



SUNCITY GROUP HOLDINGS LIMITED

REPORTS UNAUDITED INTERIM RESULTS FOR 1H 2020

SUCCESSFULLY OPENED HOIANA FOR PREVIEW ON 28 JUNE 2020 TIGRE DE CRISTAL CLOSED IN Q2; REOPENED IN JULY SUNCITY EN-ROUTE TO BECOME A LEADING IR OPERATOR IN ASIA

Hong Kong, 28 August 2020 – Suncity Group Holdings Limited (“Suncity”, the “Group” or “Company”) (Hong Kong Stock Exchange code: 1383) today reported selected unaudited financial data for the six months ended 30 June 2020. All amounts are expressed in RMB unless otherwise stated.

INTERIM 2020 UNAUDITED RESULTS HIGHLIGHTS

Suncity 1H 2020 Review: Flagship Integrated Resort Hoiana opened for Preview amidst COVID-19

- Hoiana successfully opened to the public for the first time ever in an exclusive preview on 28 June 2020 amidst COVID-19; Business hindered by severe travel restrictions
- Tigre de Cristal was mandated to close from 28 March and was only allowed to reopen from 16 July onwards due to COVID-19; Business hindered by severe travel restrictions
- Suntrust Home Developers, Inc. (PSE: SUN) is now approved as a Philippine-listed travel business. When Westside City Project is ready it will be a Philippine-listed integrated resort operator
- Being the Underwriter of the Rights Issue of Summit Ascent (HKEx: 102) may lead to Suncity acquiring further stakes in Summit Ascent, and may ultimately take control

Group & Segmental Results: Significant Reduction in Loss; However, Revenue Impacted by COVID-19

- 2020 first half revenue of RMB93.7 million, down 70% YoY
- 1H Group Gross Profit of RMB28 million, down 46% YoY
- Loss attributable to owners of the Company was RMB118.6 million, a significant reduction in loss by of 91% YoY, compared to RMB1,254.2 million in 1H 2019
- Travel Related Product & Travel Agency Services Segment 1H revenue of RMB67.7 million, down 74% YoY
- Hotel & Integrated Resort General Consultancy Segment 1H revenue of RMB6.9 million, down 3% YoY

Hoiana: Initial Feedback from Guests on Hoiana Positive; Only 3-days of Operations Reported in 1H 2020 in Harsh Operating Environment

- Initial feedback from guests positive as they like Hoiana’s hospitality and facilities
- Businesses impacted by COVID-19 travel restrictions; Recorded negative gross gaming revenue of USD(1.5) million for the first 3-days of operations in 1H 2020
- Gaming EBITDA was USD(3.04) million for the first 3-days of operations in 1H 2020
- After the reporting period, Hoiana recorded positive gross gaming revenue in both July and August

Tigre de Cristal: Fair Results Given Q2 2020 was Mandated to be Closed as per Government Request

- Given COVID-19 situation in Russia, Tigre de Cristal was mandated to suspend operations from 28 March and was only allowed to be reopened from 16 July 2020 onwards
- 1H gross gaming revenue of HKD124.7 million, down 71% YoY
- 1H Adjusted Property EBITDA of Tigre de Cristal for 1H 2020 was HKD(22.1) million
- After the reporting period, Tigre de Cristal recorded MoM growth in July and August in all gaming metrics



INTERIM 2020 UNAUDITED RESULTS HIGHLIGHTS (con't)

Development Updates: Clear Roadmap for Integrated Resort Development in Asia

- Vietnam: Grand Opening of Hoiana now scheduled to 2021
- Russia: Restarted upgrade works in Tigre de Cristal Phase 1; Moving forward with plans for Phase 2
- Philippines: Piling works restarted as COVID-19 halted works previously; Architectural design ongoing in Westside City Project
- Japan: Moving forward with plans to develop 40 villas and 100 hotel rooms on Miyako Island
- Other international locations: Actively exploring other overseas markets

