applicable to the Existing CB and the Loan, exceeds 25% but is or are less than 100%, the Subscription constitutes a major transaction for Summit Ascent under Chapter 14 and is subject to the reporting, announcement and SA Shareholders' approval requirements under Chapter 14.

Chapter 14A

SunTrust is a connected person of Summit Ascent for being an indirect 51% owned subsidiary of Suncity, which in turn is the controlling shareholder of Summit Ascent interested in, directly and indirectly, an aggregate of 69.66% of the SA Shares in issue.

Therefore, the Subscription Agreement constitutes a connected transaction for Summit Ascent under Chapter 14A. Given the Subscription Agreement is entered into by the SA Group within 12 months of the completion of the Existing CB Subscription and the Loan and the counterparty is the same party (i.e. SunTrust), pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Subscription Agreement are required to be aggregated with the Existing CB and the Loan.

As one or more of the applicable percentage ratios in respect of the Subscription, including the Loan Variation, whether on their own or when aggregated with those applicable to the Existing CB and the Loan, exceeds 25%, the Subscription is subject to the reporting, announcement and Independent SA Shareholders' approval requirements under Chapter 14A.

From Suncity's perspective

Given that SunTrust is a 51% non-wholly owned subsidiary of Suncity, the payment of the subscription price for the Convertible Bonds by SA Investments to SunTrust upon Completion will not constitute the provision of financial assistance for the purposes of Chapter 14 pursuant to the exception under Rule 14.04(1)(e)(ii).

SunTrust is not a "connected subsidiary" or a "commonly held entity" or a "connected person" of Suncity. The Subscription does not constitute a connected transaction for Suncity for the purposes of Chapter 14A either.

INDEPENDENT SA BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent SA Board Committee, comprising all the independent non-executive SA Directors, has been established to advise and give recommendation to the Independent SA Shareholders on the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent SA Board Committee and the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

SGM

A SGM will be convened and held by Summit Ascent to consider and, if thought fit, approve the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

A circular containing, among other things, (i) details of the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent SA Board Committee to the Independent SA Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent SA Board Committee and the Independent SA Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the SA Shareholders on or around 26 October 2021 as time is required for compiling the information required for inclusion in the circular.

THE LOAN VARIATION

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The Loan Set-Off

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The SA Board has consulted with the SA Group's legal advisers and based on their opinion, the application to SEC for the approval of the issue of Convertible Bonds takes approximately five (5) months from the date of application. As the principal amount of the Convertible Bonds must be confirmed upon SunTrust requesting the necessary consent, approval and waiver from the SEC and other relevant governmental authorities in the Philippines in relation to the issue of the Convertible Bonds, SA Investments and SunTrust have mutually agreed to set a maximum cap on the Indebted Amount to be set-off under the Subscription Agreement (the "**Maximum Set-Off Amount**") that will take into account the expected timeline of fulfilling all the Conditions Precedent. In view of the Expected Completion Date of 18 July 2022, the Maximum Set-Off Amount under the Subscription Agreement is US\$128.4 million (equivalent to approximately PHP6.4 billion and HK\$995.1 million) comprising the principal amount of the Loan of US\$120.0 million (equivalent to approximately PHP6.0 billion and HK\$930.0 million) and the interest accrued up to the Expected Completion Date of US\$8.4 million (equivalent to approximately PHP0.4 billion and HK\$65.1 million).

Under the Set-Off Deed, SunTrust undertakes, in the event that the actual Completion Date is later than the Expected Completion Date, to compensate any excess of the Indebted Amount over the Maximum Set-Off Amount in cash upon Completion. The Loan Set-Off is subject to (i) the approval by the Independent SA Shareholders at the SGM; and (ii) satisfaction of (or waiver of) the Conditions Precedent under the Subscription Agreement.

THE SUBSCRIPTION

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THE SUBSCRIPTION AGREEMENT

Principal terms and conditions of the Subscription Agreement are set out below:

Date : 20 September 2021

Parties : (i) SunTrust (as issuer); and
(ii) SA Investments (as subscriber)

SunTrust is a connected person of Summit Ascent for being an indirect 51% owned subsidiary of Suncity, which in turn is the controlling shareholder of Summit Ascent interested in, directly and indirectly, an aggregate of 69.66% of the SA Shares in issue as at the date of this announcement.

Conditions Precedent

Completion of the Subscription and the issue of the Convertible Bonds are conditional upon fulfillment (or waiver) of the following conditions no later than the Long Stop Date:

