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Summit Ascent Holdings Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 102)

CONNECTED TRANSACTION

SECOND SUPPLEMENTAL AGREEMENT TO THE GAMING PRODUCTS PURCHASE CONTRACT IN RELATION TO THE GAMING AND RESORT DEVELOPMENT PROJECT IN RUSSIA

Reference is made to (1) the Company's announcement dated 15 April 2015 regarding the Gaming Products Purchase Contract entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products; and (2) the Company's announcement dated 20 November 2015 regarding the First Supplemental Agreement entered into between Oriental Regent and Dolphin Products in relation the sale and purchase of 16,400 gaming chips and gaming plaques and 2 gaming chip authenticators to be used in the Casino.

On 21 March 2016 (after trading hours), Oriental Regent (as purchaser) and Dolphin Products (as vendor) entered into the Second Supplemental Agreement, pursuant to which Dolphin Products agreed to sell and Oriental Regent agreed to purchase the Additional Gaming Products for a cash consideration of US\$164,495 (equivalent to approximately HK\$1,274,836). The Additional Gaming Products will be used in the Casino.

Dolphin Products is a subsidiary of Melco and an associate of Mr. Ho, Lawrence Yau Lung, who is the Chairman and a Non-executive Director and substantial shareholder of the Company. As at the date of this announcement, Mr. Ho holds a total of 391,712,464 Shares (representing approximately 26.37% of the total issued share capital of the Company), of which 20,000,000 Shares are held by him personally and 371,712,464 Shares are held through Quick Glitter Limited, a company wholly-owned by him. Accordingly, Dolphin Products is a connected person of the Company and the Second Supplemental Agreement and the transactions contemplated thereby constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Second Supplemental Agreement was entered into between Oriental Regent and Dolphin Products within 12 months after the signing of the Gaming Products Purchase Contract and the First Supplemental Agreement, the Company has aggregated the Aggregated Transactions and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregated Transactions, on an aggregated basis, is more than 0.1% but less than 5%, the Aggregated Transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to (1) the Company's announcement dated 15 April 2015 regarding the Gaming Products Purchase Contract entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products; and (2) the Company's announcement dated 20 November 2015 regarding the First Supplemental Agreement entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of 16,400 gaming chips and gaming plaques and 2 gaming chip authenticators to be used in the Casino.

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THE SECOND SUPPLEMENTAL AGREEMENT

The principal terms of the Second Supplemental Agreement are summarized below:

- Date** : 21 March 2016
- Parties** : (i) Purchaser: Oriental Regent
(ii) Vendor: Dolphin Products
- Assets to be acquired by the Purchaser** : The Additional Gaming Products, which shall be delivered within four (4) weeks after the entering into of the Second Supplemental Agreement.
- Consideration and method of payment** : US\$164,495 (equivalent to approximately HK\$1,274,836), which shall be paid by cash pursuant to the following terms of payment:
- 50% of the contract price as advance payment will be paid by Oriental Regent to Dolphin Products when the purchase order is made; and
 - 50% of the contract price will be paid by Oriental Regent to Dolphin Products upon delivery of the Additional Gaming Products.

The consideration will be fully satisfied by internally generated funds of the Group.

All other terms and conditions of the Gaming Products Purchase Contract shall remain in full force and effect and shall apply to the purchase of the Additional Gaming Products.

BASIS OF THE CONSIDERATION

The consideration under the Second Supplemental Agreement of US\$164,495 (equivalent to approximately HK\$1,274,836) has been arrived at after arm's length negotiation between Oriental Regent and Dolphin Products and was determined with reference to (i) the manufacturing cost-plus pricing provided by Dolphin Products; and (ii) quotations for similar equipment from other independent gaming equipment suppliers in the open market.

Having regard to the quantity, quality and specifications of the Additional Gaming Products, the Directors (including the independent non-executive Directors) are of the view that the terms of the Second Supplemental Agreement are no less favorable to Oriental Regent than those obtainable from independent third parties.

The Additional Gaming Products are manufactured by Dolphin Products from the raw materials. There is no original acquisition cost of the Additional Gaming Products to Dolphin Products to be disclosed under Rule 14A.68(5) of the Listing Rules.

REASONS FOR AND BENEFITS OF THE PURCHASE

Oriental Regent decided to purchase the Additional Gaming Products in order to fulfil the business and operational needs of the Casino. The Directors (including the independent non-executive Directors) consider that the entry into and performance of the Second Supplemental Agreement by Oriental Regent is consistent with the business and commercial objectives of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Second Supplemental Agreement and the transactions contemplated thereby were arrived at after arm's length negotiations, entered into in the ordinary and usual course of business of the Group and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE COUNTERPARTY

The Company has been engaged in trading of tiles and engineering operations products. SARL is an investment holding company and a wholly-owned subsidiary of the Company. It is a special purpose company which has been established for the purpose of making the investment in the Primorye Gaming Project and does not have any other assets.