Balance Sheet: Strong Support from the Main Shareholder; Enhanced Group's Net Asset Position after the Reporting Period by Exchanging Shareholder Loans into Perpetual Securities

- Bank balances and cash of RMB1.66 billion as at 30 June 2020
- Main Shareholder Mr. Chau Cheok Wa fully supported the Group by offering unconditional shareholder's loans to the Group. After the reporting period, on 18 August 2020, Mr. Chau exchanged his shareholder's loans into perpetual securities, which enhance the Group's net asset position, enlarge its capital base and reduce its gearing subsequently

A Letter from Mr. Chau Cheok Wa, Chairman

Dear fellow shareholders,

It was undoubtedly a tough first half of the year as COVID-19 pandemic has been bombarding all parts of the economy – travel bans, businesses halt, stock markets dwindle. COVID-19 was one of the worst crises seen in humanity in decades. Not all is gloom though, as every cloud has a silver lining. Among which our flagship integrated resort Hoiana welcomed our first customers during the preview on 28 June 2020. It was one of my regrets that I could not be present to witness the preview ribbon-cutting in Hoiana as a result of the virus. The Hoiana team on the ground deserves all the applause for making the preview on 28 June a reality. In addition, I would like to extend my heartfelt gratitude to the researchers, medical practitioners and world leaders for their hard work in combatting this novel invisible monster to mankind. I am also thankful to the Chinese Government for being able to turn China's economy around so quickly, and to the Macau SAR Government for working hard to get Macau back to business. If the initial travel bubble is successful, I am sure this will set an example to the rest of the world. When the storm is over, the moon always looks brighter and clearer.

COVID-19 has been an unexpected challenge. Four years in the making and ten years in the planning, just about when Hoiana was ready, unfortunately we encountered the virus head-to-head. Given difficult business operating situations, coupling with COVID-19 restrictions, we could have postponed the Hoiana preview. However, keeping our word



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that Hoiana was ready to be unveiled in summer 2020 was high on our agenda, so that our 2,800 team members could continue their journeys with us in Vietnam. Together, we only had one goal – to make the Hoiana dream a reality.

Against all odds, Hoiana made a successful exclusive preview on 28 June 2020. We were thrilled to receive positive initial feedback from our customers, as they cited their fondness on Hoiana’s hospitality and services. Today, Suncity’s logo is displaying high in air in the mass gaming floor of Hoiana Suncity – a first time for Suncity Group. Previously, Suncity was nobody in the integrated resort scene. Now we own gaming licenses, integrated resorts as well as a proprietary customer database built over years in travel operations. I trust that the best is yet to come. The preview of Hoiana was meant to an appetiser. The main course, the Grand Opening, will be ready in 2021 when the pandemic situation settles.

COVID-19 has not only affected Hoiana, it has affected our other jurisdictions too. In Vladivostok, Russia, Tigre de Cristal was mandated to close its doors for the entire second quarter in 2020. As such, the whole second quarter of Tigre de Cristal was running on near-zero revenues. I would also have attended the ground-breaking ceremony for Westside City Project in Manila should the pandemic did not exist. Policies by Governments across borders vary which made it an impossible task to determine how much COVID-19 could cost exactly to Suncity in the short-term. Nevertheless, there were also bright spots: Macau was back to tourism business again to IVS travellers; Hoiana was never mandated to suspend operations; Tigre de Cristal was finally allowed to be reopened from 16 July onwards; there was no operational impact on Westside City Project. I am also pleased to report that during the first half of 2020, Suncity was able to narrow its losses by 91%.

I would also like to reinforce the message to our shareholders that Suncity Group Holdings Limited remains well-funded. I personally fully supported the development of Suncity by dipping my own pockets to subscribe Perpetual Securities of the Group, because I sincerely believe in the long-term development of Suncity, and I am not worried about Suncity’s ability of not repaying me. Suncity remains committed to international integrated resort development projects, including but not limited to: Hoiana, in Vietnam; Tigre de Cristal, in Russia; Westside City Project, in the Philippines; as well as hotel & resort development in Miyako Islands, Japan.

