



太陽城集團  
SUNCITY GROUP

SUNCITY GROUP HOLDINGS LIMITED  
太陽城集團控股有限公司

## SUNCITY GROUP HOLDINGS LIMITED 2019 UNAUDITED ANNUAL RESULTS UPDATE

**HOIANA PHASE 1 TO OPEN IN 2021, PREVIEW IN SUMMER 2020  
ENTERED PHILIPPINES MARKET TO CO-DEVELOP WESTSIDE CITY PROJECT  
SUNCITY WELL POSITIONED TO BECOME A LEADING IR OPERATOR**

Hong Kong, 29 March 2020 – Suncity Group Holdings Limited (“Suncity”, the “Group” or “Company”) (Hong Kong Stock Exchange code: 1383) reported selected unaudited financial data for the year ended 31 December 2019. All amounts are expressed in RMB unless otherwise stated.

### 2019 UNAUDITED ANNUAL RESULTS HIGHLIGHTS

#### **Suncity 2019 Review: 2019 was a Year of Expansion across Asia**

- Progressed construction works in HOIANA, a premier integrated resort destination in Vietnam
- Acquired 51% of Suntrust Home Developers (PSE: SUN); Entered the Philippines gaming market to co-develop Westside City project in Entertainment City, Manila
- Became the single largest shareholder of Summit Ascent (HKEx: 102), the listed company of the largest integrated resort in Russia, known as Tigre de Cristal, based in Vladivostok, Russia
- Purchased a scenic piece of land in Okinawa, Japan; Signed MOU with Paradise Co. for potential cooperation in Busan, South Korea

#### **Development Updates: Solid Integrated Resort Development Pipelines across Asia despite Short-Term Coronavirus Disruptions**

- Vietnam: Unveiling HOIANA for the first time ever in an exclusive preview in summer 2020; Official opening of HOIANA now scheduled in 2021 due to coronavirus disruptions
- Russia: Moving forward with the renovation works in Phase 1 Tigre de Cristal which includes a Suncity branded VIP room, ready by summer 2020
- Philippines: Piling works in Westside City project ongoing, continuing architectural design work with ground breaking ceremony to be held soon
- Other international locations: Actively exploring other overseas markets globally including Japan and South Korea etc.

#### **Group & Segmental Results: Awaiting Transformation to Focus on Travel & Integrated Resort Businesses in the Future**

*The integrated resort projects Suncity invested in or under its management (except for Tigre de Cristal) were under development in 2019 and have not contributed operational results to the Group yet*

- 2019 Total Revenue of RMB611.8 million, down 22.8% YoY. Group Gross Profit of RMB99.9 million, down 57.8% YoY
- Loss attributable to Owners of the Company was RMB1.48 billion, of which a loss RMB521.7 million for the change in fair value of the financial instruments of the convertible bonds was included, primarily due to the Group’s share price increased from HK\$1.23 to HK\$1.59 in 2019
- Travel Related Product & Travel Agency Services Segment: Full Year Revenue of RMB525.5 million, down 3.2% YoY
- Hotel & Integrated Resort General Consultancy Segment: Full Year Revenue of RMB14.5 million, down 27.0% YoY



## 2019 UNAUDITED ANNUAL RESULTS HIGHLIGHTS (con't)

### Balance Sheet: Strong Support from the Main Shareholder

- Bank balances and cash, pledged bank deposits and restricted bank deposits of RMB289 million as at 31 December 2019
- Main Shareholder Mr. Chau Cheok Wa fully supports the Group by offering shareholder's loan at 3.5% interest rate. As at 31 December 2019, the aggregate of unconditional loan facilities amounted to HK\$3.6 billion, of which approximately HK\$1.4 billion have been drawn down with the remaining of approximately HK\$2.2 billion being unutilised

## A Letter from Mr. Chau Cheok Wa, Chairman

*Dear fellow shareholders,*

*The coronavirus pandemic brought the world into an uncharted territory, where lots of businesses were disrupted. I am aware of the persistent impacts that the pandemic brought to the global economy – Markets have been extremely volatile as a result of the virus, consumer confidence dwindles, visas temporarily stopped and quarantine measures were put in place across borders. To me, the health and safety of our staff and our guests are of utmost importance. I am also proud of the containment measures by the Central Government and the Macau SAR Government. Together they have set exemplary examples of virus containment measures for the rest of the world. I am also proud of my team who has worked tirelessly together amid times of uncertainty. I am confident that the pandemic will pass, just as every storm eventually runs out of rain, and every dark night eventually turns into day.*

