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SUMMIT ASCENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 102)

MAJOR AND CONNECTED TRANSACTIONS:

PROVISION OF FINANCIAL ASSISTANCE –

(1) NEW CB SUBSCRIPTION;

(2) THE SA LOAN AGREEMENT; AND

(3) LOAN AMENDMENT AGREEMENT

AND FURTHER DELAY IN DESPATCH OF CIRCULAR

Financial adviser to the Company



THE NEW CB SUBSCRIPTION

On 26 July 2023 (after trading hours), SA Investments entered into the New CB Subscription Agreement with Suntrust, pursuant to which Suntrust conditionally agreed to issue and SA Investments conditionally agrees to subscribe for the New CB in the principal amount of up to PHP13,511.1 million (equivalent to approximately HK\$1.93 billion), being the Maximum Set-Off Amount, and will pay the Subscription Price by setting off against the Indebted Amount (in full or as the case may be, in part) as at the Completion Date up to the Maximum Set-Off Amount. Up to the date of this announcement, the sums of the principal amount and all accrued interest of the 2020 CB and the 2022 CB are approximately PHP6,192.5 million (equivalent to approximately HK\$883.4 million) and approximately PHP6,848.9 million (equivalent to approximately HK\$977.0 million) respectively.

The Set-Off

Upon Completion, the Subscription Price will be applied by Suntrust to redeem the 2020 CB and the 2022 CB by paying the Indebted Amount either (a) (if the Subscription Price is equal to or more than the Indebted Amount) in full; or (b) (if the Subscription Price is less than the Indebted Amount) in part to an amount equal to the Subscription Price with the amount of shortfall to be paid by Suntrust in cash. For the foregoing purpose, as part of the terms of the New CB Subscription Agreement, SA Investments and Suntrust will enter into the Set-Off Deed upon Completion for the purposes of the Set-Off and for payment by Suntrust in cash for any shortfall when the Subscription Price is less than the Indebted Amount due to, including without limitation, the actual Completion Date is later than the Completion Date (Expected). The Set-Off under the Set-Off Deed is subject to (i) the approval by the Independent Shareholders at the SGM; and (ii) satisfaction of (or waiver of) the other Conditions Precedent under the New CB Subscription Agreement.

The Interest Waiver

Pursuant to the terms of the 2020 CB and the 2022 CB, the 2020 CB and the 2022 CB are subject to an overdue interest rate of 8% per annum from their respective interest due dates of 30 December 2022 and 10 June 2023 until settlement of the Payment Obligations. Based on arm's length negotiations between Suntrust and SA Investments regarding the set-off of the Indebted Amount with the Subscription Price up to the Maximum Set-Off Amount, SA Investments agreed to calculate the accrued interest based on the non-overdue interest rate of 6% per annum, thereby waiving the extra 2% interest per annum under the overdue interest rate of the 2020 CB and the 2022 CB already accrued and to be accrued until Completion. Assuming no settlement of the Payment Obligations prior to the Completion Date (Expected), the sums of the interest forfeited under the Interest Waiver up to the Completion Date (Expected) under the 2020 CB and the 2022 CB are approximately PHP 149.8 million (equivalent to approximately HK\$21.4 million) and approximately PHP 114.3 million (equivalent to approximately HK\$16.3 million) respectively.

THE SA LOAN AGREEMENT

Reference is made to the Loan Facility Announcement in relation to, among others, the Loan Agreement.

In pursuance of the Loan Agreement, Suntrust is required to fulfil the CRA Reserve Requirement.

On 26 July 2023, SA Investments as lender entered into the SA Loan Agreement with Suntrust, pursuant to which, subject to obtaining of the approval of the Independent Shareholders and other SA Loan Conditions Precedent mentioned in this announcement, SA Investments will provide a loan facility of up to US\$20 million (equivalent to approximately HK\$155 million) to Suntrust, for the sole purpose of Suntrust to fulfill the CRA Reserve Requirement.

THE LOAN FACILITY

Loan Amendment Agreement

As disclosed in the Loan Facility Announcement, the Loan Agreement was conditional upon SA Investments enter into, among others, the Security Agreement and the Subordination Agreement.

By the Loan Amendment Agreement, the Security Agreement, the Subordination Agreement and other terms and conditions of the Loan Agreement are revised as disclosed below in this announcement.

Security Agreement

Under the Security Agreement executed by SA Investments which was incorporated as part of the Loan Agreement, SA Investments (a) created a first charge and an assignment by way of security of (i) the CBs (including without limitation, the 2020 CB and the 2022 CB in issue); and (ii) the Assigned Loan Contracts; (b) created a first charge over all Suntrust Shares owned or held or that in the future may be owned or held by SA Investments; and (c) provided the SA Project Support Undertaking.

By the Loan Amendment Agreement:

- the 2020 CB, the 2022 CB and the New CB will only form part of the CBs charged and/or assigned under the Security Agreement effective and starting from the Independent Shareholders' Approval Date;
- the Suntrust Shares owned or held or that in the future may be owned or held by SA Investments will only form part of the charge and/or assignment under the Security Agreement effective and starting from the Independent Shareholders' Approval Date;
- the SA Loan Agreement will only form part of the Assigned Loan Contracts charged or otherwise assigned under the Security Agreement effective and starting from the Independent Shareholders' Approval Date; and
- the SA Project Undertaking shall be given by SA Investments on and after the Independent Shareholders' Approval Date.

Subordination Agreement

Under the Subordination Agreement dated 26 July 2023 executed by SA Investments prior to initial drawdown under the Loan Facility, SA Investments has irrevocably subordinated the Subordinated Indebtedness to and ranking junior in payment to the Secured Obligations.

Under and pursuant to the Subordination Agreement:

- all amounts due and payable by Suntrust to SA Investments under the SA Loan shall be subordinated to and rank junior in payment to the Secured Obligations; and
- SA Investments shall not demand, collect, accept and/or receive from Suntrust, whether directly or indirectly, any principal, interest, default interest, penalties or other amounts payable by the Suntrust to SA Investments under the SA Loan Agreement.

By the Loan Amendment Agreement:

- all amounts due and payable by Suntrust to SA Investments as holder of and under the New CB shall be deemed and made Subordinated Indebtedness effective and starting on the Independent Shareholders' Approval Date; and
- all amounts due and payable by Suntrust to SA Investments under the SA Loan shall be deemed and made Subordinated Indebtedness effective and starting on the Independent Shareholders' Approval Date.

The Loan Agreement

Apart from the changes to the Security Agreement and the Subordination Agreement, the major changes effected by the Loan Amendment Agreement to the Loan Agreement are as disclosed in this announcement.

The CRA Reserve Requirement

By the Loan Amendment Agreement, the CRA Reserve Requirement is required to be met by Suntrust and the Independent Shareholders' Approval has to be obtained and the Independent Shareholders' Approval Date has to occur on or before 30 September 2023.

The Undertaking

The Undertaking was executed by SA Investments in favour of the Lender on 26 July 2023.

Supplemental Deed Polls

On 26 July 2023, the Supplemental Deed Polls were executed by Suntrust and SA Investments. The major terms and conditions of the Supplemental Deed Polls are the same as those disclosed in “The Security Agreement and other documents to be provided by SA Investments – Supplemental Deed Polls” in the Loan Facility Announcement save those disclosed in this announcement.

LISTING RULES IMPLICATIONS

From the Company’s perspective

Chapter 14

The New CB Related Financial Assistance and the SA Loan Agreement constitute the provision of financial assistance by SA Investments to Suntrust under Chapter 14.

Although one or more the applicable percentage ratios in respect of the New CB Related Financial Assistance and the SA Loan Agreement, whether alone or when aggregated with the Loan Facility Related Financial Assistance, exceed 100%, the New CB Related Financial Assistance and the SA Loan Agreement are not acquisitions by the Company and constitute as major transactions (instead of very substantial acquisitions) for the Company subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14.

Chapter 14A

Suntrust is a connected person of the Company for being an indirect 51% owned subsidiary of LET, which in turn is a controlling shareholder of the Company interested in, directly and indirectly, an aggregate of approximately 69.66% of the Shares in issue as at the date of this announcement.

The New CB Related Financial Assistance and the SA Loan Agreement constitute connected transactions for the Company under Chapter 14A. As one or more of the applicable percentage ratios in respect of the New CB Related Financial Assistance and the SA Loan Agreement, whether alone or when aggregated with the other Loan Facility Related Financial Assistance, exceed 25%, the New CB Related Financial Assistance and the SA Loan Agreement are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A.

