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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)**

### **MAJOR AND CONNECTED TRANSACTION: ACQUISITION OF RIGHT-OF-USE ASSET – PROJECT SITE PAYMENT**

The Project Site Payment as announced under “Co-Development Agreement” – Principal terms – (4)” in the 1029 Announcement represents the payment for the use of the Project Site and reimbursement of the costs incurred on the Project Site and the construction works done on the Project Site under and pursuant to the Co-Development Agreement. The Project Site Payment represents a right-of-use asset under the HKFRS 16 Leases and constituted an acquisition of asset by SunTrust under Chapters 14 and 14A. Further information on the Project Site Payment is set out in this announcement.

The Project Site Payment is subject to announcement and Shareholders’ approval requirements under Chapter 14. The Project Site Payment is subject to reporting and announcement requirements but is exempt from the circular, independent financial adviser and independent Shareholders’ approval under Chapter 14A pursuant to Rule 14A.101.

Application will be made by the Company to the Stock Exchange for a waiver to despatch the circular of the Company on, among others, the Project Site Payment, within 15 business days as that required under Rule 14.41(a) to on or before 31 January 2020. If the waiver is granted, the Project Site Payment will be approved by way of written approval of the Controlling Shareholder. Otherwise, the Project Site Payment will have to be approved by way of Shareholders’ approval at a general meeting of the Company.

Reference is made to the 1st Announcement. Unless otherwise defined in this announcement, capitalised terms used in this announcement have the same meaning as defined in the 1st Announcement.

## **PROJECT SITE PAYMENT**

The Project Site Payment as announced under “Co-Development Agreement – Principal terms – (4)” in the 1029 Announcement represents the payment for the use of the Project Site and reimbursement of the costs incurred on the Project Site and the construction works done on the Project Site under and pursuant to the Co-Development Agreement. The Project Site Payment represents a right-of-use asset under the HKFRS16 Leases and constituted an acquisition of asset by SunTrust under Chapters 14 and 14A. Set out below is the further information on the Project Site Payment:

- Date of the Co-Development Agreement** : 28 October 2019 (as supplemented by a supplemental agreement between the same parties on 25 November 2019).
- Payee** : Westside. Westside is an associate of Megaworld and a connected person of the Company. “Information of Megaworld, Travellers and Westside” in the 1105 Announcement contained further information on the relationship between Westside and Megaworld and is repeated below in this announcement.
- Payer** : SunTrust, a 51% owned subsidiary of the Company immediately upon completion of the Acquisition.
- Relevant subject matter** : The Project Site Payment, which represents a right-of-use asset as more particularly described in “Implications of the Listing Rules” in this announcement.
- Consideration** : US\$200,000,000. The consideration shall be paid from the US\$300,000,000 as may be raised by SunTrust for financing the development and construction of the Main Hotel Casino.

The consideration was determined by reference to (i) the preliminary valuation of an independent valuer on the Project Site in the value of US\$340,000,000 (ii) the costs incurred and construction work performed on the Project Site.

- Payment schedule** : The payment schedule of the Project Site Payment is to be agreed between SunTrust and Westside.
- Conditions Precedent** : The Project Site Payment is conditional on, among other conditions, the obtaining of the Shareholders' approval and the signing of the Lease Agreement and the O&M Agreement.

The Project Site Payment has to be aggregated on the Aggregation Basis when determining its own classification under Chapters 14 and 14A.

On the Aggregation Basis, the Project Site Payment constituted a major transaction for the Company under Chapter 14.

As Westside is a connected person of the Company, the Project Site Payment also constituted a connected transaction for the Company under Chapter 14A.

For further details, please refer to "Implications of the Listing Rules" in this announcement.

#### **INFORMATION OF MEGAWORLD, TRAVELLERS AND WESTSIDE**

Information of Megaworld, Travellers and Westside is contained in "Information of Megaworld, Travellers and Westside" in the 1105 Announcement and they are as follows:

- 1) Megaworld is a company incorporated in the Philippines, the shares of which are listed on the PSE. Megaworld is the listing vehicle of its group of companies, the principal business of which is real estate development.
- 2) Travellers is a company incorporated in the Philippines principally engaged in the business of hotels, restaurants, leisure parks, entertainment centers and other related businesses including operating casinos and other gaming activities. The group of companies comprising Megaworld, Alliance Global Group, Inc. (being the holding company of Megaworld) and the subsidiaries of Alliance Global Group, Inc. are together interested in approximately 68% interest in Travellers.

- 3) Westside is a company incorporated in the Philippines principally engaged in the business of hotels and restaurants. Westside is a 95% non-wholly owned subsidiary of Travellers.

