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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Suncity Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)****RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 25 of this circular. The letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 10 of this circular.

A notice convening the EGM to be held at Jade Room, Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong at 2:30 p.m. on 20 December 2019 is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 2:30 p.m. on 18 December 2019) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

3 December 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“2013 Litigation”	has the meaning ascribed to it under the paragraph headed “MATERIAL ADVERSE CHANGE” under the section headed “GENERAL INFORMATION”
“2017 CCT Agreements”	the 2017 Travel Products Supply Agreement and the 2017 Hotel Accommodation Procurement Agreement
“2017 Hotel Accommodation Procurement Agreement”	the agreement dated 6 February 2017 entered into between Sun Travel and Sun City Gaming Promotion in relation to the supply of Hotel Accommodation Products by Sun City Gaming Promotion to Sun Travel, as amended by the supplemental agreement dated 15 May 2017
“2017 Travel Products Supply Agreement”	the agreement dated 6 February 2017 entered into between Sun Travel and Sun City Gaming Promotion in relation to the supply of ferry tickets and related services by Sun Travel to Sun City Gaming Promotion
“2019 CCT Agreements”	the 2019 Hotel Accommodation Procurement Agreement and the 2019 Travel Products Supply Agreement
“2019 Hotel Accommodation Procurement Agreement”	the agreement dated 5 November 2019 entered into between Sun Travel and Sun City Gaming Promotion in relation to the supply of Hotel Accommodation Products by Sun City Gaming Promotion to Sun Travel
“2019 Travel Products Supply Agreement”	the agreement dated 5 November 2019 entered into between Sun Travel and Sun City Gaming Promotion in relation to the supply of Travel Products by Sun Travel to Sun City Gaming Promotion
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Company
“Company”	Suncity Group Holdings 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”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and to consider and, if thought fit, approve, the 2019 Hotel Accommodation Procurement Agreement

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel Accommodation Products”	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
“Independent Financial Adviser”	Astrum Capital Management Limited, a corporation licensed to carry on 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
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Chau and his associates
“Latest Practicable Date”	29 November 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“Mr. Chau”	Mr. Chau Cheok Wa, the Chairman of the Board and an executive Director
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

DEFINITIONS

“Sun Travel”	Sun Travel Ltd., a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company
“Travel Products”	travel related products and services including ferry tickets between Hong Kong and Macau, entertainment tickets, vouchers, travel packages and other transportation tickets
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chau Cheok Wa (*Chairman*)
Mr. Lo Kai Bong
Mr. Au Chung On John
Mr. Manuel Assis Da Silva

Independent Non-executive Directors:

Mr. Tou Kin Chuen
Dr. Wu Kam Fun Roderick
Mr. Lo Wai Tung John

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Unit 1705, 17/F., West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

3 December 2019

To the Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 5 November 2019 in relation to, among others, the 2019 Hotel Accommodation Procurement Agreement.

The purpose of this circular is to provide you with further details about the (i) the transactions contemplated under 2019 Hotel Accommodation Procurement Agreement; (ii) the recommendation of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) a notice convening the EGM.

LETTER FROM THE BOARD

THE 2019 HOTEL ACCOMMODATION PROCUREMENT AGREEMENT

On 5 November 2019, Sun Travel and Sun City Gaming Promotion entered into the 2019 Hotel Accommodation Procurement Agreement. The principal terms of the 2019 Hotel Accommodation Procurement Agreement are set out below.

Term

The 2019 Hotel Accommodation Procurement Agreement has a term of three years commencing on 1 January 2020 and ending on 31 December 2022 (both dates inclusive).

Subject matter

Sun City Gaming Promotion has agreed to supply Hotel Accommodation Products to Sun Travel.

Pricing policy

Sun Travel shall obtain quotations from at least two other independent suppliers before procurement of the Hotel Accommodation Products. The price of the Hotel Accommodation Products shall not be higher than:

- (1) the acquisition cost incurred by Sun City Gaming Promotion for the Hotel Accommodation Products; and
- (2) the price of the Hotel Accommodation Products offered by Sun City Gaming Promotion to independent third parties (if any).

Condition

The 2019 Hotel Accommodation Procurement Agreement is conditional upon passing of the relevant resolution(s) at the EGM approving the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated under.

Annual caps

The proposed annual caps are set out below:

	Year ending 31 December 2020 HK\$	Year ending 31 December 2021 HK\$	Year ending 31 December 2022 HK\$
Annual cap	620,000,000	650,000,000	680,000,000

LETTER FROM THE BOARD

Basis of the annual caps

The proposed annual caps were determined with reference to:

- (i) the historical transaction amounts under the 2017 Hotel Accommodation Procurement Agreement;
- (ii) the expected increase of approximately 12.5% in the number of new five-star hotels opening in Macau in 2020 which would add an additional 3,088 rooms based on the published information of the hotel developers to the five-star hotel market, accounting for approximately 12.6% of the total number of five-star hotel rooms in Macau as at 31 August 2019 according to the statistics published by the Statistics and Census Service of the Macau Government; and
- (iii) an annual organic growth in 2021 and 2022 of approximately 5% in the demand on the number of five-star hotel rooms in Macau as estimated by the management of the Company on a conservative basis having taken into account the compounded annual growth rate of approximately 6.4% from 2015 to 2018 with reference to the statistics on the number of guests who book five-star hotels through travel agencies published by the Statistics and Census Service of the Macau Government.

Historical transaction amount

The historical transaction amounts under the 2017 Hotel Accommodation Procurement Agreement are set out below.

	From 1 April 2017 to 31 December 2017 HK\$	Year ended 31 December 2018 HK\$	From 1 January 2019 to 30 September in 2019 HK\$
Annual cap	420,000,000	570,000,000	590,000,000 <i>(Note)</i>
Actual transaction amount	376,608,596	562,024,934	416,541,685

Note: For the entire year ended 31 December 2019.

INTERNAL CONTROL

The Company has established various internal control measures to monitor the transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement, including:

- (i) Sun Travel shall obtain quotations from at least two other independent suppliers before procurement of the Hotel Accommodation Products. Sun Travel shall select the supplier of the required Hotel Accommodation Products based on certain selection criteria (including but not limited with the availability, price and credit terms). Staff of the customer service department will obtain the quotations and submit to the general manager of Sun Travel for review and approval on the procurement of Hotel Accommodation Products;

LETTER FROM THE BOARD

- (ii) Sun Travel shall nominate a staff member (the “**CT Officer**”) who is familiar with the finance and business operations to be responsible for reporting to the company secretary of the Company (the “**Company Secretary**”) on the transaction amounts and terms of the continuing connected transactions carried out by Sun Travel on a monthly basis;
- (iii) the Company Secretary shall monitor the aggregate amount of the transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement and assess on a monthly basis whether the annual cap thereunder is exceeded or 2019 Hotel Accommodation Procurement Agreement has to be renewed to effect a material change to its terms;
- (iv) in-house training shall be arranged by the Company Secretary to the CT Officer to ensure that the CT Officer understands the connected transaction requirements under the Listing Rules;
- (v) the independent non-executive Directors will conduct annual reviews with respect to the transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement and confirm in the annual report, pursuant to the requirements under the Listing Rules, whether such continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the respective agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (vi) the Company’s external auditor will conduct annual review of the 2019 Hotel Accommodation Procurement Agreement in accordance to the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2019 HOTEL ACCOMMODATION PROCUREMENT AGREEMENT

Sun Travel assists its end customers in procuring Hotel Accommodation Products as part of the Group’s ordinary and usual course of business. It will source the Hotel Accommodation Products directly from hotels or indirectly through other travel agencies from time to time. Sun City Gaming Promotion, as a gaming promoter in Macau, is entitled to purchase Hotel Accommodation Products directly from hotels in Macau at discounted prices. In view of the discounted rates offered by the hotels to Sun City Gaming Promotion, the costs of the Hotel Accommodation Products offered by Sun City Gaming Promotion would be in general lower than those offered to Sun Travel directly from the hotels or indirectly from other travel agencies.