In times of difficulties, it is time for solidarity. As a constructive member of the society, the number one thing for Suncity to focus on is our employees, customers and the community. On top of monetary donations, Hoiana has also donated face masks, education support and food supply to the local Vietnamese children and medical centres through our foundation known as Hoiana Cares. Despite acute operating situations, we implemented a stringent cost-control programme without significantly affecting customer experience, such as offering split shifts, offering work from home possibilities for those stranded overseas and flexibly allocating resources to be shared among departments etc.

Finally, I would like to extend my gratitude to all government officials and medical staff for combatting the virus. I would also like to thank our valuable team members for their hard



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work striving to create strides in this challenging yet exciting times; and, for their patience to grow together with the company. 2020 may be tough, yet we passed every single hurdle that was laid ahead of us previously. I am certain that this time is no different.

Mr Alvin Chau Cheok Wa
Chairman
Suncity Group Holdings Limited

Market Overview

As expected, all jurisdictions that Suncity has exposure in, were affected by COVID-19 in varying degrees as tourism was heavily disrupted in the first half of 2020.

In Vietnam, between January and June 2020, Vietnam served more than 3.74 million¹ international tourist arrivals, down 55.8% year-on-year, with arrivals by air at over three million (down 54.3%), by road at nearly 600,000 (down 66.8%) and by sea at more than 144,000 (up 3.7%). GDP in the first six months of 2020 was estimated to increase by 1.8% over the same period last year, the lowest six-month growth rate in the past decade.

In Russia, the Russian Government stopped all tourist arrivals from 16 March² with limited international flights resumed only until July. The issuance of tourist visas, including visas in the form of an electronic document, has also been temporarily suspended. All non-essential businesses were mandated to close from 28 March and were allowed to be reopened gradually from July onwards. In Russia, GDP declined 4.2% in the first half of 2020.

In the Philippines, all integrated resorts were required to be closed from 15 May 2020 onwards and were not offered a green light for reopening yet. All airports in the Philippines were close from 3 May to 9 May 2020. Foreign arrivals down 54%³ year-on-year between January to April 2020 to 1.32 million. GDP in Philippines declined by 0.7%⁴ and 16.5% in the first and second quarter of 2020 respectively.

In Macau, gross gaming revenue for the first half of 2020 was MOP33.7 billion, down 77.4% year-on-year. Immigration and quarantine measures were introduced and have impacted arrivals and hotel occupancy rate. Total tourism arrivals between January to June 2020 decreased 83.9% year-on-year to 3.2 million. The average occupancy rate in Macau in the first half of 2020 was 27.2%, down 63.9 percentage points year-on-year.

¹ General Statistics Office of Vietnam

² Russia Federal Agency for Tourism

³ Department of Tourism, Philippines

⁴ Philippines Statistics Authority



Group Financial Results

The Group recorded a loss attributable to owners of the Company of RMB118.6 million for the six months ended 30 June 2020 that represents a significant reduction of loss by 90.5% as compared to the loss attributable to owners of the Company of RMB1,254.2 million for the six months ended 30 June 2019.

The loss attributable to owners of the Company for the six months ended 30 June 2020 was mainly attributable to (i) loss of approximately RMB333.2 million in respect of the change in fair value of the investment properties; (ii) impairment on interest in an associate of approximately RMB47.4 million; (iii) share of loss of a joint venture of approximately RMB90.1 million; and (iv) finance costs of approximately RMB192.6 million, partially offset by gain in respect of change in fair value of derivative financial instruments of approximately RMB588.2 million.

Revenue

Revenue for the period under review was approximately RMB93.7 million, decreased by approximately RMB213.3 million or 69.5% when compared to approximately RMB307.0 million for the corresponding period in 2019. The decrease was mainly attributable to the decrease in revenue from the travel related products and services segment.

