SUMMIT ASCENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 102)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "**Board**") of Summit Ascent Holdings Limited (the "**Company**" or "**Summit Ascent**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2014 as follows:

HIGHLIGHTS

- Turnover in 2014 was HK$21.9 million, compared with HK$7.9 million in 2013.
- Loss for the year was HK$78.9 million, compared with HK$79.5 million in 2013. The losses were mainly attributable to non-cash share-based payments of HK$84.2 million incurred during the year.
- Net proceeds generated from a share placement in April 2014 were HK$562.4 million.
- The Group spent US$20.2 million (equivalent to approximately HK$157.5 million) on the acquisition of the additional 14% equity interest in the joint ventures, which increased the Group's shareholding in the Russian project from 46% to 60%. Furthermore, the Group provided its pro rata proportion of the additional funding to the joint ventures in the form of a Shareholder Convertible Loan of US$82.6 million (equivalent to approximately HK$642.7 million).
- Net assets of the Group were HK$1,002.3 million as at 31 December 2014, compared with HK$616.8 million as at 31 December 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** *HK$'000*	2013 *HK$'000*
Turnover	5	**21,926**	7,913
Cost of sales		**(20,314)**	(5,219)
Gross profit		**1,612**	2,694
Other income		**26,528**	1,824
Selling and distribution expenses		**(103)**	(117)
General and administrative expenses		**(106,504)**	(82,710)
Share of losses of joint ventures		**(407)**	(1,282)
Loss before taxation		**(78,874)**	(79,591)
Income tax credit	7	**–**	51
Loss for the year, attributable to owners of the Company	8	**(78,874)**	(79,540)
Other comprehensive expense			
– share of exchange differences of a joint venture, which may be reclassified subsequently to profit or loss		**(183,133)**	(1,853)
Total comprehensive expense for the year, attributable to owners of the Company		**(262,007)**	(81,393)
			(Restated)
Loss per share	10		
– Basic (HK cents)		**5.52**	6.47
– Diluted (HK cents)		**5.52**	6.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	NOTES	2014 HK$'000	2013 HK$'000
Non-current assets			
Equipment		**306**	73
Interests in joint ventures	11	**891,981**	257,908
		892,287	257,981
Current assets			
Inventories		**22**	81
Trade and other receivables	12	**20,449**	37,574
Amount due from a joint venture		**437**	–
Bank balances and cash		**113,242**	359,635
		134,150	397,290
Current liabilities			
Trade and other payables	13	**24,106**	38,090
Amount due to a joint venture		**–**	372
		24,106	38,462
Net current assets		**110,044**	358,828
Net assets		**1,002,331**	616,809
Capital and reserves			
Share capital	14	**36,578**	33,965
Reserves		**965,753**	582,844
Equity attributable to owners of the Company		**1,002,331**	616,809

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Translation reserve**	**Share-based compensation reserve**	**Retained profits (accumulated loss)**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	23,794	2,146	–	3,164	224	29,328
Loss for the year	–	–	–	–	(79,540)	(79,540)
Share of exchange differences of a joint venture	–	–	(1,853)	–	–	(1,853)
Total comprehensive expense for the year	–	–	(1,853)	–	(79,540)	(81,393)
Exercise of share options	337	7,220	–	(2,363)	–	5,194
Recognition of equity-settled share-based payments	–	–	–	61,469	–	61,469
Shares issued	9,834	615,004	–	–	–	624,838
Transaction costs attributable to issue of shares	–	(22,627)	–	–	–	(22,627)
At 31 December 2013 and 1 January 2014	33,965	601,743	(1,853)	62,270	(79,316)	616,809
Loss for the year	**–**	**–**	**–**	**–**	**(78,874)**	**(78,874)**
Share of exchange differences of a joint venture	**–**	**–**	**(183,133)**	**–**	**–**	**(183,133)**
Total comprehensive expense for the year	**–**	**–**	**(183,133)**	**–**	**(78,874)**	**(262,007)**
Exercise of share options	**13**	**1,269**	**–**	**(417)**	**–**	**865**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**84,234**	**–**	**84,234**
Shares issued	**2,600**	**585,000**	**–**	**–**	**–**	**587,600**
Transaction costs attributable to issue of shares	**–**	**(25,170)**	**–**	**–**	**–**	**(25,170)**
At 31 December 2014	**36,578**	**1,162,842**	**(184,986)**	**146,087**	**(158,190)**	**1,002,331**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. GENERAL

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are the trading of tiles and engineering operations products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied for the first time in the current year the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may affect the classification and measurement of the Group's financial assets.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRs 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue,* HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Idenfity the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue whem (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors anticipate that the application of the other new and revised standards, amendments and interpretation issued but not yet effective will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis, at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of Oriental Regent Limited ("Oriental Regent") as a joint venture

Note 11 describes that Oriental Regent is a joint venture of the Group. The directors assessed whether or not the Group has control over Oriental Regent based on whether it has the practical ability to direct the relevant activities of Oriental Regent unilaterally. New Crescent Investment Limited ("New Crescent"), a wholly owned subsidiary of Melco International Development Limited ("Melco") has 5% equity interest in Oriental Regent. Mr. Ho, Lawrence Yau Lung is a shareholder with significant influence and director in both the Company and Melco. Although the Group and New Crescent have in aggregate 65% equity interest in Oriental Regent, the directors considered that Oriental Regent is not a subsidiary of the Group as Melco is a listed company which is not considered to be acting on the Group's behalf in respect of the 5% interest in Oriental Regent held by Melco. Accordingly, as the relevant activities of Oriental Regent require unanimous written approval of all of the members of the board of Oriental Regent or the unanimous consent of the shareholders of Oriental Regent, Oriental Regent is considered to be under joint control of the Group and the other parties.