Given that the price for the procurement of Hotel Accommodation Products in Macau was agreed to be not higher than Sun City Gaming Promotion’s acquisition cost, the Board (including the independent non-executive Directors after take into account the advice from the Independent Financial Adviser but excluding Mr. Chau who has abstained from voting in the relevant resolutions of the board meeting of the Company approving the 2019 Hotel Accommodation Procurement Agreement) considers that the terms under the 2019 Hotel Accommodation Procurement Agreement including the annual caps, were negotiated and entered into on an arm’s length basis, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Sun Travel is a wholly-owned subsidiary of the Company. It is principally engaged in provision of travel related products and services.

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 an executive Director and hence a connected person of the Company. The transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the 2019 Hotel Accommodation Procurement Agreement is over 5% on an annual basis, the 2019 Hotel Accommodation Procurement Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to consider whether the terms of the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder, and the annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to voting at the EGM.

Mr. Chau has abstained from voting in the relevant resolutions of the board meeting of the Company to approve the 2019 Hotel Accommodation Procurement Agreement.

Any Shareholder with a material interest and his/her/its associate(s) is (are) required to abstain from voting at the EGM to approve the 2019 Hotel Accommodation Procurement Agreement. As at the Latest Practicable Date, Mr. Chau and his associates are interested in 4,991,643,335 Shares, representing approximately 74.87% of the issued Shares of the Company, shall abstain from voting at the EGM in respect of the resolutions approving the 2019 Hotel Accommodation Procurement Agreement.

Except as disclosed above, to the best of their knowledge and belief, no other Shareholder is required to abstain from voting at the EGM.

CLOSURE OF THE SHAREHOLDERS' REGISTER

The register of members of the Company will be closed from 18 December 2019 to 20 December 2019 (both dates inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the EGM. No transfer of Shares will be registered during this period. Shareholders whose name appears on the register of members of the Company on 17 December 2019 shall be entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, unregistered holders of the Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 17 December 2019.

LETTER FROM THE BOARD

EGM AND VOTING

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Pursuant to the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM are enclosed with this circular and also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 2:30 p.m. on 18 December 2019) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose recommendation is set out in the letter from the Independent Board Committee but excluding Mr. Chau) consider that the terms of the 2019 Hotel Accommodation Procurement Agreement (including the annual caps) are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, in the ordinary and usual course of business of the Group. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

3 December 2019

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 3 December 2019 (the “**Circular**”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the 2019 Hotel Accommodation Procurement Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Astrum Capital Management Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2019 Hotel Accommodation Procurement Agreement as set out on pages 11 to 25 of the Circular and the letter from the Board as set out on pages 4 to 9 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the terms of the 2019 Hotel Accommodation Procurement Agreement (including the annual caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution proposed at the EGM to approve the 2019 Hotel Accommodation Procurement Agreement.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Tou Kin Chuen
*Independent non-executive
Director*

Dr. Wu Kam Fun Roderick
*Independent non-executive
Director*

Mr. Lo Wai Tung John
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Room 2704, 27/F, Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

3 December 2019

To the Independent Board Committee and
the Independent Shareholders of
Suncity Group Holdings Limited

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to make recommendations to the independent board committee (the “**Independent Board Committee**”) and the independent shareholders (the “**Independent Shareholders**”) of Suncity Group Holdings Limited (the “**Company**”) in relation to the continuing connected transactions (the “**Continuing Connected Transactions**”) contemplated under the 2019 Hotel Accommodation Procurement Agreement with the proposed annual caps (the “**Annual Caps**”). The details of the Continuing Connected Transactions are disclosed in the announcement of the Company dated 5 November 2019 (the “**Announcement**”) and in the letter from the board (the “**Letter from the Board**”) set out on pages 4 to 9 of the circular of the Company dated 3 December 2019 (the “**Circular**”) to the shareholders of the Company (the “**Shareholders**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 5 November 2019, Sun Travel, an indirect wholly-owned subsidiary of the Company, and Sun City Gaming Promotion entered into the 2019 Hotel Accommodation Procurement Agreement to renew the term of the 2017 Hotel Accommodation Procurement Agreement for the three years ending 31 December 2022.

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 an executive Director and hence a connected person of the Company. The transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the 2019 Hotel Accommodation Procurement Agreement are over 5% on an annual basis, the 2019 Hotel Accommodation Procurement Agreement is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Chau has abstained from voting in the relevant resolutions of the Board meeting to approve the 2019 Hotel Accommodation Procurement Agreement.

Any Shareholder with a material interest and his/her/its associate(s) is (are) required to abstain from voting at the EGM to approve the 2019 Hotel Accommodation Procurement Agreement. As at the Latest Practicable Date, Mr. Chau and his associates were interested in 4,991,643,335 Shares, representing approximately 74.87% of the issued Shares, and shall abstain from voting at the EGM in respect of the resolutions approving the 2019 Hotel Accommodation Procurement Agreement.

Except as disclosed above, to the best of the Directors' knowledge and belief, no other Shareholder is required to abstain from voting at the EGM.

An 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, has been established to make recommendations to the Independent Shareholders in respect of the terms of the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the Annual Caps). We, Astrum Capital Management Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

INDEPENDENCE DECLARATION

As at the Latest Practicable Date, we were not aware of any relationships or interests between Astrum Capital Management Limited, the Company, Sun Travel, Sun City Gaming Promotion and/or any of their respective substantial Shareholders, directors or chief executive, or any of their respective associates. In the last two years, we have been engaged as the independent financial adviser of the Company regarding the entering into of the amendment agreement dated 8 May 2018 between the Company and Fame Select Limited (as amended by the extension letter dated 27 August 2018) in relation to the extension of the maturity date of the convertible bonds, details of which are set out in the circular of the Company dated 30 August 2018. In addition, we have been engaged as the independent financial adviser of a company listed on The Stock Exchange of Hong Kong Limited, where Mr. Chau (an executive Director and the controlling Shareholder of the Company) is the controlling Shareholder, in respect of connected transactions. Save as disclosed above, there was no other engagement between the Group, Mr. Chau and Astrum Capital Management Limited. Apart from the normal advisory fees payable to us for the relevant engagement in relation to the entering into of the 2019 Hotel Accommodation Procurement Agreement, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. Accordingly, Astrum Capital Management Limited is independent as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the entering into of the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the Annual Caps).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have reviewed, *inter alia*, the Announcement, the Circular, the 2017 Hotel Accommodation Procurement Agreement, the 2019 Hotel Accommodation Procurement Agreement, the annual report of the Company for the financial year ended 31 December 2018 (the “**2018 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2019 (the “**2019 Interim Report**”). We have also reviewed certain information provided by the management of the Company (the “**Management**”) relating to the operations, financial conditions and prospects of the Group (including but not limited to Sun Travel). We have also (i) considered such other information, analysis and market data which we deemed relevant; and (ii) conducted discussions with the Management regarding the entering into of the 2019 Hotel Accommodation Procurement Agreement, the businesses and future outlook of the Group (including but not limited to Sun Travel). We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and we have relied upon them in formulating our opinion.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Announcement and the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Announcement and the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters not contained in the Announcement and the Circular, the omission of which would make any statement herein or in the Announcement and the Circular misleading. We consider that we have performed all necessary steps to enable us to reach an informed view regarding the terms of, and the reasons for entering into, the 2019 Hotel Accommodation Procurement Agreement and to justify our reliance on the information provided so as to provide a reasonable basis of opinion. We have no reasons to suspect that any material information has been withheld by the Directors or the Management, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. This letter is issued to provide the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the Annual Caps). Except for the inclusion in the Circular, this letter shall not be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the 2019 Hotel Accommodation Procurement Agreement are fair and reasonable so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Information on the Group

The Group is principally engaged in (i) property development; (ii) property leasing; (iii) provision of hotel and integrated resort general consultancy services; and (iv) provision of travel related products and services.