- (a) the obtaining by SunTrust of the necessary consent, approval and waiver from SEC and other relevant Governmental Authority to the Subscription Agreement insofar as relating to the issue of the Convertible Bonds and the other related transactions contemplated under the Subscription Agreement in accordance with the Applicable Law, including (if necessary) the obtaining of the prior approval of the SEC confirming the issue of the Convertible Bonds is exempt under Rule 10.1 of the Securities Regulation Code of the Philippines;
- (b) compliance by SunTrust with the applicable requirements, if any, under the PSE Listing Rules in respect of the Subscription Agreement insofar as relating to the issue of the Convertible Bonds, including (if necessary) the disclosure by way of a Comprehensive Corporate Disclosure of the required information under the PSE Listing Rules through the Electronic Disclosure Generation Technology of the PSE;
- (c) the approval by the Independent SA Shareholders of the Subscription Agreement insofar as relating to Subscription and the other related transactions contemplated under the Subscription Agreement and compliance by Summit Ascent with the other applicable requirements under the Listing Rules in respect of the same;
- (d) the approval by the shareholders of SunTrust of the Subscription Agreement insofar as relating to the issuance of the Convertible Bonds and the other transactions contemplated under the Subscription Agreement and compliance by SunTrust with the other applicable requirements under the PSE Listing Rules in respect of the same;

- (e) (where required) the approval by the shareholders of Suncity of the Subscription Agreement insofar as relating to the issue of the Convertible Bonds by SunTrust and the other transactions contemplated under the Subscription Agreement and compliance by Suncity with the other applicable requirements under the Listing Rules in respect of the same;
- (f) the approval by the Independent SA Shareholders of the Subscription Agreement insofar as relating to the Loan Extension and the Loan Set-Off and compliance by Summit Ascent with the other applicable requirements under the Listing Rules in respect of the same; and
- (g) as at the date of the Subscription Agreement and up to the Completion Date, there shall have been no occurrence of any circumstances or events which individually or together, is or is likely to have a material adverse effect or a prolonged suspension or material limitation of trading in securities of SunTrust generally on PSE.

SA Investments may, at its discretion and upon such terms as it thinks fit, waive the Conditions Precedent (g) set out above at or before 5:00 p.m. of the Long Stop Date. The other Conditions Precedent may not be waived by the parties to the Subscription Agreement.

If any of the Conditions Precedent is not satisfied or (as the case may be) waived by SA Investments on or before the Long Stop Date, the Subscription Agreement shall terminate and the parties to the Subscription Agreement shall be released and discharged from their respective obligations under the Subscription Agreement with respect to the issue and subscription of the Convertible Bonds.

Completion

Completion shall take place on the second Business Day after the fulfillment (or waiver) of the conditions to the Subscription Agreement (or such other date as Summit Ascent and SunTrust may agree in writing).

Principal terms of the Convertible Bonds

Set out below are the proposed principal terms of the Convertible Bonds:

Issuer : SunTrust

Principal amount : a maximum of PHP6.4 billion

Form and denomination	:	The Convertible Bonds will be issued in registered form and in a minimum denomination of PHP10,000,000 each save where the outstanding amount of the Convertible Bonds is less than PHP10,000,000 in which case the Convertible Bonds may be issued in such lesser amount
Issue price	:	100% of the aggregate principal amount of the Convertible Bonds, which is at the full face value of the Convertible Bonds
Interest	:	6.0% per annum on the aggregate principal amount of the Convertible Bonds from time to time outstanding, payable yearly in arrears accruing from the issue date of the Convertible Bonds on the basis of a 365-day year, with the last payment of interest to be made on the Maturity Date (as defined below)
Default interest	:	8.0% per annum on all amounts overdue from the due date for payment up to and including the date of full payment
Maturity date	:	the date falling on the third (3 rd) anniversary of the issue date of the Convertible Bonds which may, subject to agreement by the holder of the Convertible Bonds upon request by SunTrust, be extended to the date falling on the sixth (6 th) anniversary of the issue date of the Convertible Bonds or, if that is not a Business Day, the first Business Day thereafter (the “ Maturity Date ”)
Conversion Price	:	The price at which Conversion SA Shares will be issued upon conversion will initially be PHP1.65 per Conversion SA Share, which is subject to adjustment provisions, brief particulars of which are set out in “ Adjustment events ” below.

The Conversion Price represents the following closing price of the SunTrust Shares as quoted on the PSE:

- (1) a premium of approximately 6.45% over the closing price of PHP1.55 per SunTrust Share as at the Last Trading Day;

- (2) a premium of approximately 3.13% over the average closing price of PHP1.60 per SunTrust Share for the last five trading days up to and including the Last Trading Day;
- (3) equivalent to the average closing price of PHP1.65 per SunTrust Share for the last ten trading days up to and including the Last Trading Day.

Adjustment events : Provided that in all instances, the Conversion Price shall not be less than the par value of the SunTrust's Shares, the Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Convertible Bonds upon the occurrence of certain events, including but not limited to:

- (i) consolidation, subdivision or reclassification of SunTrust Shares;
- (ii) capitalisation of profits or reserves (other than in lieu of a cash dividend);
- (iii) issue of SunTrust Shares by way of a scrip dividend where the current market price exceeds the amount of the relevant cash dividend;
- (iv) capital distribution to the shareholders of SunTrust;
- (v) rights issues of SunTrust Shares or options over SunTrust Shares (at less than 80% of the current market price per SunTrust Share);
- (vi) rights issues of other securities by SunTrust;
- (vii) issue (other than as mentioned in (v) above), or issue or grant (otherwise as mentioned in paragraph (v) above) any options, warrants or other rights to subscribe for or purchase any SunTrust's Shares at a price per SunTrust Share which is less than 80% of the current market price per SunTrust Share;