*Nevertheless, the year of 2019 was a remarkable year of development in Suncity's corporate history. Among other things, we officially entered the Philippines integrated resort market to co-develop Westside City Project in Manila; we became the single largest shareholder of the listed company of the largest integrated resort in Russia; we purchased a scenic piece of land in Okinawa Japan to build villas and hotel rooms; and most important of all, we continued to progress on the final construction works of our flagship integrated resort, the HOIANA, in Vietnam. We are working hard to ensure that HOIANA will be ready to welcome our firsts guests in the preview in summer. All of these set the stage for 2020 and beyond to become transformative years ahead for Suncity.*

*I would also like to take this opportunity to update my fellow shareholders that the highly-anticipated grand opening of HOIANA is now scheduled to happen in 2021, with an exclusive preview of HOIANA in summer 2020 as a consequence of the uncertainties brought by coronavirus. Suncity's investment in Vietnam is intended to stay for a very long time. Now, there may be flight and visa disruptions to Vietnam; however, our long-term confidence towards the Vietnam market remain positive, as seen as Vietnam's extraordinary growth*



*prior to the pandemic. With Suncity extensive platform and expertise, I am confident that we will transform HOIANA into a benchmark for excellence in South East Asia.*

*In summer 2020, we will unveil HOIANA Phase 1 for the first time ever in an exclusive preview, with the grand opening now scheduled in 2021. HOIANA will feature an integrated resort with a casino that holds live table games, electronic gaming machines, Asian delights & other international cuisine with more than 1,000 hotel rooms. HOIANA will offer guests authentic Vietnamese experience embellished with sun, sea and sand. This is a very exciting time for myself to witness my vision for Suncity to sprout from ground zero into a truly integrated resort – a metamorphosis for Suncity. This year, we will also be completing the upgrade works of Tigre de Cristal Phase 1 in Vladivostok, Russia, where a Suncity branded VIP room will be introduced in the Russia Federation for the first time ever. I am also thrilled to be conducting the groundbreaking ceremony of the Westside City Project in Manila soon, marking a new chapter for Suncity’s presence in Asia. With a few years down the line, I envision Suncity’s integrated resort portfolio to be extended all over the key Asian jurisdictions, rivalling peers ahead of us today.*

*Finally, I would like to extend my gratitude to all government officials and medical staff for combating the virus around the world. I would also like to thank our valuable team members for their hard work striving to create strides in this challenging yet exciting times; and, for their patience to grow together with the company. I hope you are as excited as I am to embrace 2020.*

**Mr Chau Cheok Wa**

Chairman

Suncity Group Holdings Limited

**Market Overview**

In 2019, the key gaming jurisdictions Suncity has invested in delivered solid growth. GDP in Vietnam grew 6.5% year-on-year to USD261.6 billion<sup>1</sup> in 2019. Total investment reached 26.3% of Vietnam’s GDP. Vietnam has delivered extraordinary visitation growth in 2019, total international arrivals increased by 16.2% year-on-year to 18 million visitors<sup>2</sup>. In particular, the area of Danang and Hoi An served as a hub for international tourism as quality tourism products such as five-star hotel rooms, long pristine beaches, UNESCO World Heritage sites and newly built tourist attractions, are now made available. In the Philippines, GDP grew 5.7% year-on-year to USD356.8 billion<sup>1</sup> in 2019. Gross Gaming Revenue (GGR) for casinos in the Philippines grew 15.4% year-on-year to PHP216.4 billion (USD4.3 billion) in 2019, making the Philippines one of the best performing gaming jurisdictions in Asia. In Vladivostok, Russia, Tigre de Cristal continues to be the only operating integrated resort in the Primorye IEZ region in 2019. Chinese visitation entering the Russia Federation increased by

---

<sup>1</sup> International Monetary Fund, World Economic Outlook database, October 2019

<sup>2</sup> Vietnam National Administration of Tourism



太陽城集團  
SUNCITY GROUP

SUNCITY GROUP HOLDINGS LIMITED

太陽城集團控股有限公司

16.9% year-on-year in the first six months of 2019<sup>3</sup>. Gross gaming revenue in the Primorye region in Russia increased 0.09% to USD103 million.

The gaming and tourism market in Macau went through periods of ups and downs in 2019. Visitor arrivals to Macau increased by 10.1% year-on-year to 39.4 million in 2019<sup>4</sup>. Overnight visitors accounted for 47.8% of total visitation. However, the Macau market continued to experience disruptions in transport, flights and visas since the virus outbreak, coupled with the ongoing trade issues between China and the US, a slowing global economy, RMB fluctuations and disruptions from Hong Kong in 2019. GGR in Macau declined by 3.4% year-on-year to MOP292.5 billion<sup>5</sup> (USD36.6 billion).