Oriental Regent is a subsidiary of the Company and owned by SARL as to 60% as at the date of this announcement. It is an investment holding company, established under the laws of Hong Kong on 12 August 2010, which currently holds the entire equity interest in G1 Entertainment and the Primorye Gaming Project.

G1 Entertainment 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, pursuant to which the Primorye Gaming Project is being developed by G1 Entertainment.

Dolphin Products is an indirect subsidiary of Entertainment Gaming Asia Inc., a NASDAQ listed company in which Melco holds approximately 64.84% of the issued shares as of the date of this announcement. It is principally engaged in design, manufacture and distribution of gaming chips and plaques.

LISTING RULES IMPLICATIONS

Dolphin Products is a subsidiary of Melco and an associate of Mr. Ho, Lawrence Yau Lung, who is the Chairman and a Non-executive Director and substantial shareholder of the Company. As at the date of this announcement, Mr. Ho holds a total of 391,712,464 Shares (representing approximately 26.37% of the total issued share capital of the Company), of which 20,000,000 Shares are held by him personally and 371,712,464 Shares are held through Quick Glitter Limited, a company wholly-owned by him. Accordingly, Dolphin Products is a connected person of the Company and the Second Supplemental Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the Second Supplemental Agreement was entered into between Oriental Regent and Dolphin Products within 12 months after the signing of the Gaming Products Purchase Contract and the First Supplemental Agreement, the Company has aggregated the Aggregated Transactions and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Aggregated Transactions, on an aggregated basis, is more than 0.1% but less than 5%, the Aggregated Transactions are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Ho, Lawrence Yau Lung, being a Director, is a substantial shareholder of Melco (the ultimate holding company of Dolphin Products). He was deemed to have a material interest in the Second Supplemental Agreement and abstained from voting on the relevant board resolutions of the Company for considering and approving the Second Supplemental Agreement and the transactions contemplated thereby in accordance with the requirements of the Listing Rules. Save as disclosed above, to the best of the Directors' knowledge and information, the remaining Directors had no material interest in the Second Supplemental Agreement and the transactions contemplated thereunder, and did not abstain from voting on the relevant board resolutions of the Company considering and approving the Second Supplemental Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“Additional Gaming Products”	25,000 gaming chips and gaming plaques to be used in the Casino and to be purchased by Oriental Regent under the Second Supplemental Agreement;
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“Aggregated Transactions”	(1) the purchase of the Gaming Products under the Gaming Products Purchase Contract; (2) the purchase of 16,400 gaming chips and gaming plaques and 2 gaming chip authenticators under the First Supplemental Agreement; and (3) the purchase of the Additional Gaming Products under the Second Supplemental Agreement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Casino”	the casino and resort complex on Lot 9 of the Primorye Gaming Project;
“Company”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability and having its issued Shares listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Dolphin Products”	Dolphin Products Limited, a company incorporated in Hong Kong with limited liability;
“First Supplemental Agreement”	the supplemental agreement to the Gaming Products Purchase Contract dated 20 November 2015 entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of 16,400 gaming chips and gaming plaques and 2 gaming chip authenticators to be used in the Casino;
“G1 Entertainment”	G1 Entertainment LLC (formerly known as First Gambling Company of the East LLC), a limited liability company established in Russia wholly-owned by Oriental Regent;
“Gaming Products”	258,680 gaming chips and gaming plaques to be used in the Casino purchased by Oriental Regent under the Gaming Products Purchase Contract;
“Gaming Products Purchase Contract”	the contract dated 15 April 2015 entered into between Oriental Regent and Dolphin Products in relation to the sale and purchase of the Gaming Products;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lot 8”	a parcel of land identified as Lot 8 within the Integrated Entertainment Zone of the Primorye Region, Russia;

“Lot 9”	a parcel of land identified as Lot 9 within the Integrated Entertainment Zone of the Primorye Region, Russia;
“Lot 10”	a parcel of land identified as Lot 10 within the Integrated Entertainment Zone of the Primorye Region, Russia;
“Melco”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and listed on the main board of the Stock Exchange;
“Oriental Regent”	Oriental Regent Limited, a company incorporated in Hong Kong with limited liability;
“Primorye Gaming Project”	the gaming and resort project being developed by G1 Entertainment in the Primorye Region of the Russian Federation on Lot 8, Lot 9 and Lot 10;
“Russia”	the Russian Federation;
“SARL”	Summit Ascent Russia Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company;
“Second Supplemental Agreement”	the supplemental agreement to the Gaming Products Purchase Contract dated 21 March 2016 entered into between Oriental Regent and Dolphin Products in relation the sale and purchase of the Additional Gaming Products;
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“US\$”	United States dollar(s), the lawful currency of the United States of America; and
“%”	per cent.

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

Hong Kong, 21 March 2016

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.75. Percentages and figures expressed have been rounded.

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