The following table sets out the audited financial information of the Group for the two financial years ended 31 December 2017 and 31 December 2018 (“FY2017” and “FY2018”, respectively) as extracted from the 2018 Annual Report, and the unaudited financial information of the Group for the six months ended 30 June 2018 and 30 June 2019 (“1H2018” and “1H2019”, respectively) as extracted from the 2019 Interim Report:

Table 1: Financial information of the Group

	FY2017	FY2018	1H2018	1H2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	544,708	792,643	456,024	307,043
– <i>Sales of properties</i>	132,543	177,400	169,635	18,901
– <i>Property management services income</i>	8,605	7,581	4,059	2,829
– <i>Travel agency services income</i>	6,246	7,741	3,100	2,819
– <i>Sales of travel related products</i>	347,867	535,079	247,715	254,857
– <i>Hotel and integrated resort general consultancy services income</i>	2,539	19,794	8,494	7,080
– <i>Rental income</i>	46,908	45,048	23,021	20,557
Gross profit	182,050	236,676	176,859	51,636
Profit/(loss) before taxation	262,084	(1,378,012)	(1,565,218)	(1,261,697)
Profit/(loss) attributable to owners of the Company for the year/period	197,002	(1,458,541)	(1,648,052)	(1,254,190)

Sources: the 2018 Annual Report and the 2019 Interim Report

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In FY2018, the Group recorded total revenue of approximately RMB792.6 million, representing a significant increase of approximately 45.5% as compared to approximately RMB544.7 million in FY2017. Such increase was mainly attributable to the increase in revenue from (i) the Group's sales of travel related products of approximately RMB187.2 million; (ii) the Group's sales of properties of approximately RMB44.9 million; and (iii) the provision of hotel and integrated resort general consultancy services of approximately RMB17.3 million. In line with the increase in revenue, gross profit increased from approximately RMB182.1 million in FY2017 to approximately RMB236.7 million in FY2018. Notwithstanding the increase in gross profit, the Group recorded loss attributable to owners of the Company of approximately RMB1,458.5 million in FY2018, as compared to profit attributable to owners of the Company of approximately RMB197.0 million in FY2017. Such deterioration was mainly driven by (i) the substantial increase in loss in respect of the change in fair value of derivative financial instruments of approximately RMB859.7 million; (ii) the absence of reversal of impairment loss recognised in respect of deposits for non-current assets in FY2018 (FY2017: approximately RMB438.0 million); (iii) the absence of reversal of provisions for litigations in FY2018 (FY2017: approximately RMB289.2 million); and (iv) the recognition of net exchange loss of approximately RMB181.0 million in FY2018 (FY2017: net exchange gain of approximately RMB41.7 million), which was partially offset by (i) the recognition of profit in respect of the change in fair value of a convertible bond of approximately RMB73.9 million in FY2018 (FY2017: nil); (ii) the increase in gross profit of approximately RMB54.6 million; and (iii) the recognition of reversal of provisions for potential claims of approximately RMB19.5 million in FY2018 (FY2017: provisions of approximately RMB41.9 million).

In 1H2019, the Group recorded total revenue of approximately RMB307.0 million, representing a decrease of approximately 32.7% as compared to approximately RMB456.0 million in 1H2018. Such decrease was mainly attributable to the decrease in revenue from the Group's sales of properties of approximately RMB150.7 million. The Group's gross profit decreased from approximately RMB176.9 million in 1H2018 to approximately RMB51.6 million in 1H2019, which was in line with the decrease in the Group's revenue. Loss attributable to owners of the Company amounted to approximately RMB1,254.2 million in 1H2019, representing a decrease of approximately 23.9% as compared to approximately RMB1,648.1 million in 1H2018. Such improvement was mainly driven by the decrease in loss in respect of the change in fair value of derivative financial instruments of approximately RMB498.8 million, which was partially offset by (i) the decrease in gross profit of approximately RMB125.2 million; and (ii) the recognition of loss in respect of the change in fair value of investment properties of approximately RMB56.8 million in 1H2019 (1H2018: nil).

2. Background of, reasons for, and benefits of the entering into of the 2019 Hotel Accommodation Procurement Agreement

As advised by the Management, Sun Travel, an indirect wholly-owned subsidiary of the Company, is principally engaged in the provision of travel related products and services. Since its incorporation, Sun Travel has been from time to time procuring the Hotel Accommodation Products for its end customers in its usual and ordinary course of business.

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To facilitate the procurement arrangement between Sun Travel and Sun City Gaming Promotion, on 6 February 2017, Sun Travel entered into the hotel accommodation procurement agreement (the “**Original HAP Agreement**”) with Sun City Gaming Promotion, pursuant to which 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 for a term from the commencement date of the Original HAP Agreement to 31 December 2017 (the “**Initial Term**”) with the original annual cap of HK\$120,000,000 (the “**Original Annual Cap**”). The Original HAP Agreement and the transactions contemplated thereunder (including the annual caps) were duly approved by the then Shareholders at the extraordinary general meeting of the Company held on 31 March 2017. Please refer to the circular of the Company dated 8 March 2017 for further details of the Original HAP Agreement.

For the first month of the Initial Term (i.e. from 1 April 2017 to 30 April 2017), the aggregate transaction amount under the Original HAP Agreement reached approximately HK\$42.8 million, representing approximately 35.6% of the Original Annual Cap. In view of the high utilisation of the Original Annual Cap which was expected to be exceeded before the expiry of the Initial Term, on 15 May 2017, Sun Travel and Sun City Gaming Promotion entered into a supplemental agreement (the “**Revised HAP Agreement**”) to revise the Original Annual Cap to HK\$420,000,000, provide additional annual caps for each of the two years ending 31 December 2019 and extend the term of the Original HAP Agreement to 31 December 2019, so as to accommodate the expected increase in procurement of Hotel Accommodation Products from Sun City Gaming Promotion. The Revised HAP Agreement and the transactions contemplated thereunder (including the annual caps) were duly approved by the then Shareholders at the extraordinary general meeting of the Company held on 23 June 2017. Please refer to the circular of the Company dated 5 June 2017 for further details of the Revised HAP Agreement. The Original HAP Agreement (as supplemented by the Revised HAP Agreement) (altogether, the “**2017 Hotel Accommodation Procurement Agreement**”) will expire on 31 December 2019.

According to the financial reports of the Group, the sales of travel related products, which include the Hotel Accommodation Products, transportation tickets and other travel related products, represents a core revenue stream for the Group. Revenue generated from the sales of travel related products amounted to approximately RMB535.1 million and approximately RMB254.9 million in FY2018 and 1H2019, respectively, representing approximately 67.5% and approximately 83.0% of the total revenue of the Group for the respective year/period. Furthermore, revenue generated from the sales of travel related products showed a significant increase of approximately 53.8% in FY2018 as compared to FY2017. As advised by the Management, Sun City Gaming Promotion serves as the Group’s major supplier of the Hotel Accommodation Products. We obtained from the Management the historical transaction figures in relation to the procurement of the Hotel Accommodation Products by Sun Travel for the period commencing from 1 April 2017 to 30 September 2019 (the “**Review Period**”). During the Review Period, Sun Travel purchased, in aggregate, 224,612 nights, 347,582 nights and 245,176 nights of hotel room from different sources (including Sun City Gaming Promotion, hotels and other travel agents) for FY2017, FY2018 and the nine months ended 30 September 2019 (“**9M2019**”), respectively. In particular, Sun Travel procured 199,427 nights, 300,427 nights and 213,526 nights of hotel room from Sun City Gaming Promotion for FY2017, FY2018 and 9M2019, respectively, representing approximately 88.8%, approximately 86.4% and approximately 87.1% of the aggregate nights of hotel room procured by Sun Travel for the respective years/period.