On the date of completion of the Acquisition, Megaworld was, and is currently holding 12.79% interest in SunTrust and should be a connected person of the Company for Megaworld being a substantial shareholder of a subsidiary (i.e. SunTrust) of the Company. Each of Travellers and Westside is an associate of Megaworld and therefore is a connected person of the Company.

### **REASON FOR, AND BENEFITS OF, THE PROJECT SITE PAYMENT**

The reason for and benefits of the Acquisition, the Shares Subscription, the Megaworld Shares Subscription, the Aurora Shares Subscription and the CB Subscription are disclosed in the 1029 Announcement.

By the Project Site Payment, SunTrust will be having access to and the right to use the Project Site for the Project. The Directors consider that the Project Site Payment is on terms fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **IMPLICATIONS OF THE LISTING RULES**

The Project Site Payment represents the payment for the use of the Project Site and reimbursement of the costs incurred on the Project Site and the construction works done on the Project Site under and pursuant to the Co-Development Agreement. The Project Site Payment represents a right-of-use asset under the HKFRS 16 Leases and constituted an acquisition of asset by SunTrust under Chapters 14 and 14A.

As one of the applicable percentage ratios in respect of the Project Site Payment on the Aggregation Basis exceeds 25% but is less than 100%, the Project Site Payment constituted a major transaction for the Company under Chapter 14 and is subject to announcement and Shareholders' approval requirements under Chapter 14.

Westside is a connected person of the Company as briefly described in "Information of Megaworld, Travellers and Westside" in the 1105 Announcement and as repeated in this announcement.

The Project Site Payment by SunTrust constituted a connected transaction for the Company under Chapter 14A. Under Rule 14A.101, the Project Site Payment is subject to reporting and announcement requirements but is exempt from the circular, independent financial adviser and independent Shareholders' approval under Chapter 14A as (a) the Board has approved the Project Site Payment; and (b) all the independent non-executive Directors have confirmed that the terms of the Project Site Payment are fair and reasonable, the Project Site Payment is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole. No Director is interested in the Project Site Payment and none of the Directors was required to abstain from voting at the resolution of the Board approving the Project Site Payment.

The Project Site Payment will therefore be subject to Shareholders' approval under Chapter 14.

To the best of the knowledge of the Directors, no Shareholders, including the Controlling Shareholder, a controlling shareholder of the Company holding 4,991,643,335 Shares (representing 74.87% interest in the Company) which does not have a material interest in the Project Site Payment, are required to abstain from voting at a general meeting of the Company if one were to be convened and held to approve the Project Site Payment.

Application will be made by the Company to the Stock Exchange for a waiver to despatch the circular of the Company on, among others, the Project Site Payment, within 15 business days as that required under Rule 14.41(a) to on or before 31 January 2020 as time is required by the Company to gather the information required to be included in the circular, including, among others, the valuation report on the Project Site, the pro forma statement of the assets and liabilities of the Group combined with the right-of-use asset to which the Project Site Payment is relating and the other financial information of the Group (including any company which will become a subsidiary of the Company which has been acquired or agreed to be acquired by the Group since 31 December 2018, being the date to which the latest audited accounts of the Company have been made up). If the waiver is granted, the Project Site Payment will be approved by way of written approval of the Controlling Shareholder without convening a general meeting of the Company to approve it for the purpose of Shareholders' approval under Chapter 14. Otherwise, the Project Site Payment will have to be approved by way of Shareholders' approval at a general meeting of the Company.

## DEFINITIONS

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

“1st Announcement”	collectively, the announcements of the Company dated 29 October 2019 (“ <b>1029 Announcement</b> ”) on the Acquisition, the Shares Subscription, the Megaworld Shares Subscription and the Aurora Shares Subscription and 5 November 2019 (“ <b>1105 Announcement</b> ”) on the Megaworld Shares Subscription, respectively
“Aggregation”	the aggregation of the Project Site Payment with the Acquisition and the Shares Subscription under Rules 14.22 and 14A.84 and “ <b>Aggregation Basis</b> ” has the corresponding meaning
“Controlling Shareholder”	Fame Select Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company

“HKFRS”

The Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accounts

“Project Site Payment”

the US\$200 million payment to be paid by SunTrust to Westside for the use of the Project Site and reimbursement of the costs incurred on the Project Site and construction works done on the Project Site under and pursuant to the Co-Development Agreement (as supplemented by a supplemental agreement dated 25 November 2019)

*Notes:*

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

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

Hong Kong, 25 November 2019

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