Subsequent to the execution of the Loan Agreement on 8 June 2023, the Lender has by the Loan Amendment Agreement agreed to the obtaining of the Independent Shareholders' Approval to the provision of financial assistance by SA Investments to Suntrust under the Security Agreement and the Subordination Agreement as a condition subsequent to the initial drawdown of the Loan under the Loan Facility as disclosed in "The Loan Facility – Security Agreement" and "The Loan Facility- Subordination Agreement" in this announcement.

From LET's perspective

Given Suntrust is an indirect 51% non-wholly owned subsidiary of LET, the New CB Related Financial Assistance and the SA Loan Agreement will not constitute the provision of financial assistance by LET to Suntrust 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 LET. The New CB Related Financial Assistance and the SA Loan Agreement do not constitute connected transactions for LET for the purposes of Chapter 14A either.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and give recommendation to the Independent Shareholders on the fairness and reasonableness of the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance); whether the Financial Assistance would be in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote on the resolutions proposed to be put forward to them for approving the Financial Assistance. The independent non-executive Directors would be deferred to give their view on the matter, pending the advice of the Independent Financial Adviser to the Independent Board Committee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Financial Assistance.

SGM OF THE COMPANY

A SGM will be convened and held by the Company to consider and, if thought fit, approve the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance). The voting at the SGM will be taken by poll.

At the SGM, any Shareholders with a material interest in the Financial Assistance are required to abstain from voting on the proposed resolutions to be put forward to the Independent Shareholders at the SGM for approving the Financial Assistance. Mr. Lo is a common director of the Company, LET and Suntrust and is the controlling shareholder of LET and the Company, being indirectly interested in approximately 72.07% of the issued LET Shares and 69.77% of the issued Shares. Accordingly, LET and its associate, Victor Sky, each holding 123,255,000 Shares and 3,018,306,811 Shares respectively (representing an aggregate of approximately 69.66% interest in Shares in issue), and Mr. Lo's associates, Better Linkage Limited and Ever Smart Capital Limited, each holding 520,000 Shares and 4,452,000 Shares respectively (representing an aggregate of approximately 0.11% interest in Shares), will therefore be abstained from voting on the resolutions proposed to be put forward to the Independent Shareholders at the SGM for the purpose of approving the Financial Assistance. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders are materially interested in the Financial Assistance who are required to abstain from voting at the SGM on these resolutions.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As stated in the announcement of the Company dated 11 July 2023, a circular containing, among other things, (i) details of the Financial Assistance; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; other information as required under the Listing Rules; and (v) a notice convening the SGM, was expected to be despatched to the Shareholders on or before 11 August 2023. As additional time is required for the Company to prepare and finalise certain information to be included in the circular, the despatch date of the circular will be postponed to a date on or around 25 August 2023.

BACKGROUND

On 1 June 2020, SA Investments entered into the 2020 Subscription Agreement with Suntrust, pursuant to which Suntrust conditionally agreed to issue and SA Investments conditionally agreed to subscribe for the 2020 CB in the aggregate principal amount of PHP5.6 billion (equivalent to approximately HK\$798.9 million). The 2020 CB was issued by Suntrust to SA Investments on 30 December 2020.

On 20 September 2021, SA Investments entered into the 2021 Subscription Agreement with Suntrust, pursuant to which Suntrust conditionally agreed to issue and SA Investments conditionally agreed to subscribe for the 2022 CB in the aggregate principal amount of PHP6.4 billion (equivalent to approximately HK\$913.0 million). The 2022 CB was issued by Suntrust to SA Investments on 10 June 2022.

The 2020 CB bears an interest rate of 6.0% per annum on the aggregate principal amount of the 2020 CB from time to time outstanding, payable yearly in arrears accruing from the issue date of the 2020 CB (i.e. 30 December 2020) on the basis of a 365-day year. The 2022 CB bears an interest rate of 6.0% per annum on the aggregate principal amount of the 2022 CB from time to time outstanding, payable yearly in arrears accruing from the issue date of the 2022 CB (i.e. 10 June 2022) on the basis of a 365-day year.

Suntrust has duly settled the first interest payment of PHP336.0 million (equivalent to approximately HK\$47.9 million) to SA Investments for the 2020 CB due on 30 December 2021. Taking into account the current financial situation, cash flow and capital expenditure needs of Suntrust, Suntrust has not paid to SA Investments (i) the second interest payment of PHP336.0 million (equivalent to approximately HK\$47.9 million) due under the 2020 CB on 30 December 2022; and (ii) the first interest payment of PHP382.9 million (equivalent to approximately HK\$54.6 million) due under the 2022 CB on 10 June 2023 (collectively the “**Payment Obligations**”). SA Investments has agreed in principle to restructure the Payment Obligations in light of the potential issue of the New CB by setting off the Subscription Price with the aggregate outstanding amounts due under the 2020 CB and the 2022 CB up to the Completion Date (Expected).

THE NEW CB SUBSCRIPTION

On 26 July 2023 (after trading hours), SA Investments entered into the New CB Subscription Agreement with Suntrust, pursuant to which Suntrust conditionally agrees to issue and SA Investments conditionally agrees to subscribe for the New CB in the principal amount of up to PHP13,511.1 million (equivalent to approximately HK\$1.93 billion), being the Maximum Set-Off Amount, and will pay the Subscription Price by setting off against the Indebted Amount (in full or as the case may be, in part) as at the Completion Date up to the Maximum Set-Off Amount. Up to the date of this announcement, the sums of the principal amount and all accrued interest of the 2020 CB and the 2022 CB are approximately PHP6,192.5 million (equivalent to approximately HK\$883.4 million) and approximately PHP6,848.9 million (equivalent to approximately HK\$977.0 million) respectively.

Interest Waiver

Pursuant to the terms of the 2020 CB and the 2022 CB, the 2020 CB and the 2022 CB are subject to an overdue interest rate of 8% per annum from their respective interest due dates of 30 December 2022 and 10 June 2023 until settlement of the Payment Obligations. Based on arm's length negotiations between Suntrust and SA Investments regarding the set-off of the Indebted Amount with the Subscription Price up to the Maximum Set-Off Amount, SA Investments agreed to calculate the accrued interest based on the non-overdue interest rate of 6% per annum, thereby waiving the extra 2% interest per annum under the overdue interest rate of the 2020 CB and the 2022 CB already accrued and to be accrued until Completion. Assuming no settlement of the Payment Obligations prior to the Completion Date (Expected), the sums of the interest forfeited under the Interest Waiver up to the Completion Date (Expected) under the 2020 CB and the 2022 CB are approximately PHP 149.8 million (equivalent to approximately HK\$21.4 million) and approximately PHP 114.3 million (equivalent to approximately HK\$16.3 million) respectively.

The New CB Subscription Agreement

Principal terms of the New CB Subscription Agreement are set out below:

Date : 26 July 2023 (after trading hours of the Stock Exchange)

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

Suntrust is a connected person of the Company for being an indirect 51% non-wholly owned subsidiary of LET, which is a controlling shareholder of the Company interested in, directly and indirectly, an aggregate of approximately 69.66% of the Shares in issue as at the date of this announcement.

Conditions Precedent

Completion and the issue of the New CB 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 New CB Subscription Agreement insofar as relating to the issue of the New CB and the other related transactions contemplated under the New CB 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 New CB 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 New CB Subscription Agreement insofar as relating to the issue of the New CB and the other related transactions contemplated under the New CB Subscription Agreement 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 Shareholders of the New CB Subscription Agreement including the New CB Subscription, the Set-Off and the other related transactions contemplated under the New CB Subscription Agreement and compliance by the Company with the other applicable requirements under the Listing Rules in respect of the same;
- (d) the obtaining of the Interest Waiver Approval;
- (e) the approval by the shareholders of Suntrust of the New CB Subscription Agreement including the issuance of the New CB by Suntrust, and the other related transactions contemplated under the New CB Subscription Agreement and compliance by Suntrust with the other applicable requirements under the PSE Listing Rules in respect of the same;
- (f) (where required) the approval by the shareholder of LET of the New CB Subscription Agreement including the issue of the New CB by Suntrust, the Set-Off and the other transactions contemplated under the New CB Subscription Agreement and compliance by LET with the other applicable requirements under the Listing Rules in respect of the same; and
- (g) as at the date of the New CB 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 on 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 New CB 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 New CB Subscription Agreement shall be terminated and the parties to the New CB Subscription Agreement shall be released and discharged from their respective obligations under the New CB Subscription Agreement with respect to the issue and subscription of the New CB, the Interest Waiver and the Set-Off.

Taxation

The documentary stamp tax payable on the issue of the New CB shall be borne and paid by Suntrust solely.

Completion

Completion shall take place on the second Business Day after the fulfillment (or waiver) of the Conditions Precedent (or such other date as SA Investments and Suntrust may agree in writing).