- (viii) other issue by SunTrust or its subsidiaries (other than as mentioned in (v), (vi) or (vii) above) of any securities carrying the rights of conversion into, or exchange or subscription for SunTrust's Shares or securities which by their terms might be redesignated as SunTrust's Shares, and the consideration per SunTrust Share receivable by SunTrust in respect of such conversion, exchange, subscription or redesignation is less than 80% of the current market price per SunTrust Share;
- (ix) modification of the rights of conversion, exchange, subscription or redesignation attaching to any securities mentioned in (viii) above so that following such modification the consideration per SunTrust Share receivable by SunTrust in respect of such conversion, exchange, subscription or redesignation is less than 80% of the current market price per SunTrust Share; and
- (x) other offers of securities by SunTrust or its subsidiaries or any other persons in connection with which the shareholders of SunTrust are entitled to participate in arrangements whereby such securities may be acquired by them.

Conversion period : the period commencing from the day immediately following the issue date of the Convertible Bonds up to 4:00 p.m. on the Maturity Date ("**Conversion Period**")

Conversion : Each holder of the Convertible Bonds has the right to convert all or any part of the Convertible Bonds held by it into SunTrust Shares credited as fully paid at any time during the Conversion Period.

Each conversion shall be in an amount not less than a whole multiple of PHP10,000,000 unless the remaining outstanding principal amount of the Convertible Bonds is less than PHP10,000,000, in which case the whole of such balance (but not part of it) may be converted into SunTrust Shares credited as fully paid.

The number of SunTrust Shares to be issued on exercise of any Conversion Rights will be determined by dividing the PHP principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the relevant date of conversion. No fractions of a Conversion SA Share will be issued on exercise of the Conversion Rights and no cash payment or other adjustment will be made in respect thereof.

The Conversion SA Shares will in all respects rank pari passu with the SunTrust Shares then in issue, including any rights to distributions or other payments which may thereafter be declared, made or paid from time to time by SunTrust.

Redemption

: **Early redemption by SunTrust:**

SunTrust is entitled to cancel and to redeem all the Convertible Bonds in whole at any time after the first anniversary of the issue date of the Convertible Bonds and expiring on the Maturity Date at 100% of their outstanding principal amount together with accrued interest (including default interest) (if any) up to the date of redemption. The decision of SunTrust to cancel and to redeem the Convertible Bonds is made by written notice to the holders of the Convertible Bonds by giving them seven Business Days' prior notice specifying the proposed date of redemption.

Request for early redemption by the holder of the Convertible Bonds:

The holder of the Convertible Bonds may request SunTrust for early redemption of the Convertible Bonds at any time during the period commencing from the day immediately after the first anniversary of the issue date of the Convertible Bonds and expiring on the Maturity Date or if extended, the Maturity Date as extended at 100% of their outstanding principal amount together with accrued interest thereon (including default interest) (if any) up to the date of redemption. The decision of holder of the Convertible Bonds to redeem the Convertible Bonds is made by written notice to SunTrust by giving SunTrust seven Business Days' prior notice.

Redemption at maturity:

Unless previously redeemed, converted, purchased or cancelled, SunTrust shall redeem the Convertible Bonds on the Maturity Date or if extended, on the Maturity Date as extended, at:

- their outstanding principal amount together with outstanding interest thereon up to the Maturity Date or if extended, the Maturity Date as extended; and
- any other outstanding amount due but unpaid under the Convertible Bonds.

Redemption upon event of default:

Upon the occurrence of an event of default (brief particular of which are mentioned in “**Events of default**” below), SunTrust shall redeem the Convertible Bonds at:

- 100% of their outstanding principal amount together with interest thereon up to the date of redemption;
- any other outstanding amount due but unpaid under the Convertible Bonds; and
- an amount that would make up an aggregate internal rate of return on the Convertible Bonds to be redeemed at 10% (having included the interest and default interest (whether accrued, paid or unpaid)) calculated from the issue date of the Convertible Bonds to and including the actual date of payment.

Events of default : Among other customary events of default, set out below are the principal events of default under the Convertible Bonds:

- (1) **Payment default:** a default is made in the payment of any sum due on the Convertible Bonds when due and such default shall not have been cured by payment by SunTrust within 15 days after the due date; or

- (2) **Breach of Subscription Agreement:** a material breach of any of the terms of the Subscription Agreement by SunTrust, including a breach of any warranty, covenants and/or undertakings therein; or
- (3) **Dissolution of SunTrust or a subsidiary of SunTrust and disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that SunTrust or a subsidiary of SunTrust be wound up or dissolved or SunTrust or a subsidiary of SunTrust disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an extraordinary resolution of the holders of the Convertible Bonds; or
- (4) **Trading suspension and delisting:** if the SunTrust Shares are suspended by PSE for a period of 30 consecutive trading days or listing of the SunTrust Shares on PSE are being revoked or withdrawn; or
- (5) **Failure to obtain approval of shareholders:** failure to obtain the necessary approval of the majority of the minority shareholders of SunTrust required for the listing of the Conversion SA Shares on the PSE prior to the submission of the application for listing of the Conversion SA Shares on the PSE; or
- (6) **No listing approval:** failure to obtain approval of the PSE for the listing of the Conversion SA Shares on PSE within such period of time from the filing of the relevant application for listing as the holder of the Convertible Bonds may specify; or
- (7) **Cross default:** any other present or future indebtedness of SunTrust or any subsidiary of SunTrust for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (however called).

