

## SECURITIES AND EXCHANGE COMMISSION

### SEC FORM 17-C

#### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Jun 9, 2020
2. SEC Identification Number  
10683
3. BIR Tax Identification No.  
000-141-166
4. Exact name of issuer as specified in its charter  
SUNTRUST HOME DEVELOPERS, INC.
5. Province, country or other jurisdiction of incorporation  
METRO MANILA
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
26th Floor, Alliance Global Tower, 36th St. Corner 11th Avenue, Uptown Bonifacio,  
Taguig City  
Postal Code  
1634
8. Issuer's telephone number, including area code  
(632) 8894-6300
9. Former name or former address, if changed since last report  
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	7,250,000,000

11. Indicate the item numbers reported herein  
Item 9

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

# Suntrust Home Developers, Inc.

## SUN

**PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares  
(Private Placements, Share Swaps, Property-for-Share Swaps  
or Conversion of Liabilities/Debt into Equity)  
Reference: Rule on Additional Listing of Securities**

### Subject of the Disclosure

Comprehensive Corporate Disclosure of Suntrust Home Developers, Inc. in relation to the Subscription Agreement between SUN and Summit Ascent Investments Limited.

### Background/Description of the Disclosure

On 1 June 2020, Suntrust Home Developers, Inc. ("SUN") and Summit Ascent Investments Limited ("Summit Ascent") entered into a Subscription Agreement, where Summit Ascent agreed to subscribe, and SUN agreed to issue, Php5,600,000,000.00 6% Convertible Bonds upon completion of certain conditions precedent.

In the interest of transparency and full and comprehensive disclosure, SUN hereby submits a Comprehensive Corporate Disclosure in the form prescribed under the Additional Listing Rules in compliance with the directive of the Philippine Stock Exchange (the "PSE").

<b>Date of Approval by Board of Directors</b>	May 29, 2020
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### Comprehensive Corporate Disclosure

#### Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

1. On 29 May 2020, the Board of Directors of SUN approved the following: (a) the execution of CB Subscription Agreement, whereby the Corporation agrees to issue, subject to the fulfillment of certain conditions and regulatory approvals, convertible bonds to Summit Ascent, in the aggregate principal amount of Php 5,600,000,000.00 (the "Convertible Bonds"), under such terms and conditions as approved by the Management of SUN.
2. Based on the disclosure of Summit Ascent to the Hong Kong Stock Exchange (the "Suncity Disclosure"), Summit Ascent and SUN entered into, and executed, CB Subscription Agreement on June 1, 2020, whereby Summit Ascent agreed to subscribe, and SUN agreed to issue, Php5,600,000,000.00 6% CB upon completion of certain conditions precedent. For other details, please refer to the Summit Ascent Disclosure at:  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0602/2020060200109.pdf>
3. One of the conditions precedent to the issuance of the CB is that SUN must obtain the necessary consent, approval and waiver from the Securities and Exchange Commission ("SEC), including (if necessary) the obtaining of the prior approval of the SEC confirming that the issue of the Convertible Bond is exempt under Rule 10.1 of the Securities Regulation Code. SUN expects to file an application before SEC for the confirmation of exemption under Rule 10.1 of the Securities Regulation Code of the Philippines confirming that the issuance of the CB is exempt from the registration requirement for the offer and sale of securities, and secure such confirmation on or before September 30, 2020 (the "Long Stop Date"). Only upon receiving such confirmation from the SEC can the CB be issued by the SUN to Summit Ascent.
4. Upon and subject to the completion of the conditions precedent, Summit Ascent is expected to subscribe, and SUN is expected to issue, Php5,600,000,000.00 6.00% Convertible Bonds with maturity date falling on the fifth (5th) anniversary of the issue date of the CB which may, subject to agreement by the holder of the CB upon request by SUN, be extended to the date falling on the tenth (10th) anniversary of the issue date of the CB or, if that is not a business day, the first business day thereafter (the "Maturity Date").
5. Summit Ascent or the holder of the CB has the right to convert (the "Conversion") all or any part of the CB held by it into common shares in SUN (the "Conversion Shares") at the Conversion Price (subject to adjustment) credited as fully paid at any time during the period commencing from the day immediately following the issuance of the CB up to 4:00 p.m. on the Maturity Date.
6. SUN expects to file an application before the PSE for the listing of the Conversion Shares in accordance with the Rules on Additional Listing of Conversion Shares after the approval of the stockholders to the additional listing of the Conversion Shares.

**Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction**

The aggregate subscription price payable by the Summit Ascent for the subscription of the CB under the CB Subscription Agreement will be applied by SUN for the development of a 5-star hotel and casino project to be located at Manila Bayshore Integrated City in Paranaque City (the "Main Hotel Casino").

The Main Hotel Casino shall have approximately four hundred (400) hotel rooms, the standard room size of which shall range from 34 sqm. to 39 sqm. The casino establishment will have approximately four hundred (400) gaming tables and one thousand two hundred (1,200) slot machines for both mass and VIP markets. Finally, a parking facility with nine hundred sixty (960) slots for the Main Hotel and Casino shall likewise be built.

**The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis**

Subject to the conditions precedent under the CB Subscription Agreement, Summit Ascent agrees to subscribe and SUN agrees to issue the CB in the aggregate principal amount of Php5,600,000,000.00 for cash.

**The basis upon which the consideration or the issue value was determined**

The terms were arrived at after negotiations by the parties taking into account the capital needed by SUN for the development and construction of the Main Hotel Casino and with reference to the following factors:

- (i) The prevailing market price of the common shares of par value Php1.00 each in the share capital of SUN (the "SUN Shares").
- (ii) The consolidated net asset value of SUN, adjustment on the financial prospects and positions, including but not limited to, the net asset value of SUN Group would have to be made to reflect the latest consolidated net asset value position after completion of:

(a) SUN Shares Subscription

On 28 October 2019, SUN entered into the conditional subscription agreements (the "SUN Shares Subscription") with (i) Suncity; (ii) Megaworld Corporation, a company incorporated in the Philippines the shares of which are listed on the PSE; and (iii) Aurora Securities, Inc., a company incorporated in the Philippines, pursuant to which SUN has conditionally agreed to allot and issue a total of 5,000,000,000 SUN Shares (2,550,000,000 SUN Shares, 2,177,165,008 SUN Shares and 272,834,992 SUN Shares each, respectively) at the subscription price of Php1.00 per SUN Share. The aggregate value of the SUN Shares Subscription is PHP5,000,000,000.

(b) The Project Site

On 28 October 2019, SUN and Westside City Resorts World, Inc. ("Westside") entered in to the Co-Development Agreement (the "Co-Development Agreement"), pursuant to which Travellers International Hotel Group, Inc. ("Travellers") and Westside are to lease 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 (the "Project Site") to SUN for construction, development of the Main Hotel Casino and to enter into an agreement with SUN for the operation and management of the Main Hotel Casino., and SUN is to effect payment to Westside which shall be paid from the US\$300,000,000.00 as may be raised by SUN for financing the development and construction of the Main Hotel Casino. The amount of payment was determined by reference to (i) the valuation on the Project Site in the value of US\$340,000,000.00 as disclosed in the circular of Suncity dated 26 March 2020; and (ii) the costs incurred and construction work performed on the Project Site of approximately US\$21,159,000.

On 21 February 2020, SUN entered into a Lease Agreement with Westside and Travellers, pursuant to which Travellers and Westside, as lessor, agree to lease the Project Site to SUN, as lessee, for the Main Hotel Casino.

On 4 May 2020, SUN entered into an Operation and Management Agreement with Westside. Pursuant thereto, SUN will be appointed as the operator and manager of the Main Hotel Casino, which will be a 5-star hotel and casino complex at the Entertainment City, Manila, the Philippines and is expected to commence operation prior to 2023.

Hence, the parties consider that the current financial performances and position of SUN should not be the determining factor in the determination of the Subscription and the Conversion Price.