Principal terms of the New CB

Set out below are the proposed principal terms of the New CB:

Issuer	:	Suntrust.
Principal amount	:	Up to a maximum of PHP13,511.1 million (equivalent to approximately HK\$1.93 billion).
Form and denomination	:	The New CB will be issued in registered form and in a minimum denomination of PHP10,000,000 each save where the outstanding amount of the New CB is less than PHP10,000,000 in which case the New CB may be issued in such lesser amount.
Issue price	:	100% of the aggregate principal amount of the New CB, which is at the full face value of the New CB.
Interest	:	Nil.
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 eighth (8th) anniversary of the issue date of the New CB which may, subject to agreement by the holder of the New CB upon request by Suntrust, be extended to the date falling on the tenth (10th) anniversary of the issue date of the New CB or, if that is not a Business Day, the first Business Day thereafter (the “ Maturity Date ”).

New CB Conversion Price : The price at which Conversion Shares will be issued upon conversion will initially be PHP1.10 per Conversion Share, which is subject to adjustment provisions, brief particulars of which are set out in “Adjustment events” below. The New CB Conversion Price represents the following closing price of the Suntrust Shares as quoted on the PSE:

The New CB Conversion Price of PHP1.10 represents:

- (i) A premium of approximately 29.41% over the closing price of PHP0.85 per Suntrust Share as quoted on the PSE on the Last Trading Day;
- (ii) A premium of approximately 25.00% over the closing price of PHP0.88 per Suntrust Share as quoted on the PSE for the last five trading days up to and including the Last Trading Day; and
- (iii) A premium of approximately 27.91% over the closing price of PHP0.86 per Suntrust Share as quoted on the PSE for the last ten trading days up to and including the Last Trading Day.

Adjustment events : Provided that in all instances, the New CB Conversion Price shall not be less than the par value of the Suntrust’s Shares, the New CB Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the New CB 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 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 Shares or securities which by their terms might be redesignated as Suntrust 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 New CB up to 4:00 p.m. on the Maturity Date (“**Conversion Period**”).
- Conversion Condition : Until repayment of at least seventy-five percent (75%) of the Loan has been made, the holder of the New CB shall not exercise any New CB Conversion Rights or agree to any amendment to the terms and conditions of the New CB.
- Conversion : Each holder of the New CB has the right to convert all or any part of the New CB held by it into Suntrust Shares credited as fully paid at any time during the Conversion Period subject to the Conversion Condition.

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 New CB is less than PHP10,000,000, in which case the whole of such balance (but not part of it) may be converted into Conversion Shares credited as fully paid.

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

The Conversion 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 Condition : All amounts due and payable under the New CB shall be subordinated to and shall rank junior in payment to the Secured Obligations until full payment of the Secured Obligations. For so long as the Loan under the Loan Facility remains outstanding, SA Investments shall not collect, demand and/or receive from Suntrust, whether directly or indirectly, any principal, interest, default interest, penalties or other amounts payable under the New CB.

Redemption : **Early redemption by Suntrust:**

Suntrust is entitled to cancel and to redeem all the New CB in whole at any time after the first (1st) anniversary of the issue date of the New CB 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 (including default interest) (if any) and an amount that would make up an annual return on the New CB to redeemed at 6% calculated from the issue date of the New CB up to the date of redemption subject to the Redemption Condition. The decision of Suntrust to cancel and to redeem the New CB is made by written notice to the holders of the New CB by giving them seven (7) Business Days' prior notice specifying the proposed date of redemption.

Request for early redemption by the holder of the New CB:

The holder of the New CB may request Suntrust for early redemption of the New CB at any time during the period commencing from the day immediately after the first (1st) anniversary of the issue date of the New CB 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) and an amount that would make up an annual return on the New CB to be redeemed at 6% calculated from the issue date of the New CB up to the date of redemption provided the holder of the New CB shall only make such redemption request after making prior consultation with Suntrust and is reasonably satisfied that Suntrust will be able to pay its debts when they fall due after making the redemption subject to the Redemption Condition. The decision of holder of the New CB to redeem the New CB is made by written notice to Suntrust by giving Suntrust seven (7) Business Days' prior notice.

Redemption at maturity:

Unless previously redeemed, converted, purchased or cancelled, Suntrust shall redeem the New CB on the Maturity Date or if extended, on the Maturity Date as extended subject to the Redemption Condition, at:

- the outstanding principal amount up to the Maturity Date or if extended, the Maturity Date as extended;
- an amount that would make up an annual return on the New CB to be redeemed at 6% calculated from the issue date of the New CB to the Maturity Date or if extended, the Maturity Date as extended; and
- any other outstanding amount due but unpaid under the New CB.

Redemption upon event of default:

Upon the occurrence of an event of default (brief particulars of which are mentioned in “Events of default” below), Suntrust shall redeem the New CB subject to the Redemption Condition at:

- 100% of their outstanding principal amount together with interest thereon up to the date of redemption; and
- any other outstanding amount due but unpaid under the New CB.

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

- (1) **Payment default:** a default is made in the payment of any sum due on the New CB 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 the New CB Subscription Agreement:** a material breach of any of the terms of the New CB Subscription Agreement by Suntrust, including a breach of any warranty, covenants and/or undertakings therein; or
- (3) **Involuntary 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 New CB; 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 Shares on the PSE; or
- (6) **No listing approval:** failure to obtain approval of the PSE for the listing of the Conversion Shares on PSE within such period of time from the filing of the relevant application for listing as the holder of the New CB may specify; or
- (7) **Increase in Authorised Capital Stock:** failure to obtain the necessary consent, approval and/ or waiver for the Increase in Authorised Capital Stock upon request in writing by the holder of the New CB such that there is not sufficient number of authorised but unissued Suntrust Shares available for the fulfilment of the obligation regarding conversion of the New CB; or
- (8) **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).

For so long as the Loan remains outstanding, SA Investments shall not declare any event of default under the New CB.

- Transfer Condition : For so long as the Loan remains outstanding, the holder of the New CB shall not make, cause or effect any transfer, assignment or other disposal of all or any of the New CB or create or cause or allow the creation of any lien or encumbrance over any of the New CB, except those expressly allowed under the Loan Agreement.
- Transferability of the New CB : Subject to the terms and conditions of the New CB and the Transfer Condition, the New CB may be transferred, assigned or otherwise mortgaged, charged or pledged to any person in whole multiples of PHP10,000,000 (or such lesser amount as may represent the entire principal amount thereof).
- Any transfer, assignment, mortgage, charge or pledge of the New CB 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 five (5) calendar days from its execution provided there shall be no transfer or assignment of the New CB if such transfer or assignment will result in the New CB being held by more than nineteen (19) holders at any one time.
- Conversion restriction : Notwithstanding any other terms and conditions of the New CB, the holder(s) of the New CB shall exercise the New CB Conversion Rights attaching to the New CB only if it is confirmed by Suntrust in writing that the allotment and issue of the Conversion Shares to such holder(s) of the New CB pursuant to an exercise of the New CB 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% for Suntrust.
- Voting : The New CB does not confer any voting rights on its holder at any general meetings of Suntrust.
- No listing of the New CB : No application has been or will be made for the listing of the New CB on the PSE or any other stock exchange.

The Set-Off

Upon Completion, the Subscription Price will be applied by Suntrust to redeem the 2020 CB and the 2022 CB by paying the Indebted Amount either (a) (if the Subscription Price is equal to or more than the Indebted Amount) in full; or (b) (if the Subscription Price is less than the Indebted Amount) in part to an amount equal to the Subscription Price with the amount of shortfall to be paid by Suntrust in cash. For the foregoing purpose, as part of the terms of the New CB Subscription Agreement, SA Investments and Suntrust will enter into the Set-Off Deed upon Completion for the purposes of the Set-Off and for payment by Suntrust in cash for any shortfall when the Subscription Price is less than the Indebted Amount due to, including without limitation, the actual Completion Date is later than the Completion Date (Expected). The Set-Off under the Set-Off Deed is subject to (i) the approval by the Independent Shareholders at the SGM; and (ii) satisfaction of (or waiver of) the other Conditions Precedent under the New CB Subscription Agreement.

The Board has consulted with the Group's legal advisers and based on their opinion and previous applications, the application to SEC for the approval of the issue of the New CB is expected to take approximately seven (7) months from the date of application. As the principal amount of the New CB 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 New CB, SA Investments and Suntrust have mutually agreed to set a maximum cap on the Indebted Amount to be set-off under the New CB Subscription Agreement (the "**Maximum Set-Off Amount**") that will take into account the expected timeline of fulfilling all the Conditions Precedent.