- Status of the Convertible Bonds : The Convertible Bonds shall constitute direct, unconditional, unsubordinated and unsecured obligations of SunTrust and shall at all times rank pari passu and without any preference or priority among themselves.
- Transferability of the Convertible Bonds : Subject to the terms and conditions of the Convertible Bonds, the Convertible Bonds may be transferred to any person in whole multiples of PHP10,000,000 (or such lesser amount as may represent the entire principal amount thereof).
- Any transfer of the Convertible Bonds to any related party of SunTrust (a shareholder, their immediate family, holding at least 10% or more of the equity of SunTrust, or any director, officer or employee of the corporation, its parent or affiliates), shall be (i) immediately reported and disclosed to PSE and (ii) to the SEC within three (3) calendar days from its execution provided there shall be no transfer or assignment of the Convertible Bonds if such transfer or assignment will result in the Convertible Bonds being held by more than nineteen (19) holders at any one time.
- Conversion restriction : Notwithstanding any other terms and conditions of the Convertible Bonds, the holder(s) of the Convertible Bonds shall exercise the Conversion Rights attaching to the Convertible Bonds only if it is confirmed by SunTrust in writing that the allotment and issue of the Conversion SA Shares to such holder(s) of the Convertible Bonds pursuant to an exercise of the Conversion Rights will not cause SunTrust to be in breach of the relevant minimum public float requirement under the relevant PSE rules or circular which is currently 10%.
- Voting : The Convertible Bonds do not confer any voting rights on its holder at any general meetings of SunTrust.
- No listing of the Convertible Bonds : No application has been or will be made for the listing of the Convertible Bonds on the PSE or any other stock exchange.

Basis of the Conversion Price

The Conversion Price was arrived at after arm's length negotiations between SunTrust and Summit Ascent with reference to (i) the prevailing market price of the SunTrust Shares; (ii) the interest rate of the Convertible Bonds of 6.0% per annum; and (iii) the Indebted Amount.

INFORMATION ABOUT SUNTRUST GROUP

SunTrust is a company incorporated in the Philippines, the shares of which are listed on the PSE. The SunTrust Group is principally engaged in the development and operation of an integrated resort in the Philippines.

As at the date of this announcement, SunTrust is held as to 51% by Suncity and hence is a non-wholly-owned subsidiary of Suncity.

As disclosed in the Suncity Circular and Suncity's interim results announcement for the six-month period ended 30 June 2021 published on 31 August 2021, SunTrust signed the Lease Agreement for the Project Site for the construction, development, operation and management of the Main Hotel Casino which is expected to commence operations in 2023. The Main Hotel Casino will encompass a (i) 5-Star hotel with over 450 hotel rooms; (ii) casino establishment with approximately 300 gaming tables and 1,300 electronic gaming machines; and (iii) approximately 1,000 car parking spaces for the hotel and casino establishment to be erected at the Project Site. Further details are set out in the Suncity Circular.

REASONS FOR AND BENEFITS OF THE LOAN VARIATION AND SUBSCRIPTION

On 23 February 2021, SunTrust as borrower entered into the Loan Agreement with SA Investments as lender, pursuant to which SA Investments shall conditionally provide the Loan (i.e. in the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000)) to SunTrust which was advanced to SunTrust on 18 May 2021.

On 17 September 2021, the maturity date of the Loan was extended from 18 September 2021 to 18 October 2021. As at the existing maximum extended maturity date of the Loan (i.e. 18 November 2021), the outstanding balance of the Loan will be US\$123.6 million (equivalent to approximately HK\$957.9 million) comprising the principal amount of the Loan of US\$120.0 million (equivalent to approximately HK\$930.0 million) and interest accrued up to 18 November 2021 of US\$3.6 million (equivalent to approximately HK\$27.9 million).

At the time of entering into the Loan Agreement, there were indications that the COVID-19 situation in the Philippines was improving because of the imminent deployment of various COVID-19 vaccines and the decreasing trend of infections in the Philippines from 3,109 confirmed cases of COVID-19 recorded on 10 August 2020 to 1,887 confirmed cases of COVID-19 recorded on 22 February 2021, being the day before the date of the Loan Agreement, according to data published by the World Health Organisation (“WHO”). However, the COVID-19 outbreak has worsened in the Philippines. According to the WHO, up to the date of this announcement, the Philippines has recorded up to 20,000 daily new confirmed cases of COVID-19. Due to the worsening COVID-19 situation in Manila, where the Main Hotel Casino is currently being developed, there have been various stages of enhanced quarantine and lockdown measures taken to fight the spread of the new variants of COVID-19 which have severely limited business and governmental services. The stay-at-home order has severely hampered the negotiations between SunTrust and various third parties in relation to securing financing for the development of the Main Hotel Casino.