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In view of the fact that the majority portion of the Hotel Accommodation Products were procured from Sun City Gaming Promotion, we have further enquired with the Management regarding the sources of the Hotel Accommodation Products as well as the procurement procedure. We were given to understand that save for Sun City Gaming Promotion, Sun Travel also procured the Hotel Accommodation Products directly from hotels and/or from other travel agencies in Macau. In order to determine the supplier of the Hotel Accommodation Products, Sun Travel has compiled an operation flow in respect of the procurement of the Hotel Accommodation Products. Before procurement of the Hotel Accommodation Products, Sun Travel shall obtain quotations from at least two other independent suppliers. Sun Travel shall determine the ultimate supplier of the required Hotel Accommodation Products based on certain selection criteria (including but not limited to the availability, price and credit terms). Please refer to the paragraph headed “3. *Principal terms of the 2019 Hotel Accommodation Procurement Agreement*” below for further details of the procurement procedure. The Management advised us that the historical high proportion of procurement of the Hotel Accommodation Products from Sun City Gaming Promotion was principally due to the fact that the terms (including but not limited to price and credit terms) offered by Sun City Gaming Promotion were, in general, more favorable to Sun Travel than that offered by hotels and/or other travel agencies. For the sake of securing the sources of the Hotel Accommodation Products, in addition to the entering into of the 2019 Hotel Accommodation Procurement Agreement, Sun Travel intends to enter into memorandum of understanding and/or formal agreement with five-star hotels in Macau and other Asian countries (including Vietnam and Cambodia) in relation to direct purchase of the Hotel Accommodation Products. As at the Latest Practicable Date, Sun Travel had entered into formal agreements with five hotels in Macau, one hotel in Vietnam and one hotel in Cambodia. We are of the view that Sun Travel is in the course of diversifying the sourcing channels for the supply of the Hotel Accommodation Products, and thus reducing reliance on Sun City Gaming Promotion.

In view of the above, and in particular, the facts that (i) it is part of the ordinary and usual course of business of Sun Travel in procuring the Hotel Accommodation Products for its end customers; (ii) the sales of travel related products represents a major revenue stream for the Group; (iii) the 2017 Hotel Accommodation Procurement Agreement will expire on 31 December 2019; (iv) Sun City Gaming Promotion serves as the Group’s major supplier of the Hotel Accommodation Products; and (v) the terms of the 2019 Hotel Accommodation Procurement Agreement (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned (please refer to our analysis as detailed in the paragraphs headed “3. *Principal terms of the 2019 Hotel Accommodation Procurement Agreement*” and “4. *The Annual Caps*” below), we concur with the Directors’ view that the entering into of the 2019 Hotel Accommodation Procurement Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

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3. Principal terms of the 2019 Hotel Accommodation Procurement Agreement

According to the Letter from the Board, the principal terms of the 2019 Hotel Accommodation Procurement Agreement are as follows:

(a) *Date:*

5 November 2019

(b) *Parties*

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

(c) *Term*

The 2019 Hotel Accommodation Procurement Agreement has a term of three years commencing on 1 January 2020 and ending on 31 December 2022 (both dates inclusive).

(d) *Subject matter*

Sun City Gaming Promotion has agreed to supply Hotel Accommodation Products to Sun Travel.

In assessing the fairness and reasonableness of the terms of the 2019 Hotel Accommodation Procurement Agreement, we have reviewed and compared the terms of the 2017 Hotel Accommodation Procurement Agreement and the 2019 Hotel Accommodation Procurement Agreement, and noted that save for the Annual Caps for each of the three years ending 31 December 2022, the terms of the aforementioned agreements are substantially the same. In addition, we have discussed with the Management on the terms of the 2019 Hotel Accommodation Procurement Agreement (including but not limited to the pricing policy) and were advised that the price of the Hotel Accommodation Procurement Products shall not be higher than (i) the acquisition cost incurred by Sun City Gaming Promotion for the Hotel Accommodation Products; and (ii) the price of the Hotel Accommodation Products offered by Sun City Gaming Promotion to independent third parties (if any). As confirmed by Sun City Gaming Promotion, save for Sun Travel, Sun City Gaming Promotion did not sell any Hotel Accommodation Products to any independent third parties during the period commencing from 1 April 2017 (being the commencement date of the 2017 Hotel Accommodation Procurement Agreement) to the Latest Practicable Date.

We were also given to understand that 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. In this regard, Sun Travel has compiled an operation flow in respect of the procurement of the Hotel Accommodation Products under the 2017 Hotel Accommodation Procurement Agreement (the “**Operation Flow**”). According to the Operation Flow, Sun Travel shall obtain quotations from at least two other independent suppliers before procurement of the Hotel Accommodation Products. Sun Travel shall determine the ultimate supplier of the required Hotel Accommodation

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Products based on certain selection criteria (including but not limited to the availability, price and credit terms). Staff of the customer service department will obtain the quotations and submit to the general manager of Sun Travel for review and approval on the procurement of the Hotel Accommodation Products. For due diligence purpose, we have obtained from the Management, and reviewed, 9 sets of sample walk-through documents (the “**Walk-through Documents**”) provided by the Group in respect of the procurement of the Hotel Accommodation Products by Sun Travel from each of (i) Sun City Gaming Promotion; and (ii) hotels and/or other travel agencies during the Review Period. Based on our sample review on the Walk-through Documents, we noted that (i) the transactions contemplated under the 2017 Hotel Accommodation Procurement Agreement were carried out in accordance with the Operation Flow; and (ii) Sun Travel would procure the Hotel Accommodation Products from Sun City Gaming Promotion only when the terms offered by Sun City Gaming Promotion (including but not limited to the availability and price) are more favorable to Sun Travel than those offered by hotel and/or other travel agents. We consider that the pricing policy and mechanism in respect of the procurement of the Hotel Accommodation Products has been well in place, and the interests of the Company and the Shareholders are properly safeguarded.

In view of the above, coupled with our analysis on the Annual Caps as detailed in the paragraph headed “4. The Annual Caps” below, we are of the opinion that the terms of the 2019 Hotel Accommodation Procurement Agreement are on normal commercial terms and are fair and reasonable.

4. The Annual Caps

The table below sets forth (i) the existing annual caps and the actual transaction amounts for the continuing connected transactions contemplated under the 2017 Hotel Accommodation Procurement Agreement for FY2017, FY2018 and the year ending 31 December 2019 (“**FY2019**”), and the utilisation rate of the existing annual caps; and (ii) the Annual Caps for the continuing connected transactions under the 2019 Hotel Accommodation Procurement Agreement for each of the three years ending 31 December 2020, 31 December 2021 and 31 December 2022 (“**FY2020**”, “**FY2021**” and “**FY2022**”, respectively):

	FY2017 <i>HK\$</i>	FY2018 <i>HK\$</i>	FY2019 <i>HK\$</i>
Existing annual caps	420,000,000	570,000,000	590,000,000
Historical transaction amounts (from 1 April 2017)	376,608,596	562,024,934	416,541,685 (up to 30 September 2019)
Utilisation rate	89.7%	98.6%	70.6%
	FY2020 <i>HK\$</i>	FY2021 <i>HK\$</i>	FY2022 <i>HK\$</i>
Annual Caps	620,000,000	650,000,000	680,000,000

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With reference to the Letter from the Board, the Annual Caps for the three years ending 31 December 2022 were determined based on (i) the historical transaction amounts under the 2017 Hotel Accommodation Procurement Agreement; (ii) the expected increase of approximately 12.5% in the number of five-star hotels opening in Macau in 2020 which would add an additional 3,088 rooms based on the published information of the hotel developers to the five-star hotel market, accounting for approximately 12.6% of the total number of five-star hotel rooms in Macau as at 31 August 2019 according to the statistics published by the Statistics and Census Service of the Macau Government; and (iii) an annual organic growth in 2021 and 2022 of approximately 5% in the demand on the number of five-star hotel rooms in Macau as estimated by the Management on a conservative basis having taken into account the compound annual growth rate of approximately 6.4% from 2015 to 2018 with reference to the statistics on the number of guests who book five-star hotels through travel agencies published by the Statistics and Census Service of the Macau Government.

