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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)

**(1) DISCLOSEABLE TRANSACTIONS:
THE ACQUISITION AND THE SHARES SUBSCRIPTION
(2) THE MEGAWORLD SHARES SUBSCRIPTION
AND AURORA SHARES SUBSCRIPTION**

THE ACQUISITION

As from 28 October 2019, the Purchaser, a wholly-owned subsidiary of the Company, acquired an aggregate of 1,147,500,000 SunTrust Shares, representing 51% interest in SunTrust. Principal details of the Acquisition are set out in this announcement.

THE SHARES SUBSCRIPTION

On 28 October 2019, the Purchaser conditionally agreed to subscribe for the Subscription Shares (i.e. 2,550,000,000 new SunTrust Shares) on and subject to the terms and conditions of the Shares Subscription Agreement, completion of which is to be proceeded simultaneously with the Megaworld Shares Subscription Completion and the Aurora Shares Subscription Completion. The principal terms and conditions of the Shares Subscription Agreement are set out in this announcement.

THE MEGAWORLD SHARES SUBSCRIPTION

On 28 October 2019, Megaworld conditionally agreed to subscribe for the Megaworld Subscription Shares (i.e. 2,177,165,008 new SunTrust Shares) on and subject to the terms and conditions of the Megaworld Shares Subscription Agreement, completion of which is to be proceeded simultaneously with the Shares Subscription Completion and the Aurora Shares Subscription Completion. The principal terms and conditions of the Megaworld Shares Subscription are set out in this announcement.

AURORA SHARES SUBSCRIPTION

On 28 October 2019, Aurora conditionally agreed to subscribe for the Aurora Subscription Shares (i.e. 272,834,992 new SunTrust Shares) on and subject to the terms and conditions of the Aurora Shares Subscription Agreement, completion of which is to be proceeded simultaneously with the Shares Subscription Completion and the Megaworld Shares Subscription Completion. The principal terms and conditions of the Aurora Shares Subscription are set out in this announcement.

CO-DEVELOPMENT AGREEMENT

On 28 October 2019, the Co-Development Agreement was entered into between Westside and SunTrust, under and pursuant to which Westside and Travellers are to lease the Project Site to SunTrust for development of the Main Hotel Casino and Westside is to appoint SunTrust as the sole and exclusive operator and manager of the Main Hotel Casino on the principal terms and conditions are set out in this announcement.

LISTING RULES IMPLICATIONS

The Listing Rules implications on the Acquisition, the Shares Subscription, Megaworld Shares Subscription, the Aurora Shares Subscription, the Put Option and the Co-Development Agreement are set out in this announcement.

The Listing Rules implications when the CB Subscription Agreement, the Lease Agreement and the O&M Agreement are proceeded with signing are set out in this announcement.

THE ACQUISITION

As from 28 October 2019, the Purchaser, a wholly-owned subsidiary of the Company, acquired an aggregate of 1,147,500,000 SunTrust Shares, representing 51% interest in SunTrust. Principal details of the Acquisition are set out below.

Manner and period : 847,500,000 Acquisition Shares were acquired in the open market during the period from 23 October 2019 to 25 October 2019 and 28 October 2019.

300,000,000 Acquisition Shares were acquired by private sale, as to 200,000,000 Acquisition Shares from Townsquare Development Inc. and as to 100,000,000 Acquisition Shares from First Centro. Inc., each pursuant to a deed of Assignment dated 26 October 2019.

Assets acquired : The Acquisition Shares (i.e. 1,147,500,000 SunTrust Shares in issue), representing 51% interest in SunTrust.

The Group has no interest in SunTrust immediately prior to the Acquisition.

Acquisition Consideration : The aggregate price for the Acquisition Shares is PHP1,100,569,230 (equivalent to approximately HK\$166,394,912).
(excluding brokerage and other transaction costs)

The Acquisition Shares which were acquired on the Philippine Stock Exchange were acquired at the average price of approximately PHP0.945 per Acquisition Share. The 300,000,000 Acquisition Shares acquired from Townsquare Development Inc. and First Centro. Inc. were acquired at PHP1.0 per Acquisition Share. The Board considers that the Acquisition Consideration is fair and reasonable and in the interests of the Shareholders as a whole.

The Substantial Shareholder Facility provides the funding need for payment of the Acquisition Consideration.

Identity of each seller : The identity of each seller of the Acquisition Shares acquired in the open market under the Acquisition cannot be ascertained.

