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SUNCITY GROUP HOLDINGS LIMITED

太陽城集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

CONNECTED TRANSACTION: THE MEGAWORLD SHARES SUBSCRIPTION

On the date of completion of the Acquisition, Megaworld was, and is currently holding 12.79% interest in SunTrust and should be a connected person of the Company for Megaworld being a substantial shareholder of a subsidiary (i.e. SunTrust) of the Company.

The Megaworld Shares Subscription should constitute a connected transaction for the Company under Chapter 14A. As the applicable percentage ratio in respect of the Megaworld Shares Subscription is less than 5%, the Megaworld Shares Subscription is exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A as a de minimis transaction under Rule 14A.76(2).

Reference is made to the announcement of the Company dated 29 October 2019 on the Acquisition, the Shares Subscription, the Megaworld Shares Subscription and the Aurora Shares Subscription (the "**1st Announcement**"). Unless otherwise defined in this announcement, capitalised terms used in this announcement have the same meaning as defined in the 1st Announcement.

MEGAWORLD SHARES SUBSCRIPTION

On the date of completion of the Acquisition, Megaworld was, and is currently holding 12.79% interest in SunTrust and should be a connected person of the Company for Megaworld being a substantial shareholder of a subsidiary (i.e. SunTrust) of the Company.

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Apart from the information contained in "Megaworld Shares Subscription" in the 1st Announcement, set out below is the further information on the Megaworld Shares Subscription on the basis that it constituted a connected transaction for the Company under Chapter 14A.

The Megaworld Shares Subscription Price per Megaworld Subscription Share of PHP1.0:

- represented a discount of approximately 3.8% to the average closing price of PHP1.04 per SunTrust Share as quoted on the PSE for the last 5 consecutive trading days immediately preceding the date of the Megaworld Shares Subscription Agreement;
- represented a premium of approximately 2.0% to the average closing price of PHP0.98 per SunTrust Share as quoted on the PSE for the last 10 consecutive trading days immediately preceding the date of the Megaworld Shares Subscription Agreement;
- represented a premium of approximately 6.4% to the average closing price of PHP0.94 per SunTrust Share as quoted on the PSE for the last 20 consecutive trading days immediately preceding the date of the Megaworld Shares Subscription Agreement; and
- is same as the Shares Subscription Price per Subscription Share of PHP1.0 subscribed by the Purchaser under the Shares Subscription.

The Directors (including the independent non-executive Directors) are of the view that:

- the terms of the Megaworld Shares Subscription are fair and reasonable;
- the Megaworld Shares Subscription is on normal commercial terms though it is not in the ordinary course of business of the Group; and
- the Megaworld Shares Subscription is in the interests of the Company and its Shareholders as a whole given that the fund to be raised under the Megaworld Shares Subscription will, as disclosed in the 1st Announcement, provide SunTrust with greater flexibility in the deployment of its general working capital for the business and development of the SunTrust Group.

No Director is interested in the Megaworld Shares Subscription and none of the Directors was required to abstain from voting at the resolution of the Board approving the Megaworld Shares Subscription.

INFORMATION OF MEGAWORLD, TRAVELLERS AND WESTSIDE

Information of Megaworld, Travellers and Westside is contained in “Information of Megaworld, Travellers and Westside” in the 1st Announcement and they are as follows:

- 1) Megaworld is a company incorporated in the Philippines, the shares of which are listed on the PSE. Megaworld is the listing vehicle of its group of companies, the principal business of which is real estate development.
- 2) Travellers is a company incorporated in the Philippines principally engaged in the business of hotels, restaurants, leisure parks, entertainment centers and other related businesses including operating casinos and other gaming activities. The group of companies comprising Megaworld, Alliance Global Group, Inc. (being the holding company of Megaworld) and the subsidiaries of Alliance Global Group, Inc. are together interested in approximately 68% interest in Travellers.
- 3) Westside is a company incorporated in the Philippines principally engaged in the business of hotels and restaurants. Westside is a 95% non-wholly owned subsidiary of Travellers.

On the date of completion of the Acquisition, Megaworld was, and is currently holding 12.79% interest in SunTrust and should be a connected person of the Company for Megaworld being a substantial shareholder of a subsidiary (i.e. SunTrust) of the Company. Each of Travellers and Westside is an associate of Megaworld and therefore a connected person of the Company.

IMPLICATIONS OF THE LISTING RULES

The implications of the Listing Rules, on the basis that each of Megaworld, Westside and Travellers is a connected person of the Company, on the Put Option, the Lease Agreement and the O&M Agreement as disclosed in the 1st Announcement are as follows:

The Put Option

Each of Westside and Travellers is a connected person of the Company as briefly described in “Information of Megaworld, Travellers and Westside” in this announcement.

The acquisition of the Put Option by the Purchaser from the Warrantors **should** constitute a connected transaction for the Company but will **remain** fully exempt from announcement, reporting and approval of independent Shareholders under Chapter 14A as no premium was paid by the Purchaser in acquiring the Put Option from the Warrantors. The exercise of the Put Option by the Purchaser will **remain** constituting a connected transaction for the Company if the Warrantors remain connected persons of the Company by then. Upon exercise of the Put Option by the Purchaser, the Company will comply with the applicable requirements of Chapters 14 and 14A, including the seeking of the Shareholders’ approval, if necessary, to the exercise of the Put Option, as appropriate.

The Lease Agreement

When entered into, the Lease Agreement with SunTrust as lessee will be recognised as an acquisition of a right-of-use asset under Hong Kong Financial Reporting Standard 16 Leases and constituting an acquisition of asset under Chapter 14.

Each of Westside and Travellers is a connected person of the Company as briefly described in “Information of Megaworld, Travellers and Westside” in this announcement.

When entered into, the Lease Agreement will **remain** constituting a connected transaction for the Company under Chapter 14A if Westside and Travellers remain connected persons of the Company by then.

The Company will comply with the applicable requirements of Chapters 14 and 14A, including the seeking of the Shareholders’ approval, to the entering into of the Lease Agreement, as appropriate.

The O&M Agreement

Westside is a connected person of the Company as briefly described in “Information of Megaworld, Travellers and Westside” of this announcement.

When entered into, the O&M Agreement will **remain** constituting a continuing connected transaction for the Company under Chapter 14A if Westside remains a connected person of the Company by then. The Company will comply with the applicable requirements of Chapter 14A, including the seeking of the independent Shareholders’ approval, if necessary, to the entering into of the O&M Agreement, as appropriate.

By order of the Board
Suncity Group Holdings Limited
Chau Cheok Wa
Chairman

Hong Kong, 5 November 2019

As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.