Since the entering into of the Loan Agreement, the SA Group along with SunTrust have approached and negotiated with several banks and financial institutions, among which a select few were identified for further follow up. As announced on 29 March 2021, Summit Ascent appointed Mr. Chua Ming Huat David as executive director and chief executive officer with effect from 1 May 2021, who has extensive experience in the gaming, corporate finance and banking industries, especially in the Southeast Asia. Leveraging on his relationships, with assistance from various professional consultants and the senior management of Summit Ascent, some banks and financial institutions have already begun know your customer and due diligence enquiries which the SA Group and SunTrust are actively responding to. The SA Group and SunTrust are taking all means to facilitate the discussions and various funding application processes of the banks and financial institutions. However, due to the abovementioned lockdowns, discussions and various funding application processes such as due diligence enquiries have been repeatedly delayed or postponed. Regardless the SA Group is confident of SunTrust in securing the required funding required to complete the development of the Main Hotel Casino.

As disclosed in the Loan Circular, the SA Group is (i) actively monitoring the development of the Main Hotel Casino; (ii) maintaining regular communication and active interaction with the SunTrust Group; and (iii) also actively assisting SunTrust in obtaining financing from banks for the development of the Main Hotel Casino. The SA Group is monitoring the latest COVID-19 situation in the Philippines and the progress of SunTrust’s negotiations for further financing, accordingly the SA Board is of the opinion that SunTrust is unlikely to complete the funding application processes for a loan drawdown to settle the Indebted Amount in the short term, in particular by 18 November 2021 assuming the Loan will be further extended for another month from 18 October 2021, being the currently extended maturity date of the Loan, under the terms of the Loan Agreement.

During the COVID-19 lockdowns in Manila, the construction schedule of the Main Hotel Casino is badly affected due to the restricted supply of the construction materials and labour. Still, the construction works of the Main Hotel Casino have never suspended by setting up a “safe work bubble” with vaccination and testing requirements for those working in the Project Site, which significantly reduces the risk of spread of COVID-19. However, a default of the Loan by SunTrust would severely hinder the development of the Main Hotel Casino, in particular the ability of SunTrust to secure further financing due to a record of default. The default would also hinder the financial position of the SA Group. As (i) SunTrust and the SA Group are subsidiaries of Suncity; and (ii) the SA Group currently holds the Existing CB in the principal amount of PHP5.6 billion (equivalent to approximately HK\$895.5 million) with a conversion price of PHP1.8 per conversion share which is a premium to the closing price of PHP1.55 per SunTrust Share as quoted on the PSE as at the Last Trading Day, the completion and eventual operation of the Main Hotel Casino is of benefit to the SA Group’s interests. The completion and operation of the Main Hotel Casino is expected to positively affect the market price of the SunTrust Shares which in turn is beneficial to SA Investments, as a holder of the Existing CB. In the case that the SA Group chooses not to convert the Existing CB, the completion and eventual operation of the Main Hotel Casino is definitely vital to the SunTrust Group’s ability to repay the Existing CB.

Despite the worsening COVID-19 outbreak in the Philippines, taking into consideration (i) the announcement by the finance secretary of the Philippines in July 2021 that the Philippines is expected to receive 171.0 million doses of COVID-19 vaccine by the end of 2021 which is sufficient to inoculate 100% of the Philippines adult population; and (ii) the rapid vaccine deployment in the Philippines since 1 May 2021 with approximately 36.0 million doses administered in total as at the date of this announcement as compared to only approximately 1.6 million doses administered in total prior to 1 May 2021, the SA Board is satisfied that the development of the Main Hotel Casino will be able to meet its expected construction and development schedule. Summit Ascent will keep the SA Shareholders and its investors updated on developments, as and when appropriate.

Taking into account the abovementioned factors, the SA Board (other than the independent non-executive SA Directors whose opinion will be deferred until after receiving the advice of the independent financial adviser) considers that a longer term extension of the Loan and a form of guarantee towards the Indebted Amount is required, of which the proposed Subscription of the Convertible Bonds through the Loan Set-Off is able to accomplish. The convertible nature of the Convertible Bonds provides a form of guarantee for the Indebted Amount and has potential to increase in value upon the completion and eventual operation of the Main Hotel Casino. The Convertible Bonds also represent a much lower risk of borrowing than a short term Loan.

The COVID-19 outbreak continues to hinder the progress of the pre-construction phase, including design, procurement of construction materials, tendering and associated payments, of the SA Group's Phase II development of Tigre de Cristal. According to the WHO, the Russian Federation saw its highest monthly COVID-19 death toll in July and August 2021. The SA Group has been closely monitoring the effects of COVID-19 and whilst various quarantine and lockdown measures within the Russian Federation have been relaxed, Tigre de Cristal is still being severely impacted by the COVID-19 outbreak due to the imposition of significant restricted travel and quarantine measures in many other countries which is significantly reducing foreign visitors to the Russian Federation. As disclosed in the Summit Ascent's 2021 interim report, published on 15 September 2021, average hotel occupancy rates of Tigre de Cristal were 44% during weekends and 21% during weekdays in the first half of 2021, compared to 88% during weekends and 63% during weekdays in 2019 before the COVID-19 pandemic. Taking into account the aforementioned factors, the SA Board considers proceeding with the SA Group's Phase II development of Tigre de Cristal is not an immediate priority due to the uncertainties related to the COVID-19 situation in the Russian Federation and important international tourist markets. The Convertible Bonds provides a stable source of income to offset and hedge the SA Group against the continued risk caused by the COVID-19 outbreak, which will potentially generate interest income of approximately PHP384 million (approximately HK\$61.4 million) per annum.

