

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **INSIDE INFORMATION ON (1) PROFIT WARNING; (2) DEFAULT OF THE LOAN TO A JOINT VENTURE**

This announcement is made by Suncity Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **(1) PROFIT WARNING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Reporting Period**”), the Group is expected to record a loss for the year attributable to Shareholders of not less than approximately HK\$526.5 million as compared to the profit for the year attributable to Shareholders of approximately HK\$795.7 million for the year ended 31 December 2020. Attributed to the completion of disposal of a subsidiary (the “**Discontinued Operations**”) as disclosed in the announcement of the Company dated 30 June 2021, the Company’s functional currency and the presentation currency of the Company’s and the Group’s financial statements have been changed to Hong Kong dollar (“**HK\$**”) during the Reporting Period, which shall better reflect and present the consolidated financial results to the Shareholders. As a result, the comparative information of the Group’s consolidated financial statements has been

restated and presented in HK\$ as if HK\$ had been the Group's presentation currency for the prior periods. Details of the changes in functional currency and presentation currency of the Company and the Group and the financial impacts will be further disclosed in the annual results announcement and the annual report for the Reporting Period of the Group.

The outbreak of COVID-19 continues to impact on the overall businesses of the Group, together with the suspension of travel related businesses of the Group with effect from 1 December 2021, revenue from travel related products and services of the Group for the year ended 31 December 2021 further decreased to approximately HK\$42.8 million as compared to approximately HK\$123.8 million in the year ended 31 December 2020. The loss for the year attributable to Shareholders, after taking into account the profit from Discontinued Operations for the Reporting Period of approximately HK\$176.8 million, is mainly due to the followings as compared to those for the year ended 31 December 2020:

- (i) decrease in gain on change in fair value of derivative financial instruments of approximately HK\$704.4 million;
- (ii) increase in impairment loss on property, operating right and equipment of approximately HK\$287.1 million;
- (iii) decrease in gain on change in fair value of convertible bonds of approximately HK\$240.2 million as a result of the extension of maturity dates of convertible bonds issued by the Company during the year ended 31 December 2020;
- (iv) decrease in net gain on bargain purchase on acquisition of Summit Ascent Holdings Limited (including loss on remeasurement of existing interest in an associate upon business combination of approximately HK\$122.4 million) of approximately HK\$225.9 million;
- (v) increase in share of loss of a joint venture of approximately HK\$160.5 million;
- (vi) increase in impairment loss on equity loans to a joint venture of approximately HK\$119.4 million; and
- (vii) increase in impairment loss on loans to and amounts due from a joint venture in the aggregate amount of approximately HK\$216.5 million.

The Company is still in the process of finalising the annual results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board based on the currently available information, including the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been confirmed or reviewed by the auditor or the audit committee of the Company and may be subject to change. As such, the actual financial results of the Group for the Reporting Period may be different from those disclosed in this announcement. The Group's announcement on the annual results for the Reporting Period is expected to be announced before the end of March 2022.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **2) DEFAULT OF THE LOAN TO A JOINT VENTURE**

Reference is made to the announcement of the Company dated 6 July 2020 (“**Announcement**”) on the advancement of a loan in the principal amount of US\$30,000,000 (“**Loan**”) by the Lender (an indirect wholly owned subsidiary of the Company) to GYE (a joint venture company in which the Lender has 50% interest) under the Shareholder Loan Agreement. Unless otherwise defined in this announcement, capitalised terms defined or adopted in the Announcement have the same meaning when used in this announcement.

GYE has not repaid the Loan together with interest accrued thereon in the aggregate amount of approximately US\$34.9 million (equivalent to approximately HK\$272.6 million) by the due date (i.e. 28 February 2022) and such amount became immediately payable. In the meantime, GYE also owed Alpha Era the same amount as of the date of this announcement and such amount remains outstanding.

The Company and Alpha Era will closely monitor the subsequent development and the status of the Loan and the loan by Alpha Era owed by GYE. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules or otherwise.

By order of the Board  
**Suncity Group Holdings Limited**  
**Chiu King Yan**  
*Company Secretary*

Hong Kong, 23 March 2022

*As at the date of this announcement, the executive Directors are 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.*