### Group Financial Results

The Group recorded a loss for the year attributable to owners of the Company of RMB1,484.3 million in 2019 that represents a slight increase as compared to the loss for the year attributable to owners of the Company of RMB1,458.5 million in 2018.

The loss for the year attributable to owners of the Company in 2019 was mainly attributable to (i) the loss of approximately RMB521.7 million in respect of the change in fair value of derivative financial instruments; (ii) impairment on interest in an associate of RMB197.7 million; (iii) the loss on deemed disposal of subsidiaries of approximately RMB152.0 million; (iv) the loss of approximately RMB112.8 million in respect of the change in fair value of the investment properties; (v) the share of loss of a joint venture of approximately RMB82.2 million; and (vi) the loss on deemed partial disposal of equity interest of an associate of approximately RMB60.4 million.

**Revenue:** Revenue was derived from (i) property development, (ii) property leasing, (iii) provision of hotel and integrated resort general consultancy services, (iv) provision of travel related products and services, and (v) other revenue. Revenue for the year under review was approximately RMB611.8 million, decreased by approximately RMB180.8 million when compared to approximately RMB792.6 million for last year. The decrease was mainly attributable to the decrease in revenue from the property development segment.

- i. **Property development** – The Group delivered residential units in the aggregate Gross Floor Area (“GFA”) of approximately 621 m<sup>2</sup> (2018: 2,981 m<sup>2</sup>), including high-rise building units of approximately 621 m<sup>2</sup> (2018: 1,475 m<sup>2</sup>), luxury high-rise building units of nil m<sup>2</sup> (2018: 279 m<sup>2</sup>) and villa of nil m<sup>2</sup> (2018: 1,227 m<sup>2</sup>). As a result of the decrease in sale of GFA, revenue for 2019 decreased by approximately RMB158.5 million to approximately RMB18.9 million.
- ii. **Property leasing** – The revenue represented rental income and property management services income from the leasing of Gang Long City Shopping Centre. It recorded a decrease from RMB52.6 million for the year ended 31 December 2018 to approximately RMB44.8

---

<sup>3</sup> Federal Agency for Tourism, Ministry of Economic Development for the Russian Federation

<sup>4</sup> Macao Government Tourism Office

<sup>5</sup> Gaming Inspection and Coordination Bureau, Macao SAR



million this year under review resulting from the continual decrease in occupancy rate from 67% to 60%.

- iii. **Hotel and integrated resort general consultancy services** – Hotel and integrated resort general consultancy services commenced since the second half of 2017 and the Group entered into technical service agreements with integrated resorts in Vietnam and Cambodia, revenue for the year under review was approximately RMB14.5 million in 2019 (2018: RMB19.8 million).
- iv. **Travel related products and services** – Revenue mainly represented the sale of hotel accommodation products and travel agency service income, the decrease in revenue for 2019 was mainly attributable to the slight decline in demand of hotel accommodation products in the fourth quarter of 2019 as compared to last year.
- v. **Other revenue** – Other revenue mainly represented the provision of property management services and transportation services in the Philippines which was attributable to Suntrust Home Developers, Inc. (“**Suntrust**”) and its subsidiaries, collectively referred to as “**Suntrust Group**” acquired by the Group in the fourth quarter of 2019.

## Cash Position

Bank balances and cash, pledged bank deposits and restricted bank deposits, in aggregate, as at 31 December 2019 amounted to approximately RMB289.0 million (31 December 2018: RMB103.1 million).

## Development Update

### *HOIANA, Vietnam*

Construction works of the superstructure of HOIANA Phase 1 have almost been completed. The first phase of HOIANA spans over 165 hectares, featuring a casino that holds live table games, electronic gaming machines, Asian delights & other international cuisine, a designer golf course and more than 1,000 hotel rooms. Due to coronavirus disruptions to businesses, full opening of HOIANA is scheduled to happen in 2021 while an exclusive preview will be held in summer 2020. Despite the short-term business disruptions brought by the pandemic, Suncity Group is set for long-term growth when HOIANA opens for business.