Assuming the Completion Date (Expected) falls on 30 April 2024, the Maximum Set-Off Amount as contemplated under the Set-Off will be PHP13,511.1 million (equivalent to approximately HK\$1.93 billion) comprising the following:

- (a) the principal amounts of the 2020 CB and 2022 CB of PHP5.6 billion (equivalent to approximately HK\$798.9 million) and PHP6.4 billion (equivalent to approximately HK\$913.0 million) respectively; and
- (b) the interest accrued on the basis of the Interest Waiver on the principal amounts due and owing under the 2020 CB and the 2022 CB respectively up to the Completion Date (Expected) of approximately PHP785.2 million (equivalent to approximately HK\$112.0 million) and approximately PHP725.9 million (equivalent to approximately HK\$103.6 million) respectively.

Based on arm's length negotiations between Suntrust and SA Investments regarding the Set-Off, as part of the terms of the New CB Subscription Agreement, SA Investments has conditionally agreed to the Interest Waiver and SA Investments and Suntrust will enter into a waiver deed upon Completion for that purpose as part of the terms of the New CB Subscription Agreement.

Basis of the New CB Conversion Price

The New CB Conversion Price was arrived at after arm's length negotiations between Suntrust and SA Investments with reference to (i) the prevailing market price of the Suntrust Shares; (ii) the 2020 CB Conversion Price and the 2022 CB Conversion Price; (iii) the conversion price of the Fortune Noble CB; and (iv) the Indebted Amount due under the 2020 CB and the 2022 CB.

The New CB Conversion Price of PHP1.10 represents a discount of approximately 38.9% and 33.3% to the 2020 CB Conversion Price of PHP1.80 per Conversion Share and the 2022 CB Conversion Price of PHP1.65 per Conversion Share respectively.

As a result of such discount to the 2020 CB Conversion Price and the 2022 CB Conversion Price respectively, the number of Suntrust Shares to be issued upon full conversion of New CB in comparison to the aggregate number of Suntrust Shares to be issued upon full conversion of the 2020 CB and the 2022 CB will be an increase of approximately 75.7% from an aggregate of 6,989,898,989 Suntrust Shares to 12,282,859,277 Suntrust Shares.

Charge of the New CB and Subordination of the New CB in favour of the Lender

With effect from the Independent Shareholders' Approval Date, (a) the New CB will form part of the securities charged to the Lender under the Security Agreement; and (b) the New CB will form part of the Subordinated Indebtedness and be subordinated to the Secured Obligations in favour of the Lender under the Subordination Agreement. Further details of the charge and the subordination are set out in "The Loan Facility – Security Agreement" and "The Loan Facility – Subordination Agreement" in this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF SUNTRUST

The shareholding structure of Suntrust (assuming that there are no other changes to the shareholding structure of Suntrust from the date of this announcement and up to any conversion of the Fortune Noble CB, 2020 CB or 2022 CB) (i) as at the date of this announcement; (ii) immediately upon full conversion of the Fortune Noble CB only; (iii) immediately upon full conversion of the 2020 CB and the 2022 CB only; and (iv) immediately upon full conversion of the Fortune Noble CB, 2020 CB and 2022 CB, are as follows:

	As at the date of this announcement		Conversion of Fortune Noble CB only		Conversion of 2020 CB and 2022 CB only		Conversion of Fortune Noble CB, 2020 CB and 2022 CB	
	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>
LET Group	3,697,500,000	51.0	10,333,863,636	74.4	10,687,398,989 <i>(note 1)</i>	75.1	17,323,762,625 <i>(note 2)</i>	83.0
Megaworld and related parties	2,513,694,000	34.7	2,513,694,000	18.1	2,513,694,000	17.6	2,513,694,000	12.0
Directors of Suntrust other than Mr. Lo and Mr. Chua Ming Huat David	3	0.0	3	0.0	3	0.0	3	0.0
Public	<u>1,038,805,997</u>	<u>14.3</u>	<u>1,038,805,997</u>	<u>7.5</u>	<u>1,038,805,997</u>	<u>7.3</u>	<u>1,038,805,997</u>	<u>5.0</u>
Total	<u>7,250,000,000</u>	<u>100.0</u>	<u>13,886,363,636</u>	<u>100.0</u>	<u>14,239,898,989</u>	<u>100.0</u>	<u>20,876,262,625</u>	<u>100.0</u>

Notes:

- 6,989,898,989 Suntrust Shares of which (equivalent to approximately 49.1% of the total issued Suntrust Shares) will be held by SA Investments.
- 6,989,898,989 Suntrust Shares of which (equivalent to approximately 33.5% of the total issued Suntrust Shares) will be held by SA Investments.

The shareholding structure of Suntrust (assuming that there are no other changes to the shareholding structure of Suntrust from the date of this announcement and up to any conversion of the Fortune Noble CB or New CB) (i) as at the date of this announcement; (ii) immediately upon full conversion of the Fortune Noble CB only; (iii) immediately upon full conversion of the New CB only; and (iv) immediately upon full conversion of the Fortune Noble CB and New CB, are as follows:

	As at the date of this announcement		Conversion of Fortune Noble CB only		Conversion of New CB only		Conversion of Fortune Noble CB and New CB	
	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>	<i>No. of Suntrust Shares</i>	<i>%</i>
LET Group	3,697,500,000	51.0	10,333,863,636	74.4	15,980,359,277 <i>(note 3)</i>	81.8	22,616,722,914 <i>(note 4)</i>	86.4
Megaworld and related parties	2,513,694,000	34.7	2,513,694,000	18.1	2,513,694,000	12.9	2,513,694,000	9.6
Directors of Suntrust other than Mr. Lo and Mr. Chua Ming Huat David	3	0.0	3	0.0	3	0.0	3	0.0
Public	<u>1,038,805,997</u>	<u>14.3</u>	<u>1,038,805,997</u>	<u>7.5</u>	<u>1,038,805,997</u>	<u>5.3</u>	<u>1,038,805,997</u>	<u>4.0</u>
Total	<u>7,250,000,000</u>	<u>100.0</u>	<u>13,886,363,636</u>	<u>100.0</u>	<u>19,532,859,277</u>	<u>100.0</u>	<u>26,169,222,914</u>	<u>100.0</u>

Notes:

- 12,282,859,277 Suntrust Shares of which (equivalent to approximately 62.9% of the total issued Suntrust Shares) will be held by SA Investments.
- 12,282,859,277 Suntrust Shares of which (equivalent to approximately 46.9% of the total issued Suntrust Shares) will be held by SA Investments.

SA LOAN AGREEMENT

Reference is made to the Loan Facility Announcement in relation to, among others, the Loan Agreement.

In pursuance of the Loan Agreement, Suntrust is required to maintain a credit balance of not less than US\$20 million (equivalent to approximately HK\$155 million) in a construction reserve account to be maintained in the name of a security trustee to the Lender to cover any cost overruns of the construction of the Main Hotel Casino (the “**CRA Reserve Requirement**”).

On 26 July 2023, SA Investments as lender entered into the SA Loan Agreement with Suntrust, pursuant to which, subject to obtaining of the approval of the Independent Shareholders and other SA Loan Conditions Precedent mentioned below, SA Investments will provide a loan facility of up to US\$20 million (equivalent to approximately HK\$155 million) to Suntrust, for the sole purpose of Suntrust to fulfill the CRA Reserve Requirement.

The date, parties and key terms and conditions of the SA Loan Agreement are set out below:

Date	:	26 July 2023.
Lender	:	SA Investments, a wholly-owned subsidiary of the Company.
Borrower	:	Suntrust.
Facility amount	:	Up to US\$20 million (approximately HK\$155 million).
Purpose	:	For the sole purpose of Suntrust to fulfill the CRA Reserve Requirement.
Interest rate	:	Six percent (6.0%) per annum.
Default interest rate	:	Eight percent (8.0%) per annum.
Availability period	:	A period of sixty (60) days from the date of fulfillment of all the SA Loan Conditions Precedent (or such longer period as SA Investments may in its sole and absolute discretion think fit).
Term	:	The date falling ten (10) years from the date of drawdown under the SA Loan Agreement (the “ SA Loan Maturity Date ”).

The SA Loan 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 (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.