The sellers of the Acquisition Shares acquired not in the open market are as follows:

- (1) Townsquare Development Inc., a company incorporated in the Philippines, which disposed of 200,000,000 SunTrust Shares at PHP1.0 per SunTrust Share; and
- (2) First Centro. Inc., a company incorporated in the Philippines, which disposed of 100,000,000 SunTrust Shares at PHP1.0 per SunTrust Share.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Townsquare Development Inc. and First Centro. Inc. and their respective ultimate beneficial owners are Independent Third Parties.

SHARES SUBSCRIPTION BY THE PURCHASER

On 28 October 2019, the Purchaser conditionally agreed to subscribe for the Subscription Shares (i.e. 2,550,000,000 new SunTrust Shares) on and subject to the terms and conditions of the Shares Subscription Agreement, completion of which is to be proceeded simultaneously with the Megaworld Shares Subscription Completion and the Aurora Shares Subscription Completion.

The dates, parties and principal terms and conditions of the Shares Subscription Agreement are as follows:

Date : 28 October 2019

Issuer : SunTrust

Subscriber : The Purchaser

Warrantors : (1) Westside; and (2) Travellers

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Warrantors and its ultimate beneficial owners are Independent Third Parties.

- Subject matter** : The Subscription Shares (i.e. 2,550,000,000 new SunTrust Shares) conditionally agreed to be subscribed by the Purchaser at the Shares Subscription Price.
- The Shares Subscription is conditional on fulfillment (or insofar as can be waived, waiver) of the Closing Conditions.
- Subscription Price** : An aggregate of PHP2,550,000,000 at a subscription price of PHP1.0 per Subscription Share.
- The Substantial Shareholder Facility provides the funding need for payment of the Shares Subscription Price.
- Payment term** : The Shares Subscription Price shall be paid to SunTrust after obtaining of the SEC Approval (as defined in “Closing Conditions” below).
- Board set of SunTrust** : Sufficient number of nominees nominated by the Purchaser shall be appointed as majority members of the board of directors of SunTrust upon Shares Subscription Completion.
- Shares Subscription Completion** : On the sixth business day (or such other date as the parties to the Shares Subscription Agreement may agree in writing) after the date on which all the Closing Conditions are fulfilled (or insofar as may be waived, waived).
- Closing Conditions** : Shares Subscription Completion is conditional on fulfillment (or insofar as may be waived by the Purchaser, waiver) of the following major conditions:
- (1) the obtaining of SEC’s approval to the increase in authorised stock capital of SunTrust (“**SEC Approval**”);
 - (2) the obtaining of PSE’s approval to the listing of the Subscription Shares (“**Listing Approval**”);
 - (3) (if required) the obtaining of the approval of the shareholders of SunTrust to the increase in authorised stock capital of SunTrust;

- (4) (if required) the obtaining of the approval of the minority shareholders of SunTrust waiving their right to subscribe under a rights offer for the new SunTrust Shares to be issued under the Shares Subscription;
- (5) the obtaining of the necessary governmental and regulatory consents and approvals and those of the board of directors and shareholders of SunTrust to the entering into of the Shares Subscription Agreement;
- (6) the obtaining of the necessary governmental and regulatory consents and approvals and those of the board of directors and shareholders of SunTrust to the appointment of nominees of the Purchaser as majority members of the board of directors of SunTrust;
- (7) compliance by SunTrust of the requirements of the listing rules of the PSE applicable to the Shares Subscription Agreement and the transactions contemplated thereunder;
- (8) the Purchaser having been satisfied with its due diligence review of the Gaming Licence, the Project, the Project Site and the SunTrust Group; and
- (9) the Purchaser having obtained a legal opinion reasonably satisfactory to it on, among other matters, the legality and qualifications of SunTrust as the operator of the Main Hotel Casino, the Project, the Gaming Licence and the title to the Project Site.

Put Option : The Purchaser is granted a put option by the Warrantors in payment of US\$1.0 by the Purchaser to the Warrantors, exercisable at the sole discretion of the Purchaser, to put the Option Interests to all or any of the Warrantors at the Option Price upon the happening of any of the Put Option Events during the Option Period by serving notice to that effect to all or any of the Warrantors.

Option Price:

The consideration payable by all or any of the Warrantors for the Option Interests is the aggregate of all of the following:

- (1) the aggregate of (1) the consideration for the acquisition of 1,147,500,000 Shares held by the Company and/or other member of the Group as at the date of the Shares Subscription Agreement together with interest thereon at the rate of 3.5% per annum from the date of completion of the said acquisition up to the date of completion of the Put Option; (2) the aggregate of the Shares Subscription Price for the Subscription Shares together with interest thereon at the rate of 3.5% per annum from the date of Shares Subscription Completion up to the date of completion of the Put Option; and (3) the aggregate conversion price of the Shares allotted and issued upon exercise of the conversion right attaching to the CB together with interest thereon at the rate of 3.5% per annum from the date of issue of the CB up to the date of completion of the Put Option;
- (2) (if any) the Option Loan together with interest thereon at the rate of 3.5% per annum, from the date of advance of the relevant Option Loan up to the date of completion of the Put Option; and
- (3) (if any) the outstanding principal of the Option CB together with interest accrued thereon at the rate of 3.5% per annum, from the date of issue of the Option CB up to the date of completion of the Put Option.