*HOIANA construction update: The superstructure has been built with 4km coastline as its backdrop. HOIANA Shores Golf Club is now opened for operations*

Major highlights in HOIANA Phase 1 include:

- Four hotels offering over 1,000 rooms, suites and villas, including the all-suite Hoiana Hotel & Suites that offers personalised 24-hour butler service; New World Hoiana Hotel & Residences, a hotel that caters for both short-term and long-term stays with deluxe accommodation; KHOS Hoiana, a brand-new hospitality concept that combines tastefully appointed guest rooms with free-flowing social hubs; and, Rosewood Hoi An (to be opened later), luxurious villas that offer an inspirational journey of discovery for travellers, a perfect match with Rosewood Hotels & Resorts A Sense of Place<sup>®</sup> philosophy;
- A 4km coastline with panoramic sea view, where a unique Beach Club is being built, offering authentic sun, sea, sand and entertainment;
- An 18-hole golf course, designed by the famous architect Robert Trent Jones Jr. The golf course has officially opened on 2 March 2020;
- A wide array of F&B and retail brands, along with exciting performances and entertainment activities for both gaming and non-gaming guests.

Suncity Group is confident that HOIANA will become the finest entertainment hub in Southeast Asia, bringing positive benefits and sustainable development to its shareholders.

#### *Tigre de Cristal, Russia*

In addition to the existing offerings in Tigre de Cristal Phase 1, we are now adding a Suncity branded VIP room, a new hotpot restaurant, a Chinese noodle bar and a Korean BBQ restaurant, tailored to North-Eastern Chinese and Korean customers. The renovation of Phase 1 should be ready in summer 2020. Plans for Tigre de Cristal Phase 2 are being designed and we will provide further details later.



### *Entertainment City, Philippines*

Piling works are being constructed on the construction site and we are now working on the architectural design of the hotel and casino for the allocated portion of the Westside City Project, located in the heart of Entertainment City, Manila, Philippines. The project is only 8 minutes from the Ninoy Aquino International Airport in Manila.

The main casino hotel will have a total gross floor area of 182,000 sqm, projected to be opened before 2023. The main casino hotel will consist of:

- Approximately 400 gaming tables
- Approximately 1,200 slot machines
- 400 five-star hotel rooms
- 960 car park spaces
- Pool club & leisure club etc.

The final product will be integrated with the shopping malls, theatres, restaurants, and shopping streets, etc. to be built by Westside City Resorts World Inc., including 2,000 additional hotel rooms, a shopping mall, a Grand Opera House, restaurants and theatre district and an additional of approximately 2,000 car park spaces.

### *Other international locations*

In South Korea, Suncity signed a non-legally binding MOU with Paradise Co. for potential cooperation in Busan. In Japan, we purchased a scenic piece of land near the airport in Miyako Islands, Okinawa, with plans to develop 40 villas and 100 hotel rooms. Suncity also signed management agreements with HOIANA and integrated resort operators in Vietnam and Cambodia, where Suncity offers consultancy services in integrated resort operations in exchange for management fees. There is no need to contribute capital in management agreements.

Suncity Group is also actively exploring international opportunities in the gaming and entertainment space, including Japan. Together with our local partner, Suncity aims to bring a world-class integrated resort tailored to the Japanese market.

With rapid development in the gaming industry in these jurisdictions, Suncity envisions ourselves to become a leading integrated resort operator in Asia in a couple of years.

### **Outlook**

Ever since the coronavirus epidemic turned into a pandemic, the virus has spread to multiple countries across the globe. We are grateful that the Central Government has dedicated resources and efforts to combat the virus early on. Many countries have since imposed measures to contain the virus for the greater good of their citizens. Locations where Suncity has dedicated resources in



such as Macau, Vietnam, Russia, Philippines, South Korea etc. have now imposed restrictions on travels. For the time being, we have already seen lockdowns, travel bans, flight cancellations as well as a drastic decline in travel demand, which has impacted countless industries, and the gaming sector is not spared.

The coronavirus has rattled HOIANA's opening plans. International flights to Vietnam were cancelled; visas were temporarily suspended; visitors who visited other countries would have to be quarantined. For a project investing over USD4 billion in total, with Phase 1 already invested over USD1 billion, the impact is undeniably substantial. From slower construction progress, as expat workers need to go under quarantine returning from home; to rescheduling inspections by the government, these inevitable consequences of the coronavirus have a knock-on impact on the proposed opening date. Even if HOIANA opens according to the original plan, the visa ban and flight cancellations would have a domino effect on the number of visitors. In light of this, Suncity and our investment partners have decided to set the grand opening date to be in 2021, with an exclusive preview targeting summer 2020. In HOIANA, we have implemented cost control measures without adversely affecting customer experience. We view the impact of coronavirus as a one-off blip. We are confident that the fundamental demand for entertainment in Asia is still strong as penetration rate is low. Suncity remains confident in the long-term growth opportunities of the gaming & entertainment industry in Vietnam. We expect that business should gradually resume once the pandemic normalises after the preview of HOIANA in summer.

