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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)

PROFIT WARNING

This announcement is made by Suncity Group Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated financial information of the Group and the information currently available, the Group is expected to record a significant increase in its loss attributable to owners of the Company for the six months ended 30 June 2017 as compared with the loss for the corresponding period in 2016.

The anticipated significant increase in loss is mainly attributable to, including but not limited to, (i) a loss on change in fair value of derivative component of the convertible bonds of approximately RMB697.7 million; (ii) loss arising from and provision for litigations against two indirect wholly-owned subsidiaries of the Company established in the People’s Republic of China in the aggregate amount of approximately RMB411.8 million; (iii) an increase in income tax expense by approximately RMB99.0 million; and (iv) a gain from the reversal of impairment loss on trade and other receivables of approximately RMB150 million.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2017, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated financial information of the Group and has not been reviewed or audited by the auditor of the Company and may subject to change. Shareholders and potential investors are advised to read carefully the unaudited interim results announcement of the Company for the six months ended 30 June 2017, which is expected to be published on 28 August 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 August 2017

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.