In addition, Oriental Regent is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. There are also no contractual arrangements or any other facts and circumstances that specify that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, the directors classified Oriental Regent as a joint venture of the Group.

Key sources of estimation uncertainty

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 December 2014, the carrying amount of trade and other receivables is HK$20,449,000 (2013: HK$37,574,000) with no allowance for doubtful debts for both years.

Share-based payments

The Group recognises share-based compensation expense on options granted. Share-based compensation expense is based on the estimated fair value of each option at its grant date, the estimation of which requires management to make assumptions about future volatility of the Group's stock price, future interest rates and the timing with respect to exercise of the options. The effects of a change in one or more of these variables could result in a materially different fair value. The fair value of the share options granted during the year was estimated at HK$18,558,000 (2013: HK$182,658,000) and the amount associated with share-based payments for the year ended 31 December 2014 is HK$84,234,000 (2013: HK$61,469,000).

5. TURNOVER

Turnover represents the amounts received or receivable for goods sold to customers during the year, less returns.

6. SEGMENT INFORMATION

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Company's Executive Director, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. No operating segments have been aggregated in arriving at reportable segments of the Group.

Specifically, the Group's operating and reportable segments under HKFRS 8 Operating Segments are as follows:

(a) Trading of tiles and engineering operations products.

(b) Gaming and hotel operations.

Segment revenues and results

An analysis of the Group's turnover and results by operating and reportable segment is as follows:

	2014			2013		
	Trading of tiles and engineering operations products	**Gaming and hotel operations**	**Total**	Trading of tiles and engineering operations products	Gaming and hotel operations	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Turnover – external sales	**21,926**	**–**	**21,926**	7,913	–	7,913
Segment results	**(3,958)**	**(407)**	**(4,365)**	(2,493)	(1,282)	(3,775)
Other income			**23,966**			1,824
Share-based payment expense			**(84,234)**			(61,469)
Unallocated general and administrative expenses			**(14,241)**			(16,171)
Loss before taxation			**(78,874)**			(79,591)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	2014	2013
	HK$'000	*HK$'000*
Trading of tiles and engineering operations products	**19,720**	36,445
Gaming and hotel operations	**891,981**	257,908
Segment assets	**911,701**	294,353
Unallocated assets		
Bank balances and cash	**113,242**	359,635
Equipment	**306**	73
Other receivables and deposits	**1,188**	1,210
Consolidated assets	**1,026,437**	655,271

Segment liabilities

	2014	2013
	HK$'000	*HK$'000*
Trading of tiles and engineering operations products	**21,045**	33,325
Gaming and hotel operations	**–**	372
Segment liabilities	**21,045**	33,697
Unallocated liability		
Other payables and accruals	**3,061**	4,765
Consolidated liabilities	**24,106**	38,462

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss before taxation incurred by each segment without allocation of bank interest income, imputed interest income from loans to joint ventures, share-based payment expense, unallocated net foreign exchange gain (loss) and unallocated general and administrative expenses. This is the measure reported to the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

Other segment information

	2014				2013			
	Trading of tiles and engineering operations products	**Gaming and hotel operations**	**Unallocated**	**Consolidated**	Trading of tiles and engineering operations products	Gaming and hotel operations	Unallocated	Consolidated
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amount included in the measure of segment profit or loss or segment assets:								
Write back of provision for stock obsolescence	**–**	**–**	**–**	**–**	68	–	–	68

Geographical information

The information of the Group's non-current assets by geographical location of assets is detailed below:

	Non-current assets	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**306**	73
Russian Federation	**891,981**	257,908
	892,287	257,981

Information about major customers

Included in revenue arising from trading of tiles and engineering operations products are revenue of approximately HK$12,358,000 (2013: HK$1,949,000) which arose from sales to the Group's largest customer.

7. INCOME TAX CREDIT

Income tax credit for the year ended 31 December 2013 represented overprovision of income tax in prior years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The tax credit for the year can be reconciled to the loss before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	HK$'000	*HK$'000*
Loss before taxation	**(78,874)**	(79,591)
Tax at the domestic income tax rate of 16.5% (2013: 16.5%)	**(13,014)**	(13,133)
Tax effect of expenses not deductible in determining taxable profit	**13,940**	12,026
Tax effect of income not taxable in determining taxable profit	**(3,980)**	(161)
Tax effect of share of losses of joint ventures	**67**	211
Tax effect of tax losses not recognised	**2,987**	1,057
Overprovision in prior years	**–**	(51)
Tax credit for the year	**–**	(51)

At the end of the reporting period, the Group has unused tax losses of HK$26,852,000 (2013: HK$8,747,000) available for offset against future profits. No deferred tax assets have been recognised on such tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

