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SUN CENTURY GROUP LIMITED

太陽世紀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING RELATING TO PROVISION OF CONSULTANCY AND MANAGEMENT OF INTEGRATED RESORT PROJECT IN VIETNAM

Reference is made to the announcement (the “**Announcement**”) of Sun Century Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 July 2016 in relation to, among others, updates on business development of the Group. As disclosed in the Announcement, by integrating its hotel consultancy service business, the Group plans to provide consultancy, advisory and technical services for large scale resorts and/or gaming and entertaining facilities in places with rapid growth in the tourism industry.

This announcement is made by the Company pursuant to Rule 13.09 of The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 27 February 2017, Suncity Group Management and Consultancy Limited (the “**Management Subsidiary**”), an indirect wholly owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with an independent third party (the “**Project Owner**”), regarding the provision of consultancy and management services to an integrated resort project to be developed by the Project Owner in Vietnam (the “**Project**”).

THE MOU

Date: 27 February 2017 (after trading hours)

Parties:

- (i) The Management Subsidiary
- (ii) The Project Owner

The Project Owner is a company incorporated in Vietnam and as represented by the Project Owner, it owns the development right of an integrated resort project in Vietnam. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Project Owner and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Major terms of the MOU

Pursuant to the MOU, the Management Subsidiary and the Project Owner shall negotiate in good faith with an aim to enter into a formal agreement relating to the provision of consultancy and management services (the "**Technical Service Agreement**") and a formal management agreement (the "**Management Agreement**") relating to the provision of consultancy and management services by the Management Subsidiary in respect of the Project.

The provision of consultancy and management services by the Management Subsidiary under the Technical Service Agreement and the Management Agreement in respect of the Project is in the ordinary and usual course of business of the Group.

It is contemplated that the services by the Management Subsidiary under the Technical Service Agreement shall include the Management's review of and providing advices regarding certain pre-opening matters provided that the actual scope of the Technical Service Agreement shall be subject to the actual terms of the Technical Service Agreement.

Subject to the terms and conditions of the Technical Service Agreement, the pre-opening consultancy service fee shall be US\$500,000 for an initial period of twelve months from the signing of the Technical Service Agreement.

Proposed term

Subject to the terms and conditions of the Management Agreement, the expected term of the Management Agreement shall commence from the opening of the Project and until the expiry of 10 years or termination of the investment registration certificate of the Project, whichever is earlier.

Exclusivity

From the date of the MOU until the execution of the Technical Service Agreement and the Management Agreement or the termination of the MOU (whichever is earlier), the Project Owner and its associate shall not directly or indirectly discuss, negotiate, solicit or enter into any understanding, agreement or arrangement with any person or entity other than the Management Subsidiary (or the designated subsidiary of the Company) relating to the management of the Project.

Forthwith upon the execution of the MOU, the Management Subsidiary is entitled to designate its advisors and agents to conduct such reasonable review and inspection of the assets, liabilities, operations and affairs of the Project.

Term of the MOU

The parties to the MOU shall negotiate in good faith towards the other with an aim that the terms of Management Agreement be entered into on or before the date falling 6 months from the date of the MOU (or such longer period as the parties may agree in writing) (the “**Long Stop Date**”).

Unless the parties agree to extend the term of the MOU, the MOU shall be terminated upon the occurrence of any of the following:

- (a) the parties mutually agree in writing to terminate the MOU; or
- (b) the Long Stop Date unless the parties have executed the Technical Service Agreement and Management Agreement on or before the same date.

Upon termination of the MOU, without prejudice to any rights of the parties under the executed Technical Service Agreement and Management Agreement, neither party to the MOU shall have any obligations and liabilities towards each other under the MOU.

The Board wishes to emphasise that the MOU does not constitute legally binding commitment in respect of the provision of management and consultancy services by the Management Subsidiary regarding the Project and the parties have not yet entered into of the Technical Service Agreement and the Management Agreement. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) may be made by the Company as and when appropriate in compliance with the Listing Rules.

By order of the Board
Sun Century Group Limited
Chau Cheok Wa
Chairman

Hong Kong, 27 February 2017

As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Ms. Yeung So Mui, Ms. Cheng Mei Ching, and Ms. Yeung So Lai; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.