- Repayment : The SA Loan together with all interest accrued thereon and all amounts due and owing under the SA Loan Agreement shall be repaid in full by Suntrust the earlier of:
- (i) the SA Loan Maturity Date or the extended SA Loan Maturity Date as may be extended in accordance with the SA Loan Agreement; and
 - (ii) forthwith upon the occurrence of a SA Loan EOD.
- Taxes and other charges : All applicable taxes and other charges as a result of the SA Loan shall be paid by Suntrust.
- Events of default : Set out below are the events of default upon the occurrence of any of them the SA Loan together with all interest accrued thereon and all amounts due and owing to SA Investments under the SA Loan Agreement shall be immediately due and repayable to SA Investments without further notice or demand:
- (i) Suntrust fails to pay in accordance with the terms of the SA Loan Agreement; or
 - (ii) Suntrust defaults in performing or observing the SA Loan Agreement and such default shall not have been remedied within thirty (30) days after written notice thereof having been given to Suntrust; or
 - (iii) any of Suntrust's representations, warranties and undertakings proves to be incorrect or misleading when made or deemed to be made or repeated in any material respect or shall be breached; or
 - (iv) an order is made or an effective resolution is passed or analogous proceedings are taken for the amalgamation, winding up or dissolution of Suntrust (save for the purpose of and followed by an amalgamation or reconstruction previously approved in writing by SA Investments); or

- (v) any encumbrancer takes possession or if a receiver or other similar officer is appointed or if a distress or execution is levied or enforced upon or sued out against the whole or any part of the undertaking, assets or property of Suntrust and is not discharged within thirty (30) days of being levied or enforced; or
- (vi) any other present or future indebtedness of Suntrust for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity or Suntrust fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised; or
- (vii) if the shares of Suntrust are suspended for trading on the PSE for a period of thirty (30) consecutive trading days or more, or listing of the shares of Suntrust on the PSE are revoked or withdrawn; or
- (viii) any material litigation, arbitration or administrative proceedings before any court, arbitration or other relevant authority is current, pending or threatened against Suntrust; or
- (ix) Suntrust shall stop payment to creditors generally or shall be unable to pay its debts; or
- (x) here occurs, in SA Investment's opinion, a material adverse change in the financial condition of Suntrust, or any other event occurs or circumstance arises which, in the SA Investment's opinion, is likely materially and adversely to affect the ability of Suntrust to perform its obligations under the SA Loan Agreement; or
- (xi) the SA Loan Agreement and any other ancillary documents shall cease to be in full force and effect; or
- (xii) the occurrence of any event which under the law of any jurisdiction relevant to Suntrust, has an analogous or equivalent effect to any event mentioned above.

Conditions precedent of the SA Loan Agreement

The SA Loan Agreement and the availability of the SA Loan are conditional upon the following:

- (i) the Company having obtained approval of the SA Loan Agreement and all transactions contemplated thereunder from the Independent Shareholders in compliance with the Listing Rules and complied with the requirements as the Stock Exchange may require;
- (ii) Suntrust having obtained all necessary approvals, consents or waivers (as appropriate) as are required under the Securities Regulations Code in the Philippines for related party transactions covering the grant of the SA Loan and subsequent performance of the SA Loan Agreement and all transactions contemplated thereunder; and
- (iii) all Suntrust's representations, warranties and undertakings remain true and correct on and as of each such time as if each were made with reference to the facts and circumstances existing at each such time.

SA Investments may, at its sole and absolute discretion, at any time on or before the SA Loan Long Stop Date by notice in writing to Suntrust waive the SA Loan Conditions Precedent set out in (iii) above in whole or in part.

If any of the SA Loan Conditions Precedent shall not have been fulfilled (or, as the case may be, waived by SA Investments insofar as they can be waived under the terms of the SA Loan Agreement) on or before the SA Loan Long Stop Date, the SA Loan Agreement shall terminate and the respective obligations of the parties under the SA Loan Agreement shall forthwith cease and terminate and none of the parties shall have any claim against the other of them save for any antecedent breach.

Charge of the SA Loan Agreement and Subordination of the SA Loan in favour of the Lender

With effect from the Independent Shareholders' Approval Date, (a) the SA Loan Agreement will form part of the securities (i.e. the Assigned Loan Contract) charged to the Lender under the Security Agreement; and (b) the SA Loan will form part of the Subordinated Indebtedness and be subordinated to the Secured Obligations in favour of the Lender under the Subordination Agreement. Further details of the charge and the subordination are set out in "The Loan Facility – Security Agreement" and "The Loan Facility – Subordination Agreement" in this announcement.

THE LOAN FACILITY

Loan Amendment Agreement

Reference is made to the Loan Facility Announcement in relation to, among others, the Loan Agreement. As disclosed in the Loan Facility Announcement, the Loan Agreement was conditional upon SA Investments enter into, among others, the Security Agreement and the Subordination Agreement.

Unless otherwise defined in this announcement, capitalised terms defined in the Loan Facility Announcement have the same meanings as used in this announcement.

By the Loan Amendment Agreement, the Security Agreement, the Subordination Agreement and other terms and conditions of the Loan Agreement insofar as relating to SA Investments are revised as disclosed below.

Security Agreement

Under the Security Agreement executed by SA Investments which was incorporated as part of the Loan Agreement, SA Investments (a) created a first charge and an assignment by way of security of (i) all present and future convertible bonds (“**CBs**”) issued or may in the future be issued by Suntrust to SA Investments (including without limitation, the 2020 CB and the 2022 CB in issue); and (ii) all present and future agreements, contracts, documents or instruments entered into or to be entered into between Suntrust and SA Investments (save and except the CBs) evidencing or relating to loans or advances by SA Investments to Suntrust (“**Assigned Loan Contracts**”); (b) created a first charge over all Suntrust Shares owned or held or that in the future may be owned or held by SA Investments; and (c) undertook (“**SA Project Support Undertaking**”) to provide Project Support to Suntrust to ensure timely completion of the Main Hotel Casino and timely fund the cost overruns of the Main Hotel Casino project through Project Support to Suntrust.

By the Loan Amendment Agreement:

- the 2020 CB, the 2022 CB and the New CB will only form part of the CBs charged and/or assigned under the Security Agreement effective and starting from the Independent Shareholders’ Approval Date;
- the Suntrust Shares owned or held or that in the future may be owned or held by SA Investments will only form part of the charge and/or assignment under the Security Agreement effective and starting from the Independent Shareholders’ Approval Date;

- the SA Loan Agreement will only form part of the Assigned Loan Contracts charged and/or assigned under the Security Agreement effective and starting from the Independent Shareholders' Approval Date; and
- the giving of the SA Project Undertaking by SA Investments shall be on and after the Independent Shareholders' Approval Date.

Subordination Agreement

Under the Subordination Agreement dated 26 July 2023 executed by SA Investments prior to initial drawdown under the Loan Facility, SA Investments has irrevocably subordinated any and all present and future indebtedness, liabilities or obligations of Suntrust, direct or indirect, contingent or non-contingent, owing to SA Investments under all advances and loans to Suntrust (the "**Subordinated Indebtedness**") to and ranking junior in payment to the Secured Obligations.

Under and pursuant to the Subordination Agreement:

- all amounts due and payable by Suntrust to SA Investments under the SA Loan shall be subordinated to and rank junior in payment to the Secured Obligations; and
- SA Investments shall not demand, collect, accept and/or receive from Suntrust, whether directly or indirectly, any principal, interest, default interest, penalties or other amounts payable by the Suntrust to SA Investments under the SA Loan Agreement.

By the Loan Amendment Agreement:

- all amounts due and payable by Suntrust to SA Investments as holder of and under the New CB shall be deemed and made Subordinated Indebtedness effective and starting on the Independent Shareholders' Approval Date; and
- all amounts due and payable by Suntrust to SA Investments under the SA Loan shall be deemed and made Subordinated Indebtedness effective and starting on the Independent Shareholders' Approval Date.

The Loan Agreement

Apart from the changes to the Security Agreement and the Subordination Agreement mentioned above, the major changes effected by the Loan Amendment Agreement to the Loan Agreement are set out below.

Change in the drawdown schedule of the Loan

By the Loan Amendment Agreement, the drawdown schedule of the Loan is changed from that disclosed in “The Loan Facility – Drawdown schedule” in the Loan Facility Announcement to the following drawdown schedule with the changes made underlined:

Drawdown schedule:	Scheduled Drawdown Date	Drawdown Amount
	<u>July 2023</u>	<u>PHP2,000,000,000.00</u>
	<u>September 2023</u>	<u>PHP1,340,000,000.00</u>
	October 2023	PHP5,400,000,000.00
	June 2024	PHP2,260,000,000.00
	April 2025	PHP7,520,000,000.00
	October 2025	<u>PHP6,480,000,000.00</u>
	Total	<u><u>PHP25,000,000,000.00</u></u>

The drawdown schedule is subject to adjustments as may be mutually agreed in writing by the Lender and Suntrust.

