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SUN CENTURY GROUP LIMITED

太陽世紀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

(I) CONTINUING CONNECTED TRANSACTIONS;

(II) PROPOSED CHANGE OF COMPANY NAME;

AND

(III) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that, on 6 February 2017, Sun Travel, an indirect wholly-owned subsidiary of the Company, entered into (i) the Hotel Accommodation Procurement Agreement; and (ii) the Ferry Ticket Supply Agreement with Sun City Gaming Promotion.

The Hotel Accommodation Procurement Agreement has a term commencing from the date of approval of the Hotel Accommodation Procurement Agreement at the EGM to be held and convened and ending on 31 December 2017 (both dates inclusive), subject to subsequent renewal in compliance with the Listing Rules. During the term of the Hotel Accommodation Procurement Agreement, Sun Travel may from time to time procure from Sun City Gaming Promotion, and Sun City Gaming Promotion may from time to time supply to Sun Travel, the Hotel Accommodation Products, subject to the cap of HK\$120,000,000.

The Ferry Ticket Supply Agreement has a term of three years commencing from 6 February 2017 and ending on 31 December 2019 (both dates inclusive), subject to subsequent renewal in compliance with the Listing Rules. During the term of the Ferry Ticket Supply Agreement, Sun City Gaming Promotion may from time to time purchase from Sun Travel, and Sun Travel may from time to time supply to Sun City Gaming Promotion, the Ferry Tickets, subject to the annual caps of HK\$8,500,000, HK\$10,000,000 and HK\$10,000,000 for each of the three years (commencing from 6 February 2017) during the term.

Listing Rules implications

Sun City Gaming Promotion is wholly owned by Mr. Chau, who is the Chairman of the Company and an executive Director, and the Controlling Shareholder interested in approximately 72.31% of the issued share capital of the Company as at the date of this announcement. Accordingly, Sun City Gaming Promotion is regarded as a connected person of the Company under the Listing Rules, and therefore the transactions contemplated under the Master Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios in respect of the proposed cap under the Hotel Accommodation Procurement Agreement are more than 5% and all of them are less than 25% but the proposed cap is more than HK\$10,000,000, the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios in respect of the largest annual cap under the Ferry Ticket Supply Agreement are more than 0.1% and less than 5% but the largest annual cap is more than HK\$3,000,000, the Ferry Ticket Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

By virtue of Mr. Chau's interest in the Hotel Accommodation Procurement Agreement, Mr. Chau and his associates will abstain from voting on the ordinary resolution in relation to the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) to be proposed at the EGM. As at the date of this announcement, Mr. Chau and his associates are interested in 4,345,489,489 Shares, representing approximately 72.31% of the issued share capital of the Company.

To the best of the Directors' knowledge and information, no Shareholders other than Mr. Chau and his associates have a material interest in the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) and no other Shareholders shall have to abstain from voting on the ordinary resolution in relation to the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) to be proposed at the EGM.

Mr. Chau has abstained from voting in respect of the relevant board resolutions regarding each of the Master Agreements.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John, will be established to make recommendations to the Independent Shareholders in respect of the terms of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof). Astrum Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “SUN CENTURY GROUP LIMITED” to “SUNCITY GROUP HOLDINGS LIMITED” and to adopt the Chinese name “太陽城集團控股有限公司” as the dual foreign name of the Company to replace its existing Chinese name “太陽世紀集團有限公司”.

Subject to the confirmation of the Stock Exchange, the stock short name for trading in the Shares will also be changed after the Proposed Change of Company Name has become effective.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Board proposes to refresh the Scheme Mandate Limit so that the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme or any other share option schemes of the Company on or after the date of the EGM will not exceed 10% of the issued share capital of the Company as at the date of passing of the resolution approving the refreshment of the Scheme Mandate Limit.

