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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)

CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of Suncity Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 2 July 2019 (the “**Announcement**”) concerning the grant of share options (the “**Share Options**”) under the share option scheme adopted by the Company by way of shareholders’ resolution passed on 2 June 2016 (the “**Share Option Scheme**”) to certain eligible participants (including a director of the Company, certain employees and consultants of the Group) (the “**Grantees**”) to subscribe, in aggregate, for up to 57,000,000 ordinary shares of HK\$0.10 each (each a “**Share**”) in the share capital of the Company subject to acceptance of the Grantees. Out of the 57,000,000 Share Options, 600,000 Share Options were not accepted by a Grantee subsequently and, as a result, a total of 56,400,000 Share Options had been granted (the “**Outstanding Share Options**”).

CANCELLATION OF SHARE OPTIONS

As at the date of this announcement, among the 56,400,000 Outstanding Share Options, 1,400,000 Share Options had lapsed in accordance with the terms of the Share Option Scheme and there are 55,000,000 Share Options which continued to exist (the “**Existing Share Options**”). In view of the exercise price of the Existing Share Options granted (being HK\$1.92 per Share as disclosed in the Announcement), which is significantly higher than the recent market price of the Shares, the board (the “**Board**”) of the directors (the “**Directors**”) of the Company considers that the Existing Share Options can no longer serve the purpose of providing incentives or rewards to the Grantees.

In view of the circumstances, the Board had resolved to cancel 54,400,000 Share Options out of the Existing Share Options under the Share Option Scheme granted to most of the Grantees, subject to the written consent by each of the relevant Grantees. Amongst the 55,000,000 Existing Share Options, the remaining 600,000 Share Options (other than the 54,400,000 Share Options to be cancelled) are vested Share Options granted to two retired employees of the Group, which shall lapse and cease to be exercisable in accordance with the terms of the Share Options Scheme if they are not exercised before 31 December 2020.

GRANT OF SHARE OPTIONS

The Board is pleased to announce that the Board had further resolved to grant new Share Options (the “**New Share Options**”) under the Share Option Scheme to certain eligible participants (including a Director, certain employees and consultants of the Group) (the “**New Grantees**”) to subscribe, in aggregate, for up to 57,400,000 Shares subject to acceptance of the New Grantees. Amongst such 57,400,000 New Share Options, 54,400,000 New Share Options are to replace the 54,400,000 cancelled Existing Share Options, and the remaining 3,000,000 New Share Options are being granted to new grantees.

Details of the grant of the New Share Options are set out below:

Date of grant	:	22 September 2020 (the “ Date of Grant ”)
Exercise price of the New Share Options granted	:	HK\$0.90 per Share (higher than the highest of (i) the closing price of HK\$0.74 per Share as quoted in the Stock Exchange’s daily quotation sheet on the Date of Grant; (ii) the average closing price of HK\$0.792 per Share as quoted in the Stock Exchange’s daily quotation sheets for the five (5) business days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.10 per Share)

- Number of New Share Options granted : an aggregate of 57,400,000 New Share Options, each New Share Option entitling the holder of the New Share Options to subscribe for one (1) Share at the exercise price (subject to adjustments in accordance with the terms and conditions of the Share Option Scheme)
- Closing price of the Share on the Date of Grant : HK\$0.74 per Share
- Validity period of the New Share Options (“**Validity Period**”) : From 22 September 2020 to 21 September 2030 as long as the New Grantees remain as eligible participants in accordance with the terms of the Share Option Scheme
- Exercise period of the New Share Options (“**Exercise Period**”) : As long as the relevant New Grantees remain as eligible participants under the Share Option Scheme, the New Share Options are exercisable subject to the following vesting conditions in accordance with the following schedule:
- (i) 30% of the New Share Options are exercisable during the period commencing from the Date of Grant to 21 September 2030;
 - (ii) 30% of the New Share Options are exercisable during the period commencing from 22 September 2021 to 21 September 2030; and
 - (iii) the remaining balance of 40% of the New Share Options are exercisable during the period commencing from 22 September 2022 to 21 September 2030.

Among the New Share Options granted to the New Grantees, a total of 40,000,000 New Share Options were conditionally granted to a Director of the Company (subject to his written consent to cancel his Existing Share Options), details of which are set out below:

Name of Director	Position held with the Company	Number of New Share Options granted
Mr. Au Chung On John	Executive Director	<u>40,000,000</u>

The grant of the New Share Options had been reviewed and recommended by the remuneration committee of the Company and had been approved by the Board. In accordance with Rule 17.04(1) of the Listing Rules, the grant of New Share Options to the above Director had been approved by the independent non-executive Directors.

Save as disclosed in this announcement, none of the other New Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules).

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

Hong Kong, 22 September 2020

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.