In the event that the SA Group intends to catch up with the construction schedule of the Phase II development of Tigre de Cristal, dependent upon (i) the available internal resources of the SA Group; (ii) the market sentiment towards the integrated resort industry, in particular the SA Group; and (iii) the political and economic environment of the Russian Federation, at such time, the SA Board will explore the SA Group's financing options such as equity, loans from non-controlling shareholders of a subsidiary of Summit Ascent or bank financing, and prioritize the building process by critical functions, such as hotel rooms and other non-gaming amenities, in order to reduce the advance payments and control the initial cash outflow. As at the date of this announcement, the SA Group is currently entirely equity financed with a healthy financial position and accordingly the SA Board is confident in the SA Group being able to secure adequate financing for the SA Group's Phase II development of Tigre de Cristal as needed.

Having considered the above, the SA Board (other than the independent non-executive SA Directors whose opinion will be deferred until after receiving the advice of the independent financial adviser) is of the view that the terms of the Subscription Agreement, including the Conversion Price, and the Loan Variation, are on normal commercial terms, fair and reasonable and in the interests of Summit Ascent and the SA Shareholders as a whole.

LISTING RULES IMPLICATION

From Summit Ascent's perspective

Chapter 14

On (i) 30 December 2020, the Existing CB in the principal amount of PHP5.6 billion (equivalent to approximately HK\$895.5 million) was issued by SunTrust as issuer to SA Investments as subscriber; and (ii) 18 May 2021, the Loan in the principal amount of US\$120.0 million (equivalent to approximately HK\$930.0 million) was advanced by SA Investment as lender to SunTrust as borrower. Given the Subscription Agreement is entered into by the SA Group within 12 months of the completion of the Existing CB Subscription and the Loan and the counterparty is the same party (i.e. SunTrust), pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Subscription Agreement are required to be aggregated with the Existing CB and the Loan.

As one or more of the applicable percentage ratios in respect of the Subscription, including the Loan Variation, whether on their own or when aggregated with those applicable to the Existing CB and the Loan, exceeds 25% but is or are less than 100%, the Subscription constitutes a major transaction for Summit Ascent under Chapter 14 and is subject to the reporting, announcement and SA Shareholders' approval requirements under Chapter 14.

Chapter 14A

SunTrust is a connected person of Summit Ascent for being an indirect 51% owned subsidiary of Suncity, which in turn is the controlling shareholder of Summit Ascent interested in, directly and indirectly, an aggregate of 69.66% of the SA Shares in issue.

Therefore, the Subscription Agreement constitutes a connected transaction for Summit Ascent under Chapter 14A. Given the Subscription Agreement is entered into by the SA Group within 12 months of the completion of the Existing CB Subscription and the Loan and the counterparty is the same party (i.e. SunTrust), pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Subscription Agreement are required to be aggregated with the Existing CB and the Loan.

As one or more of the applicable percentage ratios in respect of the Subscription, including the Loan Variation, whether on their own or when aggregated with those applicable to the Existing CB and the Loan, exceeds 25%, the Subscription is subject to the reporting, announcement and Independent SA Shareholders' approval requirements under Chapter 14A.

From Suncity's perspective

Given that SunTrust is a 51% non-wholly owned subsidiary of Suncity, the payment of the subscription price for the Convertible Bonds by SA Investments to SunTrust upon Completion will not constitute the provision of financial assistance for the purposes of Chapter 14 pursuant to the exception under Rule 14.04(1)(e)(ii).

SunTrust is not a “connected subsidiary” or a “commonly held entity” or a “connected person” of Suncity. The Subscription does not constitute a connected transaction for Suncity for the purposes of Chapter 14A either.

INDEPENDENT SA BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent SA Board Committee, comprising all the independent non-executive SA Directors, has been established to advise and give recommendation to the Independent SA Shareholders on the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent SA Board Committee and the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

SGM

A SGM will be convened and held by Summit Ascent to consider and, if thought fit, approve the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

A circular containing, among other things, (i) details of the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent SA Board Committee to the Independent SA Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent SA Board Committee and the Independent SA Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the SA Shareholders on or around 26 October 2021 as time is required for compiling the information required for inclusion in the circular.

FURTHER CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the Prospectus and the Rights Issue Results Announcement in relation to the Rights Issue, which was completed on 15 October 2020.

The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601.4 million would be applied for Phase II development of Tigre de Cristal, which is the SA Group's gaming and hotel property in the Integrated Entertainment Zone of the Primorye Region of the Russian Far East.