Based on 6,009,258,900 Shares in issue as at the date of this announcement, assuming no further Shares will be allotted and issued or repurchased from the date of this announcement and up to the date of the EGM, upon the approval of the Proposed Refreshment of the Scheme Mandate Limit at the EGM, the Directors will, apart from the 264,346,082 outstanding share options which have already been granted and are yet to be exercised, be authorised to exercise the powers of the Company to grant options to subscribe for a total of 600,925,890 Shares, representing 10% of the total number of Shares in issue as at the date of the EGM.

GENERAL

The EGM will be held and convened (i) for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); and (ii) for the Shareholders to consider, and if thought fit, to approve (a) the special resolution in respect of the Proposed Change of Company Name; and (b) the ordinary resolution in respect of the Proposed Refreshment of the Scheme Mandate Limit.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Change of Company Name and the Proposed Refreshment of the Scheme Mandate Limit which is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further details of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); (ii) further details of the Proposed Change of Company Name; (iii) further details of the Proposed Refreshment of the Scheme Mandate Limit; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); and (vi) a notice of the EGM will be despatched to the Shareholders on or before 27 February 2017.

CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that, on 6 February 2017, Sun Travel, an indirect wholly-owned subsidiary of the Company, entered into (i) the Hotel Accommodation Procurement Agreement; and (ii) the Ferry Ticket Supply Agreement with Sun City Gaming Promotion.

Sun City Gaming Promotion is a company incorporated in Macau with limited liability and its principal activity is the operation of gaming promotion business in Macau. Sun City Gaming Promotion is wholly owned by Mr. Chau, who is the Chairman of the Company and an executive Director, and the Controlling Shareholder interested in approximately 72.31% of the issued share capital of the Company as at the date of this announcement. Accordingly, Sun City Gaming Promotion is regarded as a connected person of the Company under the Listing Rules.

The respective terms of each of the Master Agreements are summarised below:

The Hotel Accommodation Procurement Agreement

Date

6 February 2017

Parties

- (i) Sun Travel; and
- (ii) Sun City Gaming Promotion

Term

Commencing from the date of approval of the Hotel Accommodation Procurement Agreement at the EGM to be held and convened (the “**Commencement Date**”) and ending on 31 December 2017 (both dates inclusive), subject to subsequent renewal in compliance with the Listing Rules.

Subject matter

Pursuant to the Hotel Accommodation Procurement Agreement, Sun Travel may from time to time procure from Sun City Gaming Promotion, and Sun City Gaming Promotion may from time to time supply to Sun Travel, the Hotel Accommodation Products, subject to the cap as set out below.

For the avoidance of doubt, Sun Travel shall have the right to source any or all of the Hotel Accommodation Products from third parties other than Sun City Gaming Promotion.

Every purchase order shall be given by Sun Travel orally or in writing and sent to Sun City Gaming Promotion in the manner specifying, among others, the quantities and/or descriptions of the Hotel Accommodation Products required by Sun Travel and the terms of payment (if applicable) (or in such other manner as the parties may agree in writing). If a purchase order is made orally in the first place, the parties to the Hotel Accommodation Procurement Agreement shall as soon as practicable provide written confirmation of the terms of the purchase order(s), including the quantities and/or descriptions of the Hotel Accommodation Products ordered by Sun Travel. Unless otherwise agreed by Sun City Gaming Promotion and Sun Travel, the settlement by Sun Travel for the Hotel Accommodation Products ordered shall be made once per month. If Sun City Gaming Promotion does not have sufficient supplies of the Hotel Accommodation Products to fulfill the purchase order and/or cannot supply the Hotel Accommodation Products in the quantities and/or quality as specified in the purchase order, Sun City Gaming Promotion should as soon as practicable inform Sun Travel orally or in writing and Sun Travel may then elect to either revise the purchase order or cancel the purchase order at its own discretion.

Sun Travel shall be entitled to reject and/or return such Hotel Accommodation Products supplied on the ground of any apparent lack of conformity by notifying Sun City Gaming Promotion and Sun City Gaming Promotion shall ratify and/or provide replacement of such Hotel Accommodation Products at the expenses of Sun City Gaming Promotion.