- i. **Property development** – The Group delivered residential units in the aggregate Gross Floor Area (“GFA”) of approximately nil (six months ended 30 June 2019: 621 m²), including high-rise building units of approximately nil m² (six months ended 30 June 2019: 621 m²). Since there are no units delivered during the six months ended 30 June 2020, no revenue was recognised during the period under review.
- ii. **Property leasing** – The revenue represented the rental income and property management services income from the leasing of Gang Long City Shopping Centre. It recorded a slight decrease from RMB23.4 million for the six months ended 30 June 2019 to approximately RMB19.1 million for the period under review resulting from the continual decrease in occupancy rate from 66% to 59%.
- iii. **Hotel and integrated resort general consultancy services** – The Group entered into several technical service agreements and casino management agreement with integrated resorts since 2017, therefore generated revenue of approximately RMB6.9 million for the period under review (six months ended 30 June 2019: RMB7.1 million).
- iv. **Travel related products and services** – Revenue mainly represented the sales of hotel accommodation products and travel agency services income. Due to the outbreak of COVID-19, there has been a significant impact on the Group’s travel and tourism related business in the first half of 2020, the Group recorded a substantial decrease in revenue from this segment by approximately RMB190.0 million to approximately RMB67.7 million in current period (six months ended 30 June 2019: RMB257.7 million).

Cash Position



Bank balances and cash, pledged bank deposits and restricted bank deposits, in aggregate, as at 30 June 2020 amounted to approximately RMB1,667.3 million (31 December 2019: RMB289.0 million).

Hoiana Gaming Statistics

Hoiana was only opened for 3 days during the period after the exclusive preview opening. Unfortunately, Hoiana opened right in the centre of the pandemic when international travel restrictions were in place. Hoiana recorded negative gross gaming revenue for the first three days of operations. Given sample size was small, the three-day operations in Hoiana could not truly reflect the expected performance of the newly-opened integrated resort. We continue to ramp up the property to prepare more VIP rooms, hotel rooms, additional food & beverage and retail outlets to be ready for the Grand Opening in 2021.

After the reporting period, Hoiana recorded positive gross gaming revenue in both July and August.

Gaming Statistics

	<u>For the 3-day period from 28</u> <u>June to 30 June 2020</u>
	(USD'000)
Rolling Chip Volume	47,256
Win Rate %	(3.5%)
Win	(1,674)
Mass Table Drop	174
Win Rate %	39.7%
Win	69
Electronic Gaming Volume	973
Win Rate %	11.0%
Win	107

Tigre de Cristal Gaming Statistics

Tigre de Cristal has followed the suggestions of the Russian government by suspending its gaming operations from 28 March 2020 until its reopening from 16 July 2020 onwards. The hotel operations of Tigre de Cristal continued to serve in a limited capacity during the period of suspension. Adjusted Property EBITDA of Tigre de Cristal for 1H 2020 was HKD(22.1 million) (1H 2019: HKD108.5 million).



After the reporting period, Tigre de Cristal recorded month-on-month growth in July and August in all gaming metrics.

Gaming Statistics

	1H 2020 (HKD million)	1H 2019 (HKD million)
Rolling Chip Volume	1,192	8,360
Win Rate %	4.2%	3.1%
Win	50	256
Mass Table Drop	141	350
Win Rate %	24.1%	22.0%
Win	34	77
Electronic Gaming Volume	810	1,645
Win Rate %	5.1%	5.5%
Win	41	91

Development Update

Hoiana, Vietnam



Hoiana has successfully completed its exclusive preview opening on 28 June 2020. The preview opening includes the mass gaming floor on the ground floor of the casino, rooms in Hoiana Hotel & Suites, F&B facilities and some retail outlets. Hundreds of guests were invited to the event. The



casino ground floor is now operational. Hoiana has now officially entered the exclusive preview phase.

As COVID-19 continues to overhang, international travel restrictions plague casino revenue opportunities. This has affected our original marketing and promotion plans to international tourists as the target audience has been temporarily shifted to foreign passport holders' domestic market. Once restrictions are lifted, we are confident that international tourists will return to Danang and Hoi An area.