Put Option Events:

The events upon the happening of which the Put Option may at the sole discretion of the Purchaser be exercised by the Purchaser are principally as follows:

- (a) the Main Hotel Casino does not commence operation within 3 years from Shares Subscription Completion due to the default of Westside and/or Travellers, including default under the Gaming Licence Documents and/or the O&M Agreement, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (b) no consents and approvals are granted by the government agencies for the construction and development of the Main Hotel Casino within one year from the Shares Subscription Completion due to the default of Westside and/or Travellers, including default under the Gaming Licence Documents, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (c) revocation, termination or non-renewal of the Gaming Licence for any reason, due to the default of Westside and/or Travellers, including default under the Gaming Licence Documents, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (d) revocation or termination of the Lot Nos. 4 and 6 Joint Venture Agreement and the Deed of Accession; or
- (e) suspension of the Gaming Licence for a continuous period of 3 months or more in any calendar year for any reason, due to the default of Westside and/or Travellers, including default under the Gaming Licence Documents and/or the O&M Agreement, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or

- (f) variation and/or amendment of (or the imposing of new conditions to) the Gaming Licence after the Shares Subscription Completion which will have a material adverse effect on the operation or prospects of the Main Hotel Casino; or
- (g) SunTrust ceases as or cannot be the sole and exclusive operator and manager of the Main Hotel Casino due to the default of Westside and/or Travellers, including default under Gaming Licence Documents and/or the O&M Agreement, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (h) the Lease Agreement and/or the lease agreement under which one of the parcels of land comprises part of the Project Site is leased by Westside is (or are) terminated earlier due to the default of Westside and/or Travellers, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (i) the O&M Agreement is terminated earlier due to the default of Westside, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or
- (j) the increase in authorized capital stock of SunTrust filed with the SEC is not approved on or before ninety (90) days from its filing with the SEC unless the parties to the Shares Subscription Agreement agree to extend such 90-day period; or
- (k) the right of Westside and/or Travellers over the Project Site is terminated earlier or is not renewed upon expiry of its current lease term and/or the Gaming Licence Documents due to the default of Westside and/or Travellers, which default remains uncured after sixty (60) calendar days from the occurrence of such default; or

- (l) the Closing Conditions are not fulfilled (or waived) by the Longstop Date in accordance with the Shares Subscription Agreement; or
- (m) the Conditions Subsequent are not fulfilled (or waived) by the Longstop Date in accordance with the Shares Subscription Agreement; or
- (n) there shall be any adverse finding from the due diligence review conducted by the Purchaser which in the reasonable opinion of the Purchaser constitute a material adverse effect on, among others, the Shares Subscription Agreement and the Main Hotel Casino Agreement; or
- (o) the necessary consents and approvals of PSE and other government agencies for the listing of the Subscription Shares are not granted; or
- (p) the necessary consents and approvals of PSE and other government agencies for the listing of the Subscription Shares to be allotted and issued upon each exercise of the conversion right attaching to the CB are not granted; or
- (q) the undertakings contained in Shares Subscription Agreement are not complied with by the Warrantors.

Conditions Subsequent :

- (1) SunTrust having duly amended and having obtained all necessary approvals of its board of directors, its shareholders, the SEC and other relevant government authorities of the Philippines for amending its articles and bye-laws by including the capacity, power and authority to operate and manage the Main Hotel Casino;

- (2) the obtaining of the necessary governmental and regulatory consents and approvals and those of the board of directors and shareholders of SunTrust to the CB Subscription Agreement, the creation and issue of the CBs and the authority of the board of directors of SunTrust to allot and issue the SunTrust Shares to be allotted and issued upon exercise of the conversion right attaching to the CBs;
- (3) conditional on Shares Subscription Completion, the CB Subscription Agreement having been duly entered into on terms satisfactory to the Purchaser and proceed to closing no later than the Long Stop Date;
- (4) SunTrust having complied with the applicable requirements of the listing rules of PSE in relation to the Main Hotel Casino Agreements to which it is a party;
- (5) SunTrust having obtained all the necessary governmental and regulatory consents and approvals and those of the board of directors and shareholders of SunTrust, the relevant owner of the Project Site and the parties to the Main Hotel Casino Agreements, to the entering into of the Main Hotel Casino Agreements;
- (6) the Main Hotel Casino Agreement having been duly signed by the parties thereto on terms to the satisfaction of the Purchaser;
- (7) no petition for the winding up of the Company;
- (8) none of the warranties provided by the Warrantors having been breach; and
- (9) any Closing Conditions which are not fulfilled or waived as at Shares Subscription Completion.