Pricing policy

The price at which the Hotel Accommodation Products may be purchased by Sun Travel shall be determined based on the acquisition costs incurred by Sun City Gaming Promotion of the Hotel Accommodation Products.

The parties agreed that the purchase price will not be higher than the prices of the Hotel Accommodation Products offered by Sun City Gaming Promotion to its independent third parties (if any) and shall not be higher than the acquisition costs of the Hotel Accommodation Products procured by Sun City Gaming Promotion from other third parties. Sun City Gaming Promotion shall at the request of Sun Travel provide such information to Sun Travel in writing relating to its acquisition costs of the Hotel Accommodation Products and other relevant information to allow Sun Travel to verify the same.

The terms relating to the purchase price of the Hotel Accommodation Products have been determined after arm's length negotiations between Sun Travel and Sun City Gaming Promotion. The Directors (excluding the independent non-executive Directors whose views will be included in the circular of the Company to be published in relation to, inter alia, the Hotel Accommodation Procurement Agreement after being advised by the Independent Financial Adviser) consider that the transactions contemplated under Hotel Accommodation Procurement Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Condition

The Hotel Accommodation Procurement Agreement will become effective upon the passing by the Independent Shareholders at the EGM to be held and convened of an ordinary resolution to approve the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder including but not limited to the cap thereof.

If the condition above has not been satisfied on or before 4:00 p.m. on 30 April 2017 (or such other date as Sun Travel and Sun City Gaming Promotion may agree), the Hotel Accommodation Procurement Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Cap

The proposed maximum aggregate purchase price for the transactions under the Hotel Accommodation Procurement Agreement for the period from the Commencement Date to 31 December 2017 shall be HK\$120,000,000.

As at the date of this announcement, Sun Travel has not procured any of the Hotel Accommodation Products from Sun City Gaming Promotion. The aforesaid cap has been determined based on (i) the average historical room rates of five-star hotels in 2016 in Macau as published by the Macao Government Tourism Office; (ii) the total number of five-star hotel rooms in Macau based on the latest available statistics published by the Statistics and Census Service of the Macau Government; (iii) the average historical occupancy rates of five-star hotels in 2016 in Macau as published by the Statistics and Census Service of the Macau Government; and (iv) the market share that Sun Travel targets to achieve with reference to the average market share of other licensed travel agencies in Macau of similar size to Sun Travel.

The Ferry Ticket Supply Agreement

Date

6 February 2017

Parties

- (i) Sun Travel; and
- (ii) Sun City Gaming Promotion

Term

Three years commencing from 6 February 2017 up to 31 December 2019, subject to renewal in compliance with the Listing Rules.

Subject matter

Pursuant to the Ferry Ticket Supply Agreement, Sun City Gaming Promotion may from time to time purchase from Sun Travel, and Sun Travel may from time to time supply to Sun City Gaming Promotion, the Ferry Tickets, subject to the annual caps as set out below.

For the avoidance of doubt, Sun Travel shall have the right to sell and/or supply any or all of the Ferry Tickets to third parties other than Sun City Gaming Promotion and shall have the right to accept or decline such purchase order from Sun City Gaming Promotion, and Sun City Gaming Promotion shall have the right to source any or all of the Ferry Tickets from third parties other than Sun Travel in case the purchase order is declined by Sun Travel.

Every purchase order shall be given by Sun City Gaming Promotion orally in the first place followed by written confirmation thereafter or in writing and sent to Sun Travel in the manner specifying, among others, the quantities and/or descriptions of the Ferry Tickets, the relevant purchase price, and the terms of payment (if applicable). If a purchase order is made orally in the first place, Sun City Gaming Promotion shall as soon as practicable provide written confirmation of the terms of the purchase order to Sun Travel. Unless otherwise agreed by Sun Travel and Sun City Gaming Promotion, the settlement by Sun City Gaming Promotion for the Ferry Tickets ordered shall be made once per month.