8. LOSS FOR THE YEAR

	2014	2013
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,660**	1,300
Directors' remunerations	**73,570**	59,844
Salaries, wages, bonus and other benefits	**11,760**	4,359
Contributions to retirement benefits schemes, excluding directors	**608**	403
Share-based compensation benefits, excluding directors and consultants	**7,197**	146
Total staff costs	**19,565**	4,908
Share-based compensation benefits to consultants	**4,103**	2,115
Cost of inventories recognised as an expense	**20,314**	5,219
Depreciation	**72**	1
Legal and professional fees *(Note)*	**752**	11,424
Minimum lease payments under operating leases	**2,258**	531
Bank interest income	**(4,650)**	(976)
Imputed interest income from loans to joint ventures	**(17,373)**	–
Net foreign exchange gain	**(1,943)**	(848)
Write back of provision for stock obsolescence	**–**	(68)

Note: The amounts in 2013 mainly represented the legal and professional fees incurred in relation to acquisition of 46% ownership interests in Oriental Regent.

9. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2014 and 2013, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Loss for the purposes of basic and diluted loss per share	**78,874**	79,540

	Number of shares (in thousands)	
		(Restated)
Weighted average number of ordinary shares for the purposes of basic and diluted losses per share	**1,429,434**	1,228,706

The weighted average numbers of ordinary shares for the purpose of basic and diluted loss per share have been adjusted for the subdivision of shares on 16 June 2014, as detailed in note 14.

The computation of diluted losses per share does not assume exercise of share options since their exercise would result in a decrease in loss per share.

11. INTERESTS IN JOINT VENTURES

Details of the Group's interests in and related loans to joint ventures are as follows:

	2014	2013
	HK$'000	*HK$'000*
Cost of unlisted investment in joint ventures	**418,541**	261,043
Share of post-acquisition losses and other comprehensive expenses	**(186,675)**	(3,135)
Deemed capital contribution	**317,214**	–
	549,080	257,908
Loans to joint ventures *(Note i)*	**342,901**	–
	891,981	257,908

On 23 August 2013, a wholly owned subsidiary of the Company, Summit Ascent Russia Limited ("SARL") has entered into an investment agreement ("Investment Agreement") with New Crescent, Firich Investment Limited ("Firich"), Elegant City Group Limited ("Elegant City") and Oriental Regent. Firich, Elegant City and Oriental Regent are independent third parties to the Group. The Investment Agreement provides that Summit Ascent Russia Limited will make an investment in a gaming and resort development project in Russia, by subscribing new shares of Oriental Regent, representing 46% of the enlarged issued share capital of Oriental Regent upon completion pursuant to the terms and conditions of the Investment Agreement. The Investment Agreement has been completed on 31 October 2013 and the consideration paid by the Group is approximately HK$184,383,000. Pursuant to certain terms and conditions in the shareholders' agreement, the relevant activities of Oriental Regent require unanimous written approval of all of the members of the board of Oriental Regent or the unanimous consent of the shareholders of Oriental Regent and accordingly, Oriental Regent is classified as a joint venture of the Group.

On 25 November 2013, pursuant to the Investment Agreement, each shareholder is required to invest additional amount in accordance with their respective shareholding in Oriental Regent and the consideration paid by the Group is approximately HK$76,660,000.

Pursuant to the acquisition agreement signed on 23 April 2014, SARL acquired further 14% of the equity interest in Oriental Regent from Elegant City for a consideration of HK$157,498,000. Upon completion, SARL holds 60% equity interest in Oriental Regent and Oriental Regent continued to be accounted for as a joint venture of the Group.

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

Name of entity	Form of entity	Country of incorporation/ registration	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
					2014	2013	**2014**	2013	
Oriental Regent	Incorporated	Hong Kong	Hong Kong	Ordinary	**60%**	46%	**33%**	25%	Investment holding
First Gambling Company of the East LLC *(Note ii)*	Incorporated	Russian Federation	Russian Federation	Chartered	**60%**	46%	**33%**	25%	Development of hotel and gaming business in the Integrated Entertainment Zone in Russia Federation

Notes:

(i) On 15 July 2014, each of the shareholders of Oriental Regent entered into a loan agreement with Oriental Regent whilst they agreed to provide their pro rata proportion of the additional capital amount of totally HK$1,071,236,000 required by Oriental Regent to continue to fund the gaming and resort project in Russia Federation by way of shareholder convertible loan (the "Shareholder Convertible Loan") as contemplated under the investment and shareholders agreement dated 23 August 2013. The Group as one of the lenders provided its pro rata proportion of the Shareholder Convertible Loan amounted to HK$342,901,000, after adjusting the fair value adjustment of HK$317,214,000 and including imputed interest income of HK$17,373,000, from its internal resources. The Shareholder Convertible Loan is non-interest bearing, unsecured and due to mature after 3 years, which shall automatically renew for another term of three years. No repayment shall be made by Oriental Regent unless there are sufficient free cash flows generated from the operations of Oriental Regent and its subsidiary to make the repayment. The Shareholder Convertible Loan can only be converted into new shares of Oriental Regent at the option of Oriental Regent at such conversion price(s) and ratio(s) as Oriental Regent shall agree with the shareholders of Oriental Regent at the relevant time. Unless otherwise determined by the board of Oriental Regent, the lender of the Shareholder Convertible Loan or its permitted assignee shall not have any right of redemption or conversion in respect of the Shareholder Convertible Loan (or any part thereof).