Changes in the major conditions precedent to subsequent drawdown under the Loan Facility

By the Loan Amendment Agreement, the major conditions precedent to subsequent drawdown under the Loan Facility is changed to the following with the changes made underlined:

- (l) the second drawdown: on or before 30 September 2023, (a) Suntrust has funded the construction reserve account to be maintained in the name of the security trustee to the Lender in an aggregate amount of not less than US\$20 million; and (b) the Independent Shareholders’ Approval has been obtained and the Independent Shareholders’ Approval Date has occurred;
- (m) the third drawdown: the facility agent of the Lender having received a certification from Suntrust and its designated contractor for the Main Hotel Casino project, validated by the Lender’s technical advisor, confirming that energization and tower watertightness for the Main Hotel Casino project have been completed;
- (n) the fourth drawdown: the facility agent of the Lender having received a certification from Suntrust and its designated contractor for the Main Hotel Casino project, validated by the Lender’s technical advisor, confirming that the proper fire safety approval for the Main Hotel Casino project has been issued and the requisite fire safety compliance and commission report has been submitted;

- (o) the fifth drawdown: the facility agent of the Lender having received a certification from Suntrust and its designated contractor for the Main Hotel Casino project, validated by the Lender’s technical advisor, confirming that podium fit-out for the Main Hotel Casino project has been completed, the proper partial occupancy permit for the Main Hotel Casino has been issued and the Main Hotel Casino project has achieved at least 85% construction completion, the relevant authority in the Philippines has issued a notice to commence casino operation of the Main Hotel Casino project and additional cash equity into the Main Hotel Casino in an amount equivalent to at least PHP7.87 billion has been infused by Fortune Noble, Mr. Lo and SA Investments; and
- (p) the sixth drawdown: the facility agent of the Lender having received a certification from Suntrust and its designated contractor for the Main Hotel Casino project, validated by the Lender’s technical advisor, confirming that hotel fit-out for the Main Hotel Casino project has been completed, and additional cash equity into the Main Hotel Casino in an amount equivalent to at least PHP11.50 billion has been infused by Fortune Noble, Mr. Lo and SA Investments.

The CRA Reserve Requirement

By the Loan Amendment Agreement, the CRA Reserve Requirement is required to be met by Suntrust and the Independent Shareholders’ Approval has to be obtained and the Independent Shareholders’ Approval Date has to be occurred on or before 30 September 2023.

The Undertaking

The Undertaking was executed by SA Investments in favour of the Lender on 26 July 2023.

Supplemental Deed Polls

On 26 July 2023, the Supplemental Deed Polls were executed by Suntrust and SA Investments. The major terms and conditions of the Supplemental Deed Polls are the same as those disclosed in “The Security Agreement and other documents to be provided by SA Investments – Supplemental Deed Polls” in the Loan Facility Announcement save those as underlined below:

The 2020 CB and the 2022 CB are amended respectively whereby subject to fulfilment of the conditions precedent to the Supplemental Deed Polls mentioned below, with effect from the earlier of the date of the fulfilment of such conditions precedent and 29 February 2024, the 2020 CB and the 2022 CB shall be revised by adding the following:

- (a) SA Investments agrees and undertakes with the Lender to the Required CB Conditions in relation to the 2020 CB and the 2022 CB.

- (b) Paragraph (b) as disclosed in “The Security Agreement and other documents to be provided by SA Investments – Supplemental Deed Polls” in the Loan Facility Announcement was deleted.
- (c) In relation to each of the 2020 CB and the 2022 CB, SA Investments agrees to waive the right to declare an event of default under it on or before its maturity date to comply with the Subordination under the Required CB Conditions.

The Supplemental Deed Polls are both subject to the following conditions precedent:

- (a) the obtaining of the necessary consent and approval from the Stock Exchange for the change in terms of the 2020 CB and the 2022 CB as contemplated under the Supplemental Deed Polls; and
- (b) the obtaining of the approval of the Independent Shareholders to the change in terms of the 2020 CB and the 2022 CB as contemplated under the Supplemental Deed Polls at the SGM.

If the conditions precedent shall not have been fulfilled by 30 September 2023 or such later date as Suntrust and SA Investments may agree, the Supplemental Deed Poll shall lapse and Suntrust and SA Investments shall release each other from all obligations thereunder.

INFORMATION ABOUT THE 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 the Main Hotel Casino in the Philippines which is expected to commence operations in 2024. The Main Hotel Casino will encompass (i) a 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 LET Circular.

As at the date of this announcement, Suntrust is indirectly held as to 51% by LET and hence is a non-wholly owned subsidiary of LET. LET is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. LET Group is principally engaged in (i) through the Suntrust Group, the development and operation of the Main Hotel Casino in the Philippines; (ii) through the Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region (the “**IEZ Primorye**”) in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC.

INFORMATION OF THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation. The gaming and hotel operations of the Group are conducted through its 77.5% equity interest in Oriental Regent Limited, an indirect non-wholly owned subsidiary of the Company. The Company is an approximately 69.66% owned subsidiary, in aggregate directly and indirectly, of LET.

REASONS FOR AND BENEFITS OF THE NEW CB RELATED FINANCIAL ASSISTANCE AND THE SA LOAN AGREEMENT

Based on the latest development plan and schedule of the Main Hotel Casino, the total construction and development costs of the Main Hotel Casino for it to commence operation are estimated to be approximately US\$1,100 million (equivalent to approximately HK\$8,525 million) in total, of which US\$491 million (equivalent to approximately HK\$3,805.25 million) has already been raised as at the date of this announcement.

As disclosed in the Loan Facility Announcement, Suntrust has entered into the Loan Agreement with the Lender for the grant of the Loan Facility to fund its Main Hotel Casino project in the Philippines. Suntrust's failure to effect payment of interests due under the 2020 CB and the 2022 CB may deter the Lender and/or any investors from providing funding for the remaining capital expenditure needs for the development of the Main Hotel Casino and may significantly postpone its completion and opening. Under the terms of the New CB, the New CB Conversion Price represents a significant discount of approximately 38.9% and approximately 33.3% to the 2020 CB Conversion Price and the 2022 CB Conversion Price respectively and the principal amount of the New CB will include the accumulated outstanding interest on the basis of the Interest Waiver accrued under the 2020 CB and the 2022 CB up to the maximum amount as may be included up to the Completion Date (Expected), increasing the prospective long-term value and return of the Group's investment in Suntrust and the potential equity stake of the Group in Suntrust upon the eventual opening of the Main Hotel Casino, with the number of potential Conversion Shares increased by approximately 75.0%.

The Main Hotel Casino is still under construction and not yet in operation. Up to 30 June 2023, approximately US\$461.1 million has been paid for the Main Hotel Casino project by the Suntrust Group, representing approximately 42% of the estimated total construction and development costs. The structural topping-off on Level 12 of the Main Hotel Casino was achieved and façade works were in progress. Podium is now in a water-tight condition for the commencement of interior fit-out works in the coming months. The Suntrust Group is also starting the employee recruitment process for the Main Hotel Casino's operations team. If SA Investments does not restructure the Payment Obligations with Suntrust, the Loan Facility would be adversely affected and Suntrust may not be able to secure adequate funding for the Main Hotel Casino. As a result, the Group is unlikely to be able to recuperate its investment in Suntrust. Facilitating the completion and opening of the Main Hotel Casino is essential to the Group securing a return on its investment. The New CB Related Financial Assistance and the SA Loan Agreement coupled with the other Loan Facility Related Financial Assistance will help substantially to secure the Loan Facility, and resolve Suntrust's financing needs allowing Suntrust to focus on completing construction of the Main Hotel Casino and prepare for its opening.

Having considered the above, the Directors (other than the independent non-executive Directors whose opinion will be deferred until after receiving the advice from the Independent Financial adviser) are of the view that the terms of the New CB Financial Assistance and the SA Loan Agreement are on normal commercial terms, fair and reasonable and, while not in the ordinary and usual course of business of the Group, in the interests of the Company and the Shareholders as a whole.

Mr. Lo, being a common director of the Company, LET and Suntrust and the controlling shareholder of LET and Mr. Chua Ming Huat David, being a common director of the Company and Suntrust, are regarded as having a material interest (or as the case may be, potential conflict of interest) in the New CB Financial Assistance and the SA Loan Agreement. At the meeting of the Board approving the New CB Financial Assistance and the SA Loan Agreement, Mr. Lo and Mr. Chua Ming Huat David had abstained from voting on the resolutions approving the New CB Financial Assistance and the SA Loan Agreement.

LISTING RULES IMPLICATIONS

From the Company's perspective

Chapter 14

The New CB Related Financial Assistance and the SA Loan Agreement constitute the provision of financial assistance by SA Investments to Suntrust under Chapter 14.

Although one or more the applicable percentage ratios in respect of the New CB Related Financial Assistance and the SA Loan Agreement, whether alone or when aggregated with the other Loan Facility Related Financial Assistance, exceed 100%, the New CB Related Financial Assistance and the SA Loan Agreement are not acquisitions by the Company and constitute as major transactions (instead of very substantial acquisitions) for the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14.

Chapter 14A

Suntrust is a connected person of the Company for being an indirect 51% owned subsidiary of LET, which in turn is a controlling shareholder of the Company interested in, directly and indirectly, an aggregate of approximately 69.66% of the Shares in issue as at the date of this announcement.