In order to assess the fairness and reasonableness of the Annual Caps, we have discussed with the Management in relation to the estimation of the Annual Caps for the year ending 31 December 2020 (the “**2020 Annual Cap**”) and were given to understand that in determining the 2020 Annual Cap, the Management first projected the procurement amount for FY2019 by annualising the actual procurement amount of the Hotel Accommodation Products under the 2017 Hotel Accommodation Procurement Agreement for the nine months ended 30 September 2019 of approximately HK\$416.5 million (i.e. HK\$416,500,000/9*12 = approximately HK\$555,000,000) (the “**Projected 2019 Procurement Amount**”). The Management then applied an estimated growth rate of 12.5% (the “**2020 Estimated Growth Rate**”) to the Projected 2019 Procurement Amount to come up with the 2020 Annual Cap. We have enquired with the Management about the basis of determination of the 2020 Estimated Growth Rate, and were advised that the 2020 Estimated Growth Rate (i.e. 12.5%) was determined based on the expected increase in number of five-star hotel rooms in Macau in 2020. The table below sets out the details of five-star hotels in Macau to be opened in 2020:

Table 2: Five-star hotels in Macau to be opened in 2020

	Hotel name	Location	Number of rooms
1.	Grand Lisboa Palace (<i>Note 1</i>)	Cotai, Macau	1,900
2.	Lisboeta Macau (<i>Note 2</i>)	Cotai, Macau	820
3.	The Londoner apart-hotel	Cotai, Macau	<u>368</u>
		Total:	<u><u>3,088</u></u>

Sources: the financial report and website of the relevant developers, and news published by Reuters (www.reuters.com)

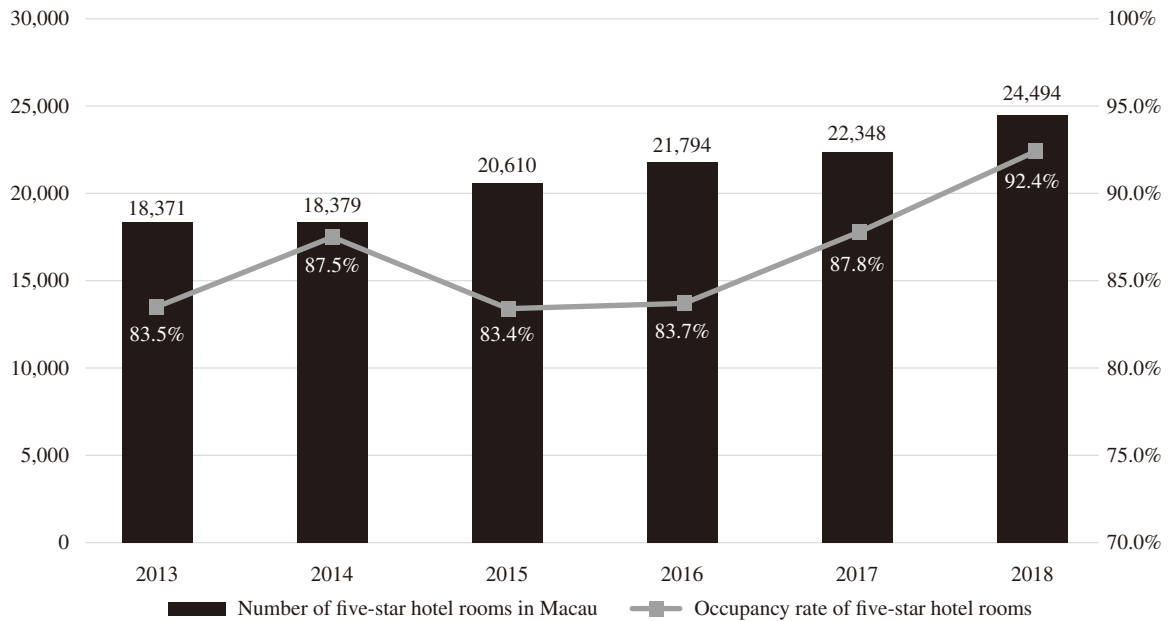
Notes:

1. Grand Lisboa Palace comprises three hotels (namely, The Lisboa Palace Hotel, Palazzo Versace Macau and The Karl Lagerfeld Hotel) with 1,900 rooms in aggregate.
2. Lisboeta Macau comprises three hotels (namely, Lisboeta Hotel, Maison L'occitane Hotel and LINE Friends Casa d'Amigo) with 820 rooms in aggregate.

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As set out in Table 2 above, there will be 3,088 new five-star hotel rooms in Macau available for reservation in 2020 (the “**New Five-star Hotel Rooms**”). According to the statistics published by the Statistics and Census Service of the Macau Government, the number of five-star hotel rooms in Macau amounted to 24,547 as at 30 September 2019. The 3,088 New Five-star Hotel Rooms represents approximately 12.6% of the total number of five-star hotel rooms in Macau as at 30 September 2019. In assessing the fairness and reasonableness of the 2020 Estimated Growth Rate, we have studied the relationship between the number of five-star hotel rooms in Macau and the occupancy rate. The following chart depicts (i) the number of five-star hotel rooms in Macau from 2013 to 2018; and (ii) the occupancy rate of five-star hotel rooms in Macau from 2013 to 2018:

Chart 1: Number of five-star hotel rooms in Macau (with occupancy rate) from 2013 to 2018



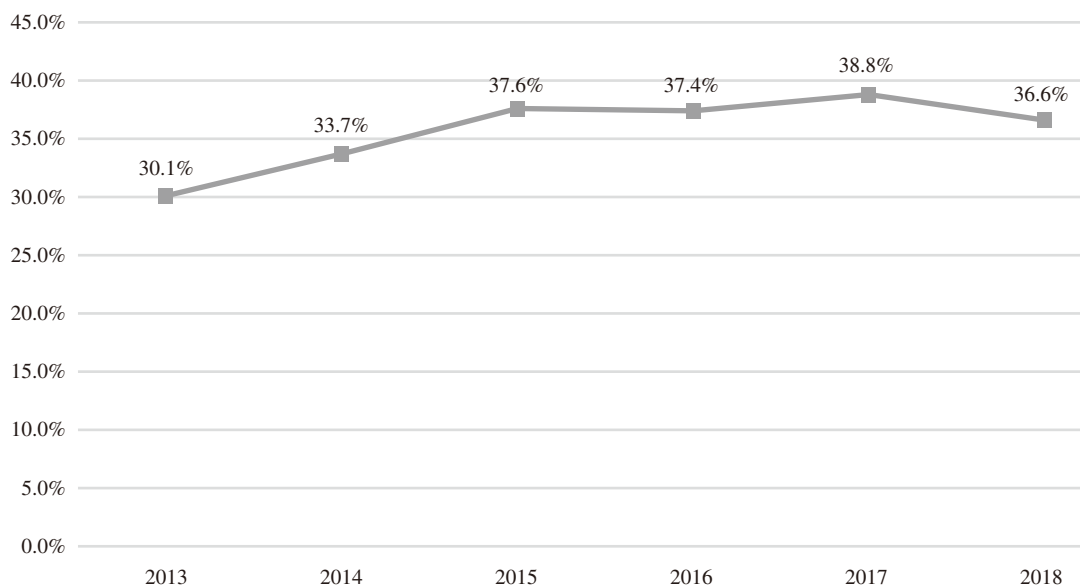
Source: the Statistics and Census Service of the Macau Government

As illustrated in Chart 1 above, the number of five-star hotel rooms in Macau exhibited an upward trend and increased steadily from 18,371 in 2013 to 24,494 in 2018. Meanwhile, the occupancy rate of five-star hotels in Macau not only maintained at a high level of over 80%, but also demonstrated an increasing trend, in general, from approximately 83.5% in 2013 to approximately 92.4% in 2018. We are of the view that the historical demand for five-star hotel rooms in Macau was vigorous that the increase in number of five-star hotel rooms would not hinder the occupancy rate.