(ii) First Gambling Company of the East LLC ("FGCE") is a wholly-owned subsidiary of Oriental Regent.

Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint venture, on a consolidation basis, is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Oriental Regent

	2014	2013
	HK$'000	*HK$'000*
Current assets		
Bank balances and cash	**847,830**	305,562
Others	**26,749**	15,873
	874,579	321,435
Non-current assets		
Construction in progress	**216,841**	164,124
Long term prepayments, other receivables and other asset	**268,578**	125,908
Others	**5,727**	997
	491,146	291,029
Current liabilities		
Other payables	**6,564**	27,773
Others	**437**	247
	7,001	28,020
Non-current liabilities		
Long term payables	**8,634**	23,774
Loans from shareholders	**571,502**	–
	580,136	23,774

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	**847,830**	305,562
Current financial liabilities (excluding trade and other payables and provisions)	**437**	247
Non-current financial liabilities (excluding trade and other payables and provisions)	**580,136**	23,774

	Year ended 31.12.2014 HK$'000	1.11.2013 (date of acquisition) to 31.12.2013 HK$'000
Revenue	**–**	–
Loss for the year/period	**2,723**	2,786
Other comprehensive expense for the year/period	**307,865**	4,029
Total comprehensive expense for the year/period	**310,588**	6,815

The above loss for the year/period includes the following:

Depreciation and amortisation	**482**	–
Interest income	**1,345**	–
Interest expense	**28,955**	411
Income tax credit	**1,452**	102

Reconciliation of the above summarised financial information to the carrying amount of the interests in joint ventures recognised in the consolidated financial statements is as follows:

	2014 *HK$'000*	2013 *HK$'000*
Net assets of Orient Regent	**778,588**	560,670
Proportion of the Group's ownership interests in Oriental Regent	**60%**	46%
	467,153	257,908
Excess of consideration paid over net assets acquired for the additional 14% equity interest in Oriental Regent	**81,927**	–
Loans to joint ventures	**342,901**	–
Carrying amount of the Group's interest in Oriental Regent	**891,981**	257,908

Oriental Regent is engaged in a gaming and resort business in Russia Federation through its wholly-owned subsidiary, FGCE. The project is currently under development stage and in the opinion of the directors, the investment is considered strategic to the Group as it allows the Group to be engaged in the development of casino business in new geographical location.

12. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**1,796**	1,896
Prepayments to a supplier	**16,190**	28,426
Other receivables, deposits and prepayments	**2,463**	7,252
	20,449	37,574

Included in other receivables was an amount of HK$6,042,000 due from Arnhold & Co., Ltd. ("ACL"), a company controlled by a director of a subsidiary of the Company as at 31 December 2013, who has resigned from the directorship of the subsidiary of the Company with effect from 12 March 2014. The receivables mainly arose from sales receipts collected on behalf of the subsidiary of the Company. The receivables were unsecured, non-interest bearing and repayable on demand. No provisions were held against the receivables from ACL for the year ended 31 December 2013.

The Group allows an average credit period of 30 to 90 days to its trade customers. All of the Group's trade receivables are within their credit terms with no default history and neither past due nor impaired.

The following is an aging analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,250**	1,032
31 – 90 days	**546**	864
	1,796	1,896

13. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**1,800**	1,004
Accruals and other payables	**5,268**	6,775
Deposits received from customers	**17,038**	30,311
	24,106	38,090

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,250**	462
31 – 90 days	**175**	266
over 90 days	**375**	276
	1,800	1,004

The average credit period on purchases of goods ranges from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital *HK$'000*
Authorised:		
Shares of HK$0.1 each at 1 January 2013	**800,000,000**	**80,000**
Subdivision of shares *(Note b)*	**800,000,000**	**–**
Shares at HK$0.05 each at 31 December 2013 and 1 January 2014	**1,600,000,000**	**80,000**
Subdivision of shares *(Note e)*	**1,600,000,000**	**–**
Shares at HK$0.025 each at 31 December 2014	**3,200,000,000**	**80,000**
Issued and fully paid:		
Shares of HK$0.1 each at 1 January 2013	**237,939,584**	**23,794**
Shares issued under open offer *(Note a)*	**71,381,875**	**7,138**
Exercise of share options		
– before subdivision of shares	**500,000**	**50**
– after subdivision of shares	**5,746,000**	**287**
Subdivision of shares *(Note b)*	**309,821,459**	**–**
Shares issued under placement *(Note c)*	**53,918,000**	**2,696**
Shares of HK$0.05 at 31 December 2013 and 1 January 2014	**679,306,918**	**33,965**
Exercise of share options	**250,000**	**13**
Shares issued under placement *(Note d)*	**52,000,000**	**2,600**
Subdivision of shares *(Note e)*	**731,556,918**	**–**
Shares of HK$0.025 at 31 December 2014	**1,463,113,836**	**36,578**

Notes:

(a) In April 2013, the Company raised gross proceeds of approximately HK$85.7 million by issuing 71,381,875 new shares in the Company of HK$0.10 each in an open offer on the basis of three offer shares for every ten existing shares at a subscription price of HK$1.20 per offer share ("Open Offer"). The net proceeds, after deduction of related expenses, of approximately HK$84.3 million from the Open Offer is applied for general working capital purposes and for financing new investment opportunities.