MEGAWORLD SHARES SUBSCRIPTION

On 28 October 2019, Megaworld conditionally agreed to subscribe for the Megaworld Subscription Shares (i.e. 2,177,165,008 new SunTrust Shares) on and subject to the terms and conditions of the Megaworld Shares Subscription Agreement, completion of which is to be proceeded with simultaneously with the Shares Subscription Completion and the Aurora Shares Subscription Completion.

The dates, parties and principal terms and conditions of the Megaworld Shares Subscription Agreement are as follows:

Date : 28 October 2019

Issuer : SunTrust

Subscriber : Megaworld

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Megaworld and its controlling shareholder are Independent Third Parties.

Subject matter : The Megaworld Subscription Shares (i.e. 2,177,165,008 new SunTrust Shares) conditionally agreed to be subscribed by Megaworld at the Megaworld Subscription Price.

Subscription Price : An aggregate of PHP2,177,165,008 at a subscription price of PHP1.0 per Megaworld Subscription Share.

Payment term : The Megaworld Subscription Price shall be paid to SunTrust on or before Megaworld Shares Subscription Completion.

Megaworld Shares Subscription Completion : Completion of the Megaworld Shares Subscription is conditional on, among others, the obtaining of SEC's approval to the increase in authorised stock capital of SunTrust and shall proceed simultaneously with the Shares Subscription Completion and the Aurora Shares Subscription Completion.

AURORA SHARES SUBSCRIPTION

On 28 October 2019, Aurora conditionally agreed to subscribe for the Aurora Subscription Shares (i.e. 272,834,992 new SunTrust Shares) on and subject to the terms and conditions of the Aurora Shares Subscription Agreement, completion of which is to be proceeded with simultaneously with the Shares Subscription Completion and the Megaworld Shares Subscription Completion.

The dates, parties and principal terms and conditions of the Aurora Shares Subscription Agreement are as follows:

Date	:	28 October 2019
Issuer	:	SunTrust
Subscriber	:	Aurora
		To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Aurora and its ultimate beneficial owner are Independent Third Parties.
Subject matter	:	The Aurora Subscription Shares (i.e. 272,834,992 new SunTrust Shares) conditionally agreed to be subscribed by Aurora at the Aurora Subscription Price.
Subscription Price	:	An aggregate of PHP272,834,992 at a subscription price of PHP1.0 per Aurora Subscription Share.
Payment term	:	The Aurora Subscription Price shall be paid to SunTrust on or before Aurora Shares Subscription Completion.
Aurora Shares Subscription Completion	:	Completion of the Aurora Shares Subscription is conditional on, among others, the obtaining of SEC's approval to the increase in authorised stock capital of SunTrust and shall proceed with simultaneously with the Shares Subscription Completion and the Megaworld Shares Subscription Completion.

CO-DEVELOPMENT AGREEMENT

On 28 October 2019, the Co-Development Agreement was entered into between Westside and SunTrust, under and pursuant to which Westside and Travellers are to, among others, lease the Project Site to SunTrust for development of the Main Hotel Casino and Westside is to appoint SunTrust as the sole and exclusive operator and manager of the Main Hotel Casino on the principal terms and conditions as follows:

- Date** : 28 October 2019
- Parties** : Westside and SunTrust
- Subject matter** : To regulate the arrangements for the development, construction, operation and management of the Main Hotel Casino.
- Principal terms** :
- (1) Westside and Travellers shall lease the Project Site (i.e. the site upon which the Main Hotel Casino is to be erected) to SunTrust at an annual rental of US\$10,600,000 (“**Annual Rental**”) for a term of 20 years commencing from the date of handover to SunTrust automatically renewable for a further term of 25 years. The Annual Rental shall be payable commencing from the commencement of operation of the Main Hotel Casino and otherwise on terms of the Lease Agreement to be mutually agreed between Westside and SunTrust.
 - (2) Westside shall appoint SunTrust as the sole and exclusive operator to operate and manage the Main Hotel Casino for the period of the Gaming Licence (i.e. up to 11 July 2033) as well as any extension or renewal of the Gaming Licence on terms of the O&M Agreement to be mutually agreed between Westside and SunTrust.