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In addition, we have studied the trend of proportion of guests who booked five-star hotel rooms in Macau through travel agents (including but not limited to Sun Travel). The following chart depicts the proportion of guests who booked five-star hotel rooms in Macau through travel agents from 2013 to 2018:

Chart 2: Proportion of guests who booked five-star hotel rooms in Macau through travel agents from 2013 to 2018



Source: the Statistics and Census Service of the Macau Government

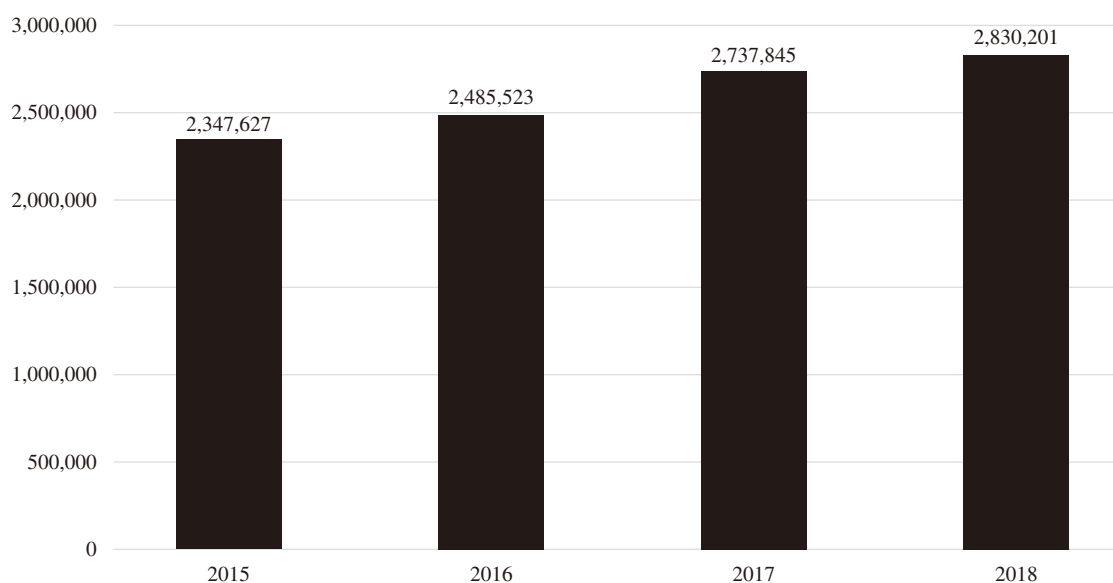
As shown in Chart 2 above, the proportion of guests who booked five-star hotel rooms in Macau through travel agents was relatively stable and maintained at around 36% to 38% during the years from 2015 to 2018. Having considered the facts that (i) amid the increase in number of five-star hotel rooms, the occupancy rate of five-star hotels in Macau demonstrated an increasing trend, in general, from approximately 83.5% in 2013 to approximately 92.4% in 2018; and (ii) the proportion of guests who booked five-star hotel rooms in Macau through travel agents was relatively stable and maintained at around 36% to 38% during the years from 2015 to 2018, it is expected with reasonable ground that the availability of the 3,088 New Five-star Hotel Rooms in 2020 will possibly lead to the increase in bookings through travel agents (including but not limited to Sun Travel) for the five-star hotel rooms in Macau. In view of the above, we concur with the Management's view that it is reasonable to adopt the 2020 Estimated Growth Rate of 12.5% to cater for the expected increase in procurement volume of the Hotel Accommodation Products in 2020.

Upon our review on the calculation of the 2020 Annual Cap, we are of the view that the 2020 Annual Cap was determined by the Management under reasonable ground and due care, and that the 2020 Annual Cap is justifiable, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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In addition, we have discussed with the Management about the determination of the Annual Caps for the two years ending 31 December 2021 and 31 December 2022 (the “**2021 Annual Cap**” and the “**2022 Annual Cap**”, respectively). We were given to understand that in determining the 2021 Annual Cap and the 2022 Annual Cap, the Management applied an estimated organic growth rate of 5% (the “**Organic Growth Rate**”) to the 2020 Annual Cap to come up with the 2021 Annual Cap and the 2022 Annual Cap. We have enquired the Management about the basis of determination of the Organic Growth Rate, and were given to understand that in determining the Organic Growth Rate, they have taken into consideration the historical growth rate of the number of guests who booked five-star hotels through travel agencies. The following chart depicts the number of guests who booked five-star hotels through travel agencies in Macau from 2015 to 2018:

Chart 3: Number of guests who booked five-star hotels through travel agencies in Macau from 2015 to 2018



Source: the Statistics and Census Service of the Macau Government

According to the statistics published by the Statistics and Census Service of the Macau Government, the number of guests who booked five-star hotels through travel agencies in Macau increased from 2,347,627 in 2015 to 2,830,201 in 2018, representing a compound annual growth rate (“**2015–2018 CAGR**”) of approximately 6.4%. On a conservative basis, the Management determined to set the Organic Growth Rate as 5%. Having considered the facts that (i) the Organic Growth Rate is adopted by the Management to capture the future business expansion in FY2021 and FY2022; (ii) the Organic Growth Rate was estimated by the Management under due and careful consideration and on a conservative basis; and (iii) the Organic Growth Rate is lower than the 2015–2018 CAGR, we consider that the adoption of the Organic Growth Rate of 5% is reasonable.

Upon our review on the calculation of the 2021 Annual Cap and the 2022 Annual Cap, we are of the view that the 2021 Annual Cap and the 2022 Annual Cap were determined by the Management under reasonable ground and due care, and that the 2021 Annual Cap and the 2022 Annual Cap are justifiable, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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However, the Independent Shareholders should note that the proposed Annual Caps relate to future events and does not represent a forecast of transaction amounts to be incurred as a result of the Continuing Connected Transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement. Consequently, we express no opinion as to how closely the actual transaction amounts of the Continuing Connected Transactions correspond with the proposed Annual Caps as discussed above.

5. Reporting requirements and conditions of the Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) Each year, the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts of the Company that the Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) in accordance with the 2019 Hotel Accommodation Procurement Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditor of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group (if applicable);
 - (iii) were not entered into, in accordance with the 2019 Hotel Accommodation Procurement Agreement governing the Continuing Connected Transactions; and
 - (iv) have exceeded the Annual Caps;
- (c) the Company must allow, and ensure that the relevant counterparties to the Continuing Connected Transactions allow, the Company's auditor sufficient access to its records for the purpose of the reporting on the Continuing Connected Transactions as set out in paragraph (b); and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditor of the Company cannot confirm the matters as required.

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Taking into account the aforementioned reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions by way of the Annual Caps; and (ii) the on-going review by the independent non-executive Directors and auditor of the Company of the Continuing Connected Transactions, we are of the view that there exist appropriate measures to monitor the conduct of the Continuing Connected Transactions and assist to safeguard the interests of the Company and the Shareholders.

Having considered the facts that (i) the transactions contemplated under the 2017 Hotel Accommodation Procurement Agreement were carried out in accordance with the Operation Flow based on our sample review on the Walk-through Documents (details of which are set out in the paragraph headed “3. *Principal terms of the 2019 Hotel Accommodation Procurement Agreement*” above); (ii) the Company Secretary will keep monitoring the aggregate amount of the transactions contemplated under the 2019 Hotel Accommodation Procurement Agreement on a regular basis; and (iii) the on-going review on the Continuing Connected Transactions will be conducted by the independent non-executive Directors and auditor of the Company in accordance with the Listing Rules, we are of the view that the internal control measures implemented by the Company have put in place effectively to monitor the Continuing Connected Transactions.