(b) On 3 June 2013, the Company had completed a capital reorganisation in which each of the existing issued and unissued shares of par value of HK$0.10 each in the share capital of the Company has been subdivided into two subdivided shares of par value of HK$0.05 each. Following the effective date of share subdivision, the authorised share capital of the Company becomes HK$80,000,000 divided into 1,600,000,000 subdivided shares of HK$0.05 each, of which 619,642,918 subdivided shares were in issue and fully paid.

(c) In October 2013, 53,918,000 shares (the "Placing Shares") of the Company of HK$0.05 each was issued and sold at the price of HK$10.00 per share (the "Placing Price") pursuant to the Placing and Subscription Agreement entered into among Quick Glitter Limited, a company owned by Mr. Ho, Lawrence Yau Lung, non-executive director and Chairman of the Company (the "Vendor"), Mr. Wang, John Peter Ben, director of the Company, the Company and Deutsche Bank, the sole placing agent (the "Placing Agent) in which the Vendor has sold and the Placing Agent has purchased the Placing Shares at the Placing Price; and the Vendor has subscribed for, and the Company has issued, such number of shares as equal to the number of Placing Shares sold by the Vendor at the price equals to the Placing Price. The net proceeds, after deduction of related expenses, of approximately HK$517.9 million have been used to fund the joint ventures' investment in the gaming and resort development project in Russia.

(d) Pursuant to the placing agreement dated 23 April 2014 (the "Placing Agreement") entered into among the Vendor, the Company and BNP Paribas Securities (Asia) Limited (the "2014 Placing Agent"), the Vendor has sold and the 2014 Placing Agent has successfully placed 52,000,000 shares (the "2014 Placing Shares") to not less than six placees who are independent third parties and not connected with the Company at the placing price of HK$11.30 per share (the "2014 Placing Price"). Pursuant to the subscription agreement dated 23 April 2014 (the "Subscription Agreement") entered into between the Vendor and the Company, the Vendor has subscribed for, and the Company has issued, such number of ordinary shares which is equal to the number of the 2014 Placing Shares sold by the Vendor at the price equals to the 2014 Placing Price. The net proceeds, after deduction of the relevant expenses, of approximately HK$562.4 million have been used to further fund the joint ventures' investment in the gaming and resort development project in Russia and as general working capital.

(e) On 16 June 2014, the Company had completed a capital reorganisation in which each of the existing issued and unissued shares of par value of HK$0.05 each in the share capital of the Company has been subdivided into two subdivided shares of par value of HK$0.025 each. Following the effective date of share subdivision, the authorised share capital of the Company becomes HK$80,000,000 divided into 3,200,000,000 subdivided shares of HK$0.025 each, of which 1,463,113,836 subdivided shares are in issue and fully paid.

CHAIRMAN'S STATEMENT

In my second report as Chairman, I am pleased to report that substantial progress has been made by the Group on numerous fronts. The year was also significant as the Group effectively surmounted hurdles often encountered as a first-mover in a virgin jurisdiction.

In 2014, the Group raised its shareholding in the equity ownership of the Russian joint venture from 46% to 60%, construction of the hotel and gaming resort continues progressing rapidly as we approach our anticipated opening in 2015, the local government demonstrated its ongoing support of the project through road and other infrastructure development, and senior management positions have been filled with top-tier talent. In addition, the Company conducted a successful fundraising in April 2014 with the net proceeds primarily used to fund our increase in equity ownership and our portion of the additional funding of the project, which is required to bring the project design up to an international standard and improve security and surveillance capabilities. We also announced that we entered into a memorandum of understanding with China Construction (Russia) Company Limited to not only complete the construction and fit out of phase one, but to also serve as the main contractor on phase two and assist with sourcing state-owned bank financing of the latter project.

From a macro perspective, the year has proven to be a pivotal one. On the one hand, the Asian gaming sector has come under pressure and Macau recorded its first full-year revenue decline in 2014 after more than a decade of robust double-digit growth and an exceptionally strong performance in 2013. On the other hand, Sino-Russia political relations have continued to improve, and the two countries have grown increasingly economically interdependent most clearly evidenced by the historic gas deal signed in 2014, under which Russia will sell significant stores of natural gas to China for 30 years.

The challenges experienced have also presented us with opportunities and we remain optimistic about the prospects of the Company's gaming and resort development in the Russian Far East, which has so far attracted more international investment than the country's other gaming zones. Russia maintains its position as an attractive gaming and corporate tax environment and currency fluctuations have made it an even greater value to visitors, which will assist in the development of tourism and have lowered the cost of doing business by foreign investors in the jurisdiction. With neighboring northern China, Korea and Japan all within a 3-hour flight radius, the prime location of our resort remains unparalleled.

Lastly, I would like to express my appreciation for the effort and commitment demonstrated by my fellow Board members, management team, and staff in overcoming the challenges of 2014 and preparing Summit Ascent for the next step in its evolution. I would also like to thank our business partners, clients, and loyal shareholders for their trust and continued support.