- (3) Under the O&M Agreement, SunTrust shall pay Westside the following (“GGR”) (which payment shall only be payable when the Main Hotel Casino commences operation):
 - (a) 1% of the gross gaming revenue on VIP of the Casino of the Main Hotel Casino; and
 - (b) 3% of the gross gaming revenue on slot machines and mass market tables of the Casino of the Main Hotel Casino, based on the gross gaming revenue as is submitted to PAGCOR from time to time.
- (4) SunTrust shall finance the development and construction of the Main Hotel Casino and to raise fund of not less than US\$300,000,000 within a period of 5 months (or such other period as Westside and SunTrust may agree in writing) from the date of the Co-Development Agreement, out of which US\$200,000,000 shall be paid to Westside for use of the Project Site and reimbursement of costs incurred on the Project Site and construction works done on the Project Site.

INFORMATION OF THE SUNTRUST GROUP

General information

SunTrust is a company incorporated in the Philippines, the shares of which (i.e. the SunTrust Shares) are listed on PSE.

SunTrust principally engaged in leasing activity and investment holding as the listing vehicle of the SunTrust Group on PSE. The principal business of the SunTrust Group, through its subsidiaries, is management of real estate properties, and transportation services covering overland transport, carriage, moving or haulage of passengers, fares, customers and commuters as well as freight, cargo, articles, items parcels, commodities, goods or merchandise by means of coaches, buses, coasters, jeeps, cars and other similar means of transport.

SunTrust became a 51% owned subsidiary of the Company immediately after the Acquisition and its financial results will be consolidated into the Group’s financial statements.

Financial information

The following is a summary of the audited consolidated financial information of the SunTrust Group, prepared in accordance with Philippine Financial Reporting Standards, for the periods as stated below:

	For the year ended	
	31 December 2017	31 December 2018
	<i>(PHP'000)</i>	<i>(PHP'000)</i>
	(audited)	(audited)
Net profit before tax and extraordinary items	92,895	153,334
Net profit after tax and extraordinary items	61,730	103,863

The following was the consolidated net asset value of the SunTrust Group, prepared in accordance with Philippine Financial Reporting Standards, as at the dates specified below:

	31 December 2018	30 June 2019
	<i>(PHP'000)</i>	<i>(PHP'000)</i>
	(audited)	(unaudited)
Consolidated net asset value	465,419	491,907

INFORMATION OF MEGAWORLD, TRAVELLERS AND WESTSIDE

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.

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.

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.

INFORMATION OF THE GROUP

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.

REASON FOR, AND BENEFITS OF, THE ACQUISITION, THE SHARES SUBSCRIPTION, THE MEGAWORLD SHARES SUBSCRIPTION, THE AURORA SHARES SUBSCRIPTION AND THE CB SUBSCRIPTION

The Group has been expanding and seeking opportunities to expand its tourism-related business, in particular, its hotel and integrated resort general consultancy services and casino management in the South East Asia region, including Vietnam, Cambodia and Korea.

Pursuant to the O&M Agreement as contemplated under the Co-Development Agreement, SunTrust will be the sole and exclusive operator of the Main Hotel Casino, which will be a 5-star hotel and casino complex at the Entertainment City, Manila, the Philippines expected to commence operation prior to 2023. Entertainment City is the casino hub in Manila. The investment in SunTrust, through the Acquisition and the Shares Subscription, marked the first step towards establishing the Group's footprint in the casino and entertainment market of the Philippines and allowing the Group's to tap into this growing market as well as providing synergies to the overall tourism-related business of the Group in the South East Asia region. The CB to be issued to the Purchaser and/or other member of the Group upon completion of the CB Subscription, apart from providing the necessary funding for the development of the Main Hotel Casino, will minimise the risk of the Group's percentage interest in SunTrust being diluted in the event of future equity related funding exercise of SunTrust.

The fund to be raised through the Megaworld Shares Subscription and the Aurora Shares Subscription will provide SunTrust with greater flexibility in the deployment of its general working capital for the business and development of the SunTrust Group.

The Directors consider that the Acquisition and the Shares Subscription are fair and reasonable and in the interests of the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

The Acquisition

As one of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 and is subject to announcement requirement under Chapter 14.

The Shares Subscription

As one of the applicable percentage ratios in respect of the Shares Subscription, whether on its own or when aggregate with the Acquisition, exceeds 5% but is less than 25%, the Shares Subscription constitutes a discloseable transaction for the Company under Chapter 14 and is subject to announcement requirement under Chapter 14.