The New CB Related Financial Assistance and the SA Loan Agreement constitute connected transactions for the Company under Chapter 14A. As one or more of the applicable percentage ratios in respect of the New CB Related Financial Assistance and the SA Loan Agreement, whether alone or when aggregated with the other Loan Facility Related Financial Assistance, exceed 25%, the New CB Related Financial Assistance and the SA Loan Agreement are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A.

Subsequent to the execution of the Loan Agreement on 8 June 2023, the Lender has by the Loan Amendment Agreement agreed to the obtaining of the Independent Shareholders' Approval to the provision of financial assistance by SA Investments to Suntrust under the Security Agreement and the Subordination Agreement as a condition subsequent to the initial drawdown of the Loan under the Loan Facility as disclosed in "The Loan Facility – Security Agreement" and "The Loan Facility – Subordination Agreement" in this announcement.

From LET's perspective

Given Suntrust is an indirect 51% non-wholly owned subsidiary of LET, the New CB Related Financial Assistance and the SA Loan Agreement will not constitute the provision of financial assistance by LET to Suntrust 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 LET. The New CB Related Financial Assistance and the SA Loan Agreement do not constitute connected transactions for LET for the purposes of Chapter 14A either.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and give recommendation to the Independent Shareholders on the fairness and reasonableness of the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance) and whether the Financial Assistance would be in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote on the resolutions proposed to be put forward to them for approving the Financial Assistance. The independent non-executive Directors would be deferred to give their view on the matter, pending the advice of the Independent Financial Adviser to the Independent Board Committee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Financial Assistance.

SGM OF THE COMPANY

A SGM will be convened and held by the Company to consider and, if thought fit, approve the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance). The voting at the SGM will be taken by poll.

At the SGM, any Shareholders with a material interest in the Financial Assistance are required to abstain from voting on the proposed resolutions to be put forward to the Independent Shareholders at the SGM for approving the Financial Assistance. Mr. Lo is a common director of the Company, LET and Suntrust and is the controlling shareholder of LET and the Company, being indirectly interested in approximately 72.07% of the issued shares of LET and 69.77% of the issued Shares. Accordingly, LET and its associate, Victor Sky, each holding 123,255,000 Shares and 3,018,306,811 Shares respectively (representing an aggregate of approximately 69.66% interest in Shares in issue), and Mr. Lo's associates, Better Linkage Limited and Ever Smart Capital Limited, each holding 520,000 Shares and 4,452,000 Shares respectively (representing an aggregate of approximately 0.11% interest in Shares), will therefore be abstained from voting on the resolutions proposed to be put forward to the Independent Shareholders at the SGM for the purpose of approving the Financial Assistance. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders are materially interested in the Financial Assistance who are required to abstain from voting at the SGM on these resolutions.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As stated in the announcement of the Company dated 11 July 2023, a circular containing, among other things, (i) details of the Financial Assistance; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, was expected to be despatched to the Shareholders on or before 11 August 2023. As additional time is required for the Company to prepare and finalise certain information to be included in the circular, the despatch date of the circular will be postponed to a date on or around 25 August 2023.

DEFINITIONS

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

“2020 CB”	the 6.0% coupon rate convertible bonds in the aggregate principal amount of PHP5.6 billion (equivalent to approximately HK\$798.9 million) issued by Suntrust to SA Investments on 30 December 2020 convertible into Suntrust Shares at an initial conversion price (subject to adjustment) of PHP1.8 per Suntrust Share pursuant to the 2020 Subscription Agreement which was approved by the Independent Shareholders at a special general meeting of the Company held on 7 September 2020
“2020 CB Conversion Price”	the price at which Conversion Shares are to be issued upon exercise of the conversion rights under the 2020 CB, which is initially at PHP1.8 per Conversion Share, subject to adjustments in accordance with the conditions of the 2020 CB
“2020 Subscription Agreement”	the conditional subscription agreement dated 1 June 2020 in relation to the subscription of the 2020 CB by SA Investments as subscriber and Suntrust as issuer
“2021 Subscription Agreement”	the conditional subscription agreement dated 20 September 2021 in relation to the subscription of the 2022 CB by SA Investments as subscriber and Suntrust as issuer

“2022 CB”	the 6% coupon rate convertible bonds in the aggregate principal amount of PHP6.4 billion (equivalent to approximately HK\$913.0 million) issued by Suntrust to SA Investments on 10 June 2022 convertible into Suntrust Shares at an initial conversion price (subject to adjustment) of PHP1.65 per Suntrust Share pursuant to the 2021 Subscription Agreement which was approved by the Independent Shareholders at a special general meeting of the Company held on 16 November 2021
“2022 CB Conversion Price”	the price at which Conversion Shares are to be issued upon exercise of the conversion rights under the 2022 CB, which is initially at PHP1.65 per Conversion Share, subject to adjustments in accordance with the conditions of the 2022 CB
“Applicable Law”	with respect to any party to the New CB 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 New CB Subscription Agreements that have the effect of law in the Philippines or other political subdivision of any Governmental Authority, as applicable to the parties to the New CB Subscription Agreement or the subject matter of the New CB Subscription Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Assigned Loan Contracts”	has the meaning as defined in “The Loan Facility – Security Agreement” in this announcement
“Astrum” or “Independent Financial Adviser”	Astrum Capital Management Limited, a corporation licensed by the Securities and Futures Commission to carry Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Financial Assistance and the transactions contemplated thereunder

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday) on which licensed banks in Manila of the Philippine are open for general business
“BVI”	the British Virgin Islands
“Company”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, and the Shares are listed on the Main Board of the Stock Exchange (stock code: 102) and a 69.66% non-wholly owned subsidiary of LET
“Completion”	completion of the New CB Subscription
“Completion Date”	the second Business Day (or such other date as SA Investments and Suntrust may agree in writing) after the fulfillment of the Conditions Precedent or waiver thereof (as the case may be) in accordance with the New CB Subscription Agreement
“Completion Date (Expected)”	30 April 2024, the expected Completion Date for determining the Maximum Set-Off Amount under the New CB Subscription Agreement
“Conditions Precedent”	the conditions precedent to the New CB Subscription Agreement as set out in “The New CB Subscription – The New CB 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 Period”	has the meaning as defined in “The New CB Subscription – Principal terms of the New CB – Conversion period” in this announcement

“Conversion Shares”	the Suntrust Shares issuable by Suntrust upon any holder of the Fortune Noble CB, the 2020 CB, the 2022 CB or the New CBs exercising its conversion rights under any of them
“CRA Reserve Requirement”	has the meaning as defined in “The SA Loan Agreement” in this announcement
“Directors”	directors of the Company and each, a “Director”
“Finance Documents”	has the same meaning as defined in the Loan Facility Announcement (i.e. collectively, the Security Agreement, the Subordination Agreement and the Supplemental Deed Polls)
“Financial Assistance”	collectively, the following: <ul style="list-style-type: none"> (1) Loan Facility Related Financial Assistance; and (2) New CB Related Financial Assistance
“Fortune Noble”	Fortune Noble Limited, a direct wholly-owned subsidiary of LET
“Fortune Noble CB”	The zero coupon rate convertible bonds in the aggregate principal amount of PHP7.30 billion (equivalent to approximately HK\$1.04 billion) issued by Suntrust to Fortune Noble on 30 December 2020 convertible into Suntrust Shares at an initial conversion price (subject to adjustment) of PHP1.10 per Suntrust Share pursuant to the Fortune Noble Subscription Agreement
“Fortune Noble Subscription Agreement”	the conditional subscription agreement dated 1 June 2020 in relation to the subscription of the Fortune Noble CB by Fortune Noble as subscriber and Suntrust as issuer
“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 the 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

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Capital Stock”	the increase in the authorised capital stock of Suntrust from PHP23,000,000,000 divided into 23,000,000,000 Suntrust Shares up to PHP27,000,000,000 divided into up to 27,000,000,000 Suntrust Shares to allow for the issuance and listing of the Conversion Shares upon exercise in full of the conversion rights under the New CB
“Indebted Amount”	the outstanding principal amount together with accrued interest thereon on the basis of the Interest Waiver due and payable under the 2020 CB and the 2022 CB by Suntrust to SA Investments up to the Completion Date
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders on, among other matters, the fairness and reasonableness of the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance)
“Independent Shareholders”	the Shareholders, other than LET, Victor Sky, Mr. Lo and their respective associates, who have no material interest in the New CB Subscription, the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance)
“Independent Shareholders’ Approval”	the approval, confirmation, adoption and/or ratification by the Independent Shareholders of the execution by SA Investments of the Loan Agreement and all undertakings and obligations assumed and any and all forms of security over the assets or properties of SA Investments provided or created by SA Investments under the terms of the Loan Agreement
“Independent Shareholders’ Approval Date”	the date when the Independent Shareholders’ Approval is obtained, issued and/or adopted