Ho, Lawrence Yau Lung
Chairman and Non-Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

For the year ended 31 December 2014, the Company and its subsidiaries (the "Group") continued to engage in the trading of tiles and engineering operations products. The Group recorded a turnover of HK$21.9 million for the year ended 31 December 2014, representing an increase of 177% over the corresponding period in 2013 (2013: HK$7.9 million). The significant increase of turnover met our expectations and was mainly attributable to unit volume increases stemming from customers in Macau. However, this volume increase came at a reduced gross profit margin of 7.4% for the year ended 31 December 2014 (2013: 34%) due to competitive pricing pressure.

Loss of the Group amounted to HK$78.9 million for the year ended 31 December 2014 (2013: loss of HK$79.5 million), mainly attributable to non-cash share-based compensation benefits of HK$84.2 million (2013: HK$61.5 million).

The Group also generated bank interest income of HK$4.7 million (2013: HK$1 million) and imputed interest income of HK$17.4 million (2013: nil) arising from a shareholder convertible loan granted to Oriental Regent for the year ended 31 December 2014.

Adjusted LBITDA of the Group, representing loss after adjustment for share-based compensation benefits, share of losses of joint ventures and before accounting for interest income and expense, tax, and depreciation ("Adjusted LBITDA") was HK$16.2 million for the year ended 31 December 2014 (2013: LBITDA of HK$17.8 million).

The Group has secured orders for the trading of tiles and engineering operations products worth approximately HK$16 million, which is expected to contribute positively to the earnings of the Group for the year ending 31 December 2015.

Segment Information

The Group has two operating segments: (1) trading of tiles and engineering operations products and (2) gaming and hotel operations. The Group's revenue for the year ended 31 December 2014 and 2013 was solely derived from the trading of tiles and engineering operations products.

Upon acquisition of 46% equity interest of Oriental Regent in October 2013, a new business, which is related to the development of hotel and gaming business in Russia, has been added as an operating and reportable segment: "Gaming and Hotel Operations". After the additional acquisition of 14% equity interest in 2014, the 60% owned Oriental Regent continues to be accounted for as a joint venture and its results have been equity accounted for in the consolidated financial statements of the Group, on the basis that the

Group continues to be subject to the mutual consents among the shareholders of Oriental Regent in all material decisions and/or transactions.

At 31 December 2014, the carrying amount of the Group's interest in Oriental Regent was HK$892.0 million (2013: HK$257.9 million). Oriental Regent and FGCE recorded no turnover in 2013 and 2014 but incurred some pre-opening expenses. As a result of the sharp depreciation of the Russian Rouble in 2014, these pre-opening expenses were largely offset by the non-cash foreign exchange gain when FGCE retranslated its monetary items denominated in the United States Dollar to the Russian Rouble for consolidation purpose. Accordingly, the Group just shared losses of the joint ventures of approximately HK$407,000 in the consolidated statement of profit or loss for the year ended 31 December 2014 (2013: loss of HK$1.3 million).

The analysis of the Group's turnover and results by operating and reportable segment is stated in note 6.

Significant Acquisitions and Investments Held

On 23 April 2014, Summit Ascent Russia Limited ("SARL"), a wholly-owned subsidiary of the Company, New Crescent Investments Limited ("New Crescent"), a wholly-owned subsidiary of Melco International Development Limited, Firich Investment Limited ("Firich"), Elegant City Group Limited ("Elegant City") and Oriental Regent entered into an acquisition agreement, pursuant to which, SARL and Firich agreed to acquire 14% and 1% of the equity interest in Oriental Regent, respectively, from Elegant City (the "Acquisition"). The consideration for the Acquisition paid by SARL for the additional 14% equity stake in Oriental Regent was US$20,244,000 (equivalent to approximately HK$157,498,000). This valuation equates to approximately two times the relevant percentage of the consolidated net asset value of Oriental Regent as at 31 December 2013. With shareholders' approval at the special general meeting held on 13 June 2014 and upon completion of the Acquisition on 15 July 2014, SARL, New Crescent, Firich and Elegant City own 60%, 5%, 20% and 15% of Oriental Regent respectively.

The following table sets forth a reconciliation of Adjusted LBITDA of Oriental Regent to loss attributable to owners of Oriental Regent:

	1.1.2014 to 31.12.2014 *HK$'000*	1.11.2013 to 31.12.2013 *HK$'000*
Revenue	**–**	–
Adjusted LBITDA	**(34,187)**	(2,477)
Foreign exchange gain *(Note 1)*	**58,104**	–
Interest Income	**1,345**	–
Interest expense	**(28,955)**	(411)
Income tax credit	**1,452**	102
Depreciation and amortisation	**(482)**	–
Loss attributable to owners of Oriental Regent	**(2,723)**	(2,786)
Proportion of the Group's interest in Oriental Regent *(Note 2)*	**60%**	46%
Group's share of losses of Oriental Regent	**(407)**	(1,282)

Note 1: Foreign exchange gain arose from the retranslation of monetary items.

Note 2: The Group acquired 46% equity interest in Oriental Regent effective from 1 November 2013 and increased its shareholding from 46% to 60% on 15 July 2014.