Pricing policy

The price at which the Ferry Tickets may be supplied by Sun Travel shall be determined with reference to the existing prices of similar products in the market in respect of each product and the service price on an order-by-order basis (which would be the same as the then prevailing retail price (net of departure tax and any fees) at which the Ferry Tickets are offered for sale by Shun Tak-China Travel Shipping Investments Limited (“**Shun Tak Shipping**”) and its subsidiaries to the general public) as agreed between Sun Travel and Sun City Gaming Promotion from time to time. Sun City Gaming Promotion is required to settle payment for the Ferry Tickets it has purchased under the Ferry Ticket Supply Agreement in accordance with the payment terms specified in the purchase order (or in such other manner as Sun Travel and Sun City Gaming Promotion may agree in writing).

The parties also agreed that the price of the Ferry Tickets will be not less than the prices offered by Sun Travel to its Independent Third Parties.

The terms relating to the purchase price of the Ferry Ticket Products have been determined after arm’s length negotiations between Sun Travel and Sun City Gaming Promotion. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Ferry Ticket Supply Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms which are not more favourable than those offered to the Independent Third Parties for the same type of products and services, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Annual caps

The proposed annual caps for the transactions under the Ferry Ticket Supply Agreement are as follows:

	For the year ending 31 December		
	2017	2018	2019
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Annual caps	8,500,000	10,000,000	10,000,000

The annual caps have been determined with reference to (i) the number of existing employees of Sun City Gaming Promotion who are entitled to the Ferry Tickets; (ii) the number of monthly entitlements of Ferry Tickets to be offered by Sun City Gaming Promotion to its employees; and (iii) the existing rates of the Ferry Tickets offered for sale by Shun Tak Shipping to the general public as published on its website.

Reasons for and benefits of entering into the Master Agreements

The Group has been principally engaged in the development of residential and commercial properties as well as leasing of commercial properties in Guangdong, Liaoning and Anhui Provinces, the PRC, and hotel and integrated resort management and consultancy services. Following the completion of the acquisition of Sun Travel (formerly known as Suncity Group Tourism Limited), which is principally engaged in the provision of travel-related products and services, in August 2016, the Group has also diversified its business into the tourism-related service business in Macau.

The tourism industry in Macau has been growing steadily in recent years. Based on the information provided by the Statistics and Census Service of the Macau Government, visitor arrivals have increased by over 26% from approximately 25.0 million at 2010 to approximately 31.5 million at 2014. Despite a slight drop of approximately 2.6% year-on-year in 2015, the visitor population has remained robust at above 30 million people. The industry has also witnessed an early sign of recovery in 2016. In 2016, there was a total of approximately 31.0 million visitors coming to Macau, compared to a total of approximately 30.7 million visitors in 2015. Among the total visitors, more than half had stayed overnight and the number of overnight visitors increased by almost 10% year-on-year in 2016. The hotel occupancy has also been high in Macau with the annual average occupancy rates stable at over 80% since 2010. In view of the solid visitor volume coupled with the consistently high hotel occupancy rates, the Board has remained positive on the outlook on the Macau tourism industry and is confident that there will be a continual demand for the Hotel Accommodation Products offered by Sun Travel. Looking ahead, capitalising on its experience in the tourism-related business in Macau, Sun Travel may also consider providing travel-related products and services for other destinations.

Sun Travel assists its end customers in procuring the Hotel Accommodation Products as part of its ordinary and usual course of business. It will source the Hotel Accommodation Products directly from the hotels or indirectly through other travel agencies from time to time. On the other hand, Sun City Gaming Promotion, as a gaming promoter in Macau, is entitled to purchase the Hotel Accommodation Products directly from hotels in Macau at discounted prices from time to time. In view of the discounted rates offered by the hotels to Sun City Gaming Promotion, it is expected that the acquisition costs of the Hotel Accommodation Products by Sun City Gaming Promotion could be in general lower than that offered to Sun Travel directly from the hotels or indirectly from other travel agencies. In this connection, Sun Travel has negotiated with Sun City Gaming Promotion for the procurement of the Hotel Accommodation Products in Macau at its acquisition costs.

