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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)

DISCLOSEABLE TRANSACTION: PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO ENTITY

On 6 March 2020, Star Admiral, an indirect wholly owned subsidiary of the Company entered into of the Loan Agreement with GYE, pursuant to which Star Admiral will advance the Loan of US\$17,022,500 to GYE for investment and development of the Project.

As certain applicable percentage ratios in respect of the Loan Agreement in aggregate with the relevant advances including the Previous Loan Agreement are more than 5% but all below 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Group has made relevant advances to GYE in the form of shareholder's loans, which in aggregate with the Loan and the loan under the Previous Loan Agreement exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules and triggers a general disclosure obligation under Rule 13.13 of the Listing Rules.

INTRODUCTION

GYE is a joint venture company held as to 50% by each of Star Admiral (an indirect wholly owned subsidiary of the Company) and as to 50% by Alpha Era respectively. GYE and its subsidiaries are principally engaged in the Project, which is an integrated resort development project located in Hoi An South, Quang Nam Province, an emerging tourist destination in Vietnam. The Project will consist of tourism areas, an integrated resort complex and residential areas.

The Board announces that after arm's length negotiations, Star Admiral, an indirect wholly owned subsidiary of the Company entered into of the Loan Agreement with GYE, pursuant to which Star Admiral will advance the Loan of US\$17,022,500 to GYE. Set out below are the principal terms of the Loan Agreement.

THE LOAN AGREEMENT

Date: 6 March 2020 (after trading hours)

Parties: (1) Star Admiral as lender

(2) GYE as borrower

Pursuant to the Loan Agreement, Star Admiral agrees to advance the Loan of US\$17,022,500 to GYE subject to and conditional upon the terms and conditions set out in the Loan Agreement. The Loan is expected be withdrawn by GYE in or around late March 2020.

GYE is a joint venture company formed by Star Admiral and Alpha Era and is owned as to 50% and 50% by Star Admiral and Alpha Era. GYE and its subsidiaries are principally engaged in investment and development of the Project. Alpha Era is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. To the best of the Directors' knowledge, information and belief, save for its 50% equity interests in GYE, Alpha Era and its ultimate beneficial owner(s) are Independent Third Parties.

Loan Amount: US\$17,022,500

Interest: 1.5% per annum

Term: Five (5) years from the first drawdown date

Repayment: GYE shall repay the principal amount and interest of the Loan upon the expiry of the Term

Purpose: The Loan will be utilised by GYE only for the purpose of investment and development of the Project

For the avoidance of doubt, Alpha Era will also advance the same amount of shareholder's loan on the same terms of the Loan Agreement to GYE.

REASONS FOR THE LOAN AGREEMENT

The Group is principally engaged in (i) property development in Guangdong and Anhui Provinces in the PRC; (ii) property leasing in Shenzhen in the PRC; (iii) provision of hotel and integrated resort general consultancy service in Vietnam and Cambodia; and (iv) provision of travel related products and service. The Group has been expanding its tourism-related business in the South East Asia region.

The Directors consider that the making of the Loan under the Loan Agreement constitutes provision of financial assistance by the Group under the Listing Rules. The Loan amount was determined after arm's length negotiations having taking into consideration of the capital needs of GYE for its business development in the Project.

Given that GYE is a 50% owned joint venture of the Group with the close supervision of the use of Loan proceeds, the Company considers that GYE would have the capacity to repay the Loan when due. Alpha Era will advance the same amount of shareholder's loan on the same terms of the Loan Agreement to GYE. GYE is a 50% joint venture company of the Group and the Group has a substantial stake in GYE. Upon the successful implementation of the Project in Vietnam, it is expected that there are business prospects and also rooms of business growth for GYE. In light of the increasing demand for tourism-related business in the South East Asia region, the Board holds a positive outlook for the Project in the future and it is expected that the Group will benefit from the future success of GYE. It is necessary for GYE to have sufficient fund for its future business development and to meet its capital needs. With the growth potentials of the Project, the Board considers that the Loan Agreement and the terms thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Taking into account of the aforesaid, the Directors (including the independent non-executive Directors) consider that the entering into of the Loan Agreement and the terms and conditions of the Loan Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios in respect of the Loan Agreement in aggregate with the Advances and the loan under the Previous Loan Agreement are more than 5% but all below 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As disclosed in the interim report of the Company for the six months ended 30 June 2019, the Group has advanced approximately RMB444,309,000 (equivalent to approximately US\$64,955,799) to GYE (the “**Advances**”). Such Advances have been provided by the Group to support the development of the Project. The Advances have been provided on a pro-rata basis by reference to the percentage of shareholdings held by the Group in GYE. The Advances are provided in the form of shareholder’s loans by Star Admiral which are interest free, unsecured and repayable upon demand.

As disclosed in the announcement of the Company dated 7 January 2020, Star Admiral as lender entered into of the Previous Loan Agreement with GYE, pursuant to which Star Admiral has advanced the loan in the principal amount of US\$17,022,500 to GYE. Please refer to the announcement of the Company dated 7 January 2020 for further details of the Previous Loan Agreement.

Such Advances to GYE in aggregate with the Loan and the loan under the Previous Loan Agreement exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules and triggers a general disclosure obligation under Rule 13.13 of the Listing Rules. The Company will comply with the relevant disclosure requirements according to Rule 13.20 of the Listing Rules for so long as circumstances giving rise to the aforesaid disclosure obligations continue to exist.

DEFINITIONS

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

“Alpha Era”	Alpha Era Investments Limited, a company incorporated in the BVI with limited liability and an Independent Third Party
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Suncity Group Holdings Limited (太陽城集團控股有限公司), 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
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“GYE”	Gold Yield Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by Star Admiral and as to 50% by Alpha Era
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan to be advanced by Star Admiral to GYE under the Loan Agreement
“Loan Agreement”	the loan agreement dated 6 March 2020 and entered into between Star Admiral and GYE
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Previous Loan Agreement”	the loan agreement dated 7 January 2020 and entered into between Star Admiral and GYE as disclosed in the announcement of the Company dated 7 January 2020
“Project”	an integrated resort project being developed in Hoi An South, Quang Nam Province, Vietnam and engaged by GYE and its subsidiaries
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Star Admiral”	Star Admiral Limited, a company incorporated in the BVI 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
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 6 March 2020

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.