Additional Funding for the Project

On 15 July 2014, each shareholder of Oriental Regent entered into a shareholder convertible loan agreement with Oriental Regent to provide Oriental Regent with its pro rata proportion of the additional funding by way of ordinary shareholder convertible loan (the "Shareholder Convertible Loan") as contemplated under the investment and shareholders agreement dated 23 August 2013 (the "Investment Agreement") required to fund the project in Russia, details of which were as follows:

	Amount of the additional funding *(US$)*
SARL	82,614,600
New Crescent	6,884,550
Firich	27,538,200
Elegant City	20,653,650
Total:	**137,691,000**

The Shareholder Convertible Loans are unsecured, non-interest bearing, and repayable after three years from 15 July 2014, which shall automatically renew for another term of three years. The board of Oriental Regent may change the term from time to time, provided that the change must be made in respect of all Shareholder Convertible Loans outstanding at the relevant time on the same terms and on the same date.

The Shareholder Convertible Loans can only be converted into new shares of Oriental Regent at the option of Oriental Regent at such conversion price(s) and ratio(s) as Oriental Regent shall agree with the shareholders of Oriental Regent at the relevant time. If, at the option of Oriental Regent, the Shareholder Convertible Loan (or a portion thereof) is to be converted into new shares of Oriental Regent, conversion must occur in respect of all Shareholder Convertible Loans outstanding at the relevant time (or corresponding portions thereof), on a pro rata basis in proportion to the respective amounts of Shareholder Convertible Loans outstanding at the relevant time. Unless otherwise determined by the board of Oriental Regent, the lender of the Shareholder Convertible Loan or its permitted assignee shall not have any right of redemption or conversion in respect of the Shareholder Convertible Loan (or any part thereof).

Transfers of Shares in Oriental Regent and Assignments of Shareholder Loans

In September 2014, the Company was notified by Elegant City that Elegant City has entered into agreements with the parties described below in respect of transfers of the 21,000 shares in Oriental Regent owned by Elegant City, and the assignment of the Shareholder Convertible Loan of US$20,653,650 advanced by Elegant City to Oriental Regent (the "Transfers"), as follows:

(a) as to 7,000 shares (representing 5% of the issued share capital of Oriental Regent) and the Shareholder Convertible Loan amount of US$6,884,550, to Firich;

(b) as to 3,500 shares (representing 2.5% of the issued share capital of Oriental Regent) and the Shareholder Convertible Loan amount of US$3,442,275, to Perfect Giant Investments Limited, a company incorporated in Hong Kong; and

(c) as to 10,500 shares (representing 7.5% of the issued share capital of Oriental Regent) and the Shareholder Convertible Loan amount of US$10,326,825, to Calm Valley Trust, a discretionary trust set up in Hong Kong by Mr. Oleg Drozdov, the sole shareholder of Elegant City, for the benefit of his three children and a relative.

With effect from completion of the Transfers, certain terms of the Investment Agreement have been amended. The key amendments relate mainly to the following: (i) the removal of Elegant City's rights to appoint directors to Oriental Regent or FGCE, to vote on specified reserved matters and other related rights; and (ii) Firich will have the right to appoint an additional director (bringing their representation to 2 directors in total) to each of Oriental Regent and FGCE. Save for the above and other minor amendments, the provisions of the Investment Agreement remain and continue to be in full force and effect and binding on the parties to the Investment Agreement.

The shareholding of the Company in Oriental Regent is not affected by the Transfers and the shareholding structure of Oriental Regent, subsequent to the transfers and as at 31 December 2014, are set forth as follows:

	% of share capital
SARL	60%
New Crescent	5%
Firich	25%
Calm Valley Trust	7.5%
Perfect Giant Investments Limited	2.5%
Total:	**100%**

Capital Structure

On 10 April 2014, the Company proposed a 2 for 1 share split whereby each of the existing issued and unissued shares of the Company with a par value of HK$0.05 be divided into two shares with a new par value of HK$0.025 each (the "Share Subdivision"). The Share Subdivision reduced the nominal value and trading price of each share and increased the total number of shares of the Company in issue, but did not otherwise affect the corresponding rights of the Company's shareholders. Subsequent to the Share Subdivision, the authorized share capital of the Company becomes HK$80,000,000 divided into 3,200,000,000 shares. The Directors are of the view that the Share Subdivision could increase the number of shares of the Company which enables the Company to attract more investors thereby broadening its shareholders' base. Following the passing of an ordinary resolution at the annual general meeting of the Company, the Share Subdivision became effective on 16 June 2014.

Liquidity and Financial Resources

As at 31 December 2014, cash and bank balances held by the Group amounted to HK$113.2 million (31 December 2013: HK$359.6 million), nearly 100% of which was denominated in Hong Kong dollar (31 December 2013: 100%). The Group continues to maintain a strong financial position with no borrowings throughout the year ended 31 December 2014. Most of the Group's cash balances are placed with reputable financial institutions.

The Group remained conservative in its working capital management. Net current assets of the Group maintained at HK$110 million as at 31 December 2014 (31 December 2013: HK$358.8 million). The Group's principal source of liquidity for the year ended 31 December 2014 was cash inflows from the new issuance of equity shares.