Besides, Sun City Gaming Promotion has been offering its employees the Ferry Tickets for ferry service operating between Hong Kong and Macau as part of its staff benefits. The sale of Hong Kong-Macau ferry tickets forms part of the ordinary and usual course of business of Sun Travel. In this connection, Sun City Gaming Promotion has negotiated with Sun Travel for supply of the Ferry Tickets from time to time in order to save its administrative costs in sourcing the Ferry Tickets. The bulk purchase of the Ferry Tickets by Sun City Gaming Promotion will provide a stable revenue stream to the Group.

Listing Rules implications

Sun City Gaming Promotion is wholly owned by Mr. Chau, who is the Chairman of the Company and an executive Director, and the Controlling Shareholder interested in approximately 72.31% of the issued share capital of the Company as at the date of this announcement. Accordingly, Sun City Gaming Promotion is regarded as a connected person of the Company under the Listing Rules, and therefore the transactions contemplated under the Master Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios in respect of the proposed cap under the Hotel Accommodation Procurement Agreement are more than 5% and all of them are less than 25% but the proposed cap is more than HK\$10,000,000, the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the largest annual cap under the Ferry Ticket Supply Agreement are more than 0.1% and less than 5% but the largest annual cap is more than HK\$3,000,000, the Ferry Ticket Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

By virtue of Mr. Chau's interest in the Hotel Accommodation Procurement Agreement, Mr. Chau and his associates will abstain from voting on the ordinary resolution in relation to the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) to be proposed at the EGM. As at the date of this announcement, Mr. Chau and his associates are interested in 4,345,489,489 Shares, representing approximately 72.31% of the issued share capital of the Company.

To the best of the Directors' knowledge and information, no Shareholders other than Mr. Chau and his associates have a material interest in the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) and no other Shareholders shall have to abstain from voting on the ordinary resolution in relation to the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof) to be proposed at the EGM.

Mr. Chau has abstained from voting in respect of the relevant board resolutions regarding each of the Master Agreements.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John, will be established to make recommendations to the Independent Shareholders in respect of the terms of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof). Astrum Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "SUN CENTURY GROUP LIMITED" to "SUNCITY GROUP HOLDINGS LIMITED" and to adopt the Chinese name "太陽城集團控股有限公司" as the dual foreign name of the Company to replace its existing Chinese name "太陽世紀集團有限公司".

Conditions of the Proposed Change of Company Name

The Proposed Change of Company Name is conditional upon the following conditions having been satisfied:

- (i) the passing of a special resolution by the Shareholders at the EGM to approve the Proposed Change of Company Name; and

- (ii) the Registrar of Companies in the Cayman Islands approving the proposed new English name and the dual foreign name in Chinese of the Company.

None of the above conditions can be waived.

The relevant filings with the Registrar of Companies in the Cayman Islands will be made after passing of the special resolution at the EGM. The Proposed Change of Company Name will take effect from the date of entry of the new name on the register maintained by the Registrar of Companies in the Cayman Islands. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

In addition, subject to the confirmation of the Stock Exchange, the stock short name for trading in the Shares will also be changed after the Proposed Change of Company Name has become effective.

Reasons for the Proposed Change of Company Name

In order to reflect the business development of the Group, in particular, the diversification of the Group's business into the tourism-related business, the Board proposes the Proposed Change of Company Name. The Board is of the view that the Proposed Change of Company Name will provide the Company with a more appropriate corporate image and identity, and is in the interests of the Company and the Shareholders as a whole.