OPINION

Having taken into account the above principal factors and reasons, we consider that the entering into of the 2019 Hotel Accommodation Procurement Agreement is in the ordinary and usual course of business of the Group and the terms of the 2019 Hotel Accommodation Procurement Agreement are on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant resolution(s) at the EGM to approve the entering into of the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Astrum Capital Management Limited
Hidulf Kwan **Rebecca Mak**
Managing Director *Director*

Note: Mr. Hidulf Kwan has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2006 and has participated in and completed various independent financial advisory transactions.

Ms. Rebecca Mak has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2011 and has participated in and completed various independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(I) Directors' and chief executive's interests in Shares, underlying Shares or debentures

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (the “**Associated Corporations**”) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Long positions in the Shares and/or underlying Shares of the Company:

Name of Director	Capacity/ Nature of Interest	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of aggregate interest shares to total number of shares in issue* %
Mr. Chau	Interest of controlled corporation	4,991,643,335 ¹	1,742,820,512 ²	6,734,463,847	101.01
Mr. Lo Kai Bong (“ Mr. Lo ”)	Interest of controlled corporation	5,770,000 ³	133,333,333 ⁴	139,103,333	2.09
	Beneficial owner	1,230,000	40,000,000 ⁵	41,230,000	0.62
Mr. Au Chung On John	Beneficial owner	–	40,000,000 ⁶	40,000,000	0.59
	Interest of spouse	400,000	–	400,000	0.01
Mr. Manuel Assis Da Silva	Beneficial owner	290,000	3,000,000 ⁷	3,290,000	0.05
	Interest of spouse	520,000	–	520,000	0.01

Notes:

1. This represents interests held by Mr. Chau through Fame Select Limited, which holds 4,991,643,335 Shares. Mr. Chau has 50% interests in Fame Select Limited and is therefore deemed to be interested in 4,991,643,335 Shares.
2. Out of 1,742,820,512 underlying Shares, 1,546,153,846 underlying Shares and 196,666,666 underlying Shares were held by Fame Select Limited and Star Hope Limited respectively.

The 1,546,153,846 underlying Shares held by Fame Select Limited represents the maximum of 1,546,153,846 conversion shares to be issued upon the full conversion of the convertible bonds issued by the Company to Fame Select Limited at the initial conversion price of HK\$0.26 (subject to adjustments). Mr. Chau has 50% interests in Fame Select Limited and is therefore deemed to be interested in 1,546,153,846 underlying Shares.

The 196,666,666 underlying Shares held by Star Hope Limited represents the maximum of 196,666,666 conversion shares to be issued upon the full conversion of another convertible bonds issued by the Company to Star Hope Limited at the initial conversion price of HK\$0.90 (subject to adjustments). Mr. Chau has 100% interests in Star Hope Limited and is therefore deemed to be interested in 196,666,666 underlying Shares.
3. This represents interests held by Mr. Lo through Better Linkage Limited and Ever Smart Capital Limited (companies wholly and beneficially owned by Mr. Lo).
4. This represents the maximum of 133,333,333 conversion shares to be issued upon the full conversion of another convertible bonds issued by the Company to Better Linkage Limited, at the initial conversion price of HK\$0.90 (subject to adjustments). Mr. Lo has 100% interests in Better Linkage Limited and is therefore deemed to be interested in 133,333,333 underlying Shares.
5. Mr. Lo is interested in 40,000,000 share options at an exercise price of HK\$0.455 per share to subscribe for Shares.
6. Mr. Au Chung On John is interested in 40,000,000 share options at an exercise price of HK\$1.920 per share to subscribe for Shares.
7. Mr. Manuel Assis Da Silva is interested in 3,000,000 share options at an exercise price of HK\$0.455 per share to subscribe for Shares.
- * The percentage has been calculated based on the total number of Shares in issue as at the Latest Practicable Date (i.e. 6,666,972,746 Shares).

Long positions in the shares and/or underlying shares of the Company's Associated Corporation

Name of Associated Corporation	Name of Director	Capacity/ Nature of Interest	Number of shares held	Approximate percentage of number of shares in issue*
Summit Ascent	Mr. Chau	Interest of controlled corporation ¹	446,308,464	24.74%

Note:

1. On 23 April 2019, the Group acquired 370,006,464 ordinary shares of Summit Ascent Holdings Limited ("**Summit Ascent**") (representing approximately 24.68% of the issued share capital of Summit Ascent) (the "**Acquisition**"). Prior to the Acquisition, the Group held 49,302,000 ordinary shares of Summit Ascent (representing approximately 3.29% of the issued share capital of Summit Ascent). Upon the completion of the Acquisition, Summit Ascent was classified as an associate of the Group. After the Acquisition, the Group further acquired 27,000,000 ordinary shares of Summit Ascent from the open market. As at the Latest Practicable Date, the Group held 446,308,464 ordinary shares of Summit Ascent (representing approximately 24.74% of issued capital of Summit Ascent). By virtue of the SFO, Mr. Chau is taken to be interested in 446,308,464 ordinary shares of Summit Ascent which are being held by the Group, as a result of his interest in the Company held through Fame Select Limited. This represents interest deemed to be held by the relevant Director through his controlled corporation(s).
- * The percentage has been calculated based on the total number of shares of Summit Ascent in issue as at the Latest Practicable Date (i.e. 1,803,777,836 shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, the underlying Shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under provisions of the SFO) or the Model Code.

(II) Substantial interests in the share capital of the Company

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following substantial shareholders had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Long positions in the shares and/or underlying shares of the Company:

Name	Capacity/ Nature of Interest	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of aggregate interest shares to total number of shares in issue %*
Fame Select Limited	Beneficial owner	4,991,643,335 ¹	1,546,153,846 ²	6,537,797,181	98.06
Mr. Cheng Ting Kong ("Mr. Cheng")	Interest of controlled corporation	4,991,643,335 ¹	1,546,153,846 ²	6,537,797,181	98.06
Mr. Chau	Interest of controlled corporation	4,991,643,335 ¹	1,742,820,512 ³	6,734,463,847	101.01

Notes:

1. Fame Select Limited is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. As such, Mr. Chau and Mr. Cheng are deemed to be interested in 4,991,643,335 Shares held by Fame Select Limited.
2. This represents the maximum of 1,546,153,846 conversion shares upon the full conversion of the convertible bonds previously issued by the Company to Fame Select Limited at the initial conversion price of HK\$0.26 (subject to adjustments). Fame Select Limited is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. As such, Mr. Cheng are therefore deemed to be interested in the 1,546,153,846 underlying Shares.

3. Out of 1,742,820,512 underlying Shares, 1,546,153,846 underlying Shares and 196,666,666 underlying Shares were held by Fame Select Limited and Star Hope Limited respectively.

The 1,546,153,846 underlying Shares held by Fame Select Limited represents the maximum of 1,546,153,846 conversion shares to be issued upon the full conversion of the convertible bonds previously issued by the Company to Fame Select Limited at the initial conversion price of HK\$0.26 (subject to adjustments). Fame Select Limited is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. The 196,666,666 underlying Shares held by Star Hope Limited represents the maximum of 196,666,666 conversion shares to be issued upon full conversion of another convertible bonds, issued by the Company to Star Hope Limited at the initial conversion price of HK\$0.90 (subject to adjustments). Mr. Chau has 100% interests in Star Hope Limited. Therefore, Mr. Chau is deemed to be interested in an aggregate of 1,742,820,512 underlying Shares.

- * The percentage has been calculated based on the total number of Shares in issue as at the Latest Practicable Date (i.e. 6,666,972,746 Shares).