Pursuant to the placing agreement dated 23 April 2014 (the "Placing Agreement") entered into among Quick Glitter Limited, a company owned by Mr. Ho, Lawrence Yau Lung, who is the controlling shareholder of the Company (the "Vendor"), the Company and BNP Paribas Securities (Asia) Limited (the "2014 Placing Agent"), the Vendor has sold and the 2014 Placing Agent has successfully placed 52,000,000 shares (the "2014 Placing Shares") at a placing price of HK$11.30 *(Note)* per share (the "2014 Placing Price") to no fewer than six independent third-party investors otherwise unrelated to the Company. Pursuant to the subscription agreement dated 23 April 2014 (the "Subscription Agreement") entered into between the Vendor and the Company, the Vendor has subscribed for, and the Company has issued, such number of ordinary shares which is equal to the number of the 2014 Placing Shares sold by the Vendor at the 2014 Placing Price. The closing price per share in the Company as quoted on The Stock Exchange of Hong Kong Limited on 22 April 2014 was HK$12.86 *(Note)*, being the date on which the terms of the Placing Agreement and the Subscription Agreement were fixed. The net proceeds from the placement after relevant expenses and costs amounted to approximately HK$562.4 million with a corresponding net price per 2014 Placing Share of approximately HK$10.86 *(Note)*, have been used for the purpose of financing further investments into the gaming and resort project in Russia and as general working capital. The completion of the Placing Agreement and the Subscription Agreement took place on 28 April 2014 and 5 May 2014, respectively.

Subsequently, the Group spent US$20,244,000 (equivalent to approximately HK$157,498,000) on the acquisition of the additional 14% equity interest in Oriental Regent. Furthermore, the Group provided its pro rata proportion of the additional funding to Oriental Regent in the form of Shareholder Convertible Loan of US$82,614,600 (equivalent to approximately HK$642,742,000).

Note: Being prices before adjusting for the Share Subdivision.

Charges on Assets

None of the Group's assets was pledged or otherwise encumbered as at 31 December 2014 and 2013.

Exposure to Fluctuations in Exchange Rates

The consolidated financial statements of the Group are presented in Hong Kong dollar. The Group's monetary assets, liabilities and transactions are principally denominated either in United States dollar or Hong Kong dollar. Given that Hong Kong dollar is pegged against United States dollar, exchange rate fluctuation is nominal and hedging against foreign currency exposure is not necessary.

Capital Commitment

The Group's pro-rata share of the capital commitments relating to its joint venture, Oriental Regent, contribute funds for the acquisition of property, plant and equipment in the gaming and resort development project in Russia totaled HK$261.1 million as at 31 December 2014 (31 December 2013: HK$54.4 million).

Contingent Liabilities

There were no contingent liabilities as at 31 December 2014 and 2013.

Employees

At 31 December 2014, the Group had 21 employees for its operations based in Hong Kong (31 December 2013: 14). The Group continues to provide remuneration packages and training programmes to employees in line with prevailing market practices. In addition to the contributory provident fund and medical insurance, the Company has a share option program in place and occasionally may grant share options to directors, employees and consultants of the Group as incentives.

Outlook

Oriental Regent represents a valuable opportunity for the Company to diversify into a new business with a great deal of potential. Its wholly owned subsidiary, FGCE, holds a gaming license awarded by the Administration of the Primorye Region to conduct gaming activities in the Integrated Entertainment Zone of the Primorye Region, Russia (the "IEZ"), pursuant to which the project is being developed by FGCE. The proposed casino and resort is geographically close to the target feeder markets of Heilongjiang, Jilin and Liaoning provinces in Northeastern China, as well as South Korea and Japan, carries a very favourable tax environment for gaming activity compared to other jurisdictions, and is expected to be the first and only legitimate casino operating in the Far Eastern region of Russia for next few years. For these reasons, the Group remains optimistic and moreover sought to acquire an additional 14% equity interest in the project in 2014.

The construction of the integrated resort in Russia is nearing completion. Being the single largest shareholder in the joint venture we are actively involved in all phases of construction, staffing of the resort and execution of our business plan. The Primorye government continues to support the development of the IEZ as evidenced by its ongoing construction of the new throughway from the international airport to the IEZ, as well as their statements to the press and their commitment to developing tourism in the region.

With the overall positive developments above, the Company looks forward to executing on our business strategy and building on the potential success of the phase one development to gain momentum towards our more substantial phase two development in the IEZ.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended 31 December 2014 (2013: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2014, the Company had not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2014.

The Company has established an Audit Committee, a Remuneration Committee, a Nomination Committee and a Corporate Governance Committee to ensure maintenance of a high corporate governance standard. Terms of reference of the aforesaid committees have been posted on the Company's website at http://www.saholdings.com.hk under the "Corporate Governance" section.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities dealings on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the "Model Code"). All Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings as set out in the Model Code for the year 2014.

AUDIT COMMITTEE

The Company's audit committee is composed of three independent non-executive directors. The primary duties of the audit committee are to (i) review the Group's annual reports, financial statements, interim reports and to provide advice and comments thereon to the Board; and (ii) review and supervise the financial reporting process and internal control procedures of the Group.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, discussed internal controls and financial reporting matters and reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2014 with the Directors.

The Group's annual results for the year ended 31 December 2014 have been reviewed by the audit committee and audited by the independent auditor of the Group, Messrs. Deloitte Touche Tohmatsu.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Ho, Lawrence Yau Lung* (Chairman), Mr. Wang, John Peter Ben# (Deputy Chairman), Mr. Tsui Yiu Wa, Alec+, Mr. Pang Hing Chung, Alfred+ and Dr. Tyen Kan Hee, Anthony+.

\# *Executive Director*
* *Non-executive Director*
\+ *Independent Non-executive Director*

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

Hong Kong, 27 March 2015