(iii) Uncertainties may arise from the operation of the authorised gambling activities in the Philippines that additional risks and uncertainties not presently known to the parties, or not expressed or implied below, or that the parties currently deem immaterial, may also adversely affect the operation of the authorised gambling activities in a material aspect, hence, the investment by way of convertible bonds provides greater protection and flexibility to Summit Ascent at this juncture.

**Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project**

The proceeds of the CB will be used to support the development of the Main Hotel Casino. Timetable of disbursement have yet to be finalized as this will depend on several factors, including satisfaction or fulfillment of the conditions precedent.

**Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following**

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Summit Ascent Holdings Limited ("SA Holdings")	SA Holdings is an investment holding company and its shares are listed on The Stock Exchange of Hong Kong Limited. SA Holdings and its subsidiaries are principally engaged in the operation of hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation.	Upon the Conversion, the Conversion Shares will be subscribed by Summit Ascent, an investment holding company wholly-owned by SA Holdings. Please see attached Organizational Structure. Suncity Group Holdings Limited ("Suncity Group") holds approximately 24.74% direct and indirect interest in SA Holdings. Attached are the the annual reports (which include audited financial information) for the years 2017, 2018 and 2019 of SA Holdings.

**Organizational/Ownership Structure of Subscribers**

Controlling Shareholders of Subscribers	Number of Shares Held	%
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Summit Ascent Holdings Limited	1	100
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**For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets**

Summit Ascent is a wholly-owned subsidiary of SA Holdings. SA Holdings and its subsidiaries are principally engaged in the operation of hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation.

Please see attached are the annual reports (which include audited financial information) for the years 2017, 2018 and 2019 of SA Holdings.

**The interest which directors of the parties to the transaction have in the proposed transaction**

The directors do not have any interest in the proposed transaction.

**Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders**

The required shareholders' approval will be sought at the appropriate time. SUN shall likewise observe all appropriate laws, rules and regulations to protect the rights of the minority and independent shareholders of SUN.

**Any conditions precedent to closing of the transaction**

Completion of the subscription and issuance of the CB is conditional upon fulfilment or waiver of the following conditions:

- (1) the obtaining by SUN of the necessary consent, approval and waiver from SEC and other relevant governmental authority in the Philippines to the issue of the CB and the other transactions contemplated under the CB Subscription Agreement, including (if necessary) the obtaining of the prior approval of the SEC confirming the issue of the CB is exempt under Rule 10.1 of the Securities Regulation Code of the Philippines;
- (2) compliance by SUN with the applicable requirements, 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;
- (3) due completion of the proposed rights issue by the SA Holdings of new shares of the Summit Ascent to its qualifying shareholders on the basis of three rights shares for every two shares held on the record date for the rights issue (the "Rights Issue");
- (4) the approval by the independent shareholders of SA Holdings of the CB Subscription Agreement, the subscription of the Convertible Bond on terms of the CB Subscription Agreement and the other transactions contemplated under the CB Subscription Agreement and compliance by the SA Holdings with the other applicable requirements under the Listing Rules of Hong Kong Stock Exchange (the "HK Listing Rules") in respect of the CB Subscription Agreement and the transactions contemplated hereunder;
- (5) (where required) the approval by the shareholders of SUN of the CB Subscription Agreement, the issue of the CB on terms of the CB Subscription Agreement and the other transactions contemplated under the CB Subscription Agreement and compliance by SUN with the other applicable requirements under the PSE Listing Rules in respect of the CB Subscription Agreement and the transactions contemplated thereunder;
- (6) (where required) the approval by the shareholders of SA Holdings of the CB Subscription Agreement, the issue of the CB on terms of the CB Subscription Agreement and the other transactions contemplated under the CB Subscription Agreement and compliance by SA Holdings with the other applicable requirements under the HK Listing Rules in respect of the CB Subscription Agreement and the transactions contemplated thereunder; and (where required) the approval by the shareholders of SA Holdings of the Subscription Agreement, the issue of the CB on terms of the Subscription Agreement and the other transactions contemplated under the Subscription Agreement and compliance by SA Holdings with the other applicable requirements under the Listing Rules in respect of the Subscription Agreement and the transactions contemplated thereunder; and
- (7) As at the date of the CB Subscription Agreement date of completion of the Subscription Agreement, 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 or a prolonged suspension or material limitation of trading in securities generally on PSE.

