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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)

POSITIVE PROFIT ALERT

This announcement is made by Suncity Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2017, the Group is expected to record profit attributable to owners of the Company for the year ended 31 December 2017 as compared to loss attributable to owners of the Company in the corresponding period of 2016.

Based on the relevant information available, the Board considers that the profit derived during the year was mainly attributable to (i) the reversal of provision for litigations of approximately RMB289 million as a result of the correction of prior year’s errors, among others, in respect of provisions for litigations and (ii) reversal of impairment loss recognised in respect of deposits for non-current assets of RMB438 million, in which the abovementioned are partially offset by the effect of change in fair value of derivative financial instruments of convertible bond of approximately RMB330 million.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to it, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2017, which have not yet been confirmed or reviewed by the Company's auditor or the audit committee of the Company and the unaudited consolidated management account of the Group have not yet been finalised as at the date of this announcement. The Group's annual results for the year ended 31 December 2017 will be announced on 29 March 2018.

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

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

Hong Kong, 22 March 2018

As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.