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any of the rights of the existing Shareholders. Other than the change to the English stock short name and the Chinese stock short name to be announced by the Company following the Proposed Change of Company Name becoming effective, the trading arrangements for the Shares on the Stock Exchange will not be affected. After the Proposed Change of Company Name becomes effective, any new issue of share certificates will be issued in the new English name and the dual foreign name of the Company. All existing share certificates of the Company in issue bearing the existing name of the Company will, after the Proposed Change of Company Name becomes effective, remain to be evidence of title to the Shares and will continue to be valid for trading, settlement and registration purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates bearing the new names of the Company.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Board proposes to refresh the Scheme Mandate Limit so that the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme or any other share option schemes of the Company on or after the date of the EGM will not exceed 10% of the issued share capital of the Company as at the date of passing of the resolution approving the refreshment of the Scheme Mandate Limit.

The Share Option Scheme was adopted by the Company on 2 June 2016. Save for the Share Option Scheme, the Company has no other share option schemes currently in force.

Pursuant to the terms of the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the Scheme Mandate Limit must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the Share Option Scheme or as refreshed.

The Company may refresh again the Scheme Mandate Limit by ordinary resolution of the Shareholders at a general meeting provided that:

- (i) the Scheme Mandate Limit so refreshed must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the Proposed Refreshment of the Scheme Mandate Limit;
- (ii) the share options previously granted under the Share Option Scheme (including those outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised share options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (iii) the total number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

The existing Scheme Mandate Limit under the Share Option Scheme is 150,231,472 Shares, being 10% of the Shares in issue as at 2 June 2016. From the date of the approval of the existing Scheme Mandate Limit up to the date of this announcement, there has not been any refreshment of the Scheme Mandate Limit, and the number of outstanding share options entitling the holders thereof to subscribe for Shares is 264,346,082.

The details of the outstanding share options granted and yet to be exercised are set out below:

Date of grant	Exercise period	Exercise price (HK\$)	Number of underlying Shares
15 May 2007	15 November 2007 – 14 May 2017	4.13	6,383,319 <i>(Note 1)</i>
10 October 2007	10 April 2008 – 9 October 2017	6.73	444,425 <i>(Note 1)</i>
13 February 2008	13 August 2008 – 12 February 2018	3.82	3,558,149 <i>(Note 1)</i>
12 December 2013	13 December 2013 – 11 December 2023	0.344	103,960,189 <i>(Note 1)</i>
11 January 2017	11 January 2017 – 10 January 2027	0.202	150,000,000 <i>(Note 2)</i>
Total			<u>264,346,082</u>

Notes:

1. These outstanding share options were granted under the share option scheme adopted on 31 January 2007, which were subsequently terminated on 2 June 2016.
2. These share options were granted under the existing Share Option Scheme.

Based on 6,009,258,900 Shares in issue as at the date of this announcement, assuming no further Shares will be allotted and issued or repurchased from the date of this announcement and up to the date of the EGM, upon the approval of the Proposed Refreshment of the Scheme Mandate Limit at the EGM, the Directors will, apart from the 264,346,082 outstanding share options which have already been granted and are yet to be exercised, be authorised to exercise the powers of the Company to grant options to subscribe for a total of 600,925,890 Shares, representing 10% of the total number of Shares in issue as at the date of the EGM.

Assuming that the Proposed Refreshment of the Scheme Mandate Limit is approved at the EGM and taking into account the following:

- (i) the additional 600,925,890 share options subject to the Scheme Mandate Limit (as refreshed); and
- (ii) the 264,346,082 outstanding share options granted and yet to be exercised,

the aggregate number of Shares that may be issued under the share options to be granted under the Scheme Mandate Limit (as refreshed) and to be issued under the outstanding share options granted and yet to be exercised will be 865,271,972 Shares, representing approximately 14.40% of the total number of Shares in issue as at the date of this announcement and is within the limit of 30% of the total number of Shares in issue from time to time as required under the Share Option Scheme and the Listing Rules.