As disclosed in the Loan Announcement and the Loan Circular, part of the net proceeds from the Rights Issue to the extent of US\$60,000,000 (equivalent to HK\$465,000,000) ("**Original Portion for Tigre de Cristal**") originally intended for use in the Phase II development of Tigre de Cristal was proposed to be changed for the Loan. As disclosed in the poll results announcement of Summit Ascent dated 20 April 2021, the Loan Agreement was approved by the independent shareholders of Summit Ascent and as disclosed in the announcement of Summit Ascent's interim report, published on 15 September 2021, for the six-month period ended 30 June 2021, the Loan was advanced to SunTrust on 18 May 2021.

Having considered the reasons for and benefits of the Loan Variation and Subscription as set out in this announcement, the SA Board (other than the independent non-executive SA Directors whose opinion will be deferred until after receiving the advice of the independent financial adviser) is of the view that the further change of the proposed use of the Original Portion for Tigre de Cristal from the Loan to the Subscription through the Loan Variation, pursuant to the Set-Off Deed under the terms and conditions of the Subscription Agreement, is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The change in use of the Original Portion for Tigre de Cristal from the Loan to the Subscription is subject to fulfillment of the Conditions Precedent, including the Independent SA Shareholders' approval to the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder.

DEFINITIONS

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

“Applicable Law”	with respect to any party to the Subscription Agreement, any laws, regulations, rules, notices, guidelines, treaties, orders, and other legislative, executive decisions, judicial decisions or pronouncements of any Governmental Authority or the stock exchange that is applicable to such party to the Subscription Agreement that have the effect of law in the Philippines or other political subdivision of any Governmental Authority, as applicable to the parties to the Subscription Agreement or the subject matter of the Subscription Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Completion”	completion of the Subscription
“Completion Date”	the second Business Day (or such other date as Summit Ascent and the Subscriber may agree in writing) after the fulfillment of the Conditions Precedent or waiver thereof (as the case may be) in accordance with the Subscription Agreement
“Conditions Precedent”	the conditions precedent to the Subscription Agreement as set out in “THE SUBSCRIPTION AGREEMENT – Conditions Precedent” in this announcement

“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Conversion Rights”	the rights to convert the Convertible Bonds into Conversion SA Shares
“Conversion SA Shares”	the SunTrust Shares to be issued by SunTrust upon the holder(s) of the Convertible Bonds exercising its/their Conversion Rights attached to the Convertible Bonds in accordance with the conditions of the Convertible Bonds
“Convertible Bonds”	the 6% coupon rate convertible bonds in the aggregate principal amount of up to PHP6.4 billion convertible into SunTrust Shares at an initial conversion price of PHP1.65 per Conversion SA Share for an initial term of 3 years from the date of their issue extendable for a further term of 3 years to be issued by SunTrust to SA Investments pursuant to the Subscription Agreement
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
“Existing CB”	the 6.0% coupon rate convertible bonds in the principal amount of PHP5.6 billion) issued by SunTrust to SA Investments on 30 December 2020 pursuant to the subscription agreement dated 1 June 2020 (as supplemented by an extension letter dated 11 September 2020) entered into between SunTrust as issuer and SA Investments as subscriber as disclosed in the Prospectus which was approved by the independent SA Shareholders of Summit Ascent at the special general meeting of Summit Ascent held on 7 September 2020

“Existing CB Subscription”	the subscription of the Existing CB by SA Investments
“Expected Completion Date”	18 July 2022, the expected Completion Date for determining the Maximum Set-Off Amount under the Subscription Agreement
“Governmental Authority”	any government, quasi-government, governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in the Philippines (including PSE and SEC), and any person authorised by Applicable Law of the Philippines to give consent, approval, permission, licence, certification, waiver or impose conditions and/or requirements
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indebted Amount”	the outstanding amount owing by SunTrust to SA Investments under the Loan Agreement (as amended and supplemented under the Loan Variation) comprising the principal amount of the Loan together with interest accrued up to and including the Completion Date
“Independent SA Board Committee”	the independent board committee of the SA Board comprising all the independent non-executive SA Directors established to advise the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder
“Independent SA Shareholders”	SA Shareholders, other than Suncity and its associates, who have no material interest in the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder

“Independent Third Party”	a third party independent of and not connected with Summit Ascent and any connected person of Summit Ascent and is itself not a connected person of Summit Ascent
“Last Trading Day”	17 September 2021, being the last trading day of the SunTrust Shares on the PSE before the release of this announcement
“Lease Agreement”	the conditional lease agreement dated 21 February 2020 and entered into between Westside City Resorts World Inc. and Travellers International Hotel Group, Inc. as the lessor and SunTrust as the lessee for the leasing of the Project Site
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal amount of US\$120,000,000 (equivalent to HK\$930,000,000) advanced by SA Investments to SunTrust under and pursuant to the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 23 February 2021 in relation to the Loan entered into between SA Investments as lender and SunTrust as borrower
“Loan Announcement”	the announcement of Summit Ascent dated 23 February 2021 in relation to, among other things, the Loan
“Loan Circular”	the circular of Summit Ascent dated 26 March 2021 in relation to, among other things, the Loan
“Loan Extension”	the extension of the maturity date of the Loan, pursuant to the Subscription Agreement, from 18 November 2021 to 18 July 2022