Given current market situation, hotel rooms will be rolled out in phases according to the demand of the market to balance cost and benefits.

Tigre de Cristal, Russia

In addition to the existing offerings in Tigre de Cristal Phase 1, we are now adding a Suncity VIP room, a new hotpot restaurant, a noodle bar and a Korean BBQ restaurant, tailored to our customers. We are also planning to add a hotel extension of 34 rooms to the existing 121 rooms. As Tigre de Cristal was mandated to close in Q2 2020 and was only allowed to restart with restrictions from 16 July 2020, the renovation works were expected to be ready by the end of this year.

Tigre de Cristal Phase 2 is in the process of planning.

Westside City Project, Philippines

Given border restrictions in the Philippines, piling works were only restarted in June 2020. Architectural design works of the hotel and casino is still in progress.

The main casino hotel will have a total gross floor area of over 200,000 sqm, projected to be opened in 2023. The main casino hotel will consist of:

- Approximately 400 gaming tables
- Over 1,200 slot machines
- Over 470 five-star hotel rooms
- Over 1,000 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 Japan, Suncity 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 another integrated resort operator in Vietnam, where Suncity offers consultancy services in integrated resort operations in exchange for management fees.

Suncity Group is also actively exploring international opportunities in the gaming and entertainment space.

Outlook

We are very pleased to see the initial relaxation of IVS policy between Macau and Guangdong Province starting from 26 August 2020; and subsequently for all other provinces in China from 23 September onwards. This is the “travel bubble” that we all had hoped for – a positive sign that tourism demand for high quality tourism and entertainment will not cease because of the pandemic. The Group believes that once the “travel bubble” between Macau and China is proven successful; as well as when COVID-19 in nearby countries are progressively under control, the opening of the borders will be at an international level. In that case, countries where Suncity has invested in such as Vietnam, Philippines and Russia etc. will no longer be restricted by quarantine, flights or visa constraints.

With years of planning and construction ahead of the actual opening, unfortunately, the Group’s flagship property Hoiana was finally for ready for a preview at a time when the pandemic was in full swing. Therefore, the gaming statistics of Hoiana reported for this interim results announcement could not truly reflect how Hoiana has turned barren land into a fully-fledged tourism destination of its own. When travel is no longer hindered by COVID-19, the long beaches, white sand and exhilarating entertainment in Hoiana would appeal to our Asian customers. Hoiana offers one of the best integrated resort locations in South-East Asia. While the pandemic continues to impede Hoiana’s performance post-preview opening, we remain hopeful that the situation would have been improved when we cut the ribbon for Hoiana’s Grand Opening in 2021.

In the meantime, the Group has implemented a stringent cost control program across the board. For example, split shifts and flexible working were implemented in Hoiana, Vietnam; and in Tigre de Cristal, Russia, without significantly affecting customer experience. The Group continues to progress at full speed on various projects across Asia, such as resuming progress in Phase 1 upgrade in Tigre de Cristal, as well as continuing architectural design works in the Westside City Project in the Philippines. When the pandemic is over, the Group is well-positioned to capture the growth in entertainment demand in Asia, thanks to the strengthened network of projects and the Group’s access to our proprietary customer database in Sun Travel.

The Group continues to evaluate various integrated resort projects in Asia whilst we remain optimistic in the sector in the very long term.



Selected Awards

Awards	Institution
SUNCITY GROUP HOLDINGS LIMITED	
All Asia Executive 2020 Honored Company	Institutional Investor
The Best Investor Relations Case Study Award	3 rd Annual China Excellence IR IRSC International Road Show Centre
HOIANA, VIETNAM	
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
TIGRE DE CRISTAL, RUSSIA	
Top 5 nominees of “Russia’s Leading Resort 2019”	World Travel Awards



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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, the Philippines, Russia, and Japan.

Hoiana is the first flagship integrated resort that Suncity jointly develops 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>

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