“Independent Third Party”	a third party independent of and not connected with the Company and any connected person of the Company and is itself not a connected person of the Company
“Interest Waiver”	waiver by SA Investments to charge interest under the 2020 CB and the 2022 CB at the rate of 6.0% per annum rather than at the higher overdue interest rate of 8% per annum chargeable under (a) the 2020 CB from 30 December 2022 onwards until payment in full of all amount due or to be due under the 2020 CB; and (b) the 2022 CB from 10 June 2023 onwards (if any) until payment in full of all amount due or to be due under the 2022 CB
“Interest Waiver Approval”	the obtaining of the Independent Shareholders approval to the Interest Waiver at the SGM
“Last Trading Day”	26 July 2023, being the last trading day of the Suntrust Shares on the PSE immediately before the publication of this announcement
“Lease Agreement”	the conditional lease agreement dated 21 February 2020 and entered into between Westside and Travellers as the lessor and Suntrust as the lessee for the leasing of the Project Site
“Lender”	China Banking Corporation, a corporation organized and existing under the laws of the Philippines and an Independent Third Party
“LET”	LET Group Holdings Limited, an exempted 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)
“LET Circular”	the circular of LET 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
“LET Group”	LET and its subsidiaries from time to time, including the Group and the Suntrust Group

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the aggregate principal amount of all drawdowns under the Loan Facility
“Loan Agreement”	the omnibus loan and security agreement dated 8 June 2023 as amended by an amendment agreement dated 26 July 2023 (the “ Loan Amendment Agreement ”) in relation to the grant of the Loan Facility by the Lender to Suntrust as borrower entered into, among other parties, the Lender, Suntrust as borrower, Mr. Lo as surety, Fortune Noble and SA Investments as the security providers
“Loan Facility”	a term loan in the principal amount of up to PHP25 billion (equivalent to approximately HK\$3.6 billion) made available by the Lender to Suntrust as borrower under the Loan Agreement
“Loan Facility Announcement”	the announcement of the Company dated 9 June 2023 in relation to the provision of financial assistance by SA Investments under and pursuant to the Loan Agreement
“Loan Facility Related Financial Assistance”	collectively, the Finance Documents, the SA Loan Agreement and the transactions contemplated thereunder respectively
“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 30 April 2024 (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
“Maturity Date”	has the meaning as defined in “The New CB Subscription – Principal terms of the New CB – Maturity date” in this announcement
“Maximum Set-Off Amount”	has the meaning as defined in “The New CB Subscription - The Set-Off” in this announcement

“Megaworld”	Megaworld Corporation, a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: MEG) and a non-wholly owned subsidiary of Alliance Global Group, Inc., an Independent Third Party and the shares of which are listed on the PSE (stock code: AGI)
“Mr. Lo”	Mr. Lo Kai Bong
“New CB”	the zero coupon convertible bonds in the aggregate principal amount of up to PHP13,511.1 million (equivalent to approximately HK\$1,927.4 million) proposed to be issued by Suntrust to SA Investments pursuant to the New CB Subscription Agreement
“New CB Conversion Price”	PHP1.10 per Conversion Share, being the initial price at which Conversion Shares are issuable upon exercise of the New CB Conversion Rights, which is subject to adjustment provisions
“New CB Conversion Rights”	the rights to convert the New CB into Conversion Shares
“New CB Related Financial Assistance”	collectively, the New CB Subscription, the Interest Waiver, the Set Off and the transactions contemplated thereunder respectively
“New CB Subscription”	the subscription of the New CB at the Subscription Price by SA Investments under and pursuant to the New CB Subscription Agreement
“New CB Subscription Agreement”	the conditional subscription agreement dated 26 July 2023 entered into by Suntrust as issuer and SA Investments as subscriber in respect of the New CB Subscription
“Payment Obligations”	has the meaning as defined in “Background” in this announcement
“percentage ratios”	has the meaning as defined in Rule 14.07
“Philippines”	the Republic of Philippines
“PHP”	Philippine peso, the lawful currency of the Philippines

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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
“Project Support”	has the same meaning as defined in the Loan Facility Announcement (i.e. additional funding for the Main Hotel Casino project through (a) equity contribution to Suntrust; or (b) extension of subordinated indebtedness to Suntrust)
“PSE”	The Philippine Stock Exchange, Inc.
“PSE Listing Rules”	PSE Consolidated Listing and Disclosure Rules
“Required CB Conditions”	<ul style="list-style-type: none"> (a) for so long as the Loan remains outstanding, there shall be no conversion or amendment of the CBs including the 2020 CB and the 2022 CB without the prior written consent of the Lender, provided that no such consent shall be needed if at least seventy-five percent (75%) of the Loan has been repaid; (b) the payment of principal, interest, and other amounts under any of the CBs including the 2020 CB and the 2022 CB shall be subordinated to the Loan, and any such payment shall only be made if it will not contravene the terms of the Loan Agreement (“Subordination”); and (c) any conversion, amendment, or payment in violation of any of the foregoing conditions shall be deemed void.
“SA Investments”	Summit Ascent Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
“SA Loan”	a loan facility in the principal sum of up to US\$20 million (equivalent to approximately HK\$155 million) conditionally agreed to be granted by the SA Investment to Suntrust pursuant to the SA Loan Agreement

“SA Loan Agreement”	the conditional loan agreement dated 26 July 2023 entered into between SA Investments as lender and Suntrust as borrower in relation to the SA Loan
“SA Loan Conditions Precedent”	the conditions precedent to the SA Loan Agreement and the availability of the SA Loan as set out in “The SA Loan Agreement – Conditions Precedent of the SA Loan Agreement” in this announcement
“SA Loan EOD”	the events of default under the SA Loan Agreement as set out in “The SA Loan Agreement – Events of default” in this announcement
“SA Loan Long Stop Date”	the last time for fulfillment or, as the case may be, waiver of the SA Loan Conditions Precedent, being 5:00 p.m. on 30 September 2023 (or such later time and date as SA Investments and Suntrust may agree in writing)
“SA Loan Maturity Date”	has the same meaning as defined in “The SA Loan Agreement – Term” in this announcement
“SA Project Support Undertaking”	has the same meaning as defined in “The Loan Facility – Security Agreement” in this announcement
“SEC”	the Philippine Securities and Exchange Commission
“Secured Obligations”	has the same meaning as defined in the Loan Facility Announcement (i.e. all amounts owing to and all expenses as may be incurred by the Lender, its facility agent, security trustee and share custodian pursuant to the terms of the Loan Agreement and the security documents provided as security therefor) and incorporated as part of the Loan Agreement
“Security Agreement”	has the same meaning as defined in the Loan Facility Announcement, further details of which are disclosed under “THE LOAN FACILITY – Security Agreement” in this announcement
“Set-Off”	the setting off of the Subscription Price with the Indebted Amount (in full or as the case may be, in part) up to the Maximum Set-Off Amount on the Completion Date

“Set-Off Deed”	a set-off deed under the New CB Subscription Agreement in relation to the Set-Off
“SGM”	the special general meeting of the Company to be convened and held to consider, among others, the Financial Assistance (i.e. the New CB Related Financial Assistance and the Loan Facility Related Financial Assistance)
“Shareholders”	the holders of the issued Shares
“Shares”	ordinary shares of par value of HK\$0.025 each in the issued and unissued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinated Indebtedness”	has the meaning as defined in “The Loan Facility – Subordination Agreement” in this announcement
“Subordination Agreement”	has the same meaning as defined in the Loan Facility Announcement, further details of which are disclosed under “THE LOAN FACILITY – Subordination Agreement” in this announcement
“Subscription Price”	the principal amount of the New CB of up to PHP13,511.1 million (equivalent to approximately HK\$1,927.4 million)
“Suntrust”	Suntrust Resort Holdings, Inc., formerly known as 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% non-wholly owned subsidiary of LET
“Suntrust Group”	Suntrust and its subsidiaries from time to time
“Suntrust Shares”	ordinary shares of par value of PHP1.0 each in the share capital of Suntrust
“Travellers”	Travellers International Hotel Group Inc.

“Undertaking”	has the meaning as defined in “The Security Agreement and other documents to be provided by SA Investments – Undertaking” in the Loan Facility Announcement
“US\$”	United States dollars, the lawful currency of the United States
“Victor Sky”	Victor Sky Holdings Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of LET
“Westside”	Westside City Resorts World Inc.
“%”	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 PHP7.01; and (b) US\$ was translated to HK\$ at the exchange rate of US\$1 to HK\$7.75.

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

Hong Kong, 26 July 2023

As at the date of this announcement, the Company’s executive Directors are Mr. Lo Kai Bong (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.