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SUMMIT ASCENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 102)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Summit Ascent Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 (the “**2020 Annual Report**”) published on 22 April 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those set out in the 2020 Annual Report.

In addition to the information provided in the 2020 Annual Report, the board of directors of the Company (the “**Board**”) would like to provide the following additional information in relation to (i) use of proceeds and (ii) share option scheme.

USE OF PROCEEDS

(1) The placing of new shares under general mandate (the “2019 Placing”)

As disclosed in the paragraph headed “Use of proceeds” in the “Management Discussion and Analysis” section on page 8 of the 2020 Annual Report, the Company raised net proceeds of approximately HK\$297 million from the placing of Shares on 19 August 2019 intended for the TdC Phase II, currently unutilised and placed on short-term interest-bearing deposits with licensed commercial banks. As disclosed in the paragraph headed “Outlook” in the “Management Discussion and Analysis” section on page 10 of the 2020 Annual Report, the Group continues to proceed at full speed on the development of the TdC Phase II but the continual impact of the COVID-19 has affected the progress of the pre-construction phase, including design, procurement of construction materials, and tendering. We are currently targeting an opening of the first stage of the TdC Phase II in 2023. It is expected that the proceeds from the 2019 Placing will be fully utilised by the end of the year 2023 as intended.

(2) **The rights issue on 15 October 2020 and raised HK\$1,618.4 million (the “Rights Issue”)**

As disclosed in the paragraph headed “Use of proceeds” in the “Management Discussion and Analysis” section on page 7 of the 2020 Annual Report, the Company had applied PHP5.6 billion to the Subscription in December 2020; and intended to apply as to HK\$601.4 million to the TdC Phase II and the remaining balance for general working capital in accordance with the previous disclosure. The detailed breakdown and description of the proceeds and the expected timeline of the unutilised amount of the proceeds from the Rights Issue up to 31 December 2020 are set out as follows:

	Planned amount to be used <i>HK\$ million</i>	Actual amount utilised up to 31 December 2020 <i>HK\$ million</i>	Unutilised amount as at 31 December 2020 <i>HK\$ million</i>	Expected timeline
Use of proceeds from the Rights Issue				
The Subscription	847.0	847.0	–	Not applicable
TdC Phase II, including but not limited to,				
Procurement of construction materials	311.5	–	311.5	
Construction of buildings/ facilities	100.8	–	100.8	
Interior fit-out	189.1	–	189.1	
	601.4	–	601.4	
For general working capital of the Group, including but not limited to,				
<i>(i) Phase I, including:</i>				
Capital expenditures	78.0	–	78.0	
Repairs and maintenance	24.0	–	24.0	
Return of the refunded value-added tax	18.0	–	18.0	
<i>(ii) Pre-opening expenses for Phase II, including but not limited to,</i>				
Staff costs (training and employee relations)	30.0	–	30.0	
Security expenses	9.0	–	9.0	
Marketing expenses	11.0	–	11.0	
	170.0	–	170.0	
Total	1,618.4	847.0	771.4	<i>(Note)</i>

Note:

As disclosed in the paragraph headed “Use of proceeds” in the “Management Discussion and Analysis” section on page 8 of the 2020 Annual Report and announced by the Company on 23 February 2021, the continual impact of the COVID-19 has affected the progress of the pre-construction stage of the TdC Phase II, including design, procurement of construction materials, tendering and associated payments. Part of the net proceeds from the Rights Issue to the extent of US\$60 million (approximately HK\$465 million) originally intended for use in the TdC Phase II (“**Original Portion for Tigre de Cristal**”) is not required for immediate use by the Group for the moment. The Group proposes to change the use of proceeds and deploy the Original Portion for Tigre de Cristal as part of the loan of US\$120 million (approximately HK\$930 million) granting to SunTrust (the “**Loan**”), which can generate interest income of 6% per annum to the Group for a period of three months and extendable not more than three months unless the Group otherwise agrees to a longer period. The Loan is subject to Shareholders’ approval requirements under the Listing Rules. It is estimated that the remaining balance of the proceeds from the Rights Issue will be utilised by 30 June 2023 as intended.

SHARE OPTION SCHEME

As at the date of the 2020 Annual Report, the total number of shares available for issue under the Scheme was 116,054,633, which represented approximately 2.57% of the issued shares of the Company.

According to the terms of the Scheme, an offer letter in respect of an offer of the grant of an option made to the participants shall remain open for the participant concerned for a period of 28 days from the date on which the relevant letter is delivered to the participant. The amount payable on acceptance of an option is HK\$1.

On 2 November 2020, the Company granted a total of 1,000,000 share options to a consultant of the Group, who is an employee of Suncity Group Holdings Limited, a substantial shareholder of the Company, to subscribe for shares of the Company with an exercise price of HK\$0.912, under the Scheme. The consultant provides the investor relations consultancy services to the Group. The Board considered that the share options granted to the consultant as rewards for the grantee’s contribution to the continual operation and development of the Group and can help retaining and motivating the non-employee participant.

For the year ended 31 December 2020, the fair value of the share options granted was approximately HK\$348,000 and the Group recognised a total expense of approximately HK\$123,000 in respect of share options granted by the Company.

The above supplemental information does not affect other information contained in the 2020 Annual Report, and save as disclosed above, all other information in the 2020 Annual Report remains unchanged.

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

Hong Kong, 2 November 2021

As at the date of this announcement, the Company'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.