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SUMMIT ASCENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 102)

INSIDE INFORMATION ANNOUNCEMENT: UPDATE ON FINANCIAL INFORMATION

The board of directors (the “**Board**”) of Summit Ascent Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) makes this announcement pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the management accounts of the Group for the six-month period ended 30 June 2022, the Group is expected to record an increase in revenue of approximately 37%, which turns the Adjusted EBITDA (*note*) from approximately HK\$17 million for the six-month period ended 30 June 2021 to approximately HK\$60 million for the corresponding period in 2022. The Group is expected to record a profit for the six-month period ended 30 June 2022 of not less than approximately HK\$123 million, as compared to a loss of approximately HK\$8 million for the corresponding period in 2021.

In addition to the positive cash flows generated from operating activities, the expected profit is mainly derived from the net exchange gain of approximately HK\$157 million due to the unanticipated appreciation of the Russian rubles for the six-month period ended 30 June 2022, partially offset by the fair value losses on the Group’s derivative financial instruments of approximately HK\$75 million and the loss on derecognition of the Group’s financial asset of approximately HK\$36 million. Although the Group’s integrated resort Tigre de Cristal is operating in the Russian Far East and has been self-sustaining without any bank borrowings, the Western sanctions resulting from the Russia-Ukraine conflict may cause significant long-term damage to the Russian economy and its tourism industry. The Board has been closely monitoring the market conditions, including a possible geopolitical realignment, supply disruptions, and food and energy insecurity, and will continue to assess the impact on the financial position and operations of the Group and make further announcements if and when necessary or required.

The Company is still in the process of finalising the unaudited interim results for the six-month period ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment with reference to the information currently available to the management which has not yet been reviewed by the Company's auditors and/or the audit committee of the Company. The Group's unaudited condensed consolidated financial results for the six-month period ended 30 June 2022 are expected to be announced on 23 August 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
Summit Ascent Holdings Limited
Lo Kai Bong
Deputy Chairman

Hong Kong, 12 August 2022

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, and the Independent Non-executive Directors are Mr. Lam Kwan Sing, Mr. Lau Yau Cheung and Mr. Li Chak Hung.

Note:

Adjusted EBITDA of Tigre de Cristal is used by management of the Company as the primary measure of operating performance of the Group's gaming and hotel operations, which is defined by the Company as Earnings Before Interest, Income Tax, Depreciation and Amortisation, and excluding Company corporate expenses and the non-cash items such as unrealised exchange differences and fair value gains or losses on derivative financial instruments. Adjusted EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards ("HKFRSs"). This measure does not represent, and should not be used as a substitute for, profit for the period or cash flows from operations as determined in accordance with HKFRSs. This measure is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definition of this measure may not be comparable to other similarly titled measures used by other companies.