The Megaworld Shares Subscription and the Aurora Shares Subscription

Megaworld Shares Subscription Completion, the Aurora Shares Subscription Completion and the Shares Subscription Completion are to be proceeded with simultaneously. The Purchaser's percentage interest in SunTrust will remain unchanged at 51% immediately after as well as before the Megaworld Shares Subscription Completion, the Aurora Shares Subscription Completion and the Shares Subscription Completion. Each of the Megaworld Shares Subscription and Aurora Shares Subscription does not constitute a deemed disposal by the Company under Rule 14.29.

The Put Option

The exercise of the Put Option is at the sole discretion of the Purchaser.

As no premium was paid by the Purchaser in acquiring the Put Option from the Warrantors, the acquisition of the Put Option by the Purchaser does not constitute a discloseable transaction for the Company under Chapter 14. Upon exercise of the Put Option by the Purchaser, the Company will comply with the applicable requirements of Chapter 14, including the seeking of the Shareholders' approval, if necessary, to the exercise of the Put Option, as appropriate.

Upon Megaworld Shares Subscription Completion, Megaworld will be interested in more than 10% interest in SunTrust and will be a connected person of the Company. Each of Westside and Travellers is an associate of Megaworld as briefly described in “Information of Megaworld, Travellers and Westside” of this announcement and is therefore a connected person of the Company. As no premium was paid by the Purchaser in acquiring the Put Option from the Warrantors, the acquisition of the Put Option by the Purchaser from the Warrantors is fully exempt from announcement, reporting and approval of independent shareholders under Chapter 14A. The exercise of the Put Option by the Purchaser will constitute 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 Chapter 14A, including the seeking of the independent Shareholders’ approval, if necessary, to the exercise of the Put Option, as appropriate.

The CB Subscription

The CB Subscription is conditional on Shares Subscription Completion. The entering into of the CB Subscription Agreement on terms satisfactory to the Purchaser is one of the Conditions Subsequent to the Shares Subscription Agreement. The terms and conditions of the CB Subscription are subject to further discussion and finalisation. On the basis that SunTrust is a subsidiary of the Company, the CB Subscription Agreement when it is entered into, and the conversion of the CB into SunTrust Shares upon exercise of the conversion right attaching to the CB, will constitute an acquisition of further equity interests by the Purchaser (and/or other member of the Group) in SunTrust. The Company will comply with the requirements of the Listing Rules applicable to the CB Subscription when the CB Subscription Agreement is entered into, as appropriate.

The Co-Development Agreement

Upon Shares Subscription Completion, Megaworld will be interested in more than 10% interest in SunTrust and will be a connected person of the Company. Each of Westside and Travellers is an associate of Megaworld as briefly described in “Information of Megaworld, Travellers and Westside” of this announcement and is therefore a connected person of the Company.

The terms and conditions of the Lease Agreement and the O&M Agreement are subject to further discussion and finalisation by the parties thereto. The entering into of the Lease Agreement and the O&M Agreement to which Westside and/or Travellers is a party (or are parties) will constitute continuing connected transactions for the Company when they are entered into. Upon entering into of the Lease Agreement and the O&M Agreement, the Company will comply with the applicable requirements of Chapter 14A, including the seeking of the independent Shareholders’ approval, if necessary, to their entering into, as appropriate.

The Substantial Shareholder Facility

Star Hope Limited, the lender of the Substantial Shareholder Facility is a connected person of the Company for it being a company wholly-owned by Mr. Chau Cheok Wa who is a controlling shareholder of the Company. The Substantial Shareholder Facility constitutes a connection transaction for the Company under Chapter 14A. The annual interest rate on the loan as may be advanced under the Substantial Shareholder Facility from time to time is 3.5% per annum which is well below the best lending rate of more than 5% per annum for Hong Kong dollars advances as quoted by leading licensed banks in Hong Kong including the Hongkong and Shanghai Banking Corporation Limited, the Bank of China (Hong Kong) Limited and the Hang Seng Bank Limited. The Board is of the view that the Substantial Shareholder Facility is on better term to the Group. On that basis and on the basis that the Substantial Shareholder Facility is not secured by any assets of the Group, the Substantial Shareholder Facility is fully exempt from announcement, reporting and approval of independent Shareholders under Chapter 14A.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“Acquisition”	the acquisition by the Purchaser of the Acquisition Shares, representing 51% in SunTrust, in the open market at the prevailing trading price of the SunTrust Shares traded on the PSE and from sellers through private sale as disclose in this announcement
“Acquisition Consideration”	the aggregate price for the Acquisition Shares (excluding brokerage and other transaction costs)
“Acquisition Shares”	the 1,147,500,000 SunTrust Shares acquired by the Purchaser under and pursuant to the Acquisition
“Aurora”	Aurora Securities, Inc., a company incorporated in the Philippines and the subscriber of the Aurora Subscription Shares
“Aurora Shares Subscription”	the conditional subscription of the Aurora Subscription Shares at Aurora Shares Subscription Price by Aurora under and pursuant to the Aurora Shares Subscription Agreement