Plans in Tigre de Cristal in Russia has also been affected by the coronavirus. Tigre de Cristal is temporarily suspending its casino operations from 28 March to 5 April 2020, while the hotel will continue to operate on a limited capacity. Inevitably, businesses will be affected during this period. Tigre de Cristal has been performing solidly in mass and slots segments, even before the establishment of a Suncity room. The addition of a new Suncity's VIP room as well as new restaurants to an already EBITDA-positive property enhances its profitability, similar to adding icing on a cake. The impact of the coronavirus in the Westside City project in Manila was not as direct since operations have not yet started. Currently, we are conducting piling works at the site and progressing with architectural designs. Rome is not built in a day, a lot of planning and works have to be done prior to the official opening. Suncity remains long-term optimistic in the markets we invested in. When the pandemic situation is under control globally, we are strong believers that our customers will love the integrated resort products that we crafted for them.

It is still premature to determine the exact duration of coronavirus; thus, it is difficult to estimate a full financial impact. Fortunately, flexibility is at the core of Suncity's corporate strategy. When business is back on track, we can go back to what we have been best at targeting at – the Asian consumers. Suncity's has been good at marketing, event promotions, and by leveraging on Suncity's customer database and platform across the board, we are optimistic that we will become a leader in entertainment in Asia. Whilst we strive to expand in jurisdictions that allow gaming, we manage jurisdiction risk meticulously.

For Sun Travel, improving infrastructure such as the Hong Kong-Zhuhai-Macau Bridge, the Light Rail Transit and improved connectivity with Chinese cities set as the foundation for a further surge in demand for travel & hotels within the Greater Bay Area. Although short-term uncertainties such as the pandemic, US-China trade issues, RMB fluctuations and potential disruptions in Hong Kong may



prevail, we remain confident towards the improved visitation outlook in the Greater Bay Area.

We will continue to work towards to become a leader in the travel and integrated resort industry.

**Selected Awards**

Awards	Institution
<b>SUNCITY GROUP HOLDINGS LIMITED</b>	
The Best Investor Relations Case Study Award	3 <sup>rd</sup> Annual China Excellence IR IRSC International Road Show Centre
<b>HOIANA, VIETNAM</b>	
Best New Golf Course in Asia Pacific 2019	Asia Golf Awards
Best Golf Course in Vietnam	USA Golf Digest
Top 100 Golf Course of the Asia Pacific	Asia Pacific by Cloud Golf, China
<b>TIGRE DE CRISTAL, RUSSIA</b>	
Top 5 nominees of “Russia’s Leading Resort 2019”	World Travel Awards



太陽城集團  
SUNCITY GROUP

SUNCITY GROUP HOLDINGS LIMITED  
太陽城集團控股有限公司

### **About Suncity Group Holdings Limited (HKEx stock code: 1383)**

Suncity Group Holdings Limited (“Suncity” or the “Group”) is en-route to become a leading integrated resort operator in Asia. Originated from Macau, Suncity develops, operates and manages integrated resorts across Asia, including Vietnam, Philippines, Russia, Japan and South Korea etc.

HOIANA is the first flagship integrated resort that Suncity jointly develop with our investment partners. Located in Central Vietnam, HOIANA is only 35 minutes away from the Danang International Airport and is located near to top tourist attractions in Danang and Hoi An. HOIANA is a world-class integrated resort with branded hotels, state-of-the-art gaming floors, multiple F&B restaurants, award-winning golf course and long pristine beaches.

Suncity is the single largest shareholder of Summit Ascent Holdings Limited (HKEx: 102), and participates in the development of future phases of Tigre de Cristal Resort in Vladivostok, Russia. Suncity is also the controlling shareholder of Suntrust Home Developers, Inc. (PSE: SUN), who is going to co-develop Westside City project in the heart of Entertainment City in Manila, the Philippines. The Group also offers consultancy services to large scale integrated resorts in Asia. In addition, the Group operates in the travel related product and services segment and the property segment.

Adhering to the spirit of “Innovating With Diversity, Striving For Success”, Suncity Group spared no effort to develop entertainment and integrated resort products. Originated from Macau, Suncity Group actively explores integrated resort opportunities around the world.

For more information about the Group, please visit <http://www.suncitygroup.com.hk/?lang=en>

### **For Media & Investor Enquiries:**

#### **Suncity Group Holdings Limited – Investor Relations**

Ms Winnie Lei

Tel: +852 2598 1180

Email: [ir@suncitygroup.com.hk](mailto:ir@suncitygroup.com.hk)