The purpose of the Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Company. As the grant of share options to such eligible participants under the Share Option Scheme will not affect the Group's cash flow but will help the Company to retain and motivate them to contribute to the success of the Group's business, the Board has decided to grant to those eligible participants such number of share options which will provide sufficient incentives to them to achieve the purpose of the Share Option Scheme. In order to facilitate the Company in maximising the use of the share options for the aforesaid purpose, the Board proposes the Proposed Refreshment of the Scheme Mandate Limit.

The Proposed Refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Proposed Refreshment of the Scheme Mandate Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing 10% of the Shares in issue as at the date of the EGM, which may be issued pursuant to the exercise of share options to be granted under the refreshed Scheme Mandate Limit.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares to be listed by the Company (representing 10% of the total number of Shares in issue as at the date of the EGM) which may be issued upon the exercise of the share options that may be granted under the refreshed Scheme Mandate Limit.

GENERAL

The EGM will be held and convened (i) for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); and (ii) for the Shareholders to consider, and if thought fit, to approve (a) the special resolution in respect of the Proposed Change of Company Name; and (b) the ordinary resolution in respect of the Proposed Refreshment of the Scheme Mandate Limit.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Change of Company Name and the Proposed Refreshment of the Scheme Mandate Limit which is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further details of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); (ii) further details of the Proposed Change of Company Name; (iii) further details of the Proposed Refreshment of the Scheme Mandate Limit; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); and (vi) a notice of the EGM will be despatched to the Shareholders on or before 27 February 2017.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Sun Century Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1383)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held and convened (i) for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof); and (ii) for the Shareholders to consider, and if thought fit, to approve (a) the special resolution in respect of the Proposed Change of Company Name; and (b) the ordinary resolution in respect of the Proposed Refreshment of the Scheme Mandate Limit (as defined in the contents of this announcement)
“Ferry Tickets”	the provision of ferry tickets and other complementary services
“Ferry Ticket Supply Agreement”	the agreement dated 6 February 2017 entered into between Sun Travel and Sun City Gaming Promotion in relation to the supply of the Ferry Tickets
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel Accommodation Procurement Agreement”	the agreement dated 6 February 2017 entered into between Sun Travel and Sun City Gaming Promotion in relation to the procurement of the Hotel Accommodation Products
“Hotel Accommodation Products”	the provision of hotel accommodation and related services
“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John, will be established to make recommendations to the Independent Shareholders in respect of the terms of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof)

“Independent Financial Adviser” or “Astrum Capital”	Astrum Capital Management Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the cap thereof)
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Chau and his associates
“Independent Third Party(ies)”	third parties independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“Master Agreements”	the Hotel Accommodation Procurement Agreement and the Ferry Ticket Supply Agreement
“Mr. Chau”	Mr. Chau Cheok Wa, the Chairman of the Company and an executive Director, and the Controlling Shareholder
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Proposed Change of Company Name”	the proposal to change the English name of the Company from “Sun Century Group Limited” to “Suncity Group Holdings Limited” and to adopt the Chinese name “太陽城集團控股有限公司” as the dual foreign name of the Company to replace its existing Chinese name “太陽世紀集團有限公司”
“Proposed Refreshment of the Scheme Mandate Limit”	the proposal to refresh the Scheme Mandate Limit so that the Company may grant new options to subscribe for new Shares representing in aggregate up to 10% of its issued share capital as at the date of the EGM
“Scheme Mandate Limit”	the total number of Share which may be issued upon exercise of all share options to be granted under the Share Option Scheme as at the date of approval of the Share Option Scheme or as refreshed

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company at the annual general meeting held on 2 June 2016, details of which are set out in the circular of the Company dated 3 May 2016
“Sun City Gaming Promotion”	Sun City Gaming Promotion Company Limited, a company incorporated in Macau with limited liability, which is wholly-owned by Mr. Chau
“Sun Travel”	Sun Travel Ltd. (formerly known as Suncity Group Tourism Limited), a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

Hong Kong, 6 February 2017

As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Ms. Yeung So Mui, Ms. Cheng Mei Ching, and Ms. Yeung So Lai; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.