“Aurora Shares Subscription Agreement”	the conditional subscription agreement dated 28 October 2019 in relation to the Aurora Shares Subscription entered into by SunTrust as issuer and Aurora as subscriber
“Aurora Shares Subscription Completion”	completion of the issuance and subscription of the Aurora Subscription Shares pursuant to the Aurora Subscription Agreement
“Aurora Shares Subscription Price”	PHP272,834,992, being the aggregate subscription price for the Aurora Subscription Shares at a subscription price of PHP1.0 per Aurora Subscription Share
“Aurora Subscription Shares”	272,834,992 new SunTrust Shares conditionally agreed to be subscribed by Aurora under the Aurora Shares Subscription Agreement
“Board”	the board of Directors
“CB”	the aggregate principal amount of up to PHP7,300,000,000 convertible bonds convertible into SunTrust Shares at an initial conversion price of not more than 20% of the par value of the SunTrust Shares for an initial term of 5 years from the date of their issue extendable for a further term of 5 years to be issued by the Company to the Purchaser and/or other member of the Group at 100% of the aggregate principal amount of the CB to be issued upon completion of the CB Subscription Agreement
“CB Subscription”	the conditional subscription of the CB by the Purchaser (and/or other member of the Group) under and pursuant to the CB Subscription Agreement
“CB Subscription Agreement”	the conditional subscription agreement to be entered into between SunTrust as issuer, the Purchaser (and/or other member of the Group) as subscriber and such warrantor(s) as the Company may require in relation to the subscription and issuance of the CB
“Closing Conditions”	the conditions to Shares Subscription Completion, brief particulars of which are set out in “Shares Subscription – Closing Conditions” of this announcement

“Company”	Suncity Group Holdings Limited (太陽城集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1383)
“Conditions Subsequent”	the conditions subsequent to the Shares Subscription Agreement, brief particulars of which are set out in “Shares Subscription – Conditions Subsequent” of this announcement
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Deed of Accession”	the deed of accession dated 18 March 2013 entered into by Westside and Travellers, which was accepted, agreed and consented to by PAGCOR, pursuant to which Westside became the legal and absolute co-owner of all rights, title, interest and obligations of Travellers contained in the Gaming Licence and in the Lot Nos. 4 and 6 Joint Venture Agreement
“Directors”	the directors of the Company
“Gaming Licence”	the Provisional Licence dated 2 June 2008 issued by PAGCOR to Travellers as amended by the Amended Certificate of Affiliation & Provisional Licence dated 28 June 2013 issued by PAGCOR in favour of Travellers and Westside as co-licensees and co-holders in respect of, among other site, the Project Site
“Gaming Licence Documents”	collectively, the Gaming Licence, the Deed of Accession, the Lot No. 4 and 6 Joint Venture Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	a party who is not a connected person of the Company and is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 March 2020, for fulfilment or as the case may be, waiver of the Closing Conditions and the Conditions Subsequent
“Lot Nos. 4 and 6 Joint Venture Agreement”	the joint venture agreement entered into between Travellers and PAGCOR and dated 7 May 2010 in respect of part of the Project Site
“Main Hotel Casino”	(a) a 5-Star hotel with at least four hundred (400) rooms, the average standard room size of which shall not be less than 34 sq.m.; (b) Casino establishment with approximately four hundred (400) gaming tables and one thousand two hundred (1,200) slot machines for both mass and VIP markets; and (c) Nine hundred sixty (960) car parking slots for the 5-Star hotel and Casino establishment erected or to be erected at the Project Site
“Main Hotel Casino Agreements”	collectively, the following: <ul style="list-style-type: none"> (a) the co-development Agreement dated 28 October 2019 (“Co-Development Agreement”) entered into by and among Westside and SunTrust in relation to the arrangements for the development, construction, operation and management of the Main Hotel Casino; (b) the lease agreement (“Lease Agreement”) for the leasing of the Project Site to SunTrust (or such other person as SunTrust may nominate), the principal terms of which are set out in the Co-Development Agreement; (c) the operations and management/services agreement (“O&M Agreement”) for the appointment of SunTrust (or such other person as SunTrust may nominate) as the sole and exclusive operator to operate and manage the Main Hotel Casino, the principal terms of which are set out in the Co-Development Agreement; and (d) such other documents executed pursuant to or in connection with the Co-Development Agreement