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares of any of its Associated Corporations which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACT OR ARRANGEMENT

As Sun City Gaming Promotion is wholly owned by Mr. Chau, the Chairman of the Company and an executive Director, Mr. Chau is deemed to have a material interest in the 2019 CCT Agreements and the 2017 CCT Agreements.

On 27 July 2018, the Group entered into a loan facility agreement with a company which is beneficially owned by Mr. Chau as lender for an unconditional loan facility of up to HK\$400,000,000 and as at the Latest Practicable Date, approximately HK\$280,000,000 has been drawn down by the Group from such facility. The facility is unsecured, interest bearing at 3.5% per annum and repayable after 60 months from the date of the facility (or such longer period as the lender and the Group may agree).

On 8 April 2019, the Group entered into a loan facility agreement with a company which is beneficially owned by Mr. Chau as lender for an unconditional loan facility of up to HK\$1,500,000,000 and as at the Latest Practicable Date, approximately HK\$978,000,000 has been drawn down by the Group from such facility. The facility is unsecured, interest bearing at 3.5% per annum and repayable after 60 months from the date of the facility (or such longer period as the lender and the Group may agree).

On 30 October 2019, the Group entered into a loan facility agreement with a company which is beneficially owned by Mr. Chau as lender for an unconditional loan facility of up to HK\$1,750,000,000 and as at the Latest Practicable Date, approximately HK\$170,000,000 has been drawn down by the Group from such facility. The facility is unsecured, interest bearing at 3.5% per annum and repayable after 60 months from the date of the facility (or such longer period as the lender and the Group may agree).

As at the Latest Practicable Date, the Group has outstanding convertible bond (“**2016 Convertible Bond**”) with a principal amount of HK\$402,000,000 held by the immediate holding company of the Company which is owned as to 50% by Mr. Chau. The 2016 Convertible Bond will mature on 7 December 2020 and is non-interest bearing. The 2016 Convertible Bond is convertible into Shares at the conversion price of HK\$0.26 per Share (subject to adjustments).

As at the Latest Practicable Date, the Group has outstanding convertible bond (“**2018 Convertible Bond**”) with a principal amount of HK\$297,000,000 held by a company beneficially owned by Mr. Chau and a company beneficially owned by Mr. Lo respectively. The 2018 Convertible Bond will mature on 28 August 2020 and is non-interest bearing. The 2018 Convertible Bond is convertible into Shares at the conversion price of HK\$0.90 per Share (subject to adjustments).

Save as disclosed above, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

Save as disclosed above, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation other than statutory compensation.

5. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for six months ended 30 June 2019 (the “**2019 Interim Report**”), a subsidiary of the Group (the “**Defendant**”) was involved in a litigation with an individual (the “**Plaintiff**”) in respect of the right to use of an area located at certain investment properties of the Group (the “**Unit**”) during 2013 (the “**2013 Litigation**”). The Plaintiff claimed that she had a lease agreement regarding the right to use the Unit for the period from 26 September 2011 to 24 October 2062 and sought for damages in respect of the loss arising from failing to use of the Unit (the “**Claim**”). Four judgments were handed down between 2014 and 2019. The judge rejected all the demands from the Plaintiff in the first and second hearings, however at the end of 2018, the judge accepted the appeal by the Plaintiff and remanded the case for a re-trial in the Shenzhen People’s Court.

According to the judgements of the court dated 7 May 2019 and 27 May 2019, certain portion of the investment properties of the Group with fair value of approximately RMB549,000,000 was seized for the period from 10 May 2019 to 9 May 2022.

On 15 September 2019, the Defendant was ordered to (i) compensate the Plaintiff for an amount of RMB1,595,136 for the loss of rental income of the Unit for the period from 26 Oct 2011 to 25 June 2019 and (ii) bear the legal cost of approximately RMB29,000 (the “**September Judgement**”).

As at the Latest Practicable Date, the Plaintiff has filed for an appeal to further claim for damages with respect to the right of use of the Unit between 26 September 2011 and 24 October 2012.

The Defendant has also filed for an appeal with respect to the September Judgement. No court hearing date has been fixed as at the Latest Practicable Date. Based on a legal opinion obtained, the Defendant may be liable to potential damages of approximately RMB27,800,000 in aggregate in connection with the 2013 Litigation.

In addition, due to the seizure of certain portion of the investment properties in relation to the 2013 Litigation, the subsidiary of the Group breached the covenants of a bank borrowing, which led to an event of default for such bank borrowing. Accordingly, the bank borrowing amounting to RMB62,500,000 is reclassified from non-current liabilities to current liabilities as of 30 June 2019. On discovery of the breach, the Company has informed the relevant bank and commenced negotiations to obtain waiver for strict compliance on the relevant financial covenants. Up to the Latest Practicable Date, the Group has not obtained written waiver from the relevant bank and the Group has not received any demand for immediate repayment of such bank borrowing.

As disclosed in the 2019 Interim Report, the Group recorded a net loss of RMB1,254,366,000 during the six months ended 30 June 2019 and, as at 30 June 2019, the Group’s current liabilities exceeded its current assets by RMB3,029,405,000 and total liabilities exceeded its total assets by RMB1,947,176,000. The significant portion of the liabilities of RMB2,679,143,000 was attributable to the derivative financial instruments in relation to the convertible bonds of the Company as a result of fair value change and will have no impact on the operations of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirm that there is no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

6. COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors or any of their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

7. EXPERTS QUALIFICATION AND CONSENT

Set out below is the qualification of the expert who has given its letter of advice in this circular:

Name	Qualification
Astrum Capital Management Limited	a corporation licensed to carry on 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

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interests in any assets which had been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. LITIGATION

So far as the Company is aware, except for the 2013 Litigation, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

9. MISCELLANEOUS

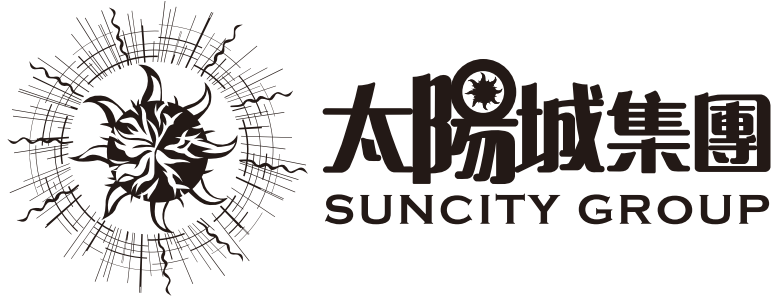
In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the 2019 Hotel Accommodation Procurement Agreement;
- (ii) the letter from the Independent Board Committee;
- (iii) the letter from the Independent Financial Adviser;
- (iv) the written consent as referred to under the section headed “**Expert’s qualification and consent**” in this appendix;
- (v) the articles of association of the Company; and
- (vi) this circular.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of Suncity Group Holdings Limited (the “**Company**”) will be held at Jade Room, Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on 20 December 2019 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company.

Capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 3 December 2019.

ORDINARY RESOLUTION

“**THAT** the 2019 Hotel Accommodation Procurement Agreement, a copy of which is produced at the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereby (including the annual caps) be and are hereby approved and confirmed and any one director of the Company be and is hereby authorised to do all such acts or things, sign and execute all documents deemed necessary by him for the purpose of giving effect to the 2019 Hotel Accommodation Procurement Agreement and the transactions contemplated thereunder.”

By order of the Board
SUNCITY GROUP HOLDINGS LIMITED
Chau Cheok Wa
Chairman

Hong Kong, 3 December 2019

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business
in Hong Kong:
Unit 1705, 17/F., West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

NOTICE OF EGM

Notes:

1. Any Shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined as the person so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
4. The register of members of the Company will be closed from 18 December 2019 to 20 December 2019 (both dates inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the EGM. No transfer of Shares will be registered during this period. Shareholders whose name appears on the register of members of the Company on 17 December 2019 shall be entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, unregistered holders of the Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 17 December 2019.