“Loan Set-Off”	the set-off of the Indebted Amount as at Completion, up to the Maximum Set-Off Amount, against the aggregate subscription amount of the Convertible Bonds pursuant to the Set-Off Deed under the terms and conditions of the Subscription Agreement
“Loan Variation”	the Loan Extension and the Loan Set-Off under the terms and conditions of the Subscription Agreement and the Set-Off Deed
“Long Stop Date”	the last time for fulfillment or, as the case may be, waiver of the Conditions Precedent, being 5:00 p.m. on 31 July 2022 (or such later time and date as SA Investments and SunTrust may agree in writing)
“Main Hotel Casino”	the 5-Star hotel and casino complex erected or to be erected at the Project Site
“Maximum Set-Off Amount”	has the meaning as defined in “THE LOAN VARIATION - the Loan Set-Off” in this announcement
“percentage ratios”	has the meaning as defined in Rule 14.07
“PHP”	Philippine peso, the lawful currency of the Philippines
“Project Site”	the three parcels of land located at Manila Bayshore Integrated City (Site A) in Paranaque City, the Philippines upon which the Main Hotel Casino is to be constructed and erected
“Prospectus”	the prospectus of Summit Ascent dated 18 September 2020 in relation to, among other things, the Rights Issue and the subscription of the Existing CB
“PSE”	The Philippine Stock Exchange, Inc.
“PSE Listing Rules”	PSE Consolidated Listing and Disclosure Rules

“Rights Issue”	the rights issue of Summit Ascent on the basis of three (3) rights shares for every two (2) SA Shares completed on 15 October 2020 at the subscription price of HK\$0.6 per rights share as disclosed in the circular of Summit Ascent dated 14 August 2020 and the Prospectus
“Rights Issue Results Announcement”	the announcement of Summit Ascent dated 14 October 2020 in relation to, among other things, the results of the Rights Issue
“SA Board”	the board of SA Directors
“SA Director(s)”	director(s) of Summit Ascent
“SA Group”	Summit Ascent and its subsidiaries
“SA Investments”	Summit Ascent Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Summit Ascent
“SA Share(s)”	ordinary shares of par value of HK\$0.025 each in the issued and unissued share capital of Summit Ascent
“SA Shareholder(s)”	the holder(s) of the issued SA Shares
“SEC”	the Philippine Securities and Exchange Commission
“Set-Off Deed”	a set-off deed under the Subscription Agreement in relation to the Loan Set-Off to be entered into between SA Investments and SunTrust upon Completion
“SGM”	the special general meeting of Summit Ascent to be convened and held to consider, among others, the Subscription Agreement, the Loan Variation and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the proposed subscription for the Convertible Bonds by SA Investments pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 20 September 2021 in relation to the Subscription and the Loan Variation entered into by SunTrust as issuer and SA Investments as subscriber of the Convertible Bonds
“Summit Ascent”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, and the SA Shares of which are listed on the Main Board of the Stock Exchange (stock code: 102) and a 69.66% owned subsidiary of Suncity
“Suncity”	Suncity Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1383) and a controlling shareholder of Summit Ascent
“Suncity Board”	the Board of Suncity Directors
“Suncity Circular”	the circular of Suncity dated 26 March 2020 in relation to SunTrust entering into the Lease Agreement for the Project Site for the construction, development, operation and management of the Main Hotel Casino
“Suncity Director(s)”	directors of Suncity
“SunTrust”	Suntrust Home Developers, Inc., a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN) and an indirect 51% owned subsidiary of Suncity
“SunTrust Group”	SunTrust and its subsidiaries from time to time

“SunTrust Share(s)”	ordinary share(s) of par value of PHP1.0 each in the share capital of SunTrust
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

Notes: In this announcement, unless otherwise stated:

- (1) *all references to times and dates are references to Hong Kong time;*
- (2) *all references to Rules and Chapters are references to those of the Listing Rules; and*
- (3) *for illustrative purposes only when translated, (a) HK\$ was translated to PHP at the exchange rate of HK\$1 to PHP6.2537; (b) US\$ was translated to HK\$ at the exchange rate of US\$1 to HK\$7.75; and (c) US\$ was translated to PHP at the exchange rate of US\$1 to PHP49.8442.*

By order of the SA Board
Summit Ascent Holdings Limited
Chau Cheok Wa
Chairman

By order of the Suncity Board
Suncity Group Holdings Limited
Chau Cheok Wa
Chairman

Hong Kong, 20 September 2021

As at the date of this announcement, Summit Ascent’s executive directors are Mr. Lo Kai Bong (Deputy Chairman), Mr. Chua Ming Huat David (Chief Executive Officer) and Mr. Chiu King Yan, the non-executive directors are Mr. Chau Cheok Wa (Chairman), Mr. Wong Pak Ling Philip and Dr. U Chio Jeong, and the independent non-executive directors are Mr. Lam Kwan Sing, Mr. Lau Yau Cheung and Mr. Li Chak Hung.

As at the date of this announcement, Suncity’s executive directors are Mr. Chau Cheok Wa (Chairman), Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.