“Megaworld”	Megaworld Corporation, a company incorporated in the Philippines the shares of which are listed on the PSE and the subscriber of the Megaworld Subscription Shares
“Megaworld Shares Subscription”	the conditional subscription of the Megaworld Subscription Shares at Megaworld Shares Subscription Price by Megaworld under and pursuant to the Megaworld Shares Subscription Agreement
“Megaworld Shares Subscription Agreement”	the conditional subscription agreement dated 28 October 2019 in relation to the Megaworld Shares Subscription entered into by SunTrust as issuer and Megaworld as subscriber
“Megaworld Shares Subscription Completion”	completion of the issuance and subscription of the Megaworld Subscription Shares pursuant to the Megaworld Subscription Agreement
“Megaworld Shares Subscription Price”	PHP2,177,165,008, being the aggregate subscription price for the Megaworld Subscription Shares at a subscription price of PHP1.0 per Megaworld Subscription Share
“Megaworld Subscription Shares”	2,177,165,008 new SunTrust Shares conditionally agreed to be subscribed by Megaworld under the Megaworld Shares Subscription Agreement
“Option Interests”	<ol style="list-style-type: none"> (1) the SunTrust Shares held by the Purchaser and/or other member of the Group as at the date of completion of the Put Option (“Option Shares”); (2) (if any) all amounts due from the SunTrust Group to the Group as at the date of completion of the Put Option (“Option Loan”); and (3) (if any) the CB held by the Purchaser and/or other member of the Group as at the date of completion of the Put Option (“Option CB”)
“Option Period”	the period commencing from the date of the Shares Subscription Agreement and up to the day immediately preceding the date on which the Main Hotel Casino first commences its operation

“Option Price”	the consideration payable to the Purchaser by all or any of the Warrantors for the Option Interests at completion of the Put Option as more particularly set out in “Shares Subscription – Put Option” in this announcement
“PAGCOR”	the Philippine Amusement and Gaming Corporation
“PHP”	Philippine peso, the lawful currency of Philippines
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project”	the project of construction, development, operation and management of the Main Hotel Casino
“Project Site”	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 erected
“Put Option”	the put option granted by the Warrantors to the Purchaser under the Shares Subscription Agreement pursuant to which the Purchaser may at its sole discretion put the Option Interests to all or any of the Warrantors at the Option Price as more particularly set out in “Shares Subscription – Put Option” in this announcement
“Put Option Events”	the events upon the happening of which the Put Option may at the sole discretion of the Purchaser be exercised by the Purchaser, as more particularly set out in “Shares Subscription – Put Option” in this announcement
“PSE” or “Philippine Stock Exchange”	The Philippines Stock Exchange Inc.
“Purchaser”	Fortune Noble Limited, a company incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Company
“SEC”	the Philippines Securities and Exchange Commission
“Shareholder”	the holder of any one or more Shares

“Shares”	ordinary shares of par value of HK\$0.10 each in the share capital of the Company
“Shares Subscription”	the conditional subscription of the Subscription Shares at the Shares Subscription Price by the Purchaser under and pursuant to the Shares Subscription Agreement
“Shares Subscription Agreement”	the conditional subscription agreement dated 28 October 2019 in relation to the Shares Subscription entered into by SunTrust as issuer, the Purchaser as subscriber and the Warrantors as warrantors
“Shares Subscription Completion”	completion of the issuance and subscription of the Subscription Shares pursuant to the Shares Subscription Agreement
“Shares Subscription Price”	PHP2,550,000,000, being the aggregate subscription price for the Subscription Shares at a subscription price of PHP1.0 per Subscription Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	2,550,000,000 new SunTrust Shares conditionally agreed to be subscribed by the Purchaser under the Shares Subscription Agreement
“Substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“Substantial Shareholder Facility”	the loan facility from Star Hope Limited to the Group up to the extent of HK\$1,750,000,000 at an annual interest rate of 3.5%
“SunTrust”	Suntrust Home Developers, Inc., a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN)
“SunTrust Group”	SunTrust and its subsidiaries from time to time
“SunTrust Shares”	ordinary shares of par value of PHP1.0 each in the share capital of SunTrust

“US\$”	the United States dollars, the lawful currency of the United States of America
“Warrantors”	(1) Westside City Resort World Inc. (“ Westside ”), a company incorporated in the Philippines; and (2) Travellers International Hotel Group, Inc. (“ Travellers ”), a company incorporated in the Philippines
“%”	per cent.

Notes:

- (1) All references to times and dates are references to Hong Kong time unless otherwise stated.
- (2) In this announcement, unless otherwise stated, all references to Rules and Chapters are references to Rules and Chapters of the Listing Rules.
- (3) When translated, each HK\$ amount stated in this announcement was translated at the exchange rate of HK\$1.0 to PHP6.6142.

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

Hong Kong, 29 October 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.