**Change(s) in the composition of the Board of Directors and Management**

No change as of 9 June 2020.

**Effects on the following**

**Ownership structure**

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
Fortune Noble Limited	3,697,500,000	51%	3,697,500,000	35.69
Megaworld Corporation	2,465,000,000	34%	2,465,000,000	23.79
Summit Ascent Investments Limited	-	-	3,111,111,111	30.03

**Capital structure****Issued Shares**

Type of Security /Stock Symbol	Before	After
Common / SUN	7,250,000,000	10,361,111,111

**Outstanding Shares**

Type of Security /Stock Symbol	Before	After
Common / SUN	7,250,000,000	10,361,111,111

**Treasury Shares**

Type of Security /Stock Symbol	Before	After
Common / SUN	0	0

**Listed Shares**

Type of Security /Stock Symbol	Before	After
Common / SUN	2,000,000,000	5,111,111,111

<b>Effect(s) on the public float, if any</b>	Assuming full conversion of the CB into Conversion Shares and assuming that there is no change to the current outstanding capital, the public float will change from 14.33% (as of 31 March 2020) to approximately 10.03%. However, the Conversion Rights may be exercised only if it will not cause SUN to be in breach of the relevant minimum public float requirement under the relevant PSE rules or circular, which is currently 10%.
<b>Effect(s) on foreign ownership level, if any</b>	Assuming full conversion of the CB into Conversion Shares, foreign ownership in SUN will change from 51.21% (as of 31 May 2020) to 65.86%.

**Other Relevant Information**

No shares will be issued at this point and conversion of the CB may or may not take place at the option of Summit Ascent. If Summit Ascent opts not to convert the CB into Conversion Shares then the amount of the CB becomes a debt payable under the terms of the CB Subscription Agreement.

Approximately 3,111,111,111 common shares in SUN, depending on adjustments to the Conversion Price, if any. This will represent around 30% of total of the issued and outstanding capital stock upon conversion (on the basis of 7,250,000,000 issued SUN Shares as of the date of this disclosure).

The price at which Conversion Shares will be issued upon conversion will initially be Php1.80 per Conversion Share, which is subject to adjustment provisions, brief particulars of which are set out in "Adjustment Events" below.

The Conversion Price represents the following closing price of the SUN Shares as quoted on the PSE:

- (1) a premium of approximately 56.52% over the closing price of Php1.15 per SUN Share on the date of prior to the date of the Subscription Agreement ("last trading day");
- (2) a premium of approximately 57.89% over the average closing price of Php1.14 per SUN Share for the last five trading days up to and including the last trading day;
- (3) a premium of approximately 53.85% over the average closing price of Php1.17 per SUN Share for the last ten trading days up to and including the last trading day.

**Adjustment Events:**

Provided that in all instances, the Conversion Price shall not be less than the par value of the SUN's Shares, the Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Convertible Bonds upon the occurrence of certain events, including but not limited to:

- (i) consolidation, subdivision or reclassification of SUN Shares;
- (ii) capitalisation of profits or reserves (other than in lieu of a cash dividend);
- (iii) issue of SUN 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 SUN;
- (v) rights issues of SUN Shares or options over SUN Shares (at less than 80% of the current market price per SUN Share);
- (vi) rights issues of other securities by SUN;
- (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 SUN Shares at a price per SUN Share which is less than 80% of the current market price per SUN Share; and
- (viii) other issue by SUN 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 SUN Shares or securities which by their terms might be redesignated as SUN Shares, and the consideration per SUN Share receivable by SUN in respect of such conversion, exchange, subscription or re-designation is less than 80% of the current market price per SUN Share.

**Filed on behalf by:**

<b>Name</b>	Rolando Siatela
<b>Designation</b>	Corporate Secretary